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John Hampton Carson
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A QUANTITATIVE AND QUALITATIVE
ANALYSIS OF RACIAL EMPLOYMENT DISCRIMINATION
IN LOUISIANA: 1950 - 1971

A Dissertation

Submitted to the Graduate Faculty of the
Louisiana State University and
Agricultural and Mechanical College
in partial fulfillment of the
requirements for the degree of

Doctor of Philosophy

in

The Department of Economics

by
John Hampton Carson
M.B.A., University of Georgia, 1962
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ABSTRACT

Scope and Method

This paper offers some evidence on what effect changes in discriminatory practices in Louisiana labor markets may have had on the relative income, earnings, and employment of nonwhite workers. The main interests include the adjustment of relative nonwhite income and earnings for differences in educational attainment, the relative returns to education, and the relative levels of nonwhite employment to estimate the extent of any change in the relative income and earnings of Louisiana nonwhites due to changes in discrimination by whites from 1950 to 1970. In addition, appointments and promotion of nonwhites by the state of Louisiana as well as the relative employment of nonwhites in Louisiana state classified employment was analyzed from 1954 to 1971 to ascertain any changes in the discriminatory hiring practices of the state.

The theoretical foundation is based upon the work of Professors Gary Becker and Lester Thurow. The statistical techniques utilized were mainly regression analysis and index numbers.

Findings and Conclusions

The historical evidence presented supports the following summary of findings applicable to Louisiana.

- (1) The private sector has surpassed the public sector in response to pressures to end discrimination in the state.
- (2) Job discrimination against nonwhites is still quite strong in the public sector and there is no evidence of

a substantial decrease in job discrimination in that sector.

- (3) The income and employment position of nonwhites in private employment improved moderately during the 1960's as compared to the 1950's.
- (4) The difference in income between whites and nonwhites in Louisiana is not fully explained by educational and employment differences, but these two factors more fully explain the income differential in 1970 than in 1960.
- (5) Occupationally, nonwhites in Louisiana became more mobile during the 1960's as compared to the 1950's. Relatively, nonwhites became more represented in the higher-wage skilled, semiskilled, and white collar jobs and less represented in the low-wage unskilled labor and farm jobs.
- (6) Nonwhite males suffer a higher level of discrimination than nonwhite females and experience a smaller reduction in discrimination over time.
- (7) The relative demand for nonwhite labor in Louisiana was more responsive to changes in the total demand for labor during the 1960's than during the 1950's both by occupation and industry.
- (8) Nonwhite males in Louisiana found greater opportunities in capital intensive high-wage industries during the 1960's than in the previous decade.
- (9) Although wage discrimination and private job discrimination have been modestly reduced during the 1960's, discrimination is still an important force in Louisiana.

CHAPTER I

INTRODUCTION

The nature of employment opportunities for nonwhites in Louisiana has changed substantially over the decades between 1950 and 1971. The purpose of this study is to ascertain the important aspects of change during this period and to examine those factors that have enhanced or inhibited the economic progress of nonwhites in Louisiana.

The recent 1970 census makes this a very timely study since much of the data have been derived from the 1950, 1960, and 1970 censuses. Additional data have been gathered from the Louisiana Department of Civil Service in Baton Rouge and the former Louisiana Commission on Human Relations, Rights, and Responsibilities.

Racial discrimination is an important source of economic inequality between whites and nonwhites in Louisiana, as it is elsewhere. Hence, discrimination is the main subject to be discussed in reference to nonwhite economic opportunities in the state.

Discrimination has two aspects: source and form. Source refers to the persons who are generating the discrimination, such as employers, employees, consumers, and sellers. Form refers to the manifestation of discrimination, such as differential payment for identical jobs, differential jobs for identical levels of education, etc.

The primary question this study addresses is: To what extent have private job discrimination and wage discrimination in Louisiana

been reduced and the income and employment positions of nonwhites improved due to private and public efforts to end discrimination? In addition, there is the question of to what extent has job discrimination against nonwhites in state classified employment changed. Louisiana state classified employment discrimination will hereafter be referred to as public job discrimination.

Private job discrimination can be defined as labor market activity that prohibits, limits, or segregates employment opportunities in the private sector on the basis of race or color. Such exclusion can take three forms: (a) absolute exclusion, where nonwhites are completely excluded from practising a trade or job; (b) situations of abnormally low nonwhite participation rates, such as bookkeeping, law, and engineering; and (c) situations where nonwhites may have relatively high participation rates but are segregated with respect to employer, type of work, and area of work. In other words, private job discrimination can be said to exist if nonwhites are employed with each other in private employment to a greater extent than would exist if employment were randomly distributed, or if whites are employed with other whites in private employment to a greater extent than would exist if employment were randomly distributed. This involves the segregation of workers by racial groups.

Wage discrimination may be defined as behavior on the part of the employer or consumer which induces a differential wage rate or earnings based upon race or color for the performance of the same type of work. Thus, wage discrimination exists when nonwhites are paid a wage rate which is less than that paid to whites under conditions of perfect market substitution.

Public job discrimination may be defined as behavior on the part of public officials that limits the job opportunities of nonwhites in government employment. Therefore, public job discrimination exists if nonwhites are employed with each other in state employment to a greater extent than would exist if employment were randomly distributed, and vice versa. Public job discrimination is differentiated from private job discrimination by the employment-determining factors in the two markets. The demand for labor in the private sector is influenced by the least cost combination of factors consistent with profit maximization. The production function would thus depend upon the behavior of a rational employer. The public demand for labor depends upon political considerations rather than profit maximization, and the production function as estimated by government officials need not reflect the objective of least-cost production. Indeed it may reflect the biases and attitudes of the electorate, which may be inconsistent with least-cost production.

Wage discrimination and private job discrimination are two separate concepts. Wage discrimination can occur in the absence of private job discrimination, or vice versa, and both may occur at the same time. Wage discrimination refers to income received by different groups and ignores the distribution of employment. Private job discrimination refers to the distribution of employment while ignoring the distribution of income. Public job discrimination refers to the distribution of state government classified employment while ignoring income distribution, since wage discrimination is assumed not to exist in state government classified employment.

The categories Negro and nonwhite are used interchangeably in

this study since about 95% of the nonwhite category consists of Negroes, and the 1950 and 1960 census did not separate Negroes from other nonwhite persons in some cases.

I. THEORY OF DISCRIMINATION

Discrimination by one group against another or by more than one group against each other implies a degree of disutility through mutual association. It also implies that each group is subjective concerning its evaluation of the facts concerning the other group. Discrimination by whites against nonwhites is a reality, and many attempts have been made to measure the intensity of this discrimination--some of the more important are by Ashenfelter,¹ Formby,² Gwartney,³ Weiss,⁴ and Welch,⁵ --without wholly satisfactory results because of the complexity of the problem, the lack of adequate data, and the difficulty of isolating the effects of discrimination. Wage discrimination and private and public job discrimination, as used in this study, are

¹Orley Ashenfelter, "Change in Labor Market Discrimination Over Time," The Journal of Human Resources (Fall, 1970), pp. 403-430.

²John P. Formby, "The Extent of Wage and Salary Discrimination against Non-White Labor," The Southern Economic Journal (October, 1968), pp. 140-150.

³James Gwartney, "Discrimination and Income Differentials," American Economic Review (June, 1970), pp. 397-407.

⁴Randall D. Weiss, "The Effects of Education on the Earnings of Blacks and Whites," The Review of Economics and Statistics (May, 1970), pp. 151-159.

⁵Finis Welch, "Labor-Market Discrimination: An Interpretation of Income Differences in the Rural South," The Journal of Political Economy (June, 1967), pp. 225-240.

characterized by differential earnings and employment opportunities and stem from prejudice and ignorance or the lack of knowledge on the part of whites who impose differential treatment on nonwhites. The lack of knowledge or the compartmentalization of nonwhites based upon a physical, educational, or psychological stereotype does not necessarily imply discrimination due to prejudice, but where one prevails the other is usually found. For example, individuals who have an inherent prejudice against Negroes would also be subject to the prevailing Negro stereotype precipitated as a result of the lack of knowledge. However, an individual who accepts the Negro stereotype imposed upon him by the enveloping white society need not be inherently prejudicial against Negroes. Since discrimination implies unequal treatment and since prejudice and lack of knowledge on the part of whites both lead to unequal treatment, there is no reason to attempt to separate the two even if it were possible to do so.

Discrimination is only one source of absolute and relative income and employment inequality. Another source of income and employment differentials results from differences in productivity factors, which may be produced by unequal educational opportunities. Assuming that physical units of white and nonwhite labor are homogeneous, then in the absence of discrimination any income or employment differential must be due largely to productivity differentials. An important productivity factor is formal education--quantity of education⁶ as measured by the median years of schooling completed and quality of

⁶Formal education is only one aspect affecting the productivity of labor. It should be recognized that other factors, such as on-the-job training, age, vocational training, and health, affect the productive capacity of workers. Formal education, however, as measured

education,⁷ which may or may not be an important source of difference between the productivities of whites and nonwhites. In a recent study Weiss concluded that the relative income of nonwhites was insensitive to differences in the quality of education.⁸ In addition, Harrison concludes that the supply of jobs is more important than the supply of education to nonwhites in large city ghettos.⁹ He concludes that the monetary returns to nonwhite education are almost one-third that of whites due to ghetto unemployment, involuntary part-time employment, and substandard wages.

The theory of human capital argues that "individuals should invest in education as long as the discounted benefits exceed the discounted costs or as long as the internal rate of return from acquiring human capital is greater than the rate of return that can be earned from alternative investments."¹⁰ For the nonwhite, as well as the white,

by the median years of schooling is an important determinant of the value of human capital and the flow of income receipts to its owners. Moreover, quantitative data are available to measure the relative educational attainment of nonwhites.

⁷The quality of education aspect of formal education has been explored by the use of estimates of scholastic achievement derived from data based on public school students' scores on the Educational Testing Service School and College Ability Test. See Gwartney, op. cit., pp. 400-401; and Weiss, op. cit., pp. 151-159. The estimates, however, are limited to metropolitan areas and grades 6, 9, and 12. Other grade achievements were projected under the assumption of linearity. Data for Louisiana are not available to the extent that an estimate of quality of education can be made. Moreover, Weiss concludes that the quality of education seems to be unimportant as a determinant of non-white income.

⁸Weiss, op. cit., pp. 151-159.

⁹Bennett Harrison, "Education and Underemployment in the Urban Ghetto," The American Economic Review, (December, 1972), pp. 810-811.

¹⁰Lester C. Thurow, Poverty and Discrimination (Washington: The Brookings Institution, 1969), p. 84.

achievement of the optimum investment in human capital is constrained by his investment budget, but the nonwhite investment budget is more constrained because of his small income. Thus, nonwhites may know that the discounted benefits from education far exceed the discounted costs but be unable to acquire more human capital due to a limited budget. On the other hand, past discriminatory practices and the positive association between education and discrimination may reduce the expected returns to education on the part of nonwhites, thereby reducing the discounted benefits from education. This would tend to make other alternatives such as current consumption and marginal employment more attractive than greater investment in human capital. This may account for the lack of incentive on the part of nonwhites to acquire a higher degree of education. To the extent that individuals must rely upon their own assets to develop human capital, nonwhites may tend to fall farther and farther behind due to the budget constraint and lack of incentive.

A white utility function may use economic gains from discrimination as well as physical and social distance from the nonwhite group as its arguments to support white discrimination against nonwhites. For example, if the white taste for discrimination is strong the utility of whites will be maximized by maximizing income gains through discrimination, avoiding association with or working with nonwhites except in a superior position, and maintaining or enlarging the social gap between themselves and nonwhites. The last two arguments would attempt to reduce the occupational mobility of nonwhites and force nonwhite labor into a position of being a complement to rather than a substitute for white labor.

The prevailing theoretical and analytical approach to income and employment discrimination gives credence to empirical analysis. The analyses of the economics of discrimination by Professors Gary Becker¹¹ and Lester C. Thurow¹² have been substantial contributions to the analysis of discrimination not only by race but also in the areas of discrimination based upon sex, age, and nationality.

Becker's theory of discrimination is based upon the interruption of free trade between two independent societies, white and nonwhite. If free trade existed the nonwhite society would export labor and the white society would export capital, to the mutual benefit of both societies, until the marginal products of both white and nonwhite labor and capital were equal in both societies. Discrimination by whites against nonwhites restricts the flow of nonwhite labor and white capital. Since discrimination holds trade below free trade levels, not only does total output fall but the output of both societies falls because of the inefficient allocation of economic resources. The returns to white labor and nonwhite capital increase, but these are more than offset by declining returns to white capital and nonwhite labor.¹³

Becker's central proposition is that every individual, due to prejudice, has a specific "taste for discrimination." He assumes that the individual must be willing to take a monetary sacrifice in order to satisfy his taste for discrimination. He uses the concept of a

¹¹Gary Becker, The Economics of Discrimination (second edition; Chicago: University of Chicago Press, 1971).

¹²Thurow, op. cit.

¹³Becker, op. cit., p. 20.

"discrimination coefficient" to bridge the gap between the money cost of something and the net cost. For example, assume the employer has a taste for discrimination against nonwhites in hiring, whites and nonwhites are perfect substitutes, and there is no employee or consumer discrimination: the net cost of hiring a nonwhite would be $W_{ni} (1 + d_i)$ where W_{ni} is the money wage of nonwhites and d_i is the discrimination coefficient, which is determined by the intensity of the employer's taste for discrimination. Thus, if $W_{ni} (1 + d_i) > W_{ci}$, where W_{ci} is the white money wage rate, the employer would hire only whites. If $W_{ni} (1 + d_i) < W_{ci}$, the employer would hire only nonwhites; but if $W_{ni} (1 + d_i) = W_{ci}$, the employer would hire both whites and nonwhites since the wage differential between whites and nonwhites is just enough to overcome the employer's taste for discrimination. Therefore, even if nonwhites are perfect substitutes for whites in production the nonwhite to white income ratio would still be less than one, to the extent of the intensity of the employer's taste for discrimination, even if other sources of discrimination are absent.¹⁴

This, however, oversimplifies the problem of employer discrimination. By assuming perfect substitutability, it has been implied that whites and nonwhites have equal educational attainments or that the investment in human capital is the same for both whites and nonwhites. Since perfect substitution does not exist in most production functions, there will be conditions in which an integrated labor force will still exist, even though $W_{ni} (1 + d_i) \leq W_{ci}$.

Suppose that $W_{ni} (1 + d_i) = W_{ci}$, then according to Becker the net

¹⁴Ibid., pp. 39-41.

cost of hiring whites and nonwhites would be equal. The employer, who is the provider of capital, by virtue of his taste for discrimination pays white labor a premium wage. Nonwhite labor, which is discriminated against, and white capital end up as losers while white labor is the gainer. The net cost of hiring nonwhites includes the disutility of associating with nonwhites on the part of the employer. The loss to the employer occurs from the limitation of employment of nonwhites and poor manpower utilization which may overcome the gains to white capital resulting from the acquisition of part of the nonwhite marginal revenue product. White labor would therefore gain income from the misallocation of labor resources due to the bias of employers against nonwhite labor. Nonwhite labor is the loser but white capital may either lose or gain from discrimination. The final results will depend upon whether or not the gains to the employer through the acquisition of part of the nonwhite marginal revenue product from market discrimination are large enough to offset the losses imposed by a quantitative limitation of employment of nonwhites.¹⁵

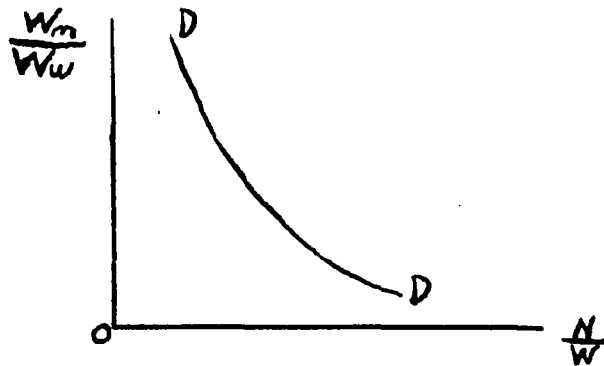
There are situations where the employer may hire nonwhites rather than whites even though the employer is normally a discriminator. The white utility function in this case would use social distance as an argument rather than physical distance. These jobs, such as shoe-shine boy, janitor, garbage collector, cook, etc., "belong to Negroes," or fit the Negro stereotype and thus the employer may prefer nonwhites in these jobs rather than whites even in the absence of wage discrimination, but factor complementarity is involved rather than factor

¹⁵Thurow, op. cit., pp. 118-122.

substitution.¹⁶

Complementarity would exist under conditions of unequal educational attainment between the two groups. One group may complement the other group in production, but the two groups may be segregated within the production process. For example, a chemical plant may employ all whites in managerial, professional, and technical positions because there are no nonwhite substitutes. On the other hand, employees doing menial jobs are all nonwhites because of the absence of white substitutes. The menial nonwhites complement the higher quality whites in the production process. Semiskilled jobs should be more competitive and the substitution of nonwhites for whites would be more relevant.

In addition, the average employer discrimination coefficient may increase with an increase in the proportion of nonwhites employed in an industry, since as the proportion rises nonwhites may be forced to seek employment in firms with a progressively greater taste for discrimination.¹⁷ Thus, as the proportion of nonwhites employed in an industry increases, the nonwhite to white earning ratio would tend to fall, generating a negative relative demand curve for nonwhites, labeled DD below, with the same productivity as whites.



¹⁶Ibid.

¹⁷Ashenfelter, op. cit., pp. 48-49.

In the graph, $\frac{W_n}{W_w}$ is the nonwhite to white earning differential, where W_n is the median nonwhite male earnings by industry and W_w is the median earnings of white males by industry. The ratio $\frac{N}{W}$ is the nonwhite to white male employment ratio for the same industry. A decrease in the nonwhite relative wage would lead to an increase in the proportion of nonwhites employed in the industry. If there is a wide variation in the employers' tastes for discrimination, the employers' discrimination coefficients will be widely dispersed and the relative demand curve will be more elastic. Thus a small decrease in nonwhite relative income would be necessary to induce a significant increase in the proportion of nonwhites employed. To the extent that the variance in tastes among the employers is small, the elasticity of the relative demand for nonwhites will be less and the increase in the proportion of nonwhites employed in the industry will be less responsive to a change in the relative nonwhite income. The level of relative demand for nonwhite labor will then be determined by the overall intensity of the employers' taste for discrimination and the relative cost of discrimination against nonwhites. A decrease in the employer's discrimination coefficient and an increase in the cost of discrimination against nonwhite labor will shift the relative demand curve for nonwhite labor outward and to the right, resulting in a greater relative employment of nonwhites.

