

Racial Disparities in Baltimore City's Workforce and Implications for Future Growth

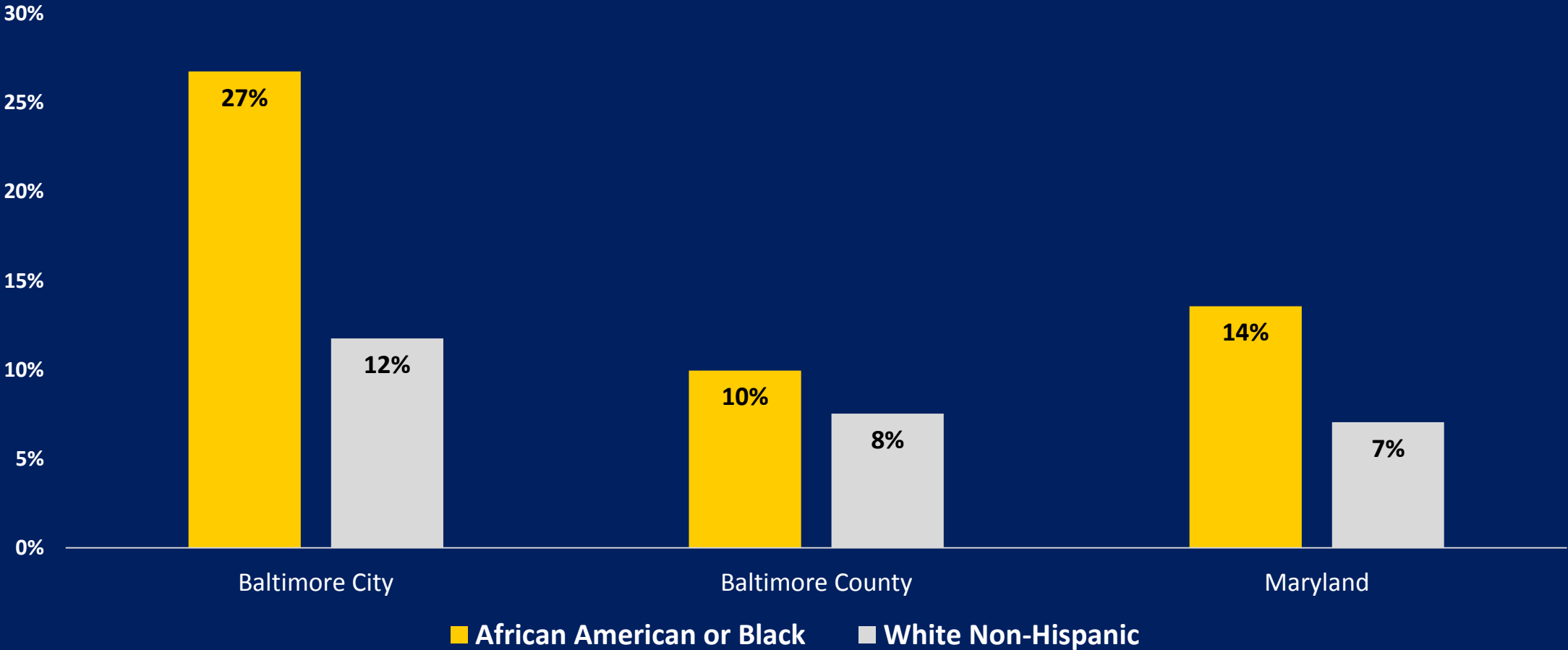


Regional Economic
Studies Institute

Michael Siers
Senior Research Manager
Towson University's Regional Economic Studies Institute
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Poverty is More Prevalent Among African American than White Marylanders

