Labor Force, Enrollment, and Earnings Gaps between Young Black Males and their Same-Age Peers in Bermuda

Dr. Ronald B. Mincy
and Eva C. Haldane
Center for Research on Fathers, Children and Family Well-Being
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The Labor Force

Most people between 16 and 30 years old in Bermuda are employed. About ten percent combine work with school.

Just over a fifth are not in the labor force, but of these most are full time students.

About seven and a half percent are unemployed.
Labor Force/Enrollment Status for Persons 16-30 Years Old

- Not in Labor Force: 51.2%
- Employed-Not Enrolled: 15.39%
- Employed-Enrolled: 10.35%
- Full-Time Student: 7.47%
- Unemployed: 61.67%
Labor Force Status of Young Bermudian Males by Race

Black Male Bermudian
- Unemployed: 3%
- Employed (Not enrolled in school): 15%
- Employed (Enrolled in School): 11%
- Full time Student: 9%
- Other Not in Labor Force: 62%

White Male Bermudian
- Unemployed: 2%
- Employed (Not enrolled in school): 23%
- Employed (Enrolled in School): 12%
- Full time Student: 6%
- Other Not in Labor Force: 57%
Labor Force Status of Young Bermudian Males by Race

- Young Black Bermudian men are somewhat more likely to be employed than their White Bermudian peers.
- The former are also somewhat less likely to be full-time students than the latter.
- Young Black Bermudian men have unemployment rates (11%) almost twice as high as their White Bermudian peers.
- Among those who are not in the labor force, most young Bermudian men are full-time students, though this is more true among White than Black Bermudian men.
- Few young Black Bermudian men are out of the labor force and out of school.
- Thus, “on the wall” may be an understandable misnomer in an economy with so much employment and educational opportunity; many Young Black Bermudian men may be unable to find the jobs they want, but they are still looking.
This means in the paper you should run an mnl on these categories to see how much education predicts being unemployed and not in the labor force. What will such an analysis tell you?

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Labor Force Status of Young Black Bermudians by Gender

**Black Male Bermudian**
- 62% Full time Student
- 15% Employed (Enrolled in School)
- 11% Employed (Not enrolled in school)
- 9% Other Not in Labor Force
- 3% Unemployed

**Black Female Bermudian**
- 57% Full time Student
- 16% Employed (Enrolled in School)
- 15% Employed (Not enrolled in school)
- 9% Other Not in Labor Force
- 3% Unemployed
Labor Force Status of Young Black Bermudians by Gender

- The labor force status of Young Black Bermudian men and women is similar.

- Except that young Black Bermudian men are less likely to combine school and work than their female peers.
Labor Force Status of Young Males Blacks and Non-Bermudian Whites

Black Male Bermudian
- Unemployed: 3%
- Employed: 62%
- Enrolled in School: 11%
- Full time Student: 9%

White Male Non-Bermudian
- Unemployed: 2%
- Employed: 80%
- Enrolled in School: 10%
- Full time Student: 5%
Labor Force Status of Young Males Blacks and Non-Bermudian Whites

- The labor force status of White non-Bermudian men is very different from other groups.
- The overwhelming majority of White non-Bermudian men are employed (and not enrolled in school).
Educational Distributions
Education Distribution of Young Bermudian Males by Race

**Black Bermudian Males**
- None or Low Education: 29%
- RSA: 9%
- BSS: 6%
- GCEO: 9%
- GCEA: 4%
- Technical Degree: 6%
- Associates Degree: 9%
- College or More: 6%

**White Male Bermudian**
- None or Low Education: 18%
- RSA: 7%
- BSS: 18%
- GCEO: 20%
- GCEA: 23%
- Technical Degree: 8%
- Associates Degree: 12%
- College or More: 6%
Education Distribution of Young Bermudian Males by Race

- Too many (about a quarter) of young Bermudian males have no or low educational credentials.

- This is only slightly more likely to be true among young Black Bermudian men than their same age peers.