The black separatist movement would create a separate black state completely segregated from the rest of the nation, through which blacks would become self-sufficient and would not be subject to exploitation by whites. This approach, however, would not solve the problem of discrimination against nonwhites but further worsen the economic position of

nonwhites relative to whites by limiting the access of nonwhites to white capital. Thus physical, social, and economic conditions may enable the employer to deal with nonwhites as a monopsonist, and the nonwhites may have few options, but certainly not the option to refuse to deal in economic transactions with whites since whites generally own and control the utilization of capital. A refusal of nonwhites to deal in transactions with whites would drastically reduce the amount of capital in combination with nonwhite labor and thus reduce the marginal revenue product of nonwhite labor.¹⁸

Becker's framework likewise argues that the white employee's behavior towards nonwhites is based upon the white employee's taste for discrimination. A white employee, offered the money wage rate W_{cj} for working with a nonwhite employee, acts as if $W_{cj} (1 - d_j)$ were the net wage rate, with d_j as his discrimination coefficient against nonwhites. The employer must pay a white employee a higher wage, therefore, to induce him to work with nonwhites rather than with other whites.¹⁹

Assume now that there is no consumer discrimination against nonwhites, the employer is a nondiscriminating, profit-maximizing employer, and also that white and nonwhite workers are perfect substitutes. If the wage rate of whites is greater than nonwhites, the employer would hire only nonwhites, and if the nonwhite wage rate is higher than whites he would hire only whites. On the other hand, if white and nonwhite wages were equal the employer would be indifferent

¹⁸Thurrow, op. cit., p. 117.

¹⁹Becker, op. cit., pp. 55-56.

as to color and hire an integrated labor force. Thus, if white employees have a taste for discrimination against nonwhite employees, private job discrimination rather than wage discrimination results since whites would require a premium wage to work with nonwhites. In other words, if the employer is a profit maximizer and not a discriminator, he will hire the least cost combination of factors of production so that his labor force will receive equal wages and be fully integrated, if, and only if, employees and consumers are nondiscriminators. If the employees have a taste for discrimination, then the profit maximizing employer will hire all nonwhite employees. An employer who discriminates will have to pay the discriminating white employee a wage high enough above the nonwhite wage to overcome his taste for discrimination, thus increasing the labor cost of production by the white to nonwhite wage differential. Discrimination thus leads to less production and resource misallocation.²⁰

Ideally, therefore, the degree of private job discrimination would depend upon the degree of discrimination by white employees. The degree to which integration by occupation and industry is observed would indicate the extent of substitution of nonwhites for whites and the degree to which differential marginal productivities exist between the two factors of production within each occupation and industry. In fact, marginal productivities may vary greatly within an occupation. In addition, the average discrimination coefficients²¹ of whites

²⁰Ibid., pp. 56-68.

²¹The average discrimination coefficient of white employees in an occupation or industry depends upon the distribution of individual white employees' discrimination coefficients. Since the individual

between occupations may have wide variations resulting in greater private job discrimination in some occupations than in others. The intensity of competition between whites and nonwhites will depend largely upon the degree of substitutability. We might conclude then that the average discrimination coefficient of white employees in an occupation is a function of the degree of competition with nonwhites which may threaten to reduce the physical and social distance between whites and nonwhites. In cases of complementarity, white employee private job discrimination may be minimal or nonexistent. We might expect complementarity to be greatest in the service, operative, farming, and laboring occupations; on the other hand, substitutability should be greatest in the professional, managerial, and craftsmen occupations due to the physical and social proximity of whites and nonwhites in these occupations and the greater amount of education and training required to acquire the credentials to qualify and the specialized nature of the occupation. Thus, the first group should experience less private job discrimination and the latter group more.²²

Employee discrimination may further limit nonwhite employment

white employee's discrimination coefficient can take any value between zero and infinity, there may be a wide variation in the distributions of white employee discrimination coefficients by occupation. Thus, the average discrimination coefficient may vary widely from occupation to occupation. Unfortunately, the average discrimination coefficient is not a measurable quantity in a cardinal sense, but ordinal measurability is possible in ranking occupations by the degree of discrimination experienced in each occupation.

²²Becker, op. cit., p. 61; and Welch, op. cit., p. 227.

opportunities by white employee control over the entry into certain occupations and industries. By exerting control over labor organizations white discriminating members can use subtle if not explicit means of excluding nonwhites from employment opportunities. The methods most commonly used by craft unions in the building trades are "agreements not to sponsor Negroes for membership; refusal to admit Negroes into apprenticeship programs; refusal to accept applications from Negroes, or simply ignoring their applications; general 'understandings' to vote against Negroes if they were proposed...; using examinations to refuse Negro journeyman status which were not given to whites or were rigged so that Negroes could not pass them; and by exerting political pressure on governmental licensing agencies to see to it that Negroes failed the tests..."²³

Organized labor may also exert pressure on the employer not to hire nonwhites. Industrial unions may affect the employment of nonwhites through their influence on the hiring, transfer, promotion and layoff processes. The industrial union generally cannot practice discrimination without the aid of the employer. For example, the employer may expect, based upon historical precedent, an adverse reaction from employees if nonwhites are hired for certain jobs, promoted, upgraded, or transferred to jobs that are traditionally "white jobs." Thus labor organizations through the concerted activities of members can exclude nonwhites from certain jobs and industries.

The employer may thus feel that the cost of hiring and promoting

²³F. Ray Marshall, "Union Racial Practices," The Economics of Black America, H. G. Vatter and Thomas Palm, editors (New York: Harcourt, Brace, Iovanovich, Inc., 1972), pp. 131-132.

nonwhites attributed to the expectation of labor trouble on the part of white employees might outweigh the possible benefit of increased productivity from the employment and promotion of nonwhites. The attitudes and expectations of employers will tend to change over time with change in the economic, social, and political makeup of society. In other words, since the attitudes and expectations of employers are culturally determined, cultural changes such as an increased abhorrence or condemnation of racial discrimination and discriminatory practices or changes in the voting or political behavior of the public would affect employers' personnel policies toward the employment of nonwhites.

Consumer discrimination can also be couched in terms of discrimination coefficients. For example, if the consumer has a taste for discrimination against nonwhites he will act as though the net price of goods and services produced by nonwhites were $P(1 + dk)$, where P is the money price and dk is the consumer's discrimination coefficient against nonwhites. The consumer uses the dk to determine the net price of a good or service. Discrimination against a producer may lower the price of his product.²⁴ Consumer discrimination may take the form either of unequal treatment of personal services produced by nonwhites and whites alike or preference for impersonal or standardized goods produced by whites. The second form of consumer discrimination is rather doubtful since, presumably, impersonal products do not have unique characteristics which permit producers to be identified.

As Welch noted, "Now if consumers receive disutility from associating with members of a group which provides personalized

²⁴Becker, op. cit., p. 76.

services, they will discount the value of these services. If, on the other hand, the product is impersonal, any discount must be attributed to disutility occurring at the time the product is purchased, for thereafter the producer of that product is irrelevant."²⁵ Thus, for consumer discrimination personal services would seem to be more relevant since goods unlike services are not sold by their producer but through intermediaries whose competitive advantage improves with a reduction in their taste for discrimination.

If there are antidiscriminatory laws and social pressures which require penalties for noncompliance, the income and employment of whites and nonwhites would depend upon the average taste of employers, employees, and consumers for discrimination, the magnitude of the penalties in a particular market, and the probability of being caught.

The existence of antidiscrimination legislation and social pressures to end discrimination will put the private employer in a position so that he must weigh the cost of complying to the law and moral suasion with the cost of avoiding compliance. The cost of not complying is the possible monetary loss to the employer of legal fees, fines for avoidance, harassment, possible loss of sales due to a product boycott by nonwhites, a possible loss of federal government contracts, and the increase in the cost of production and reduction in profits due to discrimination. For example, the latter may occur if employers consider net cost rather than actual money cost in hiring factors. They may hire a distribution of labor heavily weighted toward the higher cost white factor. The

²⁵Welch, op. cit., p. 226.

cost of noncompliance will depend upon the probability of being caught in noncompliance and the size of the fines. An employer who is a risk taker would be more likely to discriminate than the risk avoider. The risk avoider would comply rather than take the risk of being discovered and paying the penalty associated with not complying. The probable cost of compliance is based upon the employer's discrimination coefficient. The greater the taste for discrimination, the greater the probable cost of compliance. The increase in the probability of getting caught in noncompliance in the 1960's as compared to the 1950's would shift the relative demand for labor in favor of nonwhite labor, leading to a corresponding adjustment in relative nonwhite income and employment opportunities to the extent that employers are risk avoiders.²⁶

Landes develops a model of utility maximization under conditions of uncertainty, the complications of which are unnecessary for empirical verification of wage discrimination and private job discrimination. Discrimination against nonwhites, or a change in discrimination, will result either from a change in the taste for discrimination, a change in the cost of not complying, or a change in the probability of being apprehended for not complying.²⁷ For example, a decrease in the taste for discrimination or an increase in the cost of noncompliance will lead to a reduction of discrimination which would be revealed by empirical data.

²⁶William M. Landes, "The Economics of Fair Employment Laws," The Journal of Political Economy (July/August, 1968), pp. 509-513.

²⁷Ibid.

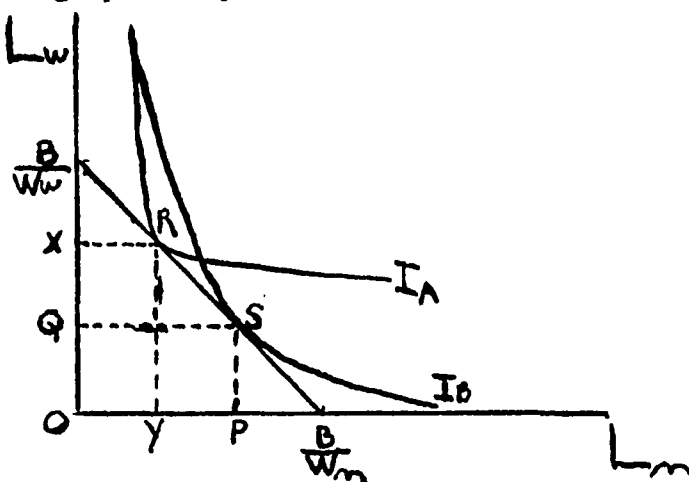
II. STATE GOVERNMENT

The analytical framework for analyzing state government discrimination is somewhat more ambiguous. However, some light can be shed on government discrimination in terms of the median discrimination coefficient of the electorate.²⁸ The recent enfranchisement of the Negro in the South, as a result of the Voting Rights Act of 1965, may reduce the median discrimination coefficient of the electorate and be reflected in the political and economic policies of the elected officials. The government, being a monopoly in the production of certain public services, must compete with the private sector in the hiring of productive services. The budget is the market in the public sector, but market constraints of product competition and factor substitution which lead to cost minimization in the private sector are not operative in the public sector. If the state government treats white and nonwhite labor as completely separate factors and only partially substitutable, its allocation of white and nonwhite labor may reflect this behavior. The behavior of elected officials, however, is conditioned by the median discrimination coefficient of the electorate, which is determined by the electorate's preference for discrimination against nonwhites in state employment.

²⁸The median discrimination coefficient of the electorate is conditioned by the individual preferences of the voters. Each political party in an election may approach issues based upon its evaluation of the frequency distribution of discrimination coefficients among voters. In a political democracy it may be assumed that the median would be a natural compromise. The median discrimination coefficient of the electorate would be affected by the relative number of nonwhite voters and the preferences of white and nonwhite voters for racial discrimination. See Becker, *op. cit.*, p. 82.

We can treat the state government production function as $Q = f(L_n, L_w, K, R, MPP_n, MPP_w)$, where Q is the output of government services, K and R represent the government use of capital and land respectively, $\frac{\partial Q}{\partial L_n} = MPP_n$ and $\frac{\partial Q}{\partial L_w} = MPP_w$ indicate the marginal product of nonwhite and white labor as evaluated by government officials, and L_n and L_w are the units of nonwhite and white labor. Thus, there are four separate factors of production, none of which is perfectly substitutable one for the other. The assumption of an absence of wage discrimination is realistic since civil service occupational classifications and wage classifications are highly structural and flagrant wage discrimination may be highly publicized and embarrassing to public officials, therefore we can assume that W_n and W_w are equal, where W_n and W_w are the wage rates of white and nonwhite labor. A taste for discrimination by the electorate would therefore likely result in public job discrimination.

Public job discrimination may then appear as an adverse evaluation of the nonwhites' marginal product (MPP_n) due to personal preferences and stereotypes transmitted by white culture and preferences of the electorate. Thus, the production function involving the two factors may be shown graphically:



L_w and L_n are in units of white and nonwhite labor, the government budget line is $\frac{B}{W_n} - \frac{B}{W_w}$, the slope of the government budget line is the ratio of nonwhite to white wages at the government job rate, $\frac{W_n}{W_w}$, which is assumed to be equal to one, and I_A and I_B are production isoquants not in a traditional economic sense but based upon the employing officials' evaluation of the productivity of the two factors. Isoquant I_A is sharply bent at point R with X number of whites and Y number of nonwhites. The bend in isoquant I_A indicates imperfect substitution between white and nonwhite labor in state government due to racial discrimination. The slope of the isoquant is given by the marginal rate of technical substitution of white for nonwhite labor, which is equal to the ratio of the marginal products of nonwhite to white labor. It is assumed that the marginal rate of technical substitution diminishes as nonwhite labor is substituted for white labor in the production function to produce a given level of government services. Since the subjective evaluation by government officials determines the marginal rate of technical substitution, isoquant I_A would represent a high median discrimination coefficient in the electorate. This means that in the case of isoquant I_A the marginal rate of technical substitution diminishes rapidly in comparison to isoquant I_B . Isoquant I_A may indicate that white government officials hire nonwhites on a quota basis but substitution of nonwhite for white in excess of the quota is very limited. The optimum quantity of white and nonwhite labor based upon a given government budget would be R. Isoquant I_B assumes a decrease in the median discrimination coefficient of the electorate so that the subjective judgment of government officials will effect a greater substitutability of nonwhite for white labor. Therefore,

the marginal rate of technical substitution of nonwhite for white labor will decline at a slower rate and thus isoquant I_B will be flatter than isoquant I_A . In this case, a smaller amount of nonwhite labor would be required to replace a unit of white labor. The optimum combination of nonwhite and white labor will then be S, which is a more favorable combination for nonwhites. Thus isoquant I_B represents a decrease in public job discrimination.

A shift in the isoquant from I_A to I_B may have occurred due to the enfranchisement of Negroes in Louisiana and other southern states in the 1960's. Consequently, enfranchisement, by increasing the cost of not complying with the electorate's taste for discrimination along with legislation prohibiting discrimination, may result in a re-evaluation of the nonwhite marginal productivity relative to that of whites. The cost of not complying with the electorate may be the removal from office. On the other hand, the cost of not complying with legislation may mean public embarrassment and criticism. If the public official has a taste for discrimination, the cost of complying would be based upon the sacrifice of his propensity to discriminate, which would be wholly or partially offset by the cost of not complying. Thus, personal as well as political decisions may be involved in discrimination by public officials. The response of government officials to changes in the taste of the electorate would normally be imperfect and may not bring about an automatic response from government officials. On the other hand, positive action in the area of racial policy in a southern state may indicate an expedience in response to the will of the electorate.

III. PROBLEM DEFINED

The two major factors that may be responsible for a decrease in discrimination against nonwhites in the state of Louisiana are (1) the extent to which the average discrimination coefficients of employers, employees, consumers, and the electorate have been affected by political and social pressures; and (2) the increase in the cost of not complying with these pressures on the part of the employer.

The first group of questions posed is to what extent has wage discrimination against nonwhites been affected since 1950? To what extent is the relative income position of nonwhites affected by education and the level of nonwhite employment as compared to whites? If there has been a substantial improvement, has the rate of improvement been significantly greater during the 1960's when greater political, social, and moral pressure prevailed for an elimination of discrimination? And to what extent is wage discrimination being eliminated by the employer?

Secondly, is private job discrimination as strong in the 1960's as in the 1950's, or are whites more willing to work with nonwhites on a more equal basis? Or are occupations where nonwhites are making gains becoming "Negro occupations" or segregated as a result of the upward occupational mobility of whites? To what extent has the expansion of demand for labor by occupation affected the employment opportunities of nonwhites? Is private job discrimination breaking down in high wage industries where nonwhites have been poorly represented in the past? Are more rapidly expanding industries and

occupations more likely to show signs of making job opportunities more available for nonwhites?

Thirdly, has public job discrimination concerning nonwhites been reduced through the political process in response to the electorate? Or has the pronouncement by the governor in 1965 to eliminate discrimination in state classified employment been merely "tokenism" or the application of a system of hiring a quota of nonwhites in certain noncontact classifications which would have a minimum political consequence so far as the white electorate is concerned? Does the change in the classification distribution reflect a change in the electorate's taste for discrimination which would increase the substitutability of nonwhite for white labor in state employment?

This analysis will emphasize the comparison of the 1950's and 1960's. Although antidiscrimination pressure existed during both periods it was much greater and probably more effective during the latter period in much of the private sector of the economy. The analysis of state employment will emphasize the differential employment patterns between the period from 1954 to 1965 and from 1965 to 1971. In general, the approach is similar to that of Landes, who sought to analyze the impact of state fair employment acts on the taste for discrimination on the part of the employer, employee, and consumer.²⁹

²⁹Landes, op. cit., pp. 507-552.

CHAPTER II

INCOME COMPARISONS

I. INTRODUCTION

Wage discrimination projects itself in the marketplace in the form of income inequality. A distinction can be made between two measures of income--income of persons, and earnings by occupation or industry. The first is a more generalized income concept, but income inequality in both cases can originate from the same sources. The main sources of income inequality are: first, the inequality of factor endowment, which includes land, physical capital, and human capital. The access to human capital is constrained by income and the availability of white capital markets; secondly, differential employment levels¹ will affect the relative income and earnings of nonwhites; and finally, the discrimination coefficients of employers and consumers which, by virtue of white monopoly control over the conditions of employment, could lead to an extraction of a surplus through the payment

¹The differential employment level is an adjunct of private job discrimination and is reflected by differences in white and nonwhite employment rates. The use of this concept is made feasible by the availability of data concerning the level of white and nonwhite employment during the year prior to the census year by occupation and overall. Nonwhites may have fewer opportunities to enter an occupation or participate in the labor market due to discrimination or, possibly, inadequate training and education, which is itself a product of discrimination. Thus, nonwhites tend to work fewer weeks during the year than whites. The use of this measure is made necessary by the fact that the income and earnings data are given on an annual basis rather than in terms of straight time hourly earnings or some other wage concept.

to nonwhites of a wage or income less than their marginal revenue product.