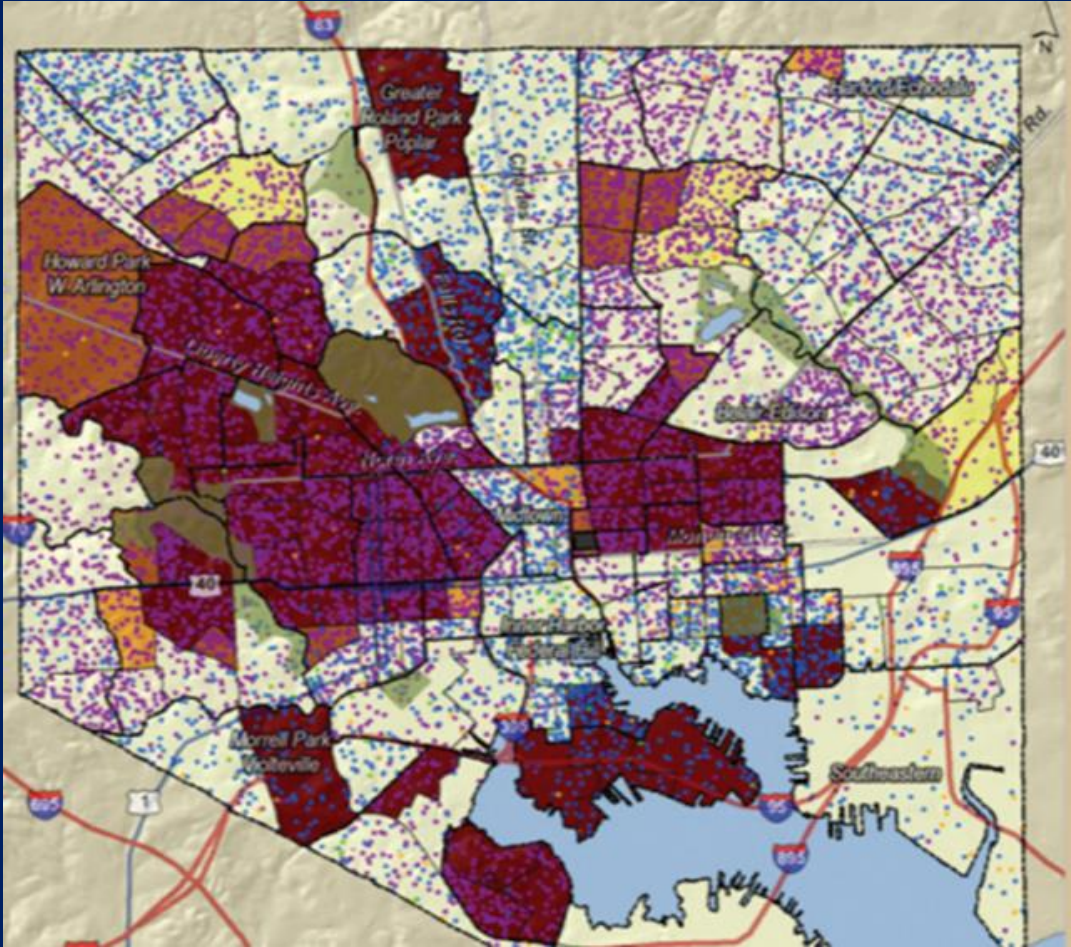
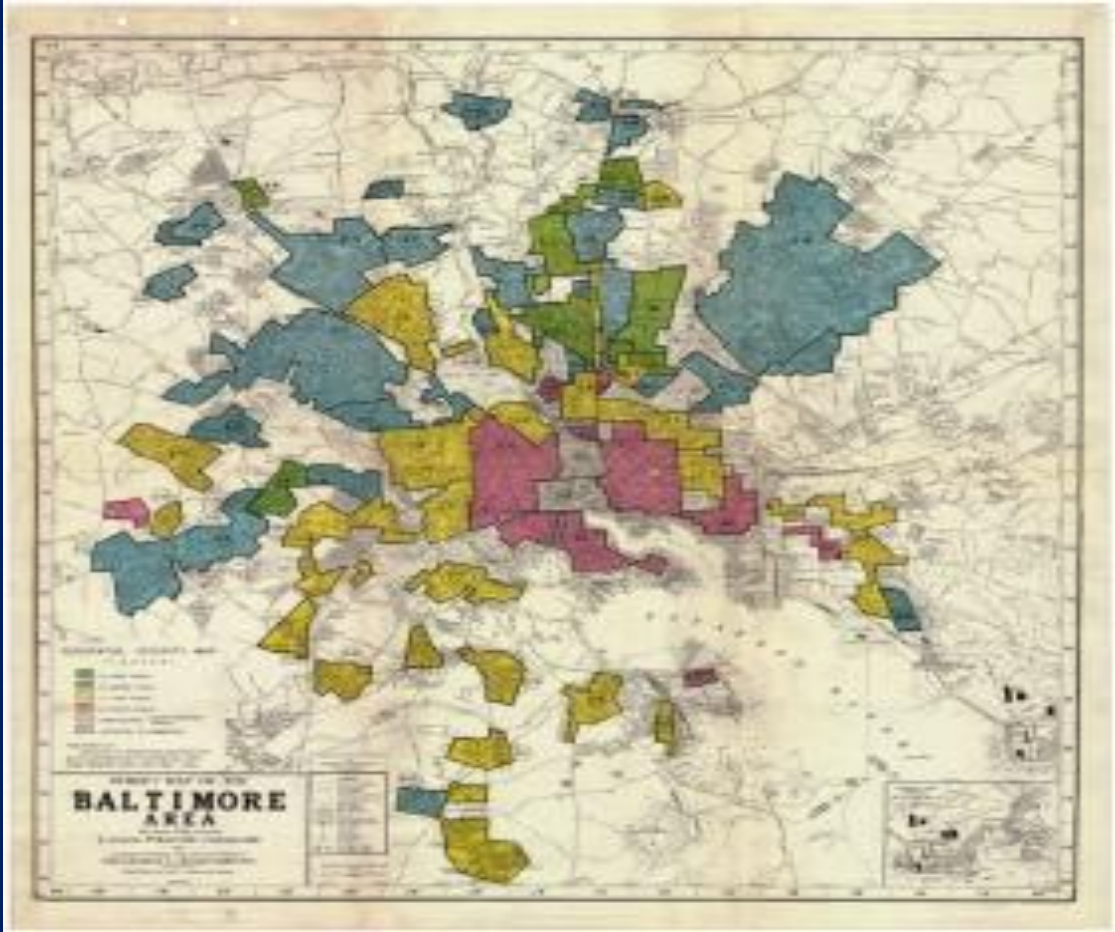
Poverty Rates by Race, 2016



1/3 of Baltimore City Households of Color Have Zero Net Worth



Red-Lining vs Persistent Segregation



How We Measure Segregation Matters: What Baseline Do We Use?



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ECONOMISTS:  70% Male

50% Male - 50/50 Split?

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How We Measure Segregation Matters: What Baseline Do We Use?

ECONOMISTS:  70% Male

50% Male - 50/50 Split?

70% Male - Gender Split in Region?

60% Male - Gender Split with Needed Education?

When Measuring Segregation, We Need to Control for Education

- Education may vary between groups for a variety of reasons:
 - Self selection
 - Cultural norms
 - Implicit bias
 - Poverty
- Need to separate how much of an occupation's segregation is due to education or other biases