- In many other respects the educational credentials of young Black and White Bermudian men are quite different.
Otherwise young Black Bermudian are concentrated at the lower end of the educational distribution

- As compared with their White Bermudian counterparts, the proportion of the young Black Bermudian men who have a
  - BSSC is more than twice as large;
  - GCEA is less than a third as large;
  - College degree or more is half as large.
Education Distribution of Young Bermudian Blacks by Gender

Black Bermudian Males
- 28% None or Low Education
- 6% RSA
- 6% BSS
- 9% GCEO
- 9% GCEA
- 4% Technical Degree
- 29% Associates Degree
- 6% College or More

Black Female Bermudian
- 16% None or Low Education
- 7% RSA
- 15% BSS
- 11% GCEO
- 9% GCEA
- 30% Technical Degree
- 6% Associates Degree
- 6% College or More
Education Distribution of Young Bermudian Blacks by Gender

- Young Black Bermudian men are almost twice as likely to have no or low education than Black Bermudian women.
- Except for this and higher education, young Black Bermudian men and women have similar educational credentials.
- Young Black Bermudian women are more likely to have completed higher education than young Black Bermudian men.
Education Distribution of Young Males Bermudian Blacks and Non-Bermudian Whites

**Black Bermudian Males**
- None or Low Education: 28%
- RSA: 9%
- BSS: 9%
- GCEO: 6%
- GCEA: 9%
- Technical Degree: 29%

**White Male Non-Bermudian**
- None or Low Education: 13%
- RSA: 6%
- BSS: 4%
- GCEO: 4%
- GCEA: 11%
- Technical Degree: 6%
- Associates Degree: 16%
- College or More: 40%
Education Distribution of Young Males Bermudian Blacks and Non-Bermudian Whites

- The educational credentials of White non-Bermudian men are distinct from those of the other groups.
- They are more than four times more as likely to have a college degree or more than Black Bermudian men.
- This is not surprising as most non-Bermudian men are recruited because of their education and work experience.
Industrial Distribution of Employed Young Bermudians

Industrial Distribution of Employment for Young Bermudian Males

- Construction: 54.34%
- International: 9.87%
- Hotel: 6.18%
- Retail: 9.75%
- Other: 11.84%
- Missing: 8.03%
Industrial Distribution of Employed Young Bermudians

- Most industries employ less than 5 percent of young Bermudian workers.
- We labeled these "Other industries"
Industrial Distribution of Employed Young Bermudian Males by Race

Black Bermudian Men

- Construction: 46%
- International Companies: 24%
- Hotel: 8%
- Retail: 7%
- Other: 13%
- Missing: 2%

White Bermudian Men

- Construction: 44%
- International Companies: 17%
- Hotel: 10%
- Retail: 6%
- Other: 3%
- Missing: 20%
Industrial Distribution of Employed Young Bermudian Males by Race

- Young Black and White Bermudian men are employed in similar industries.

- Construction industries are the single largest employer young Bermudian men.

- While few young Bermudian men work in international corporations, the proportion of White Bermudian men who do so is three times the proportion of Black Bermudan men who do so.
Industrial Distribution of Employed Young Black Bermudians by Gender

- **Black Bermudian Men**
  - 46% Other
  - 8% Retail
  - 24% 13%
  - 7% International Companies
  - 2% Construction

- **Black Bermudian Female**
  - 61% Other
  - 12% Construction
  - 6% International Companies
  - 7% Retail
  - 1% Missing
Industrial Distribution of Employed Young Black Bermudians by Gender

- Differences in the industrial distribution of employment reflect gender differences in occupations.
- While many men seek employment in construction, few women do.
- By contrast, young Black Bermudian men are less likely to be employed by international companies than their female peers.
Industrial Distribution of Young Males Bermudian Blacks and Non-Bermudian Whites

Black Bermudian Men
- Construction: 24%
- International Companies: 13%
- Hotel: 7%
- Retail: 8%
- Other: 46%
- Missing: 2%

White Non-Bermudian Men
- Construction: 4%
- International Companies: 9%
- Hotel: 17%
- Retail: 7%
- Other: 7%
- Missing: 56%
Industrial Distribution of Employed Young Black Bermudians by Gender

- The proportion of young White non-Bermudian men employed by international companies is almost nine times the proportion of young Black non-Bermudian men employed in this high-paying sector.
The Black/White Earnings Gap Between Young Bermudian Males
Given the differences in their education, industry of employment, marital status and other characteristics, the average Black Bermudian male earns $10,000 less than the average White Bermudian male.
The Role of Race and Other Factors in Explaining the Black/White Bermudian Earnings Gap