The first source of income inequality results from accumulated past market and discriminatory forces which cannot be immediately shifted by the current behavior or attitude of the public, but can be affected over time by appropriate public policy. Human capital has many aspects such as on-the-job training, vocational training, experience, etc., but for the purpose of this study the quantity of educational attainment as measured by the median years of schooling completed and returns to education is the significant variable. By restricting investment in nonwhite human capital, effective enforcement of employment, occupational and income discrimination can be achieved. Lack of formal education or on-the-job training may be an effective way of limiting the number of nonwhites in certain occupations and removes the incentives of employers to cut cost, by hiring nonwhite labor, as well as confines nonwhites to those industries that are most subject to cyclical fluctuations. Above all, however, the inability of the nonwhite to acquire human capital increases the potentiality of wage discrimination by making nonwhite labor a complement to white labor rather than a substitute for it.²

Differential employment levels and the discrimination coefficients of employers and consumers can be affected by a change in the pattern of employer and consumer tastes and should be reflected in employer decision-making induced by moral, legal, and political pressure.

²Lester C. Thurow, Poverty and Discrimination (Washington: The Brookings Institution, 1969), pp. 122-123.

This chapter will attempt to analyze the changes in wage discrimination against nonwhites in Louisiana from 1950 to 1970 and to point out areas of employment which exhibit the greatest and least amounts of wage discrimination against nonwhites. The use of an aggregate measure of relative nonwhite income is made initially to compare the relative income position of nonwhites in the 1950's with their subsequent relative income position in the 1960's. These income figures are then adjusted for educational differentials, differences in education payoff, and differences in white and nonwhite employment levels. The latter two variables are constrained, however, by the lack of sufficient data in the 1950 census. Finally, 1970 earnings data by occupation are utilized and adjusted by educational attainment and differences in employment levels to yield the ranking of wage discrimination among occupations.

Income and earnings data are derived from the 1950, 1960, and 1970 censuses. The data are basically comparable. However, occupational earnings by color were not available in the 1950 census. Furthermore, occupational earnings of the experienced civilian labor force are compiled for persons 14 years old and over in 1960, but a change in the universe in 1970 was made to include only persons 16 years old and over to achieve conformity with the official measurements of the labor force as revised in January, 1967. This change in the universe is only minor since it affects less than one percent of the civilian labor force and the relative value rather than the absolute value of the data is of primary importance.

II. A COMPARISON OF THE 1950'S AND 1960'S

If wage discrimination has declined in the period of the 1960's because of legal, political, and moral pressures, this would, ceteris paribus, be reflected by a substantial improvement in the relative income position of nonwhites during the 1960's as compared to the 1950's. The extent, if any, to which wage discrimination has been reduced may be analyzed in terms of income and earnings differentials after allowance has been made for employment and productivity factors, as previously stated. The problems of productivity and the measurement of nonwhite relative employment level are constrained by the lack of data.

Tables 2-1 and 2-2 represent one method of collating and presenting available data. Table 2-1 shows the ratio of nonwhite to white median income for the census years 1950, 1960, and 1970. Table 2-2 shows the percentage of change of these ratios from one census year to the next.

The Decade of the 1950's

The data indicate a substantial decrease in the relative income position of nonwhites during the 1950's but the deterioration was only among nonwhite males. The relative income position of nonwhite females improved slightly during this period. The data also indicate that nonwhite males suffered more from discrimination than nonwhite females, evidenced by the higher relative income of nonwhite females, assuming that there are no differences in nonwhite male and female relative educational attainment, relative educational payoff,

TABLE 2-1

RATIO OF NONWHITE TO WHITE MEDIAN INCOME OF PERSONS
14 YEARS OF AGE AND OLDER IN THE STATE OF
LOUISIANA; 1949,^a 1959,^b AND 1969^c

Year	Male	Female	All
1949	.4475	.5565	.4380
1959	.4029	.5642	.3580
1969	.4542	.6530	.4610

^aCalculated from: United States Bureau of the Census, Census of Population: 1950, Vol. II, Characteristics of the Population, Part 18, Louisiana (Washington: Government Printing Office, 1952), Table 87.

^bCalculated from: United States Bureau of the Census, Census of Population: 1960, Vol. I, Characteristics of the Population, Part 20, Louisiana (Washington: Government Printing Office, 1962), Table 67.

^cCalculated from: United States Bureau of the Census, 1970 Census of Population; Detailed Characteristics, Louisiana (Washington: Government Printing Office, 1972), Table 192.

TABLE 2-2

PERCENTAGE CHANGE IN THE RATIO OF NONWHITE TO WHITE
MEDIAN INCOME OF PERSONS 14 YEARS OF AGE AND
OLDER IN THE STATE OF LOUISIANA, 1949 TO
1959, AND 1959 TO 1969^a

Period	Male	Female	All
1949 - 1959	- 9.97%	+ 1.38%	-18.26%
1959 - 1969	+12.73%	+15.74%	+28.77%

^aCalculated from Table 2-1.

and employment levels.

Tables 2-3 and 2-4 classify the nonwhite to white median income ratios by urban and rural areas. In 1949, nonwhite males and females were relatively better off in rural than in urban areas. By 1959 the opposite was true for nonwhite males, but females were still relatively better off if they lived in rural areas.

It would seem that there are several possible reasons for the deterioration of the nonwhite relative income during the 1950's. First, the unemployment rate differential between whites and nonwhites is not the same in both census years. For example, in 1949 the unemployment of nonwhite and white males 14 years of age and older was 6.8 percent and 4.8 percent, respectively. By 1959 the unemployment rates had changed to 6.7 percent for nonwhite males and 3.6 percent for white males. The relatively higher unemployment rate among nonwhites in 1959 would also imply a higher rate of underemployment, which, if severe enough, can certainly lower the relative income position of nonwhites.³

Secondly, the earning differential between the higher and lower earning occupations increased, in absolute and relative terms. For example, in Table 2-5, the median earnings of professional and technical; managers, officials, and proprietors; and craftsmen and foremen increased by \$2371, \$2361, and \$1800, respectively, from 1949 to 1959, while that of nonfarm labor, service workers (except private household), and farmers and farm managers increased by \$690, \$794, and \$383,

³The unemployment figures are based on the United States Census of Population, 1950 and 1960.

TABLE 2-3

RATIO OF NONWHITE TO WHITE MEDIAN INCOME OF PERSONS
14 YEARS OF AGE AND OVER BY SEX AND LOCATION FOR
LOUISIANA; 1949,^a 1959,^b AND 1969^c

Year	Male		Female	
	Urban	Rural	Urban	Rural
1949	.4887	.5121	.5496	.4806
1959	.4475	.3373	.5657	.6459
1969	.5010	.3968	.6265	.6292

^aCalculated from: United States Bureau of the Census, Census of Population: 1950, Vol. II, Characteristics of the Population, Part 18, Louisiana (Washington: Government Printing Office, 1952), Table 87.

^bCalculated from: United States Bureau of the Census, Census of Population: 1960, Vol. I, Characteristics of the Population, Part 20, Louisiana (Washington: Government Printing Office, 1962), Table 67.

^cCalculated from: United States Bureau of the Census, 1970 Census of Population; Detailed Characteristics, Louisiana (Washington: Government Printing Office, 1972), Table 192.

TABLE 2-4

PERCENTAGE CHANGE IN THE RATIO OF NONWHITE TO WHITE
MEDIAN INCOME OF PERSONS 14 YEARS OF AGE AND
OLDER BY SEX AND LOCATION FOR LOUISIANA:
1949 TO 1959, AND 1959 TO 1969^a

Period	Male		Female	
	Urban	Rural	Urban	Rural
1949 - 1959	- 8.43%	-34.13%	+ 2.93%	+11.25%
1959 - 1969	+11.96%	+17.64%	+10.75%	- 2.59%

^aCalculated from Table 2-3

TABLE 2-5

CHANGES IN MEDIAN EARNINGS OF TOTAL EXPERIENCED MALE LABOR FORCE,
IN DOLLARS, IN OCCUPATIONS WITH HIGH AND LOW NONWHITE
MALE PARTICIPATION; 1949,^a AND 1959^b

Classification	Median Earnings 1949	Median Earnings 1959	Amount of Change	Percent of Change	Percent Nonwhite Males Employed in Occupation in 1950
<u>HIGH NONWHITE PARTICIPATION:</u>					
Operatives	2122	3916	+1804	85.4	.1699
Nonfarm Labor	1440	2130	+ 690	47.9	.2717
Farmers & Farm Managers	954	1327	+ 373	39.0	.1777
Service Workers	1699	2493	+ 794	46.7	.0883
<u>LOW NONWHITE PARTICIPATION:</u>					
Professional & Technical	3696	6067	+2371	64.1	.0185
Craftsmen & Foremen	2644	4444	+1800	68.1	.0708
Clerical & Kindred	2847	4439	+1543	54.2	.0126
Managers, Officials & Proprietors	3673	6040	+2367	64.4	.0157

^aCalculated from: United States Bureau of the Census, Census of Population: 1950, Vol. II, Characteristics of the Population, Part 18, Louisiana (Washington: Government Printing Office, 1952), Table 78.

^bCalculated from: United States Bureau of the Census, Census of Population: 1960, Vol. I, Characteristics of the Population, Part 20, Louisiana (Washington: Government Printing Office, 1962), Table 124.

TABLE 2-6

RATIO OF NONWHITE MALE TO WHITE MALE EMPLOYMENT BY
OCCUPATION FOR 1950 AND 1960, BY RANK ORDER OF
EARNINGS FROM HIGHEST TO LOWEST IN 1959

Occupation	1950 ^a	1960 ^b
Professional and Technical	9.5	8.7
Managers, Officials and Proprietors	61.5	39.3
Craftsmen and Kindred	15.2	14.8
Sales Worker	5.2	4.7
Clerical and Kindred	7.0	10.7
Operatives and Kindred	39.1	42.5
Service Workers, except Private Household	80.3	84.6
Laborers, except Farm	157.2	170.0
Farmers and Farm Managers	61.5	39.3
Farm Laborers and Foremen	149.9	183.3

^aCalculated from: United States Bureau of the Census, Census of Population: 1950, Vol. II, Characteristics of the Population, Part 18, Louisiana (Washington: Government Printing Office, 1952), Table 77.

^bCalculated from: United States Bureau of the Census, Census of Population: 1960, Vol. I, Characteristics of the Population, Part 20, Louisiana (Washington: Government Printing Office, 1962), Table 129.

respectively, during the same period. Since nonwhites are concentrated in the latter group, it seems that this phenomenon lowers the relative income of nonwhites. Table 2-5 separates occupational classifications into high and low nonwhite participation occupations. The data show that occupations in which nonwhites have the highest participation rate (except for operatives) experienced the smallest absolute and percentage increase in earnings from 1949 to 1959. In addition, the patterns of employment have changed.

Table 2-6 gives the ratio of nonwhite to white male employment in each of the selected categories. An increase in the ratio in the lower income occupations will substantiate this argument. Census data show that during the 1950's there was a decrease in the relative employment of nonwhite males in higher earnings occupational groups such as professional and technical; managers, officials, and proprietors; and craftsmen, foremen, and kindred workers. On the other hand, low earnings occupational groups such as laborers except farm and mine; farm laborers and farm foremen; and service workers except private household experienced a relative increase in nonwhite male employment.

Although there was a relatively large decrease in nonwhite men employed as farmers and farm managers, which is a low earnings occupation, this was more than offset by a large increase in the relative number of nonwhite men employed as farm laborers and farm foremen, and laborers except farm and mine.

Thirdly, changes in factor ownership would over time increase the share of income going to whites if their ownership of land, physical capital, and human capital increases relative to that of nonwhites. One would expect that this has happened since white income

has been substantially greater than that of nonwhites.

Finally, there has been an outmigration of nonwhites since 1950 which would affect the economic position of nonwhites if the outmigration occurred predominantly in the most productive age group--from ages 20 through 40.

In addition, there may have been an increase in discrimination against nonwhites due to a white backlash growing out of increasing unrest and activism among nonwhites during the 1950's.

A positive factor which supposedly would contribute to an improvement in the relative income position of nonwhites is educational attainment. The ratio of nonwhite to white median years of schooling completed increased from .608 in 1950 to .685 in 1960, indicating an increase in the relative investment in human capital by nonwhites. However, educational attainment may not have as important an effect upon relative nonwhite income as once supposed. If the returns to nonwhite education are substantially lower than the returns to white education, education wouldn't necessarily lead to improvement.⁴

The Decade of the 1960's

A marked improvement occurred during the 1960's in the relative income position of nonwhites. Overall, the nonwhite to white median income ratio increased by 28.77% during this period, as indicated by Table 2-2. Nonwhite females, however, experienced a higher rate of improvement than males, which again suggests that nonwhite females are

⁴Randall D. Weiss, "The Effects of Education on the Earnings of Blacks and Whites," The Review of Economics and Statistics (May, 1970), p. 158; and Bennett Harrison, "Education and Underemployment in the Urban Ghetto," The American Economic Review (December, 1972), p. 802.

less likely to suffer from discrimination than nonwhite males.

Nonwhite males were only slightly better off in 1969 than in 1949, compared to white males, whereas nonwhite females were substantially better off compared to white females.

A recent study by Ashenfelter found for the United States as a whole that "the relative earnings of nonwhite males remained remarkably stable over the period 1950-66, while the relative earnings of nonwhite females have moved very steadily upward over this period."⁵

Table 2-3 indicates that by 1969, even though nonwhite males were better off if they lived in urban areas, nonwhite females were neither better off nor worse off if they lived in urban areas.

Conditions which may have contributed to an improvement in the economic position of nonwhites during the 1960's can be described as (1) a decrease in the unemployment rate from 1959 to 1969 due to a very tight labor market, although Ashenfelter concluded that "there is little evidence to indicate that the general state of the labor market has any appreciable direct effect on the relative earnings of nonwhites";⁶ (2) an improvement in the nonwhite occupational distribution; (3) a relative improvement in the productivity of nonwhites as measured by the median years of school completed; (4) a relative improvement in the nonwhite education payoff; and (5) a reduction in wage discrimination due to antidiscrimination pressures prevailing in the 1960's.

⁵Orley Ashenfelter, "Change in Labor Market Discrimination Over Time," The Journal of Human Resources (Fall, 1970), p. 428.

⁶Ibid., p. 416.

Relative Nonwhite Income Adjusted for
Education and Employment Differences

An educational adjustment of nonwhite relative income must be based upon the returns to education for both whites and nonwhites, male and female. This can be estimated from group data since the retrieval of the individual observations would be very time-consuming and costly.⁷ The regression equation can be written as $\bar{Y} = \alpha + \beta \bar{X} + \bar{E}$ where \bar{Y} is mean income, \bar{X} is the mean number of years of school completed,⁸ and \bar{E} is the mean of the regression disturbance, which is assumed to be equal to zero. The problem is to estimate values of β for both white and nonwhite by sex using the group means. The value of β represents the returns to education of two educational groups--those persons with 12 years of school or less and those persons with more than 12 years of school completed. In the following table the β_N values represent returns to nonwhite education and β_W represents returns to white education. Table 2-7 indicates that the returns to education for nonwhite males with 12 years of school or less are less than one-half that of white males in 1960 and 1970. A surprising discovery is that the returns to nonwhite females with more than 12 years of school are about one-third higher than white females. This may be explained by the fact that a higher proportion of white females are married and living with their spouse. Gwartney and Stroup show that married

⁷For an excellent description of the statistical technique involving grouped data see: Jan Kmenta, Elements of Econometrics (New York: Macmillan Company, 1971), pp. 322-336.

⁸This estimate is based upon persons with income who were 25 years of age and older in 1960 and persons 18 years of age and older in 1970.

females have lower earnings than single females because single females are more attached to the labor force than married females.⁹ In addition, a larger proportion of nonwhite females are household heads and have the sole responsibility for family support and therefore are committed to the labor force. Thus, time worked is a very important explanatory variable of income differences.

TABLE 2-7
RETURNS TO WHITE AND NONWHITE EDUCATION

Year and Sex	12 Years of School or Less		More than 12 Years of School	
	B _W	B _N	B _W	B _N
1960 ^a				
Male	291.23	129.56	689.14	423.25
Female	146.08	44.06	522.50	725.25
1970 ^b				
Male	402.75	170.45	1935.80	1387.44
Female	214.92	103.59	893.70	1361.86

^aEstimates based upon: United States Bureau of the Census, Census of Population: 1960, Vol. I, Characteristics of the Population, Part 20, Louisiana (Washington: Government Printing Office, 1962), Table 138.

^bEstimates based upon: United States Bureau of the Census, 1970 Census of Population; Detailed Characteristics, Louisiana (Washington: Government Printing Office, 1972), Table 197.

⁹James Gwartney and Richard Stroup, "Measurement of Employment Discrimination According to Sex," Southern Economic Journal (April, 1973), pp. 575-587.

With the existing data on education and employment levels of whites and nonwhites, it is possible to make compensating adjustments to the relative income of nonwhites, and, ceteris paribus, to illuminate the change in the level of wage discrimination from 1959 to 1969. The first adjustment process involves median education data from the census years 1960 and 1970. The formula for making the adjustment is $\frac{I_n}{I_w} (1 - \frac{E_n}{E_w}) e + \frac{I_n}{I_w}$, where the subscripts n and w represent nonwhites and whites respectively, I is the median income of persons 14 years of age and older, E is the median years of school completed for persons 25 years of age and older, and e is the relative payoff to nonwhite education, i.e., e is found by $\frac{e_n}{e_w}$ and represents the returns to nonwhite education as a proportion of the returns to white education. The element $\frac{I_n}{I_w} (1 - \frac{E_n}{E_w}) e$ is the proportion of the nonwhite to white median income differential explained by differences in education assuming an absence of employment level differences and wage discrimination and that wealth is distributed randomly among the population.

Table 2-8 indicates that discrimination against nonwhite males may have decreased slightly from 1959 to 1969 since the relative income of nonwhite males, after adjustment for education differences and the relative nonwhite educational payoff, increased from .4872 in 1959 to .5279 in 1969. Nonwhite females seemed to experience less discrimination than nonwhite males. Discrimination against nonwhite females appeared to decline substantially during the decade. The improvement in the relative income position of nonwhites in the 1960's after accounting for differences in educational attainment and payoff seems to be due to a reduction in discrimination and, possibly, a more

TABLE 2-8

RATIO OF NONWHITE TO WHITE MEDIAN INCOME OF PERSONS 14 YEARS OF AGE
AND OLDER, ADJUSTED FOR EDUCATION DIFFERENCES

Year	M A L E		F E M A L E	
	Ratio of nonwhite to white median income of persons	Nonwhite to white ratio after adjust- ment for education differences	Ratio of nonwhite to white median income of persons	Nonwhite to white ratio after adjust- ment for education differences
1959 ^a	.4029	.4872	.5662	.6326
1969 ^b	.4542	.5279	.6530	.7482

^aCalculated from: United States Bureau of the Census, Census of Population: 1960, Vol. I, Characteristics of the Population, Part 20, Louisiana (Washington: Government Printing Office, 1962), Tables 67 and 47.