Occupational Crowding

Percent of group in occupation

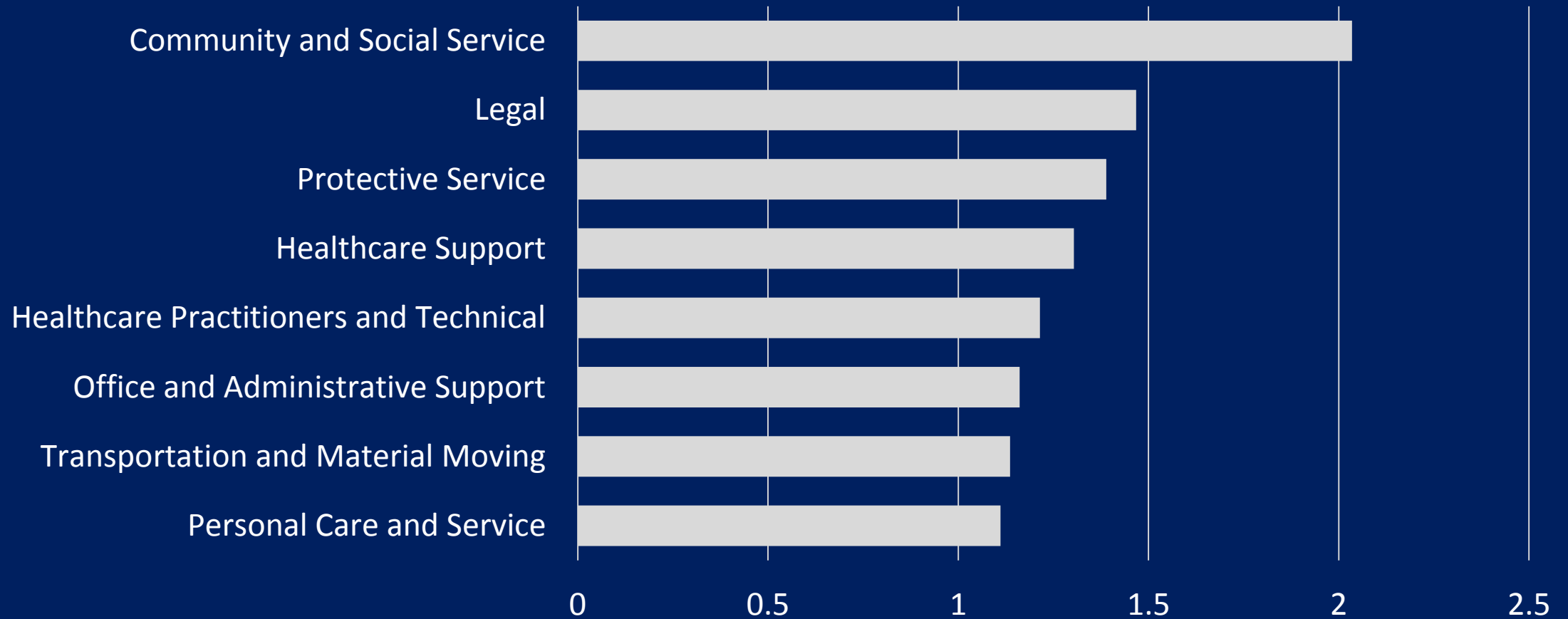
Percent with necessary education in group

- The resulting ratio tells you if a group is over- or under-represented in a given occupation
 - 1 indicates no crowding (proportional representation)
 - Scores above 1 indicate group members are being “crowded” by society into those occupations

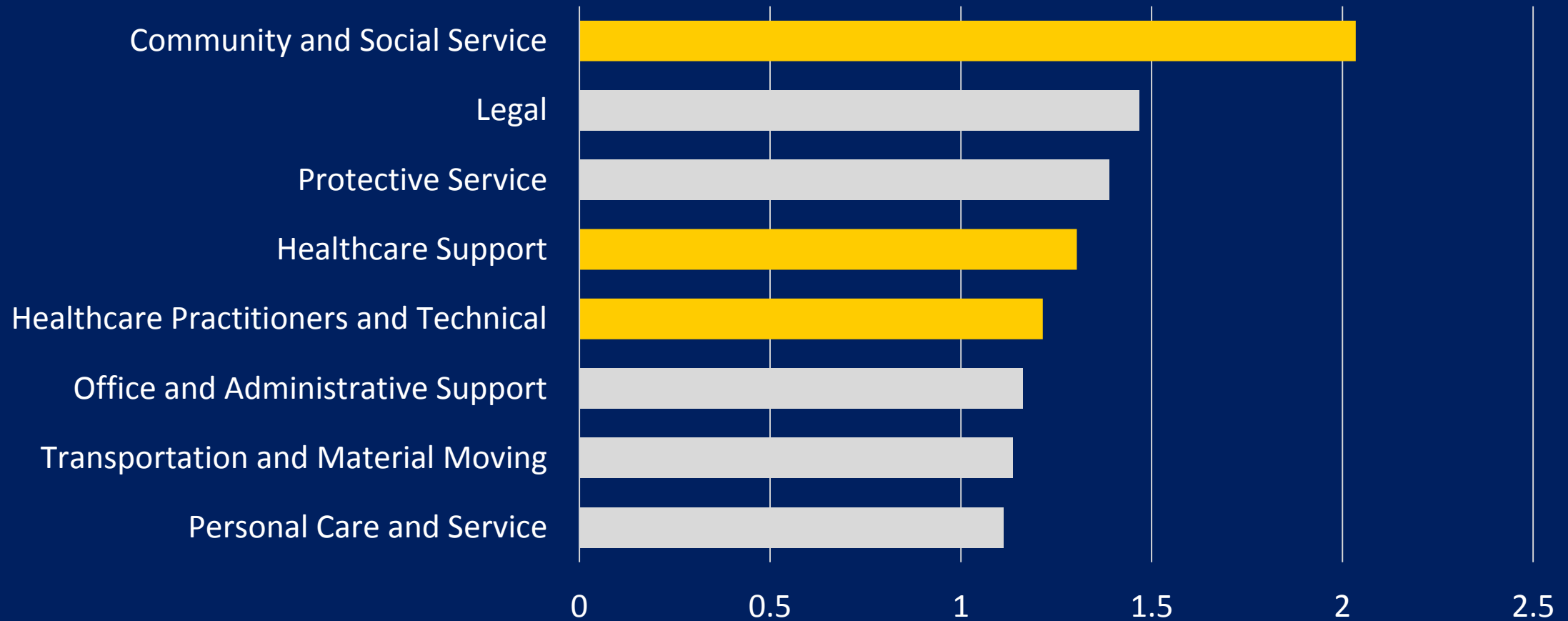
RESI's Analysis of Occupational Crowding in Maryland

- Built on work by:
 - Michelle Holder (2015)
 - Hamilton, Austin, Darity (2011)
 - Gibson, Darity, Myers (1998)
 - Bergmann (1978)
- Used 5-year ACS data from IPUMS
 - 2009 – 2016
 - 2.3 million observations