- To examine how much of this earnings gap is associated with race vs. other factors, we first predicted the annual earnings of young Bermudian white and black men, assuming that race does not matter.
  - First we estimated the model to take account of associations between demographic characteristics (age, marital and health status), but not race.
  - We used these estimated associations to predict earnings for two groups of young men, those with the same average values of these variables as Black Bermudian males and White Bermudian males.
  - We repeated these predictions two more times, after adding estimated associations between earnings and education and between earnings and industry, each prediction uses the values of all included variables for the two groups.
- The predicted earnings were always very similar (about $27,000) for the two groups.
Predicted Earnings for Bermudian Black/White Males controlling for Demographics, Education, Industry & Race
Race Matters A Lot

- Finally, we estimated the model allowing for an association between race and earnings and predicted earnings for the two groups, assuming the average values of all included variables for the two groups.

- The predicted earnings for Black Bermudian males fall by $1000 and predicted earnings of White Bermudian males rise by $3000, reproducing the half the gap found in the raw data.

- In other words, about half of the gap between the predicted earnings of Black and White Bermudian males is associated with race alone. This is a remarkable finding.
Interpreting the Residual Association Between Race and Earnings

- Strictly speaking, this large residual association between race and the earnings of young Bermudian males measures the association between factors associated with race, but not included in the Census.

- For example, young black Bermudian males and young white Bermudian males have access to different job-seeking networks. These networks could be partly responsible for Black/White Bermudian male earnings gap, but we have no information about them in the Census.

- Nevertheless, pure racial discrimination in compensation policies is also associated with race and not measured in the Census. Given the magnitude of the predicted earnings gap, and the history of racism in Bermuda it is hard to believe that simple discrimination does not play some role.
Would More Education or Jobs in Higher Paying Industries Improve Earnings and Close the Black/White Bermudian Earnings Gap?

To get another perspective on what accounts for earnings differences between young Black and White Bermudian males, we predicted the annual earnings of two hypothetical young Bermudian men, one Black; one white.

Both young men were single, with some healthy limitation,, and employed in our composite “other industry category.“ Neither combined school and work.
Predicted Black/White Male Earnings Gap by Education

- No Degree
- BSSC
- GCEO
- GCEA
- Technical Degree
- Associates Degree
- BA or More

Comparison of earnings for Black and White males across different levels of education.
Improving Education Would Increase Earnings, but it Would not Eliminate the Black/White Gaps In Earnings

- Then we asked: What would happen if these young men obtained more education?

- While young Black Bermudian males with more education have higher predicted earnings, than their less-educated counterparts, the Black/White Bermudian earnings gaps exists at every level of education.

- The predicted earnings gap between young Black and White Bermudian males is
  - smallest among those with technical and Associate degrees and
  - largest among those with a college degrees or more.
Black/White Bermudian Males Predicted Earnings by Industry

- **International Company**
  - Black
  - White

- **Construction**
  - Black
  - White
Improving Access to High Paying Industries Would Increase Earnings, but it Would not Eliminate the Black/White Gaps In Earnings

Next we asked: What would happen if these young men were employed in a high paying industry (international company or construction) instead of our composite “other industry category.”

A hypothetical young Black Bermudian man working in an international company has predicted annual earnings of $32,000 while his White Bermudian peer has predicted annual earnings of $37,000.

construction has predicted annual earnings has predicted annual earnings of $28,000 while his White Bermudian peer has predicted annual earnings of $32,000.
Improving Education and Access to High Paying Industries Would not Eliminate the Black/White Gaps In Earnings

- These predictions are unrealistic, because few men with no education certificate are employed by international companies, so we asked, so our hypothetical young men obtained more education and employment in an international company.
Earnings Prediction for Black/White Bermudian Males With Technical and Bachelor Degrees in International Companies

Technical Degree

Bachelor's Degree

Black

White
Even Educated, Well-Placed Bermudian Males
Earn Less than their White Bermudian Peers

- The hypothetical young Black Bermudian man working in an international company with a Technical degree,
  - Would have predicted annual earnings of $38,000 while his White Bermudian peer would have predicted annual earnings of $56,000.

- The hypothetical young Black Bermudian man working in an international company with a Bachelor’s degree,
  - Would have predicted annual earnings of $42,000 while his White Bermudian peer would have predicted annual earnings of $61,000.
Gender Gaps in Earnings
Black Male/Female Bermudians Average Earnings Prediction

Male

Female
Predicted Male/Female Bermudian Earnings Gap

- Given the differences in their education, industry of employment, marital status and other characteristics, the average Black Bermudian male earns about $1,000 more than the average Black Bermudian female.