^bCalculated from: United States Bureau of the Census, 1970 Census of Population; Detailed Characteristics, Louisiana (Washington: Government Printing Office, 1972), Tables 192 and 148.

favorable distribution of occupational employment.

A similar adjustment of the income data was made to include differences in the levels of employment of whites and nonwhites. The formula $\frac{I_n}{I_w} \left[\left(1 - \frac{E_n}{E_w}\right) e + \left(1 - \frac{U_n}{U_w}\right) \right] + \frac{I_n}{I_w}$ is used where the income (I), education (E), and educational payoff (e) variables are the same as before; the symbols U_n and U_w are the average number of weeks worked by nonwhites and whites with income 14 years of age and older in 1959 and 1969.¹⁰ The element $\frac{I_n}{I_w} \left(1 - \frac{U_n}{U_w}\right)$ represents the proportion of the nonwhite to white income differential explained by differences in employment levels, assuming a random distribution of wealth, equal educational attainment, the same education payoff for both whites and nonwhites, and an absence of wage discrimination. Data were not available by race for 1950. Differences in the levels of employment are an aspect of private job discrimination and by accounting for the effects of this element on the relative income of nonwhites it is possible to say more about other elements of discrimination.

Table 2-9 gives the relative income of nonwhite males and females adjusted for differences in educational attainment, differences in the returns to education, and employment level differences. If differences in educational factors and the employment levels explained all of the differences in the ratio of nonwhite to white income, the adjusted income ratio would be close to 1. The adjusted income ratio was higher for females than males, signifying less discrimination

¹⁰The data pertain to the number of weeks in which a person did any work for pay (including paid vacation and sick leaves) or worked without pay on a family farm or in a family business. The data collected in 1960 and 1970 are comparable. The average number of weeks worked is the best estimate available to measure the relative employment level of nonwhites.

against females. From 1959 to 1969 the adjusted income ratios increased in both cases. The increase in the adjusted income ratios resulted from either a reduction in wage discrimination or more favorable nonwhite occupational distribution, or both. Moreover, the reduction in discrimination during the 1960's had to be great enough to offset a possible reduction in the adjusted income ratios due to a distribution of wealth less favorable to nonwhites.

TABLE 2-9
RATIO OF NONWHITE TO WHITE MEDIAN INCOME OF PERSONS
14 YEARS AND OLDER, ADJUSTED FOR EDUCATION
AND EMPLOYMENT DIFFERENCES

Year	Male	Female
1959 ^a	.5263	.6624
1969 ^b	.5547	.7534

^aCalculated from: United States Bureau of the Census, Census of Population: 1960, Vol. I, Characteristics of the Population, Part 20, Louisiana (Washington: Government Printing Office, 1962), Tables 67, 47, and 124.

^bCalculated from: United States Bureau of the Census, 1970 Census of Population; Detailed Characteristics, Louisiana (Washington: Government Printing Office, 1972), Tables 192, 148, and 167.

The data of the 1970 census for income by years of school completed presented in Table 2-10 indicate that discrimination against nonwhites increases as education increases, up to four years of high school. Further, nonwhites will experience a smaller and smaller amount of discrimination as their level of education increases, beyond

TABLE 2-10

RATIO OF NONWHITE TO WHITE MEDIAN INCOME IN DOLLARS OF PERSONS 18 YEARS
AND OLDER BY YEARS OF SCHOOL COMPLETED AND SEX - 1970^a

Years of School Completed	Median Income of Males			Median Income of Females		
	Nonwhite	White	Ratio N/W	Nonwhite	White	Ratio N/W
<u>Elementary School:</u>						
Less than 5 years	1871	2529	.7398	1045	1146	.9119
5 to 7 years	2972	4718	.6299	1174	1374	.8544
8 years	3372	5521	.6108	1290	1556	.8290
<u>High School:</u>						
1 to 3 years	3438	6364	.5402	1443	1982	.7281
4 years	3895	7381	.5277	1807	3025	.5974
<u>College:</u>						
1 to 3 years	3699	6961	.5314	1981	2754	.7193
4 years	6566	10422	.6300	5738	4870	1.1782
5 years or more	8766	11581	.7569	7204	6667	1.0805

^aCalculated from: United States Bureau of the Census, 1970 Census of Population; Detailed Characteristics, Louisiana (Washington: Government Printing Office, 1972), Table 197.

12 years of school. As noted earlier, the relative nonwhite returns to education are greater for nonwhites with more than 12 years of school completed. This indicates that nonwhites who attend college will experience less discrimination than those who do not. The realization on the part of nonwhites of the relative gains from higher education may help to overcome the cost of education (marginal employment, current consumption, etc.) for many nonwhites and increase the relative flow of nonwhites to institutions of higher learning. However, the nonwhite budget constraint must be overcome to significantly increase the relative flow of nonwhites into higher education.

Relative Nonwhite Occupational Earnings

Occupational earning differentials between whites and nonwhites appeared to be relatively large in 1960 when taken by themselves, but there are at least three variables which might be responsible for this income differential. They are (1) the level of occupational employment, (2) education, and (3) wage discrimination by employers and consumers. The employment level was lower among nonwhite employees due to private job discrimination which partially excluded nonwhites from the market. This discrimination is generated by such practices as "last hired, first fired," seniority procedures, and hiring of nonwhites on a temporary basis. The "last hired, first fired" practice treats the nonwhite as a marginal worker who is hired when the labor market becomes tight and upward pressure is exerted upon the wages of white workers in the occupation. When, however, the demand for labor slackens, the nonwhite is the first to be laid off.

The employment level effect tends to reduce the relative nonwhite

occupational earnings so that an adjustment involving the relative occupational employment of nonwhites must be applied to determine to what extent the relative occupational earnings differential between nonwhite and white males and females is due to the low relative employment of nonwhites and if a greater amount of the earnings differential can be explained in 1969 than in 1959 by a higher level of nonwhite employment. This adjustment¹¹ is contained in Tables 2-11 and 2-12. Caution should be used in interpreting this relationship because the employment level data may actually represent a small over-estimation of relative nonwhite employment. This is due to the nature of the data, i.e., the employment level is available in 1960 for total and nonwhite members of the experienced civilian labor force, rather than white and nonwhite and the data includes persons working 50 to 52 weeks only.

If the ratios in columns 2 and 4 in Tables 2-11 and 2-12 are equal to 1, then the occupational earning differentials can be explained

¹¹The adjustment process is the same as before--

$$\frac{I_n}{I_w} \left(1 - \frac{U_n}{U_w}\right) + \frac{I_n}{I_w} \quad \text{-- where } I \text{ represents the actual earnings of the}$$

experienced labor force by occupation and U represents the percentage of the experienced labor force 14 years of age and over in 1959 and 16 years of age and over in 1969 who worked 50 to 52 weeks. Earnings and employment level data for 1959 include persons 14 years of age and older, while the 1969 data include persons 16 years of age and older. This modification will not significantly affect the adjustment analysis since very few persons are in the 14 and 15 year age groups. Data for white employment levels by occupation were not available for 1959 so that the employment level of all persons was used as an estimate of white employment. Furthermore, the percentage of the experienced labor force who worked 50 to 52 weeks is used rather than the average number of weeks because the latter data are not available for 1959 by occupation. The former data are less refined than would be desirable for an adjustment of this type.

TABLE 2-11

RELATIVE EARNINGS OF EXPERIENCED NONWHITE MALES BY OCCUPATION, ADJUSTED
 BY THE RELATIVE PERCENTAGE OF NONWHITE MALES IN THE EXPERIENCED
 LABOR FORCE WHO WORKED 50 TO 52 WEEKS; 1959 - 1969^a

Occupation	<u>1 9 5 9^b</u>		<u>1 9 6 9^c</u>		Col. 5
	<u>Col. 1</u>	<u>Col. 2</u>	<u>Col. 3</u>	<u>Col. 4</u>	
	Ratio of non- white to white median earnings	Nonwhite relative earnings after em- ployment adjust.	Ratio of non- white to white median earnings	Nonwhite relative earnings after em- ployment adjust.	Change in earnings ratio after employment adjustment
Professional and Technical	.6018	.9717	.7311	.9612	- .0105
Managers, Officials, except Farm	.4375	.6121	.6979	.8100	+ .1979
Sales Workers	.4026	.5597	.6023	.7248	+ .1651
Clerical and Kindred	.7087	.7340	.7674	.8191	+ .0856
Craftsmen, Foremen and Kindred	.5033	.7711	.5741	.7314	+ .0397
Operatives	.5215	.6170	.6305	.6969	+ .0799
Laborers, except Farm	.8782	.9041	.9197	.9785	+ .0744

TABLE 2-11 (continued)

Farmers and Farm Managers	.3833	.5975	.2978	.5612	- .0363
Farm Laborers and Foremen	.6876	.7568	.6774	.8005	+ .0473
Service Workers, except Household	.5916	.6521	.6379	.6974	+ .0453

^aThe 1959 data include 14 and 15 year olds who have had experience in the occupation. The 1969 data do not include 14 and 15 year old persons.

^bCalculated from: United States Bureau of the Census, Census of Population: 1960, Vol. I, Characteristics of the Population, Part 20, Louisiana (Washington: Government Printing Office, 1962), Table 124.

^cCalculated from: United States Bureau of the Census, 1970 Census of Population; Detailed Characteristics, Louisiana (Washington: Government Printing Office, 1972), Tables 175 and 172.

TABLE 2-12

RELATIVE EARNINGS OF EXPERIENCED NONWHITE FEMALES BY OCCUPATION, ADJUSTED
BY THE RELATIVE PERCENTAGE OF NONWHITE FEMALES IN THE EXPERIENCED
LABOR FORCE WHO WORKED 50 TO 52 WEEKS; 1959 - 1969^a

Occupation	<u>1 9 5 9^b</u>		<u>1 9 6 9^c</u>		<u>Col. 5</u> Change in earnings ratio after employment adjustment
	<u>Col. 1</u> Ratio of non- white to white median earnings	<u>Col. 2</u> Nonwhite relative earnings after em- ployment adjust.	<u>Col. 3</u> Ratio of non- white to white median earnings	<u>Col. 4</u> Nonwhite relative earnings after em- ployment adjust.	
Professional and Technical	1.1957	1.4748	1.0132	1.2981	- .1767
Managers, Officials, except Farm	.4545	.5836	.7607	1.0076	+ .4240
Sales Workers	.7187	.7303	.8008	.8372	+ .1073
Clerical and Kin- dred	.4903	.7612	.7357	.9244	+ .1632
Craftsmen, Foremen and Kindred	.5920	.7911	.7209	.7711	- .0200
Operatives	.7059	.7124	.8263	.8765	+ .1641
Laborers, except Farm	.5532	.6957	.8701	.9315	+ .2358

TABLE 2-12 (continued)

Farmers and Farm Managers	.6799	1.0919	.3179	.7242	- .3777
Farm Laborers and Foremen	.8520	1.0437	.6840	.8625	- .1812
Service Workers, except Household	.8158	.7597	.9478	.9404	+ .1807
Private Household	1.0678	1.0472	1.2782	1.2527	+ .2055

^aThe 1959 data include 14 and 15 year olds who have had experience in the occupation. The 1969 data do not include 14 and 15 year old persons.

^bCalculated from: United States Bureau of the Census, Census of Population: 1960, Vol. I, Characteristics of the Population, Part 20, Louisiana (Washington: Government Printing Office, 1962), Table 124.

^cCalculated from: United States Bureau of the Census, 1970 Census of Population; Detailed Characteristics, Louisiana (Washington: Government Printing Office, 1972), Tables 175 and 172.

by the prevalence of relatively less nonwhite than white male and female employment in the occupational groups, thus wage discrimination can be said to be absent. Based upon the adjustment technique this does not appear to be the case with nonwhite males since the ratios in both columns 2 and 4 are less than 1; therefore differences in educational attainment, education payoff, and wage discrimination appear to be important explanatory factors. If the ratios in column 4 are larger than the ratios in column 2, it is likely that wage discrimination and educational differences decreased during the 1960's and more of the earnings differential can be explained by the lower level of employment of nonwhites.

In only two cases--professional and technical, and laborers except farm--have the relative employment levels of nonwhite males in both 1959 and 1969 come close to explaining the deviation of nonwhite and white male earnings.

In occupations such as sales workers; and managers and officials except farm, the earnings deviations, after adjusting for employment, are quite large and might be explained by the fact that these are contact occupations and occupations where a relatively high degree of substitutability exists between nonwhites and whites, thus it might be expected that whites would have a higher discrimination against nonwhites in these occupations, both as consumers and employers.

Figures in the last column of Table 2-11 are preceded by a plus or minus sign, which signifies an increase or decrease in the explanatory value of the employment level adjustment from 1959 to 1969. Most signs are plus, but in several cases the changes are quite small and therefore do not signify a significant change in wage discrimination.

In fact, based upon the adjustment technique, the relative level of nonwhite male employment can explain almost all of the income differential among professional and technical in both 1959 and 1969, and in 1969 the relative employment level of nonwhite males in the occupation explains substantially all of the color income differential in the laborers except farm category, therefore it appears that wage discrimination is minimal in these cases. It appears then that the nonwhite relative income is higher in 1969 than in 1959 in most occupations after an adjustment is made for differences in the level of employment.

In the same manner, the relative income of nonwhite females by occupation (see Table 2-12) was adjusted by the relative employment level of nonwhite females. In 1959, based upon the adjustment technique, differences in the level of female employment explains all or almost all of the differences in income between white and nonwhite female employees in the following occupations: professional and technical; farmers and farm managers; farm laborers and foremen; and private household. Nonwhite females, however, are not well represented in the farming occupations. By 1969, the relative employment of nonwhite females could explain all or most of the income differences in occupations such as managers and officials, except farm; clerical and kindred; laborers, except farm; and service workers.

The last column of Table 2-12 shows the change in the relative income of nonwhite females from 1959 to 1969 after adjusting for differences in employment. The values of the changes by occupation indicate that nonwhite females experienced a far greater reduction in wage discrimination than nonwhite males, if there was no significant change in the relative educational attainment.

Both nonwhite males and females made occupational gains during the 1960's due to a reduction in wage discrimination if we assume that relative educational attainment by occupation did not change during the 1960's.

If nonwhites' relative productivity in the production process were the same in each occupation, if the average discrimination coefficients of white employers and consumers against nonwhites were the same in each occupation, and if the white and nonwhite employment levels were the same for each occupation, nonwhite relative income would also be the same in each occupation. Even if the proportion of nonwhites in each occupation varied greatly nonwhite income would be the same in each occupation as long as all employers and consumers had the same discrimination coefficients.

Ratios in the second column of Tables 2-11 and 2-12 vary from .5597 to 1.4748, which implies that nonwhites in different occupational categories are subjected to different levels of wage discrimination, assuming that differences in educational attainment are minimal.

The employment aspect is more responsible in explaining the income differential of some occupations than of others. The same should be true of education or productivity. If it is assumed that each worker contains the same amount of physical labor and if physical labor in one individual will substitute perfectly for physical labor in another individual then, ceteris paribus, without any form of discrimination a worker's income would vary roughly according to the quantity of education he has acquired.¹² This would imply that the

¹²Quality of education, age, health, experience, on-the-job training, and other aspects of human capital are difficult to measure based upon available data.

amount of earnings per unit of education should be the same in all occupations. However, it was observed earlier that the returns to education are greater for whites than for nonwhites. In addition, the proportion of persons with 12 years of school or less is different by occupation, sex, and race. The adjustment of relative occupational earnings for differences in the education payoff must be based upon the proportion of persons in each occupation with 12 years of school or less and with more than 12 years of school completed. The e factor in the income adjustment formula previously utilized is somewhat modified for the present adjustment, i.e., the education payoff by occupation is an average payoff for whites and nonwhites with 12 years of school or less and more than 12 years of school weighted by the proportion of persons in each education class. The e factor then is the ratio of the weighted average nonwhite education payoff to the weighted average white education payoff for each occupation. Since data concerning the amount of schooling by occupation and race were not available in previous censuses, only 1970 census data are used. Median school years completed was found for each occupation by race (white and nonwhite) and sex. The results, as presented in column 2 of Table 2-13, represent an adjustment for differences in the relative earnings of nonwhites due to differences in educational attainment. A comparison of the relative nonwhite earnings after adjustment for educational attainment and payoff indicates the differences in the educational factors are more likely to explain much of the differences in earnings among male laborers except farm. However, differences in educational factors do not contribute very much to the explanation of male earning differences in other occupations. In addition, there is very little or no

difference in the educational attainment of white and nonwhite males in the professional and technical occupational group.

Table 2-14 indicates that a similar pattern exists for nonwhite females except in the case of laborers except farm, where education did not seem to explain much of the difference in the relative earnings of nonwhite females. In addition, differences in the educational factors seem to explain almost all of the nonwhite female income differential in the service occupational group.

If, then, educational attainment does not totally explain the occupational earning differential between whites and nonwhites, the remainder must be explained by employment differentials and wage discrimination against nonwhites. An adjustment technique previously used which includes employment, education, and education payoff differentials would permit the measurement of the significance of the actual earnings differential after adjustments for education factors and employment, and a hypothetical earnings ratio equal to one which assumes an absence of wage discrimination. If the actual distribution of adjusted earning ratios is significantly different from the hypothetical distribution then wage discrimination can be said to exist.

In column 3 of Table 2-13, the 1969 relative earnings of nonwhite males is adjusted for differences in employment¹³ and educational attainment and payoff. The occupations in which nonwhite males appear to experience the least amount of wage discrimination are laborers except farm, where wage discrimination appears to be absent; farm

¹³The adjustment for differences in employment is based upon the average number of weeks worked in 1969 by the head of the household by occupation. This would include single as well as married persons since a single person living alone would be considered a head of a household.