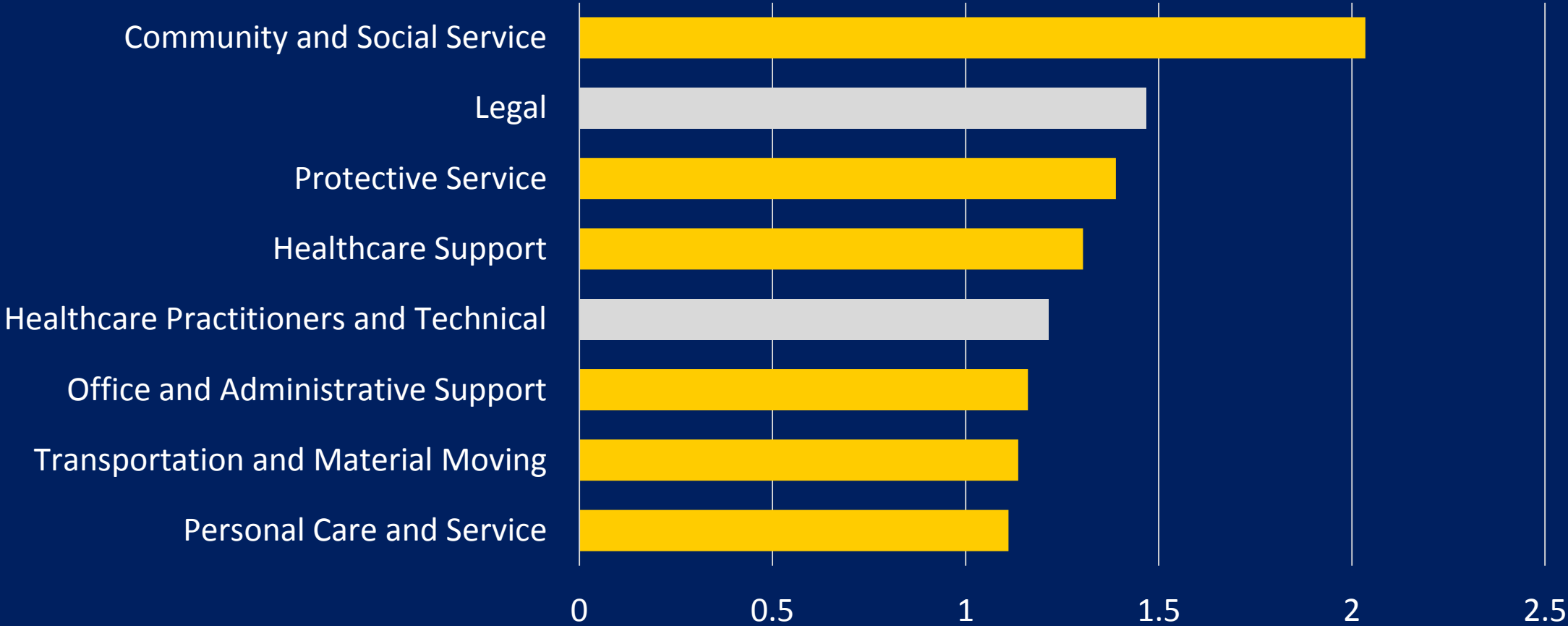
Of 22 Major Occupation Categories, African Americans in Baltimore are “Crowded” Into 8



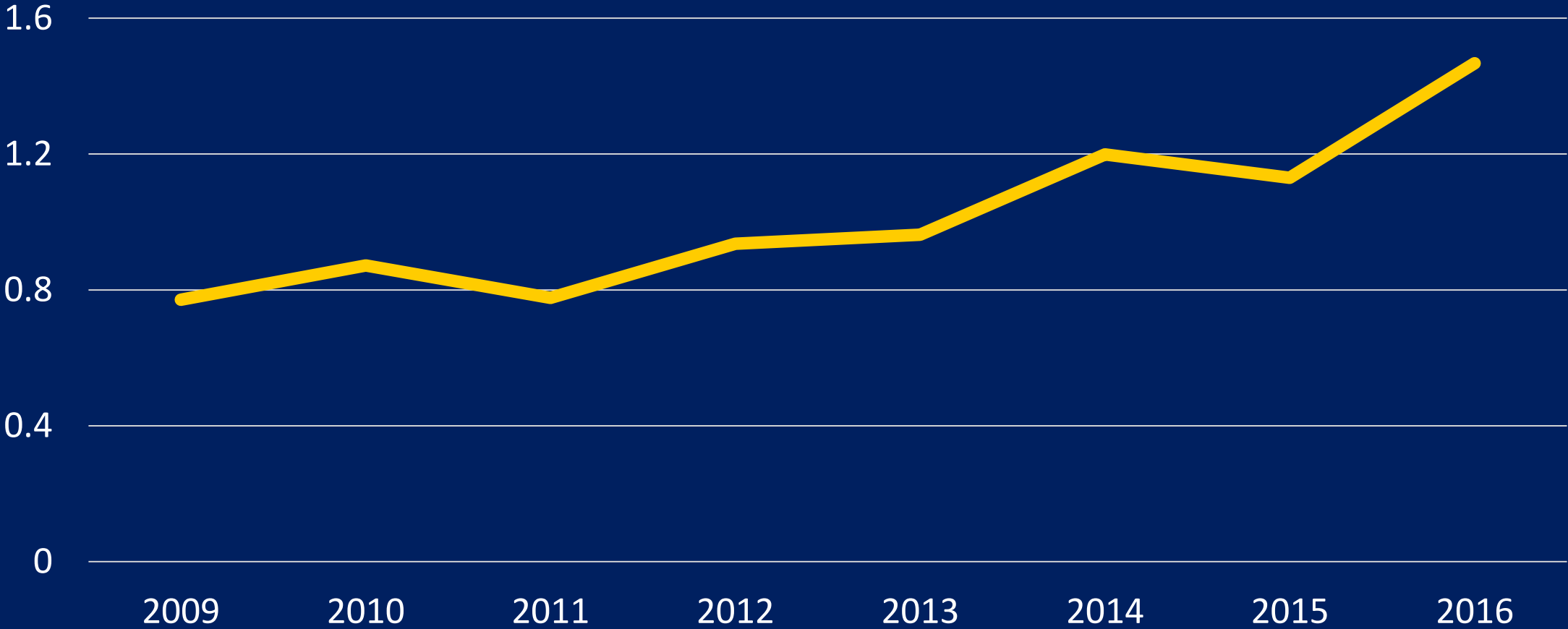
African-American Workers in Baltimore are More Likely to Work in Healthcare