- This finding runs counter to the concern we often heard among Bermudian leaders that females were doing much better than males in terms of employment and occupational status.

- To explore this issue we also predicted the earnings of Black Bermudian males and Black Bermudian females, using the average characteristics of these two groups and assuming no association between gender and earnings.
The Role of Gender and Other Factors in Explaining the Black/White Bermudian Earnings Gap

- We followed the same procedure used to study the Black/White Bermudian Male earnings gap.
  
  First we estimated the model to take account of associations between demographic characteristics (age, marital and health status), but not gender.

  We used these estimated associations to predict earnings for two groups of young Bermudians, those with the same average values of these variables as young Black Bermudian males and females.

  We repeated these predictions two more times, after adding estimated associations between earnings and education and between earnings and industry, each prediction uses the values of all included variables for the two groups.
Predicted Earnings for Black Bermudian Males and Females controlling for Demographics, Education, Industry, and Gender
Educational and Industry of Employment Gives Young Black Bermudian Women a Distinct Earnings Advantage over their Male Peers

- Not surprisingly, young black Bermudian men and women have very similar demographic characteristics, so we found almost no predicted earnings gap after accounting for demographic characteristics alone.

- However, after accounting for the association between education and earnings, the predicted earnings of the hypothetical young person with the same education credentials of the average black Bermudian female is $1000 higher than the predicted earnings of the hypothetical young person with the same education credentials of the average black Bermudian male.

- Accounting for the association between education and industry does not increase this predicted earnings gap.
Gender Matters A Lot

- Finally, we estimated the model allowing for an association between gender and earnings and predicted earnings for the two groups, assuming the average values of all included variables for the two groups.

- The predicted earnings of Black Bermudian males rises by $1000 and predicted earnings of Black Bermudian females fall by the same amount.

- Note that being male completely reverses the educational disadvantage for males, even though these predictions already account for the larger proportion of males who work in construction. This finding is also remarkable.
Interpreting the Residual Association Between Race and Earnings

- As with race, this smaller residual association between gender and the earnings of young Black Bermudians measures the association between factors associated with gender, but not included in the Census.

- For example, gender-based job-seeking networks are again a good example of a factor that could be partly responsible for the Male/Female Bermudian earnings gap, about which the Census is silent.

- Nevertheless, pure gender discrimination in compensation policies is also associated with gender and not measured in the Census. Such discrimination is also likely to play some role.
Conclusions and Implications

- While Bermudians are right to be concerned that the unemployment rate among young Black Bermudian males is twice as high as the corresponding rate among their White counterparts, this does not adequately frame the employment problems among young Black Bermudians.

- The overwhelming majority of these young men work or look for work, but they are less likely than their white Bermudian male or Black Bermudian female peers to combine work with education.

- While they would experience earnings gains from more education and more employment by international companies, young black Bermudian males earn less than their white Bermudian peers, no matter what their education certification or their industry of employment.

- However, despite investing less time gaining educational credentials, young black Bermudian males earn more than their female peers.

- Young black Bermudian males also earn far less than white non-Bermudian males, who have much more education and may benefit from compensating differentials, designed to induce them to come to work in Bermuda.
Implications (continued)

- While employed young Black Bermudian males may suffer from racial discrimination, they may benefit from gender discrimination. Neither of these problems should be ignored.

- That they earn less than most other men their age may discourage some young Bermudian males from obtaining more education or seeking employment in higher-paying industries, which require more education.

- Instead, they may seek the fast track to higher earnings, namely employment in construction, which retards their prospects of earnings growth later in life.

- The lower gains from education for young Black Bermudian males could have the same result or discourage those with educational credentials from remaining or returning to Bermuda.
Implications for Research

- Unemployment would be lower and earnings higher among young Black Bermudian males, if they had more education.

- So our next step is to examine the Census data to determine what factors are associated with the gap in educational credentials between young Black Bermudian males and their peers.

- However, the Census did not ask young black men about their perceptions of the earnings gap, nor about possible effects of such a gap on their employment, earnings, or educational aspirations.

- Nor did the Census explore the reasons why those who were unemployed could not find jobs.

- We will explore these issues in the third (qualitative) phase of study.