TABLE 2-13

RELATIVE EARNINGS OF NONWHITE MALES BY OCCUPATION,
AFTER ADJUSTMENT FOR DIFFERENCES IN EDUCATION
AND EMPLOYMENT - 1969^a

	Column 1	Column 2	Column 3
Occupation	Ratio of non- white to white median earnings	Relative earnings of nonwhites after edu- cation adjustment	Relative earnings of nonwhites after edu- cation and employment adjustments
Professional and Technical	.7311	.7250	.7826
Managers, Officials, except Farm	.6979	.7070	.7393
Sales Workers	.6023	.6087	.6394
Clerical and Kindred	.7674	.7769	.7853
Craftsmen, Foremen and Kindred	.5741	.6142	.6446
Operatives	.6305	.6646	.6735
Laborers, except Farm	.9197	.9978	1.0217
Farmers and Farm Managers	.2978	.3357	.3625

TABLE 2-13 (continued)

Farm Laborers and Foremen	.6774	.7496	.7979
Service Workers, except Household	.6379	.6790	.6912

^a Calculated from: United States Bureau of the Census, 1970 Census of Population; Detailed Characteristics, Louisiana (Washington: Government Printing Office, 1972), Tables 172, 175, 179, and 197.

TABLE 2-14

RELATIVE EARNINGS OF NONWHITE FEMALES BY OCCUPATION,
AFTER ADJUSTMENT FOR DIFFERENCES IN EDUCATION
AND EMPLOYMENT - 1969^a

	Column 1	Column 2	Column 3
Occupation	Ratio of non- white to white median earnings	Relative earnings of nonwhites after edu- cation adjustment	Relative earnings of nonwhites after edu- cation and employment adjustments
Professional and Technical	1.0132	.9650	1.0210
Managers, Officials, except Farm	.7606	.7938	.7966
Sales Workers	.8008	.8008	.8181
Clerical and Kindred	.7357	.7272	.7838
Craftsmen, Foremen and Kindred	.7209	.7685	.7804
Operatives	.8263	.8473	.8609
Laborers, except Farm	.8701	.8859	.9075
Farmers and Farm Managers	.3179	.4214	.5316

TABLE 2-14 (continued)

Farm Laborers and Foremen	.6840	.7931	.8934
Service Workers, except Household	.9478	.9916	.9456
Private Household	1.2782	1.3471	.9910

^aCalculated from: United States Bureau of the Census, 1970 Census of Population; Detailed Characteristics, Louisiana (Washington: Government Printing Office, 1972), Tables 172, 176, 179, and 197.

laborers and foremen; clerical and kindred; and professional, technical, and kindred. Sales workers; operatives; service workers; farmers and farm managers; craftsmen, foremen, and kindred; and managers, officials, except farm appear to experience a greater amount of wage discrimination among nonwhite males.

Table 2-14 indicates that nonwhite females experience a pattern of wage discrimination after their relative occupation earnings have been adjusted for differences in educational factors and employment somewhat different from that of nonwhite males. In addition, the degree of wage discrimination by occupation is considerably less than that against nonwhite males in most occupational categories. From Table 2-14 it appears that nonwhite females experience no wage discrimination when employed in the professional and technical category, and only a small amount of wage discrimination when employed in the categories private household worker; service worker; laborers, except farm; and farm laborers and foremen.

It is possible to rank occupations in 1969 based upon the degree of discrimination against nonwhite males and females. Occupations were ranked from the least to the largest degree of wage discrimination against nonwhite males and females, as indicated in Table 2-15. From this ranking it appears that nonwhite male laborers and farm laborers experience the least amount of wage discrimination, possibly because they are treated as complements to white labor by the employer. Nonwhite male sales workers, craftsmen, operatives, service workers, and farmers appear to experience the greatest degree of discrimination. Perhaps this is due to the closer contact nature of the occupations or the treatment of nonwhite males as substitutes for white labor in

these occupations.

Nonwhite females, on the other hand, experience the least amount of wage discrimination in the categories professional and technical, service workers, and laborers; and tend to experience the greatest degree of wage discrimination in the categories farmers and farm managers, craftsmen and foremen, and clerical and kindred workers.

TABLE 2-15

RANKING OF DISCRIMINATION BY OCCUPATION AGAINST NONWHITE
MALES AND FEMALES - 1969^a

Occupation	Discrimination against nonwhite males by rank	Discrimination against nonwhite females by rank
Laborers, except Farm	1	3
Farm Laborers and Foremen	2	4
Clerical and Kindred	3	8
Professional and Technical	4	1
Managers, Officials, except Farm	5	7
Service Workers	6	2
Operatives	7	5
Craftsmen, Foremen and Kindred	8	9
Sales Workers	9	6
Farmers and Farm Managers	10	10

^aCalculated from: United States Bureau of the Census, 1970 Census of Population; Detailed Characteristics, Louisiana (Washington: Government Printing Office, 1972), Tables 172, 175, 176, and 179.

III. SUMMARY AND CONCLUSIONS

The measurement of wage discrimination against nonwhites in Louisiana is an important but difficult task. It is important to realize that the results are based upon the availability of data on the income, educational, and employment status of the nonwhite labor force as well as the techniques available for making the required adjustments to the actual relative income and earnings of nonwhites to illuminate changes and differences in wage discrimination. In view of these limitations a number of conclusions can be observed concerning wage discrimination.

First, the analysis of the median income of whites and nonwhites indicates that the white population average discrimination coefficient declined during the 1960's, improving the relative income position of nonwhites. Secondly, the returns to education of nonwhite females with 12 years or less of school increased from 30% of white female returns in 1960 to about 50% in 1970. This implies a reduction in discrimination against nonwhite female education. Nonwhite males experienced very little change in returns to education during the same period. Thirdly, nonwhite females experienced less wage discrimination and a larger reduction in wage discrimination than nonwhite males. Fourth, it appears that the average discrimination coefficient of whites is different for different occupations and by the sex of nonwhite labor. The distribution of whites and nonwhites within occupational categories would affect the nonwhite relative earnings but earnings data were not complete enough to attempt an intraoccupational analysis. In addition, it appears that nonwhite males receive less wage

discrimination when they are treated as complements to rather than substitutes for white males. Further, nonwhite females appear to experience relatively less wage discrimination than nonwhite males when treated as substitutes for white female labor. Finally, it appears that nonwhite females experience less wage discrimination than nonwhite males in occupations involving a greater amount of personal contact with whites.

It is probable that legal, moral, and political pressures during the 1960's contributed to the improvement in the income position of nonwhites, and especially nonwhite females who appear to have benefitted the most compared to whites during the 1960's.

However, due to the large difference between white and nonwhite incomes after compensating adjustments and the large difference between white and nonwhite adjusted occupational earnings, it appears that wage discrimination is still quite strong in the private sector of the Louisiana economy.

CHAPTER III

NONWHITE EMPLOYMENT PATTERNS, 1950-1970

Private job discrimination, if practiced by whites against nonwhites, may result in an occupational distribution of employment different from that which would exist in the absence of private job discrimination. In this case, whites gain from a white occupational distribution weighted heavily in favor of the high income occupations. Society loses and resources are misallocated to the extent that less efficient and less able whites are trained to perform jobs that could be more efficiently performed by nonwhites with a smaller cost in terms of resource allocation.

The limitation of job opportunities for nonwhites admits to some degree of monopoly power in the labor market. A dichotomous labor market, which assumes that there are two separate and distinct labor factors of production, white and nonwhite labor, permits a condition in the labor market that motivates the discrimination of one factor against the other. The majority factor, with its dominance over the production and distribution process, may be the discriminating factor. Discrimination in production may also imply discrimination as a consumer unit. The dominant factor may therefore influence greatly the composition of factor inputs as well as the consumption of the final product. The majority factor may influence the employment of the minority factor in two ways. First, the dominant factor, as employees, motivated by physical and social distance as an implicit argument, may influence the

employer to exclude or limit job entry to the minority factor under conditions of imperfect competition in the product and labor markets. Secondly, the dominant factor as a consumer may refuse to buy from employers who hire the minority factor except in a complementary status. Thus, substitution between the majority and minority factors would be limited and the minority factor relegated to complementarity.

The principal purpose of this chapter is to evaluate and ascertain the growth and changes of relative nonwhite occupational and industrial employment during the decades of the 1950's and 1960's and point out areas of employment that represent changes involving discrimination against nonwhites. It might be expected, based upon intuitive consideration, that nonwhite employment gains during the 1960's have far outstripped moderate, if any, employment gains made by nonwhites during the 1950's.

The circumstances that may lead to this conclusion or expectation are the possible effects on employee, employer, and consumer tastes by efforts at integration, propagandization on the part of federal and state governments, legislation prohibiting job discrimination, and the promotion of educational opportunities for poverty families. These activities may result in a weakening of private job discrimination in most labor markets.

If private job discrimination did in fact recede during the 1950's and 1960's, it would be evidenced by (1) an increase in the relative employment of nonwhites in better paying jobs where in the past they have been excluded or poorly represented, and (2) an improvement in the overall nonwhite relative employment position.

If it is found that nonwhites have not gained or have gained

very little relative to whites, it may be that even though larger numbers of nonwhites are employed in better paying occupations and, compared to previous nonwhite employment patterns, have made employment gains, whites have made equal or faster gains in employment opportunities. One proposition that seems significant is that nonwhites have moved into occupations that whites have found more and more undesirable and therefore barriers to these occupations have been lowered, thus the relative proportion of nonwhites in these occupations increased. In this case the relative proportion of nonwhites in the more desirable occupations would decrease as more and more whites move up the occupational ladder. Thus the relative occupational position of the nonwhite may not change and might even regress.

I. A COMPARISON OF THE 1950'S AND 1960'S

Changes in private job discrimination can be measured by changes in the willingness of whites to associate with and work alongside of nonwhites. A relative improvement in the occupational distribution of nonwhites might be a measure of this change in the attitudes of whites. A Relative Occupational Index¹ (Table 3-1) was constructed to measure the change in the relative occupational position of nonwhite males, with 1959 median earnings of all persons used as a weight. Median earnings is used instead of mean earnings because the earnings

¹The relative occupational index was constructed by multiplying the percentage of nonwhite males in each occupational category by the 1959 median earnings of all males in the same category, and then the categories are summed. The same thing was done for whites. The sum of the nonwhite categories was then divided by the sum of the white categories to acquire the Relative Occupational Index, which measures the occupational position of nonwhites relative to whites.

TABLE 3-1
NONWHITE MALE RELATIVE OCCUPATIONAL INDEX FOR 1950,^a
1960^b AND 1970^c

Occupation	N O N W H I T E			W H I T E		
	1950	1960	1970	1950	1960	1970
Professional, Technical, and Kindred	113.45	174.12	259.67	503.56	673.44	857.27
Farmers and Farm Managers	240.05	72.45	15.79	155.66	60.64	29.99
Managers, Officials, and Proprietors	93.62	96.64	152.81	802.72	918.68	851.04
Clerical	56.19	108.45	222.57	318.28	337.59	321.79
Sales	42.61	48.39	67.03	332.48	345.80	345.80
Craftsmen	319.08	425.74	655.49	837.25	953.24	1042.56
Operatives	575.64	863.47	917.22	588.67	672.47	609.70
Service, except Household	223.12	298.41	335.56	111.19	116.67	151.82
Farm Laborers and Foremen	135.57	91.78	65.86	36.09	16.49	12.27

TABLE 3-1 (continued)

Laborers, except Farm	584.05	604.92	467.96	149.53	118.22	111.40
Private Household	5.86	5.94	5.07	.44	.35	.26
	2389.24	2790.31	3165.03	3835.87	4213.59	4333.90

NONWHITE MALE RELATIVE OCCUPATIONAL INDEXPERCENTAGE CHANGE IN THE NONWHITE
MALE RELATIVE OCCUPATIONAL INDEX

$$1950 \quad -- \quad \frac{2389.24}{3835.87} = .6229$$

$$1960 \quad -- \quad \frac{2790.31}{4213.59} = .6622$$

$$1970 \quad -- \quad \frac{3165.03}{4333.90} = .7303$$

$$1950 \text{ to } 1960 = .0631$$

$$1960 \text{ to } 1970 = .1028$$

^aCalculated from: United States Bureau of the Census, Census of Population: 1950, Vol. II, Characteristics of the Population, Part 18, Louisiana (Washington: Government Printing Office, 1952), Table 77.

^bCalculated from: United States Bureau of the Census, Census of Population: 1960, Vol. I, Characteristics of the Population, Part 20, Louisiana (Washington: Government Printing Office, 1962), Tables 122 and 124.

^cCalculated from: United States Bureau of the Census, 1970 Census of Population; Detailed Characteristics, Louisiana (Washington: Government Printing Office, 1972), Table 174.

distribution by occupation has different class intervals and the highest class is open ended, thus making it necessary to base the index weights upon median earnings. Furthermore, constant year weights are used to isolate the interoccupational changes that occur within the labor force to improve or hinder the economic position of nonwhites. The use of current year weights would result in an overestimation of the relative occupational change of nonwhites if earnings differentials between occupations narrowed. On the other hand, a widening of earnings differentials between occupations would underestimate nonwhite occupational mobility. The mathematical form of the Relative Occupational Index is:

$$\sum_{i=1}^n I_i \cdot \frac{Q_{ni}}{Q_{wi}}$$

where I_i is the 1959 median earnings by occupation of all persons in the experienced labor force and Q_{ni} and Q_{wi} are the percentage distributions of employed nonwhite and white persons by occupation.

In the first period, 1950 to 1960, the Relative Occupational Index increased by only about 6%, which was due largely to the exodus of nonwhite males from the farm into higher paying jobs such as service workers and operatives. The second period, 1960 to 1970, saw a more dramatic growth in occupational opportunities for nonwhite males, with the Relative Occupational Index increasing over 10%. Although in the second period the earning differential between predominantly white occupations and predominantly nonwhite occupations decreased, the improvement in the occupational position of nonwhite males was due to occupational mobility into occupations that are predominantly white. The farm exodus was only moderate during this latter period, but, instead, nonwhite males made gains in occupations in which they had

previously been poorly represented. Occupations in which nonwhite males had been over-represented had by 1970 become less represented by nonwhite males. Thus private job discrimination may have been reduced slightly in the first period but, overall, the second period seems to represent a significantly greater reduction in private job discrimination.

When white and nonwhite females are included in the occupational index, the gains made by nonwhites during the 1960's are even more evident. In Table 3-2 the Relative Occupational Index of all nonwhites shows a relative occupational improvement of nonwhites of almost 16% during the 1960's, which may be attributed to a more rapid reduction in discrimination against nonwhite females than nonwhite males. Thus, if whites must accept integration of the labor force and a reduction in the physical and social distance from nonwhites, white preference is generally given to nonwhite females.

Male workers can be further classified as skilled, semiskilled, and unskilled or as white collar and blue collar. From Table 3-1 a Relative Occupational Index can be constructed for each of these classifications to determine the relative distribution of nonwhite male labor among these two groups of employment classifications. The Relative Occupational Index in Table 3-3 was found by averaging the occupational indexes from Table 3-1 classified as skilled, semiskilled, and unskilled for whites and nonwhites and dividing the nonwhite index in each classification by the white index.

In the first period nonwhite males made relatively large employment gains in the unskilled occupations, only moderate gains in semiskilled occupations, and almost no gain in the skilled occupations.

TABLE 3-2
NONWHITE RELATIVE OCCUPATIONAL INDEX FOR 1950,^a
1960^b AND 1970^c

Occupation	N O N W H I T E			W H I T E		
	1950	1960	1970	1950	1960	1970
Professional, Technical, and Kindred	195.36	300.31	484.15	639.97	824.51	954.95
Farmers and Farm Managers	172.11	46.05	10.09	121.69	42.20	20.83
Managers, Officials, and Proprietors	95.43	87.58	125.03	709.70	559.30	681.92
Clerical	57.07	104.48	308.18	603.63	752.89	804.25
Sales	48.83	50.16	85.23	397.73	420.82	374.21
Craftsmen	221.31	263.53	400.85	654.16	730.15	719.48
Operatives	492.17	629.40	665.46	518.88	571.64	472.80
Service, except Household	314.12	419.32	500.06	152.07	184.48	221.38
Farm Laborers and Foremen	122.74	62.75	41.77	33.07	13.74	8.89

TABLE 3-2 (continued)

Laborers, except Farm	403.42	377.44	284.14	117.36	88.82	81.15
Private Household	132.59	178.56	116.59	4.20	6.29	5.59
	2255.15	2519.58	3021.55	3952.46	4194.84	4345.45

NONWHITE RELATIVE OCCUPATIONAL INDEXPERCENTAGE IN THE NONWHITE
RELATIVE OCCUPATIONAL INDEX

$$1950 \text{ -- } \frac{2255.15}{3952.46} = .5706$$

$$1960 \text{ -- } \frac{2519.58}{4194.84} = .6006$$

$$1970 \text{ -- } \frac{3021.55}{4345.45} = .6953$$

$$1950 \text{ to } 1960 = .0526$$

$$1960 \text{ to } 1970 = .1577$$

^aCalculated from: United States Bureau of the Census, Census of Population: 1950, Vol. II, Characteristics of the Population, Part 18, Louisiana (Washington: Government Printing Office, 1952), Table 77.

^bCalculated from: United States Bureau of the Census, Census of Population: 1960, Vol. I, Characteristics of the Population, Part 20, Louisiana (Washington: Government Printing Office, 1962), Tables 122 and 124.

^cCalculated from: United States Bureau of the Census, 1970 Census of Population; Detailed Characteristics, Louisiana (Washington: Government Printing Office, 1972), Table 174.

TABLE 3-3

RELATIVE OCCUPATIONAL INDEX OF NONWHITE MALES, CLASSIFIED AS
SKILLED, SEMISKILLED, AND UNSKILLED; 1950, 1960, AND 1970^a

Occupational Group	1950	1960	1970
Skilled ^b	.23	.26	.43
Semiskilled ^c	.97	1.27	1.42
Unskilled ^d	3.88	5.15	4.05

^aCalculated from Table 3-1.

^bIncludes Professional, Technical, and Kindred Workers; Managers, Officials, and Proprietors; Clerical and Kindred; Sales Workers; and Craftsmen and Foremen.

^cIncludes only Operatives and Kindred Workers.

^dIncludes only Farm and Non-farm Laborers.

TABLE 3-4

RELATIVE OCCUPATIONAL INDEX OF NONWHITE MALES, CLASSIFIED AS
WHITE COLLAR AND BLUE COLLAR WORKERS; 1950, 1960, AND 1970^a

Occupational Group	1950	1960	1970
White Collar ^b	.1625	.1899	.3461
Blue Collar ^c	1.1045	1.2006	1.1989

^aCalculated from Table 3-1.

^bIncludes Professional, Technical, and Kindred Workers; Managers, Officials, and Proprietors; Clerical and Kindred; and Sales Workers.

^cIncludes Craftsmen and Foremen; Operatives and Kindred; Laborers, except Farm; Service Workers, except Private Household; Farmers and Farm Managers; and Farm Laborers and Foremen.

If clerical and kindred workers are removed from the skilled classification, gains by nonwhite males in this classification become nonexistent.