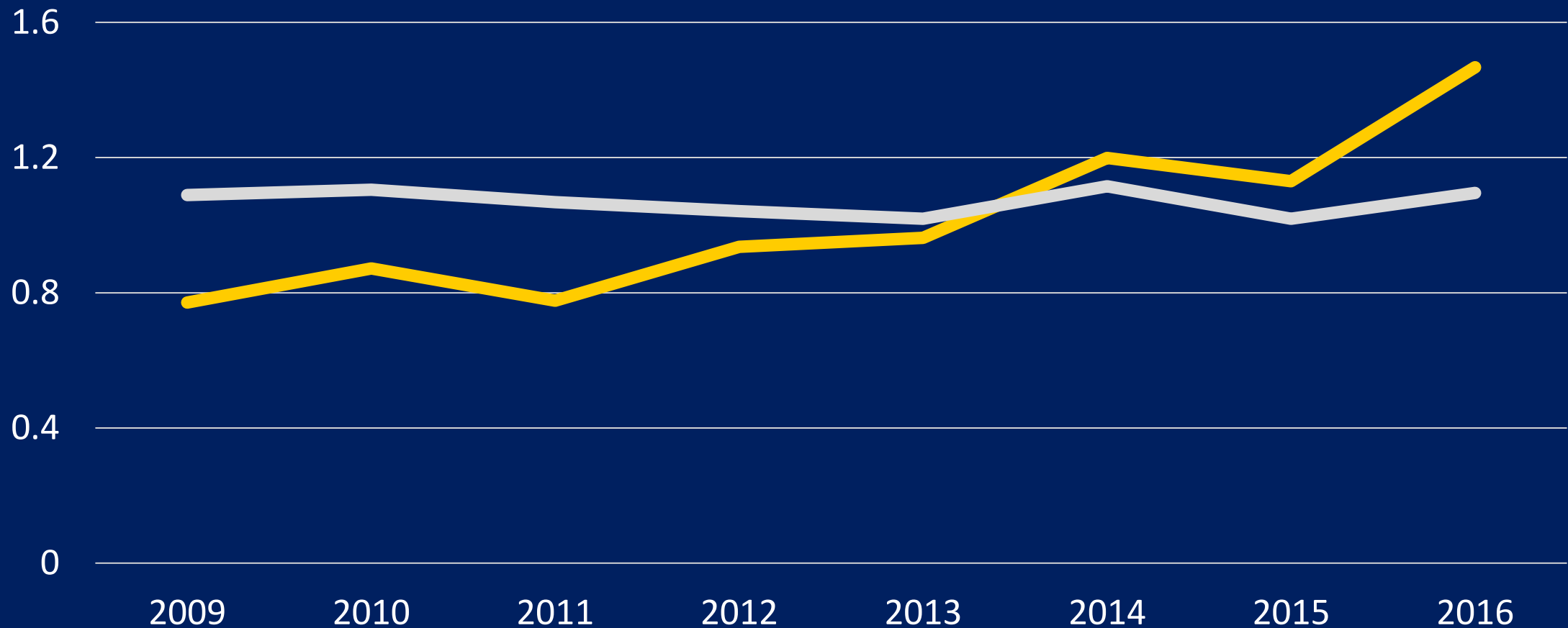
African-American Workers in Baltimore are More Likely to be in Low-Paying Jobs



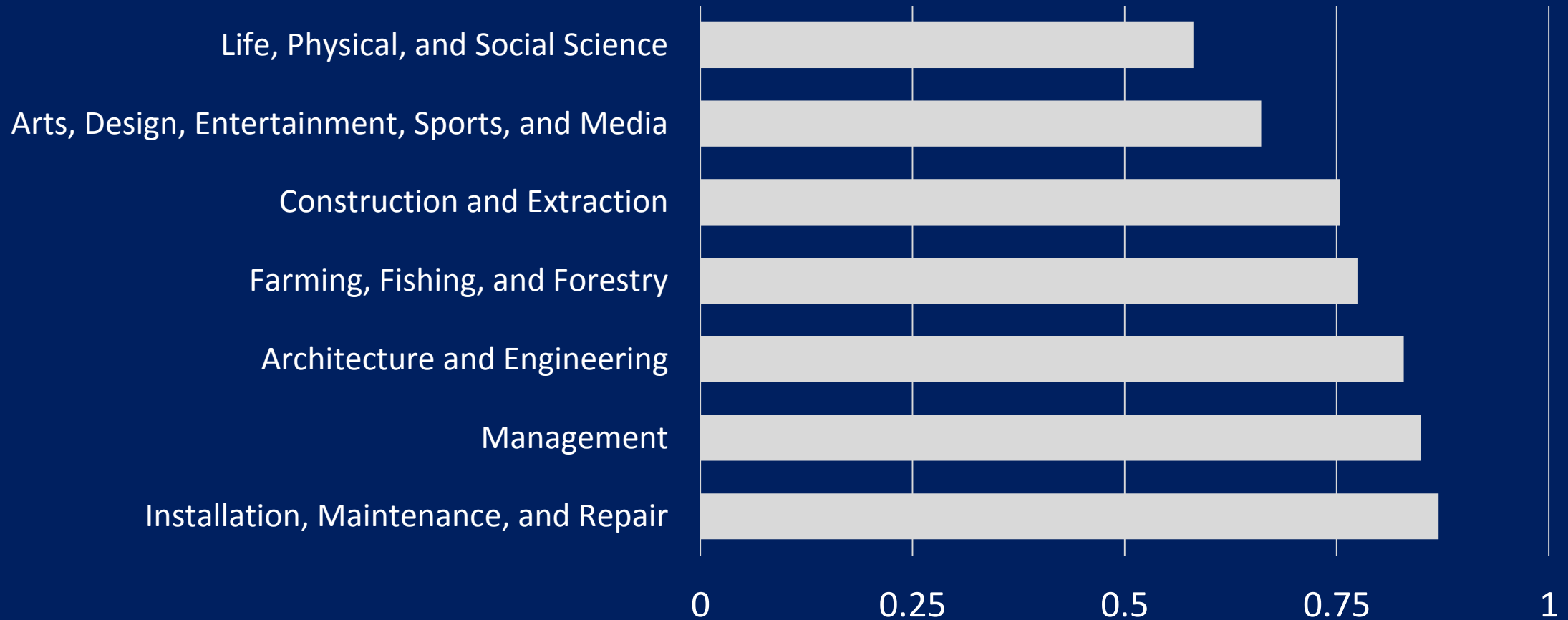
Post-Recession, African Americans in Baltimore Diversified Legal Occupations



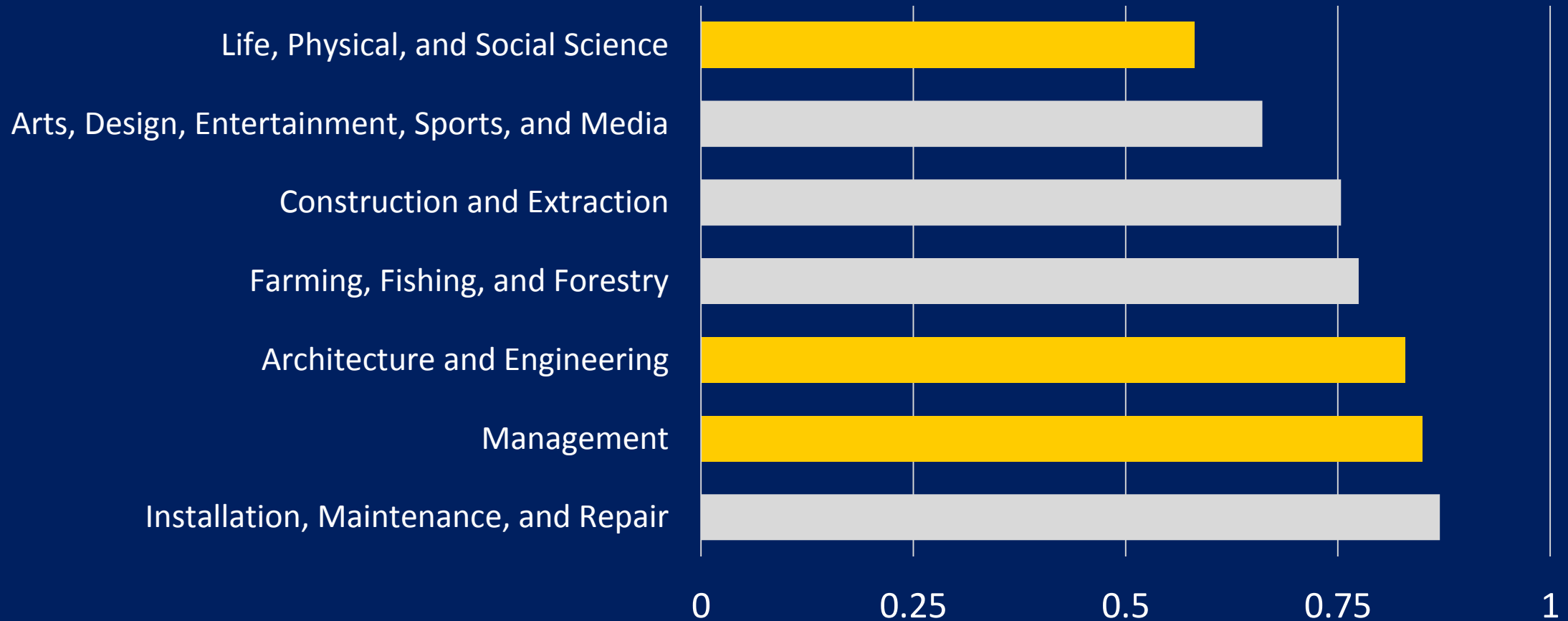
...However Similar Diversification Statewide did not Materialize



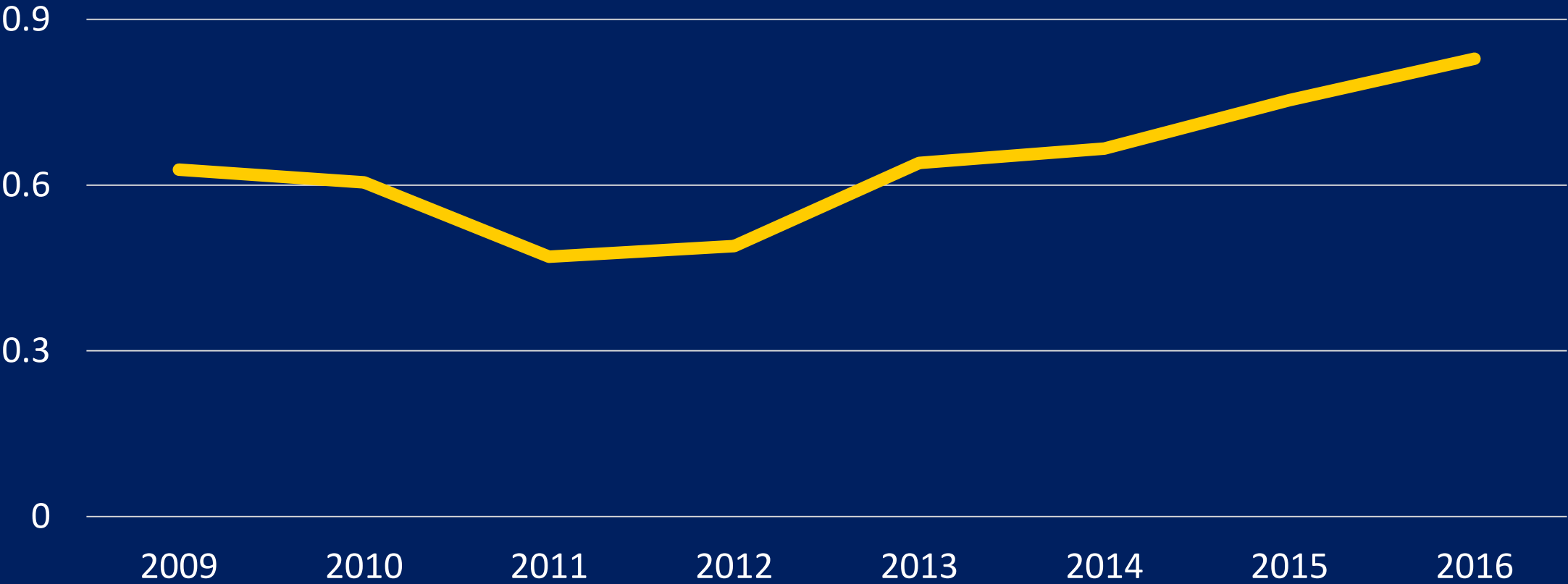
Of 22 Major Occupation Categories, African Americans in Baltimore are “Crowded” Out of 7