In the second period the importance of nonwhite males increased in skilled and semiskilled occupations but declined in the unskilled occupational categories. A similar result is obtained when occupations are classified as white collar and blue collar, as in Table 3-4. Nonwhite males became relatively more important in white collar occupations and relatively less important in blue collar occupations during the period from 1960 to 1970. Thus there has been a stronger tendency in the second period for private job discrimination to deteriorate.

II. OCCUPATIONAL DISTRIBUTION

The analysis of this section makes frequent reference to Tables 3-5 and 3-6, involving the relative employment of nonwhite males and females and the percentage distribution of nonwhite male and female occupational employment.

Professional and Technical Workers

As a result of the shortage in scientific and engineering professions during the 1960's and prodding by the federal government there has been a willingness of large companies to give nonwhite males trained for these occupations equal opportunities to compete with whites for these jobs. In addition, since 1950 nonwhite males have been channeled into the tradition of teaching as an alternative to other professions where opportunities for nonwhites are limited. For example, the number of nonwhite male lawyers, physicians, and dentists

TABLE 3-5

RATIO OF NONWHITE TO WHITE EMPLOYMENT OF MALES AND PERCENTAGE
DISTRIBUTION OF NONWHITE EMPLOYED MALES 14 YEARS
OF AGE AND OLDER^a - 1950,^b 1960^c AND 1970^d

Occupation	Ratio of nonwhite to white			Percentage distribution of nonwhite male employment		
	1950	1960	1970	1950	1960	1970
Professional, technical, and kindred	.0906	.0870	.1174	.0187	.0287	.0428
Teachers	.2973	.3928	.4212	.3639	.4492	.5386
Lawyers and judges	.0027	.0048	.0058	.0018	.0030	.0031
Physicians, surgeons, dentists and related	.0347	.0336	.0258	.0351	.0208	.0254
Engineers	.0042	.0045	.0107	.0080	.0059	.0214
Managers, officials, and proprietors	.0481	.0367	.0744	.0155	.0160	.0253
Salaried	.0279	.0292	.0418	.2240	.2715	.6698
Self-employed	.0708	.0606	.1050	.7231	.6453	.3302
Clerical and Kindred	.0708	.1073	.2345	.0128	.0247	.0507
Sales workers	.0515	.0465	.0811	.0096	.0109	.0151
Salesmen and sales clerks	.0316	.0356	.1343	.0569	.0973	.2242
Craftsmen, foremen and kindred	.1525	.1477	.2057	.0718	.0958	.1474
Compositors and typesetters	.0330	.0535	.0900	.0031	.0044	.0051
Machinists and job setters	.0291	.0424	.1121	.0077	.0093	.0168
Printing craftsmen	.0631	.0483	.1852	.0024	.0025	.0060
Stationary engineers	.0285	.0188	.0618	.0080	.0069	.0126
Foremen	.0333	.0356	.0650	.0226	.0326	.0558
Other craftsmen and kindred	.1849	.1546	.2441	.0707	.1016	.1826
Mechanics and repairmen ^e	.1557	.1610	.1651	.2193	.2779	.2112
Building trades	.2236	.2340	.2526	.5343	.4670	.4347
Carpenters	.2176	.2397	.2658	.2552	.2075	.1386
Electricians	.0176	.0237	.0305	.0052	.0071	.0091

TABLE 3-5 (continued)

Masons and tile setters	.8146	.6682	.8425	.0613	.0649	.0472
Painters and paper hangers	.2286	.2415	.3763	.0960	.0906	.0672
Plasterers and cement finishers	3.1118	2.7528	4.8964	.0725	.0616	.0559
Plumbers and pipefitters	.0899	.0936	.0982	.0310	.0292	.0311
Operatives and kindred	.3912	.4254	.4545	.1724	.2586	.2747
Durable goods manufacturing	.7139	.5855	.8897	.1051	.0749	.3112
Wood products and furniture	1.1681	1.5714	1.4463	.7347	.5431	.3245
Primary metal	.5729	.1028	.6248	.0334	.0607	.1044
Fabricated metal	.1968	.2478	.5536	.0334	.0704	.1143
Transportation equipment	.2890	.2672	.7157	.0264	.0538	.1228
Nondurable goods manufacturing	.2791	.2487	.2727	.1306	.0908	.2176
Food and kindred products	.5386	.5026	.9505	.4545	.5014	.3589
Paper and allied products	.2055	.1708	.1971	.2096	.2066	.2068
Chemical and allied products	.2748	.1127	.2071	.1673	.1143	.2889
Other nondurable goods	.1002	.1048	.1526	.0974	.1029	.1226
Service workers	.8029	.8465	.6818	.0895	.1197	.1346
Laborers, except farm	1.5725	1.6995	1.2655	.2742	.2840	.2197
Farmers and farm managers	.6148	.3931	.1561	.1809	.0546	.0119
Farm laborers and foremen	1.4989	1.8331	1.5919	.1480	.1002	.0718
Private household	5.8641	6.1648	5.2108	.0067	.0068	.0058

^a Some of the 1970 intermediate occupational classifications such as the building trades, durable and nondurable goods manufacturing, compositors and typesetters, machinists and jobsetters, printing craftsmen, stationary engineers, and mechanics and repairmen are based upon persons 16 years of age and older.

TABLE 3-5 (continued)

^bCalculated from: United States Bureau of the Census, Census of Population: 1950, Vol. II, Characteristics of the Population, Part 18, Louisiana (Washington: Government Printing Office, 1952), Table 77.

^cCalculated from: United States Bureau of the Census, Census of Population: 1960, Vol. I, Characteristics of the Population, Part 20, Louisiana (Washington: Government Printing Office, 1962), Table 122.

^dCalculated from: United States Bureau of the Census, 1970 Census of Population; Detailed Characteristics, Louisiana (Washington: Government Printing Office, 1972), Tables 174 and 171.

^eThis category includes airplane, automobile, and radio and TV mechanics and repairmen.

TABLE 3-6

RATIO OF NONWHITE TO WHITE EMPLOYMENT OF FEMALES AND PERCENTAGE
DISTRIBUTION OF NONWHITE EMPLOYED FEMALES 14 YEARS
OF AGE AND OLDER - 1950,^a 1960,^b AND 1970^c

Occupation	Ratio of nonwhite to white			Percentage distribution of nonwhite female employment		
	1950	1960	1970	1950	1960	1970
Professional, technical, and kindred	.2208	.2538	.2878	.0593	.0778	.1302
Nurses	.0532	.0948	.1376	.0470	.0688	.0814
Teachers	.3947	.4173	.4219	.8323	.7853	.6785
Social, Welfare, and Recreation	.0637	.0959	.2755	.0129	.0143	.0306
Technicians, medical and dental	.0511	.0697	.1326	.0055	.0084	.0188
Managers, officials, and proprietors	.1587	.1112	.1416	.0163	.0117	.0143
Salaried	.0982	.0765	.0905	.1894	.2848	.6672
Self-employed	.2206	.1782	.2396	.7664	.6862	.3328
Clerical and kindred	.2043	.0326	.1286	.0132	.0215	.0966
Bookkeepers and cashiers	.0221	.0266	.0766	.1750	.1631	.1595
Stenographers, typists, and secretaries	.0201	.0239	.0669	.3105	.2685	.2337
Office machine operators	N.A.	.0020	.1045	N.A.	.0017	.0313
Other clerical and kindred	.0330	.0509	.2325	.4768	.5469	.5755
Sales workers	.0635	.0549	.1299	.0136	.0115	.0246
Salesmen and sales clerks	.0490	.0453	.1595	.7114	.7738	.8205
Operatives and kindred	.7024	.6844	.7752	.0940	.0777	.0953
Durable goods manufacturing	.3676	.2481	.6081	.0223	.0113	.1603
Nondurable goods manufacturing	.5071	.6249	.6761	.3437	.1988	.1917

TABLE 3-6 (continued)

Craftsmen, foremen, and kindred	.2211	.2148	.3790	.0038	.0033	.0114
Service workers	1.1098	1.0154	.8888	.1990	.2320	.2902
Laborers, except farm	1.4620	1.1542	.6947	.0125	.0070	.0146
Farmers and farm managers	2.1026	.5543	.4268	.0226	.0041	.0017
Farm laborers and foremen	2.6480	2.2529	1.9434	.1032	.0191	.0094
Private household	14.8742	9.2469	7.3812	.4469	.4847	.3116

^aCalculated from: United States Bureau of the Census, Census of Population: 1950, Vol. II, Characteristics of the Population, Part 18, Louisiana (Washington: Government Printing Office, 1952), Table 77.

^bCalculated from: United States Bureau of the Census, Census of Population: 1960, Vol. I, Characteristics of the Population, Part 20, Louisiana (Washington: Government Printing Office, 1962), Table 122.

^cCalculated from: United States Bureau of the Census, 1970 Census of Population; Detailed Characteristics, Louisiana (Washington: Government Printing Office, 1972), Tables 174 and 171.

has barely kept up with the rate of expansion of the total number of nonwhite male professional and technical people. The demand for these nonwhite professional people depends upon the growth in the nonwhite population and because of the decrease in the proportion of nonwhites in the population from 33.0% in 1950 to 30.8% in 1970, the market for these nonwhite professionals has not increased very rapidly in the past 20 years. Discrimination is very strong in these professions, and due to the personal contact nature of the profession the market for nonwhite professionals is limited to nonwhite consumption. In addition, nonwhite professionals in these professions are faced with competition from white professionals who offer their services in the nonwhite as well as white markets.

To the extent that integration is pursued and to the extent that it leads to consolidation and greater efficiency in the operation of the school system, nonwhites may be exposed to greater competition with whites and enter the labor market as substitutes rather than as complements, which may reduce future opportunities of nonwhite teachers. Complementarity has generally prevailed in this labor market in the past, but the 1970 census does not reveal any adverse effects of school integration.

Nonwhite females have experienced more opportunity to break into technical fields, especially in health and social welfare, since 1960. To be sure, nonwhite females have in the past found opportunities in professional nursing and teaching as well as some technical occupations, but nonwhite females are sharing in occupations such as nursing, dietitians, medical technicians, dental technicians, and social welfare workers to a greater extent than in the past and sharing in the teaching

profession to a less degree than in the past. Nonwhite females, who seem to suffer from a lesser amount of private job discrimination, have found greater opportunities available to them than nonwhite males and are becoming less dependent upon the teaching profession.

Managers, Officials, and Proprietors

Self-employed nonwhites increased during the 1950's as a percentage of all nonwhite managers, officials, and proprietors, while at the same time salaried nonwhites decreased as a proportion of all nonwhite managers, officials, and proprietors. However, during the 1960's self-employed nonwhites decreased by about 50% and salaried nonwhites more than doubled in relation to all nonwhite managers, officials, and proprietors. This may have resulted from the trend toward the formation of larger businesses and from the integration of eating and drinking places. Since most of the nonwhites in the self-employed group are proprietors of small stores it was likely that job opportunities for nonwhites would decline in that area.

The total number of managers and other salaried officials in private and public administration increased at a fast rate from 1950 to 1970, i.e., an increase from 28,111 in 1950 to 51,440 in 1970.

A comparison of salaried managers and officials in private and public administration indicates that nonwhites did poorly relative to whites during the 1950's. In fact, relative employment in both private and public administration decreased during this period and by about the same amount. However, the ratio of nonwhite to white employment in private and public salaried administration both increased during the 1960's. The ratio increased by .0259 in the private sector and by .0292

in the public sector, so that any advantage accruing to nonwhites in the public sector is very slight.

Even though progress was made in both the private and public sectors, nonwhites have been since 1960, and are still, better represented in the private than in the public sector.

TABLE 3-7

RATIO OF NONWHITE TO WHITE SALARIED MANAGERS AND OFFICIALS
14 YEARS OF AGE AND OLDER IN PRIVATE AND PUBLIC
ADMINISTRATION; 1950,^a 1960,^b AND 1970^c

Year	Private Administration	Public Administration ^d
1950	.0319	.0128
1960	.0253	.0050
1970	.0512	.0342

^aCalculated from: United States Bureau of the Census, Census of Population: 1950, Vol. II, Characteristics of the Population, Part 18, Louisiana (Washington: Government Printing Office, 1952), Table 77.

^bCalculated from: United States Bureau of the Census, Census of Population: 1960, Vol. I, Characteristics of the Population, Part 20, Louisiana (Washington: Government Printing Office, 1962), Table 122.

^cCalculated from: United States Bureau of the Census, 1970 Census of Population; Detailed Characteristics, Louisiana (Washington: Government Printing Office, 1972), Tables 171 and 174.

^dIncludes federal, state, and local administrations.

Clerical and Sales Workers

The relative employment of nonwhites in clerical jobs improved only slightly from 1950 to 1960, reflecting strong elements of private job discrimination; but from 1960 to 1970 relative nonwhite male

employment in clerical jobs more than doubled, while the relative employment of females more than tripled. This reflects a major breakthrough by nonwhites into this area of white collar employment and the greater willingness of whites to work alongside of nonwhites. However, jobs such as secretaries, receptionists, stenographers, typists and bookkeepers were less affected by nonwhite breakthroughs. The greater amount of progress in the clerical field has been in the lower-paying clerical jobs and those that do not require contact with the public, such as office clerks, file clerks, and office machine operators.

Consumer discrimination, if strong enough, would tend to discourage the hiring of nonwhites as salesmen and sales clerks because of contact with the public. Consumer discrimination resulting from the disutility of association with nonwhites will have the effect of discounting the value of services produced by nonwhites. Consequently, nonwhites would tend to be sparsely employed in this area. This was the case during the 1950's, as the relative employment of nonwhites as sales workers declined during this decade. The disutility accruing to whites from association with nonwhites through social and economic pressure may have declined during the 1960's, making it more profitable or less costly for employers to hire nonwhites as salesmen and sales clerks. Consequently, the relative employment of nonwhites in this category more than tripled during the decade of the 1960's. Thus, job breakthroughs have occurred in the occupational area least likely to provide job opportunities for nonwhites.

Craftsmen and Operatives

The increase in demand for skilled craftsmen, foremen, and kindred

workers in Louisiana was stronger during the 1960's than during the 1950's. For example, as measured by the increase in total employment, the demand for craftsmen, foremen, and kindred workers increased from 100,845 to 124,908 workers employed, or by 23.83%, during the 1950's and from 124,908 to 168,307 workers employed, or by 34.82%, during the 1960's. The relative employment of nonwhite males decreased during the first period, but demand was stronger in the second period and nonwhite males made significant gains relative to whites.

In the building trades the relative employment of nonwhite males increased from .2236 to .2340, or by .0104, in the 1950's but the improvement was only slightly better, .0186, in the 1960's. In three trades (carpenters, electricians, and plumbers and pipefitters) nonwhite males experienced about the same amount of gain in both periods and the gains that were achieved were quite small in all three trades. Thus it appears that the quantitative and qualitative restrictions on entry including competition for admission to apprenticeship programs have adversely affected nonwhite male opportunities in these areas. In three other trades (masons and tile setters; plasterers and cement finishers; and painters and paper hangers) nonwhite males made substantial gains relative to whites during the 1960's. However, in the first two of these trades nonwhite males have traditionally been heavily employed during the entire twenty-year period. Part of the improvement in nonwhite male employment in these trades is due to the exodus of white males from the trades during the 1960's.

Among mechanics and repairmen the relative demand for nonwhite males increased by about the same amount in both periods. All other categories listed under craftsmen, foremen, and kindred registered

either a slight increase or decrease in relative nonwhite male employment during the 1950's, but in the second period three categories (machinists and job setters; printing craftsmen; and other craftsmen and kindred) experienced a relatively large increase in relative nonwhite male employment, while three categories (compositors and typesetters; stationary engineers; and foremen) experienced only small or moderate gains by nonwhite males. It appears then that nonwhite males have greater mobility into these trades than in the building trades due to fewer restrictions on entry into these trades where nonwhite males have been poorly represented.

The total demand for operatives increased substantially during the 1950's (from 132,059 in 1950 to 164,832 in 1960, or by 24.81%), but the rate of increase in the 1960's was less than half that of the 1950's (from 164,832 in 1960 to 182,002 in 1970, or by 10.41%). The relative employment of nonwhites improved at a slightly faster rate in the second period than in the first. However, this does not appear to be a very lucrative area for further improvement because of competition with whites unless nonwhite labor is increasingly treated by employers as a substitute for white labor. It appears possible that nonwhites during the 1960's were being treated more as a substitute and less of a complement to white labor, especially among the durable goods manufacturing firms where the relative employment of nonwhite male operatives increased sharply in the primary metal, fabricated metal, and transportation equipment industries from 1960 to 1970.

Service Workers

Relative employment of nonwhites in the service industries fell during the 1960's even though demand was strong. The demand for service

workers as measured by the increase in total employment rose at about the same rate in both the 1950's and 1960's. For example, the total employment of service workers in Louisiana increased from 70,217 in 1950 to 97,637 in 1960 (39.05%), and from 97,637 in 1960 to 135,857 in 1970 (39.21%). However, the relative employment of nonwhites rose in the first period and fell in the second period. This reaction may be due to increased competition from whites entering this field who would ordinarily find employment as operatives but who were denied entry into that field because of a limited growth in operative jobs as compared to the 1950's. Or perhaps this is due also to an outmigration of nonwhites from the service sector due to greater employment opportunities in higher income occupational categories.

Farm Workers

Total farm employment decreased from 146,871 in 1950 to 61,647 in 1960, a drop of 57.80%. This is much higher than the 38.90% decrease in farm employment from 61,647 in 1960 to 37,666 in 1970. Nonwhite farmers and farm managers left farm employment at a faster rate than whites in both periods, thus reducing the ratio of nonwhites to whites employed in this occupational category. Although a larger exodus of farmers and farm managers occurred during the 1950's, the employment of nonwhite males relative to white males fell at a faster rate during the 1960's. On the other hand, the relative employment of nonwhite males as farm laborers and foremen was higher in 1970 than in 1960.

By combining the two categories and including both males and females, it is clear that all nonwhites left farm employment at a faster rate during the 1960's than during the 1950's as compared to

all whites employed in the farm sector.

The migration of nonwhites from farm to nonfarm employment would tend to improve the economic position of nonwhites as compared to whites and more so during the 1960's than during the 1950's. However, this will be a source of relative improvement for nonwhites in the future only if nonwhites continue to migrate from farm to nonfarm occupations at a faster rate than whites.

III. THE OCCUPATIONAL MOBILITY OF NONWHITE LABOR

Tables 3-5 and 3-6 (pages 75-79) give the relative employment of nonwhite males and females by occupation for 1950, 1960, and 1970. Between 1950 and 1960 nonwhite males became more heavily represented in farm laborers and foremen; laborers except farm; service; and clerical jobs; and less represented in the highly skilled professional, technical, and managerial jobs, but from 1960 to 1970 the reverse occurred. Nonwhite males became more represented in the skilled, professional, technical, and managerial jobs and less represented in the service and laboring jobs.