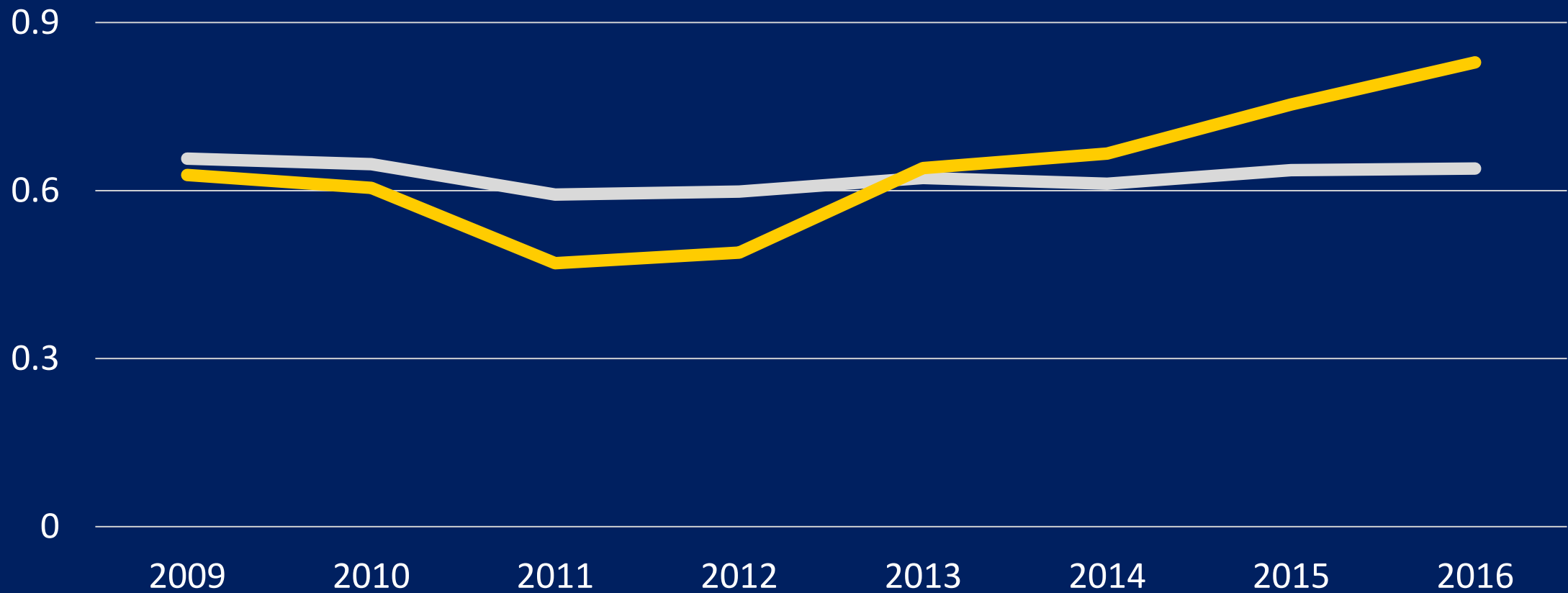
...These Include 3 of the 5 Occupations with the Highest Wages



Post-Recession, African Americans in Baltimore Increased Employment in Architecture and Engineering



...However Similar Diversification Statewide did not Materialize



Equity Analysis in REMI PI+

- How do we translate occupational crowding into REMI?
- How do we balance economic gains with ensuring a more equitable economy?



RESI's Equity Analysis Methodology

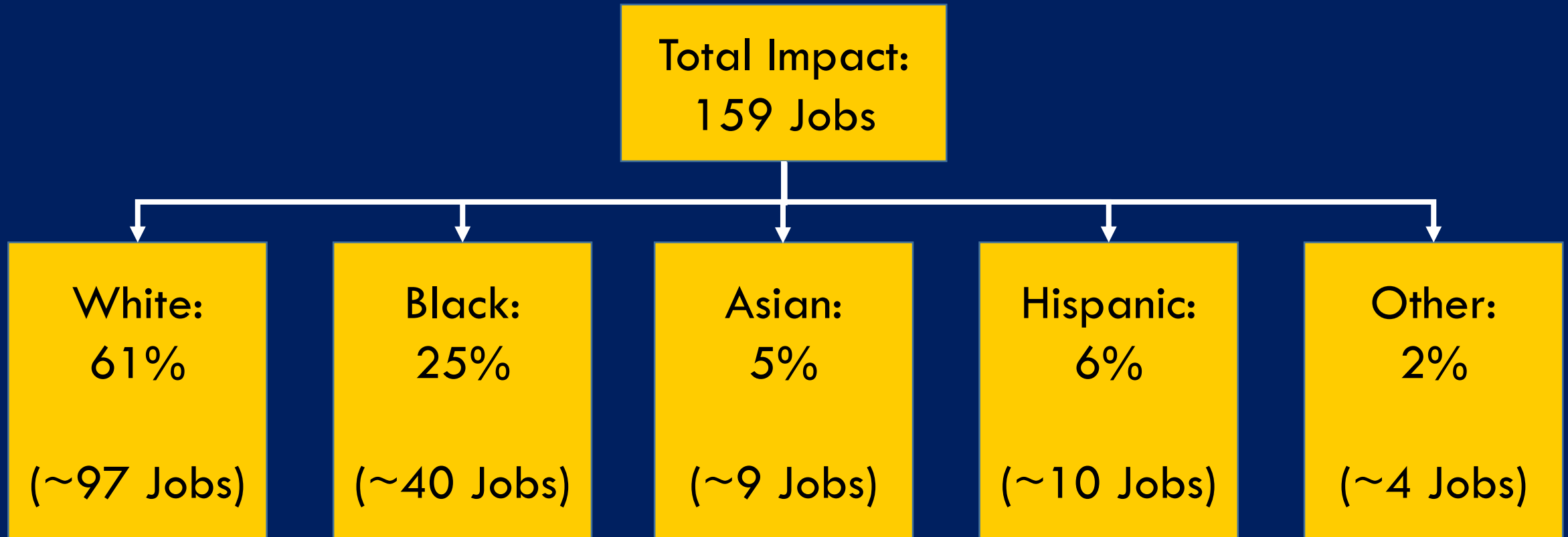
- 2009 – 2016 ACS Data from IPUMS
- Identify employment by race for 94 Occupations
- Calculate expected value for five racial/ethnic groups:
 - Whites
 - Blacks/African Americans
 - Asians
 - Hispanics
 - All Other Races
- Apply expected values to REMI Output

Equity Analysis in Practice: A New Policy Scenario

- Department of Defense interested in issuing \$50 million in grants over the next 4 years to Baltimore
- Three proposed uses:
 - Scientific R&D
 - Construction of Manufacturing Facility
 - Veteran Healthcare
- Enter in \$12,500,000 for 4 years using Industry Sales (Exogenous Production)

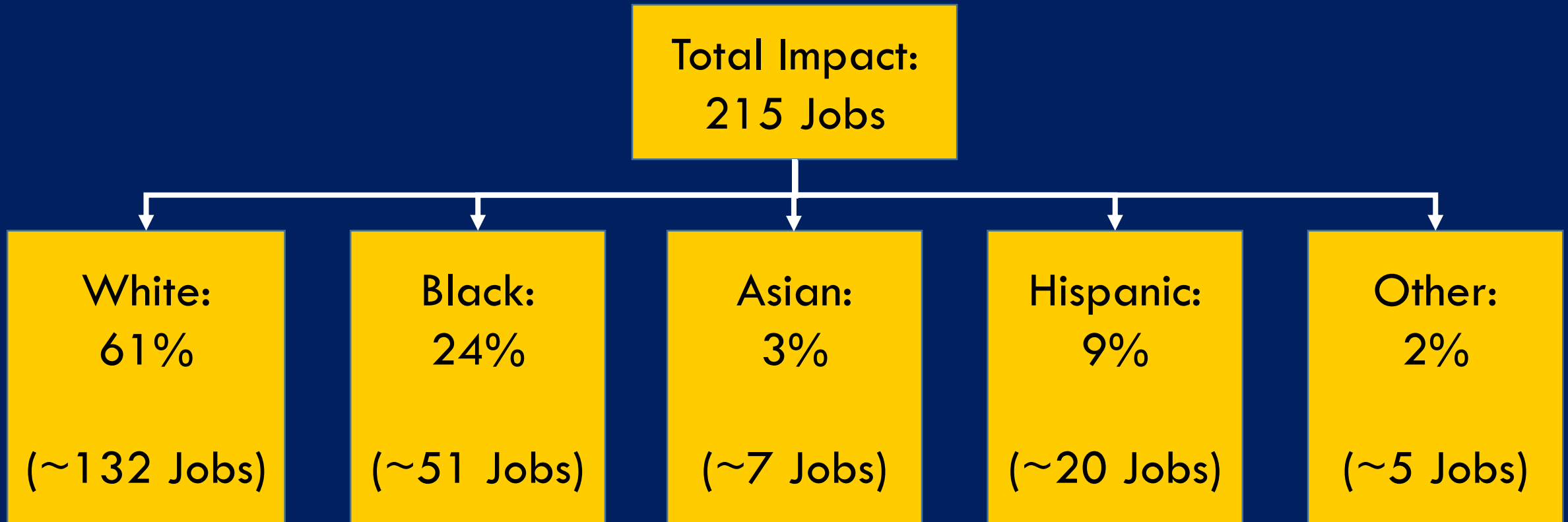
What Does REMI Say?

Equity Analysis For Scientific R&D Spending



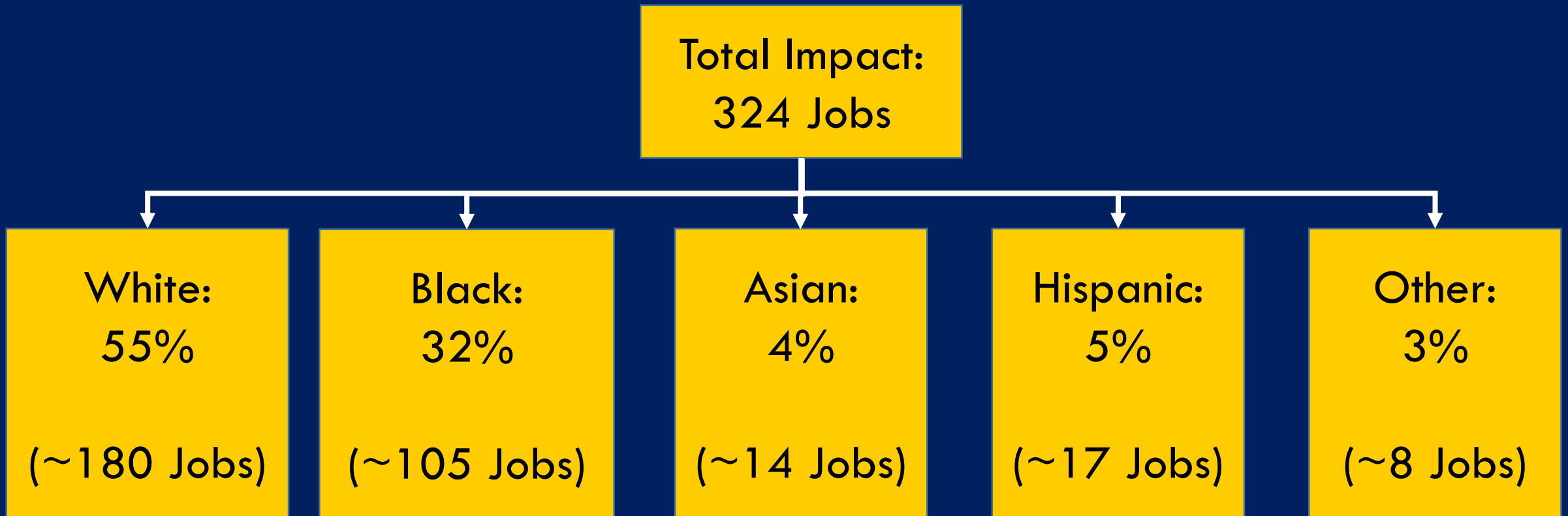
What Does REMI Say?

Equity Analysis For Construction Spending



What Does REMI Say?

Equity Analysis For Healthcare Spending



REMI Equity Analysis Limitations

- Source Data
- Size and Scope of Study
- Manual Adjustment
- What is the goal of equity analysis?

QUESTIONS?

msiers@towson.edu



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