Nonwhite females experienced a different pattern of occupational mobility than males between 1950 and 1960. Nonwhite females became less represented in all occupational categories except professional and technical, and clerical and kindred workers. The experience of nonwhite females between 1960 and 1970 is similar to nonwhite males but more pronounced.

The occupational mobility experienced by nonwhites during the 1960's probably cannot be explained by educational attainment alone. Changes in attitude among discriminators, caused by social pressures

and the costs associated with noncompliance to legal enactments prohibiting racial discrimination, probable contributed significantly to nonwhite occupational mobility.

The proposition that nonwhite males are moving into occupations that whites are finding more and more undesirable must be rejected. It is true that nonwhites are generally over-represented in the occupations that whites find undesirable, but nonwhite mobility during the 1960's has been toward the more desirable occupations that are more rewarding monetarily and away from the occupations that are less desirable. This implies that nonwhites are becoming increasingly substitutable for whites not only because of the relative improvement in nonwhite educational attainment but also because of a decline in private job discrimination.

If private job discrimination was weaker during the 1960's than in the 1950's, the relative employment of nonwhites would be more responsive to changes in the demand for labor during the 1960's. In other words, if nonwhites found greater occupational opportunities in occupational categories that were expanding during the 1960's the relative employment of nonwhites would tend to increase, but occupational categories that were experiencing contraction would experience a decline in relative nonwhite employment due to "last-in, first-out" discrimination and the inability of nonwhites to accrue seniority in these occupations as a result of past discrimination. On the other hand, it is possible that the relative employment of nonwhites was not associated with the demand for labor during the 1950's as a result of a greater prevalence of private job discrimination during this period. To test this proposition simple correlation analysis is used. The

dependent variable representing the relative employment of nonwhites is the change in the ratio of nonwhite to white employment for ten occupational categories. The independent variable is the percentage change in total employment by occupation. The analysis is separated into two periods: the change from 1950 to 1960, and the change from 1960 to 1970. A high correlation coefficient for the second period and a low correlation coefficient that is not significant in the first period would tend to verify the proposition that the relative employment of nonwhites responded to change in the labor market demand in the second period but labor market demand was not a determinant of nonwhite relative employment in the first period. The results of the regression analysis are given in Table 3-8.

TABLE 3-8

THE RELATIONSHIP BETWEEN THE DEMAND FOR LABOR AND
RELATIVE NONWHITE EMPLOYMENT; 1950-1970

Period	Correlation coefficient (r)	t-value
1950-60	.056	.025
1960-70	.646	2.387

The period from 1950 to 1960 yields a very low correlation coefficient of .056 but the second period yields a correlation coefficient of .646. The Student's t-distribution values indicate that only the correlation coefficient for the 1960-70 period is statistically significant.

The occupational mobility of nonwhites was restrained by private job discrimination, which confined nonwhites to menial jobs, and the occupational demand for labor did not improve the relative employment of nonwhites in the first period; however, in the second period economic and social pressures to end discrimination opened up new occupational opportunities for nonwhites and made nonwhite relative employment much more responsive to changes in the market demand for labor.

The modest occupational gains made by nonwhites in Louisiana in the past should not be looked upon too optimistically, but hopefully the taste for discrimination of whites will continue to decline and employers will continue to be compelled to hire nonwhites on the basis of equal opportunity. The relative productivity of the nonwhite worker must continue to rise so that expanding white collar and professional as well as technical job opportunities will become more available to him. The taste for discrimination will not disappear overnight, if ever, but it certainly appears that public policy and private anti-discrimination programs can and are having a significant impact on private tastes for discrimination.

IV. THE INDUSTRIAL MOBILITY OF NONWHITES

Generally, capital intensive industries are associated with high wages and labor intensive industries with low wages. An increase in the mobility of nonwhites from labor to capital intensive industries can be illuminated by a Relative Industrial Employment Index which would use median earnings as a weight. The mathematical form of the Relative Industrial Employment Index is the same as that for the Relative

Occupational Index, i.e., $\sum_{i=1}^n I_i \cdot \frac{Q_{ni}}{Q_{wi}}$ where I_i is the 1959

median earnings by industry of all persons in the experienced labor force and Q_{ni} and Q_{wi} are the percentage distributions of employed nonwhite and white persons by industry. If the ratio of the nonwhite to white index changes over time the direction of the change will indicate any improvement or deterioration in the industrial location of nonwhites. For example, an increase in the ratio would indicate an improvement in the industrial position of nonwhites from labor to capital intensive industries because of a reduction in discrimination in the capital intensive sector and an increase in the quality of nonwhites due to a relative improvement in educational attainment and more job experience. A reduction in the ratio would signify a reduction in the relative mobility of nonwhites to the high wage capital intensive sector.

Table 3-9 gives the Relative Industrial Employment Index for 1950, 1960, and 1970. From 1950 to 1960 the index fell from .8055 to .7826, which indicates a relative movement by nonwhites into labor intensive industries. From 1960 to 1970 the index rose from .7826 to .8416, which reverses the mobility of nonwhites so that nonwhites began to find opportunities more available in the capital intensive high wage industries.

V. SUMMARY AND CONCLUSIONS

The relative occupational status of nonwhites is affected by the extent to which the tastes for discrimination by employers, employees, and consumers obstruct occupational and industrial mobility. Significant

TABLE 3-9
RELATIVE INDUSTRIAL EMPLOYMENT INDEX
FOR 1950,^a 1960,^b AND 1970^c

Manufacturing	Nonwhite Index			White Index		
	1950	1960	1970	1950	1960	1970
Food and kindred	733.79	893.89	723.49	698.64	651.07	418.19
Textiles	41.70	19.99	19.99	58.24	15.51	15.51
Apparel	165.44	221.66	269.29	126.05	109.58	146.10
Lumber	814.48	626.25	422.48	317.58	168.33	133.92
Furniture and fixtures	47.03	47.60	37.91	37.91	27.36	22.23
Paper	410.84	365.62	317.00	594.62	598.51	522.18
Printing and publishing	51.69	75.91	69.86	264.89	249.55	267.32
Chemicals	418.62	420.48	507.44	584.46	840.35	1109.28
Petroleum	427.81	325.82	205.35	1026.07	978.15	541.44
Rubber	25.14	17.49	48.64	33.34	28.42	47.00
Stone, clay and glass	140.97	238.21	239.44	99.29	147.50	136.47
Primary metals	85.22	99.15	238.95	61.27	165.99	171.56
Fabricated metals	59.12	115.80	220.36	166.12	254.07	307.82

TABLE 3-9 (continued)

Machinery except elect.	39.97	72.24	105.47	152.67	192.16	227.32
Electrical machinery	6.51	13.57	156.81	24.42	59.14	208.90
Transportation equip.	97.90	139.67	424.66	181.87	233.65	486.01
	3566.23	3693.35	4007.14	4427.44	4719.34	4761.25

RELATIVE INDUSTRIAL EMPLOYMENT INDEXPERCENTAGE CHANGE IN RELATIVE
INDUSTRIAL EMPLOYMENT INDEX

$$1950 \text{ -- } \frac{3566.23}{4427.44} = .8055$$

$$1960 \text{ -- } \frac{3693.35}{4719.34} = .7826$$

$$1970 \text{ -- } \frac{4007.14}{4761.25} = .8416$$

$$1950 \text{ to } 1960 = - 2.84\%$$

$$1960 \text{ to } 1970 = + 7.54\%$$

^aCalculated from: United States Bureau of the Census, Census of Population: 1950, Vol. II, Characteristics of the Population, Part 18, Louisiana (Washington: Government Printing Office, 1952), Table 83.

^bCalculated from: United States Bureau of the Census, Census of Population: 1960, Vol. I, Characteristics of the Population, Part 20, Louisiana (Washington: Government Printing Office, 1962), Tables 129 and 130.

^cCalculated from: United States Bureau of the Census, 1970 Census of Population; Detailed Characteristics, Louisiana (Washington: Government Printing Office, 1972), Table 183.

changes in the mobility of nonwhite labor in Louisiana have occurred since 1950.

An analysis of the data yields a number of conclusions concerning private job discrimination in the state of Louisiana. First, it appears there has been a reduction in private job discrimination during the 1960's as measured by the more than 15 point increase in the Nonwhite Relative Occupational Index from 1960 to 1970. This may have been due to an increase in the cost of racial discrimination during the 1960's. On the other hand, private job discrimination against nonwhite males may have increased during the 1950's as evidenced by a worsening of the relative occupational distribution of nonwhites from 1950 to 1960.

Secondly, although occupational gains were made by nonwhites during the 1960's private job discrimination is still strong and more so in some occupations than in others. For example, nonwhite males made little or no relative gains in some segments of the building trades such as electricians and plumbers. Moreover, relative gains by nonwhite males in the professional and technical category have occurred mainly in the teaching profession, which is still generally segregated and tends to dominate the occupational category.

Thirdly, nonwhites appear to have made gains in contact occupations such as salesmen and sales clerks.

Finally, nonwhites improved their industrial employment position during the 1960's. On the other hand, nonwhites experienced a decline in their industrial employment position during the 1950's. In other words, the Relative Industrial Employment Index of nonwhites fell from 1950 to 1960, indicating that nonwhites underwent a shift from higher

capital intensive industries to lower wage labor intensive industries, but from 1960 to 1970 the opposite occurred.

Although there has been a small decrease in private job discrimination in Louisiana during the decade of the 1960's, private job discrimination is still quite strong and tends to hamper the occupational and industrial mobility of nonwhite labor in Louisiana.

CHAPTER IV

STATE CLASSIFIED CIVIL SERVICE

EMPLOYMENT: 1956 - 1971

To the extent that whites can control the political process, nonwhites can be excluded from all but the most menial jobs in state government. And to the extent that whites can practice public job discrimination, whites benefit at the expense of nonwhites who may be equally or more qualified for the job. The community as a whole, however, does not benefit from discrimination if the cost of discrimination is the employment of less efficient whites who require a higher expenditure of resources for the development of the requisite human capital necessary for the job and if discrimination leads to the acquisition by the community of poorer government services. Nonwhites pay the greatest price of discrimination by the income and employment loss due to public job discrimination.

Under conditions of government monopoly over the supply of certain types of services whites, through discrimination, can maximize the returns to whites and minimize the returns to nonwhites by hiring a distribution of nonwhites weighted toward low income occupations. The white community may lose from discrimination by state government agencies, but this is not to say that the actual discriminator within the white community also loses by practising discrimination. The white returns from discrimination may be maximized by hiring Negroes for the least desirable jobs and for jobs in which Negroes have traditionally

been employed to maximize the physical and social distance between Negroes and whites.

The government discrimination function would best be defined by using both physical and social distance as arguments. The discriminator may want to hire and work with nonwhites, but due to the monopoly position of the discriminator, the discriminator will insist on specifying the relationship under which the two parties will meet and the response of the nonwhite. For example, the nonwhite may be hired as an attendant, laborer, nurse's aide, garbage collector, but not as physician, attorney, supervisor, or other position of authority which might violate the social distance between whites and nonwhites. Substitutability in government production function would be limited and complementarity would tend to prevail, creating a white occupational distribution heavily weighted toward high salaried classifications. White income would be higher and nonwhite income lower than would be the case if labor resources were distributed efficiently across occupational classifications.

Public officials charged with hiring state employees have generally considered Negroes less productive than whites doing the same job. Likewise the quality of Negro education is generally considered inferior to white education. For example, a Negro graduate of a Negro college or university would be considered inferior to a white graduate of a white college or university with the same degree. Thus a preconceived notion of the relative productivity of the two factors may exist and the notion of inequality of education rather than inequality of job opportunities would seem to prevail among public officials. It would seem likely therefore that public discrimination would be stronger at the top of the job classifications than at the bottom and that the

more educated nonwhites are the recipients of the greatest amount of discrimination by public officials. This, together with the impropriety of placing nonwhites in a supervisory, administrative, or authoritative position over whites, would act to strengthen public job discrimination in state government.

Political and social conditions that give rise to employment discrimination by the state government are not static but tend to change over time. For example, the acquisition of greater political influence by nonwhites or a less discriminatory attitude towards nonwhites by whites may result in a shift in the nonwhite occupational distribution to benefit nonwhites at the expense of whites. This would be reflected by the attitude of public officials toward the hiring, promotion, and tenure of nonwhites. This influence, however, may not be strong because of the possible political manipulation of nonwhite voters in order to maintain exclusive white control over the entire governmental structure including the share of government jobs, contracts, and other disbursements through the decisions of white administrative officials.

I. NEGRO APPOINTMENTS AND PROMOTIONS FROM 1966 TO 1970

It was not until the outbreak of activism in Louisiana on the part of Negro organizations leading to racial demonstrations and violence in 1965 that former Governor McKeithen took the initiative to form the Louisiana Commission on Human Relations, Rights, and Responsibilities. The Commission's stated purpose was "to advise the Governor in the area of human relations and to provide leadership throughout the State of Louisiana in the area of human

relations."¹

The Commission, with 21 white and 21 Negro appointees, unlike Fair Employment Practices Commissions found in some 22 other states, had neither investigative nor judicial power to reduce the prevalence of wage and job discrimination in either private or public employment, but instead was to act in an advisory capacity to the governor, who could use information and recommendations provided by the Commission as he saw fit. The Commission was disbanded in May, 1970.

After the appointment of the Commission, former Governor McKeithen announced publicly that discrimination in state employment would be eliminated. In a visit to Grambling College, which is a predominantly Negro college, on March 6, 1968, Governor McKeithen told the students that they would "find new, revolutionary job opportunities available in state posts."² In February of the same year the Los Angeles Times carried a story by a staff writer which said that "934 Negroes have been hired by the government for jobs from which they had previously been barred. They include clerks, engineering aides, social workers, employment security counselors and several law-enforcement officers."³ In the same article the governor was quoted as saying that segregation is dead "as far as the state of Louisiana is concerned. The day is over, as it should be, when the state government will discriminate

¹"Louisiana Commission on Human Relations, Rights and Responsibilities," a pamphlet issued by the Office of the Governor, 130X4095 (Baton Rouge, Louisiana, 1965).

²"Governor Urges Negroes to Apply for State Jobs in Grambling Talk," Monroe Morning World, Thursday, March 7, 1968, p. 2-A.

³"McKeithen Negro Aide Wins Job--and Respect," Los Angeles Times, February 4, 1968, p. 10-C.

against anyone--in employment or in any other area--because of color."⁴

The implication of the actions and statements by the former governor is that the state priorities had been modified to include positive action to promote, upgrade, and expand the public employment of Negroes in the State of Louisiana.

This chapter is devoted to an analysis of Negro classified civil service employment during the period 1956 to 1971, which includes the life of the Louisiana Commission on Human Relations, Rights, and Responsibilities and an attempt to ascertain any developments concerning public job discrimination in state government during that time.

The data contained in this study were extracted in various ways from the employment files of the Louisiana Department of Civil Service. The data are of two types: (1) data compiled by the Louisiana Commission on Human Relations, Rights, and Responsibilities concerning the appointment and promotion of Negroes by classification and type of appointment, and (2) detailed data provided by the Louisiana Department of Civil Service on the numbers of Negroes and whites in each job classification on July 1 of every other year.

The overall civil service employment of Negroes shows a gradual improvement in the number of Negroes employed by the State and the average monthly pay rates⁵ received by Negro workers. Table 4-1 shows that the ratio of Negro to total state civil service employment increased by 3.9% from June 1 of 1959 to July 1 of 1971. A steady upward

⁴Ibid.

⁵This concept is used by the Louisiana Department of Civil Service to mean the average compensation including extra compensation received by state employees.

TABLE 4-1

LOUISIANA STATE CLASSIFIED CIVIL SERVICE EMPLOYEES; RATIO
OF NEGRO TO TOTAL EMPLOYMENT; AND RATIO OF NEGRO
TO TOTAL AVERAGE MONTHLY PAY RATE^a

Date	Ratio of Negro to Total Employment	Ratio of Negro Pay Rate to Total Average Pay Rate
June 20, 1959	17.6	Not Available
June 30, 1960	18.1	Not Available
June 30, 1961	17.6	Not Available
June 30, 1962	17.4	Not Available
June 30, 1963	17.4	Not Available
June 30, 1964	17.7	Not Available
June 30, 1965	17.8	Not Available
April 30, 1966	18.0	64.4
June 30, 1966	18.1	64.4
September 30, 1966	18.1	65.8
December 31, 1966	18.4	67.2
March 31, 1967	18.4	67.5
June 30, 1967	18.6	67.6
September 30, 1967	18.8	67.7
December 31, 1967	19.2	67.6
March 31, 1968	19.4	68.1
July 1, 1970	21.1	Not Available
July 1, 1971	21.5	Not Available

^aCalculated from data provided by Louisiana Department of Civil Service, Baton Rouge, Louisiana.

trend in the ratio did not develop until 1964, the year before the governor announced his nondiscriminatory hiring policy toward Negroes. The ratio reached 21.5% on July 1, 1971, somewhat of an improvement in the relative employment of Negroes over June 30, 1960. This proportion, however, is still smaller than the proportion of Negroes in the population of Louisiana, which was 31.9% in 1960 and 30.8% in 1970.

Some overall improvement in the income position of the Negro classified civil service worker is indicated by the increase in the ratio of the Negro to total average monthly pay rate of civil service employees from 64.4% in April 1966 to 68.1% in March 1968, an improvement of 3.7%, which may or may not be significant when compared to a more detailed analysis of the records of the Louisiana Department of Civil Service.

Since 1966, information concerning Negro classified civil service employees has become more complete and available due to pressures from civil rights organizations and the federal government. One way of measuring and evaluating the effectiveness of the former governor's stated public policy of eliminating discrimination in state employment is to examine the Negro civil service appointments during the life of the Commission on Human Relations, Rights, and Responsibilities, from 1966 to 1970, to see if any positive action has been taken by the former governor to this end.

The new data on Negro appointments contain relevant information concerning the classification in which the employee was appointed and the type of appointment. The classification system contains three

groups of classifications--Group I, Group II, and Group III.⁶ All Negro appointments to classifications in either Group I or II were considered breakthroughs by the Commission whether or not Negroes had been previously employed in these classifications, departments, or institutions. This would grossly misrepresent the improvement in job opportunities for Negroes. Group III appointments were considered expansions rather than improvements in Negro employment since about 70% of all Negro classified civil service employees were employed in Group III classifications in 1965 when the governor's commission was founded.

All of the classifications in Group I require a written examination, and this group is generally made up of clerical, supervisory, and technical classifications. Persons employed in Group II are mainly professionals, semi-professionals, or skilled craftsmen, thus the average wage scale of Group II is higher than that of Groups I and III, and the appointee's rating is based upon the quantity and quality of experience and education rather than his application. Group III contains "noncompetitive" unskilled classifications and thus requires no examination.

The process of applicant selection gives the state agency head leeway in making selections to fill openings. Thus if the agency head is

⁶Group I contains such classifications which would include clerks, secretaries, patrolmen, inspectors, welfare workers, lab technicians, employment security, office machine operators, etc.; Group II contains such classifications as airplane pilot, attorney, physician, carpenter, dentist, auto mechanic, data processor, nurses and other health and medical, mechanics, etc.; and Group III includes laborers, elevator operators, laundry workers, watchmen, custodial and food service workers, etc.

biased against Negroes he may avoid the selection of a Negro applicant even though the Negro is the best qualified for the position. This is especially true for positions in Groups I and II. Group I positions are filled through competitive examination. Candidates are placed on an eligibility list by the Department of Civil Service and ranked according to their final grades on the exam. When a position becomes available the agency head must choose from the three highest ranking applicants on the eligibility list who meet the requirements for the position. The agency head then does not have to select the highest ranking applicant for the job but may use his discretion in making a selection. Group II applicants are not required to take a written or oral examination but are selected on the basis of the quality and quantity of education and experience. In this case also the agency head need not select the most highly qualified candidate but has even greater leverage in filling a vacant position. Group III classifications are noncompetitive and the employing agency is permitted to employ any person if he meets the minimum qualification requirements.

If an agency head has a strong taste for discrimination he can avoid hiring Negroes under the civil service regulations even in cases where Negro applicants are best qualified for a position, or Negroes may be hired for certain types of positions in Groups I and II when they are qualified and be entirely excluded from other positions. Greater freedom of discrimination exists in Group III where there is only a minimum qualification requirement and the agency head is free to select any person who meets the minimum requirement. Negroes are disadvantaged when applying for Group II positions that have experience as one of their criteria. The process of discrimination precludes the

accumulation of experience by Negroes in most professions and crafts, thus the selection of Negroes to Group II positions would be limited to a few classifications. Where quality of education is a criterion, the employing agency may use its subjective judgment in evaluating the quality of a particular applicant's education credentials.

Another source of discrimination not directly related to the selection process is the requirement that the applicant selected to a position in state employment be a registered voter. To the extent that whites have a greater propensity to register to vote and participate in the political process than Negroes, this requirement discriminates in favor of white applicants.

Political pressure to end discrimination in the hiring, promotion, and tenure of Negroes by state agencies would tend to change the Negro and white composition of state employment. The extent to which the composition is shifted will depend upon the intensity and effectiveness of public pressure to end racial discrimination in state employment and to provide additional job opportunities for members of the minority group.

Civil service appointments are of four types--probationary, which is an appointment of a person to serve a test period in a position and usually leads to permanent employment; emergency, which is a temporary appointment made necessary by an emergency work situation; job, which is a temporary appointment for work of a temporary nature, or to substitute for another employee; and provisional, a temporary appointment to a position in the absence of a list of eligible applicants for that classification. The latter three types of appointments are temporary

in nature but may lead to a probationary appointment.⁷

Based upon the emphasis of quality and nondiscrimination, we would expect the economic position of the new appointees to improve in both absolute and relative terms. To test the assertion that Negroes are being appointed to better positions on a nondiscriminatory basis, it is necessary to construct an Index of Negro Job Opportunities (Table 4-2) to measure the change in the economic opportunities for the Negro appointee since 1966 when this information became available. Construction of the index requires that income be held constant, thus the current civil service salary scale, which contains both a minimum and maximum salary for all positions, was used. Appointments are generally made at the minimum salary, thus the appropriate income data for the construction of this index are the minimum salaries in each classification. The mathematical form of the Index of Negro Job Opportunities and for several subsequent indices utilized in this

chapter is $\sum_{i=1}^n I_i : Q_{ni}$, where I_i is the 1971 minimum salary by

state job classification and Q_{ni} is the percentage distribution of Negroes in state job classifications by group and year. An increase in

⁷Three problems appeared in the process of gathering and analyzing the data on new Negro appointments. First, some of the appointments are replacements and do not represent an expansion of employment. With the available data, it was impossible to determine which were replacements, but it seems that replacements would be a relatively small percentage of new appointments and thus should have little effect on the analysis. Secondly, some Negroes were appointed as emergency employees and were kept on the payroll several months and then given probationary appointments. These were counted as probationary appointments rather than emergency and it is possible that some double countings occurred but the error is probably small enough to be insignificant. Thirdly, employees are appointed as the need arises so that there will be some amount of random variation in the data.

the index indicates a reduction in racial discrimination while a decrease signifies a rise in racial discrimination.

Table 4-2 is a simple index by group and type of appointment. Probationary appointments in Group I indicate an increase in racial discrimination from 1966 through 1969, however in 1970 there was a significant increase in the index but the 1970 index remained substantially below the 1966 index. The change in the probationary appointment index for Group II is erratic from year to year. For example, Group II Index of Negro Job Opportunities declined by almost 19 points from 1966 to 1967 and by $17\frac{1}{2}$ points from 1968 to 1969. On the other hand, the index increased by 29 points from 1967 to 1968 and by 50 points from 1969 to 1970. Thus, there was a significant improvement in Negro job opportunities in this group but there appears to be an absence of consistency in the trend toward improvement. Group III shows no significant change throughout the entire period, which is not unexpected since Negroes have traditionally been well represented in this group. Any improvement in the Negro employment would have to occur in Groups I and II. Although there was a steady increase in Negro employment in all three probationary groups, there seems to have been very little or no improvement in the economic and opportunity position of Negro probationary appointees in general. In other words, gains in Group II have been offset by losses in Group I.

The temporary appointment index, constructed in the same manner as the probationary index, shows a divergent trend. For example, the Group I index shows an improvement in 1967, but from 1968 to 1970 there is a significant drop in the index. The Group II index indicates a deterioration of Negro economic opportunities during the entire period

from 1966 to 1970. As expected, the Group III index indicated neither improvement nor worsening of Negro economic opportunities, although its trend is divergent.

TABLE 4-2

INDEX OF NEGRO JOB OPPORTUNITIES IN STATE CIVIL
SERVICE APPOINTMENTS BY GROUP OF
CLASSIFICATIONS; 1966-1970^a

Type of Appointment	1966	1967	1968	1969	1970 ^b
Probationary					
Group I	459.39	411.78	389.31	373.37	390.15
Group II	435.38	416.53	445.60	428.08	478.26
Group III	303.52	308.89	306.89	309.29	308.61
Temporary					
Group I	379.26	429.22	424.55	417.28	406.36
Group II	439.10	421.73	410.00	406.00	344.14
Group III	297.43	310.22	304.80	311.32	271.25

^aCalculated from data supplied by Louisiana Commission on Human Relations, Rights, and Responsibilities; Baton Rouge, Louisiana.

^bData for 1970 include the months January through September, but there seems to be no seasonal variation in appointments to state civil service positions.

Table 4-3 combines the three groups of probationary and temporary state civil service appointments. From 1966 to 1967 both the probationary appointment index and the temporary appointment index increased substantially. This was due to a substantial increase in the relative number of Negroes appointed to Group I classifications. From 1967 to 1970 the temporary appointment index did not show much change. The probationary appointment index, on the other hand, rose by almost 24

points from 1969 to 1970. This was due to an increase in the relative number of appointments to both Group I and Group II classifications.

TABLE 4-3

INDEX OF NEGRO JOB OPPORTUNITIES IN STATE CIVIL SERVICE
APPOINTMENTS BY TYPE OF APPOINTMENT; 1966-1970^a

Type of Appointment	1966	1967	1968	1969	1970 ^b
Probationary	363.87	372.50	355.78	355.81	379.26
Temporary	342.29	395.52	393.31	400.40	393.31

^aCalculated from data supplied by Louisiana Commission on Human Relations, Rights, and Responsibilities; Baton Rouge, Louisiana.

^bData for 1970 include the months January through September, but there seems to be no seasonal variation in appointments to state civil service positions.

Table 4-4 is a composite index inclusive of both probationary and temporary appointments. The composite index was found by combining the probationary and temporary appointments along with the three classification groups into a single overall index. The same procedure was used in constructing this index as was used in constructing the probationary and temporary appointment indices. The composite index indicates that the economic position of Negroes appointed to state jobs improved from 1966 to 1967, and from 1969 through September of 1970, but the Negro appointee was only slightly better off in 1970, overall, than he was in 1967. Thus, there seems to be no steady improvement in the economic and job opportunity position of the Negro appointees to state jobs

period in question.

TABLE 4-4

COMPOSITE INDEX OF PROBATIONARY AND TEMPORARY APPOINTMENTS
OF NEGROES TO CLASSIFIED CIVIL SERVICE JOBS;
1966 - 1970^a

1966	1967	1968	1969	1970
357.35	381.73	363.86	365.03	385.38

^aCalculated from data supplied by Louisiana Commission on Human Relations, Rights, and Responsibilities; Baton Rouge, Louisiana.

Table 4-2, however, indicates that initially Negroes were appointed to better Group I positions on a temporary basis, which represented to the state administration a breakthrough in Negro employment opportunities. This, therefore, did not represent a real or long-range improvement of employment opportunities for Negroes in state employment but, based on probationary appointments alone, Negro employment opportunities actually deteriorated.

By breaking down Classification Groups I, II, and III into seven broader classifications--clerical, social worker, law enforcement, technical, professional, skilled labor, and unskilled labor--a better view of Negro state employment trends can be obtained. Table 4-5 indicates that most of the Negro gains in state employment have occurred in Group I, which includes clerical and law enforcement classifications. The most dramatic expansion is in the lower-paying clerical classifications (from 48 in 1966 to 361 in 1970). Negro appointments in the law

enforcement classification increased from 7 in 1966 to 44 in 1970.

There seemed to be no substantial change in any other category except the professional class, which is due primarily to the number of Negro graduate nurses appointed in 1968 and 1970. The variation in social worker, technical, skilled labor, and unskilled labor is due mainly to random variations in appointments.

TABLE 4-5
NUMBER OF NEGROES APPOINTED TO VARIOUS JOB
CATEGORIES; 1966 - 1970^a

Occupation	1966	1967	1968	1969	1970 ^b
Group I					
Clerical	48	191	160	272	361
Welfare or social	43	66	29	47	60
Law enforcement	7	7	18	26	44
Technical	12	34	29	18	41
Group II					
Professional ^c	11	5	13	8	33
Craft or skilled labor	19	15	13	22	25
Group III					
Unskilled labor	186	166	206	166	182

^aCalculated from data provided by Louisiana Commission on Human Relations, Rights, and Responsibilities; Baton Rouge, Louisiana.

^bAnnual estimates based upon first 9 months of 1970.

^cMost of the year-to-year change is due to variations in the appointment of graduate nurses.

Table 4-6 indicates that Negro females dominate the appointment of Negroes to state civil service jobs. Group III is the only group that is dominated by the appointment of Negro males. This group, however, is made up of low-paying unskilled types of jobs. Negro women dominate the higher-paying positions in Groups I and II. The situation that usually prevails within the white culture has the male in the dominant employment situation with the female forced into an inferior employment situation due to a lack of training, or discrimination. The reverse, however, appears to be the case involving Negro employment by the State of Louisiana. This reverses the position of male and female and leaves the Negro male in the inferior employment position.

TABLE 4-6

SEX OF NEGRO APPOINTEES TO CLASSIFIED CIVIL
SERVICE JOBS BY GROUPS; 1966 - 1970^a

Year	GROUP I AND GROUP II		GROUP III	
	Male	Female	Male	Female
1966	65	100	136	122
1967	240	242	112	54
1968	175	222	86	111 ^b
1969	137	255	101	67
1970	174	321	86	56

^aCalculated from data provided by Louisiana Commission on Human Relations, Rights, and Responsibilities; Baton Rouge, Louisiana.

^bNegro females are concentrated in the Attendant I classification appointments, which were quite heavy in 1968.

Tables 4-7 and 4-8 are a promotion index and composite promotion index respectively. These indices were constructed in the same manner as the appointment indices described on page 106. Both the promotion index and the composite promotion index compiled from the three groups of classifications reveal no substantial change in Negro employment opportunities during the same period, i.e., 1966 to 1970. Thus, promotion did not seem to be an avenue used by the state administration to improve the employment opportunities of Negroes in state government employment. The data indicate that the state government may have been very cautious and selective in making concessions to Negroes under the governor's program to eliminate discrimination in state classified employment.

TABLE 4-7

PROMOTION INDEX OF NEGRO CLASSIFIED CIVIL SERVICE
CLASSIFICATION GROUPS I, II, AND III; 1966-1970^a

Year	Group I	Group II	Group III
1966	491.82	423.30	310.02
1967	468.50	407.81	316.00
1968	488.24	364.31	313.41
1969	464.31	398.20	326.36
1970 ^b	389.89	424.31	313.96

^aCalculated from data provided by Louisiana Commission on Human Relations, Rights, and Responsibilities; Baton Rouge, Louisiana.

^bAnnual estimate based upon first 9 months of 1970.

TABLE 4-8
COMPOSITE PROMOTION INDEX OF NEGRO CIVIL
SERVICE JOBS; 1966 - 1970^a

1966	1967	1968	1969	1970 ^b
410.21	420.16	380.36	424.18	393.68

^aCalculated from data provided by Louisiana Commission on Human Relations, Rights, and Responsibilities; Baton Rouge, Louisiana.

^bAnnual estimate based upon first 9 months of 1970.

II. THE EMPLOYMENT OF NEGRO AND WHITE CLASSIFIED

STATE EMPLOYEES; 1956 - 1971

The analysis of state classified employment would not be complete without an analysis of the distribution of state classified employment between Negroes and whites. Three questions must be answered. First, has the overall economic position of Negroes improved from 1956 when this information first became available to 1971, and if so to what extent? Secondly, has the employment or occupational position of Negroes improved relative to white employees? Finally, has public job discrimination been substantially weakened by recent policy changes on the part of state government?

To pursue an overall evaluation greater precision was obtained by concentrating on the three classification groups. The first phase consists of the construction of a Negro Occupational Index. This was accomplished by computing the proportion of Negro employees in each

employment classification by group. This proportion was then multiplied by the minimum salary for that classification. The products in each group were summed and an index derived for each separate group. The index thus derived is a weighted index, weighted by the minimum salary for each classification, so that any occupational improvement on the part of Negroes would show up by an increase in the Negro Occupational Index. A reduction in the index would represent a reduction in the occupational position of Negroes in state employment. The employment data of Negroes and whites was based upon the employment on July 1st of every other year from 1956 to 1971. The important characteristics of Negro employment is the change in the employment distribution from year to year and a comparison of the two periods, 1956-66 and 1966-71.

Interesting results are presented in Table 4-9 (Occupational Index of Negro Classified State Employees). The occupational index for Group I indicates a deterioration in the total economic position of Negroes in state employment from 1956 to 1960; however, there was a noticeable improvement in the total Negro occupational position from 1960 through 1966, but from 1966 to 1971 (the period in which the McKeithen antidiscrimination doctrine was in force) the occupational position of Group I Negro classified state employees deteriorated again. Surprisingly, Negro classified state employees in Group I were better off in 1956 than in 1971 even though Negroes gained access to more jobs on a departmental and geographical basis and were able to break into more moderate income classifications where in the past they had been excluded. These breakthroughs, it seems, contributed little to the overall occupational position of Negroes employed by the state.

TABLE 4-9
OCCUPATIONAL INDEX OF NEGRO CLASSIFIED
STATE EMPLOYEES; 1956 - 1971^a

Year	Group I	Group II	Group III
1956	426.08	361.24	278.80
1958	417.49	358.63	275.86
1960	402.22	360.52	280.21
1962	408.40	356.44	278.52
1964	410.47	362.61	280.98
1966	418.30	367.01	280.36
1968	415.86	368.39	281.90
1970	405.86	368.19	283.93
1971	412.80	376.24	285.65

^aCalculated from data provided by Louisiana Department of Civil Service, Baton Rouge, Louisiana.

Tables 4-10 and 4-11 show that the proportion of Negroes in Group I employed as clerical workers expanded rapidly from 1966 to 1970. This clerical expansion can be attributed mainly to the large increases in the number of Negroes employed in the clerk and typist-clerk classifications, as indicated by Table 4-10. Since these are low salary classifications and far below the Group I index, increased employment in these classes contributed to the decrease in the occupational position of Negroes in Group I classifications.

The occupational position of Negroes in Group II classifications

TABLE 4-10

NUMBER OF NEGRO CLASSIFIED STATE EMPLOYEES IN SELECTED CLASSIFICATIONS;
1956 - 1971^a

Classification	1956	1958	1960	1962	1964	1966	1968	1970	1971
<u>HEALTH</u>									
Graduate nurse	71	66	71	55	60	63	54	54	70
Practical nurse	239	297	361	383	371	343	418	425	444
Nurses' aide	960	946	1058	1031	1044	1100	1247	1298	1496
<u>LABORERS</u>									
Laborer	298	370	332	285	333	362	328	337	368
Laborer utility	84	101	170	169	185	212	288	295	315
<u>WELFARE</u>									
Welfare visitor	47	41	39	37	43	73	106	116	141
<u>CLERICAL</u>									
Clerk	27	31	41	45	47	65	167	242	284
Steno	53	56	62	61	65	64	91	96	118
Stock clerk	13	15	24	21	26	32	49	53	53
Typist clerk	43	64	70	79	96	119	180	257	287
<u>FOOD SERVICE</u>									
Baker	--	23	20	21	25	26	38	41	35
Cook	--	211	206	220	233	250	306	315	309
Food service	--	778	722	751	785	826	979	907	833
<u>LAW ENFORCEMENT</u>									
Campus security	1	5	5	8	8	15	36	57	58
Watchman	47	72	25	26	22	41	53	33	32
Cottage parent	9	15	58	72	94	134	193	259	311

^aSource: Louisiana Department of Civil Service, Baton Rouge, Louisiana.

TABLE 4-11

PERCENTAGE OF TOTAL NEGRO CLASSIFIED STATE EMPLOYEES
IN SELECTED CATEGORIES; 1956 - 1970^a

Year	Health	Welfare	Clerical	Food Service	Law Enforcement	Custodial	Laborers
1956	26.1	1.3	3.0	19.0	1.2	24.0	7.6
1958	24.2	1.2	3.4	18.5	1.7	24.4	8.5
1960	25.4	1.0	3.8	16.1	1.6	24.8	8.4
1962	25.4	1.0	3.8	16.7	1.9	25.5	7.5
1964	23.6	1.0	4.0	16.3	2.0	26.4	7.9
1966	22.2	1.4	4.3	15.5	2.8	25.7	7.9
1968	21.3	1.7	6.0	15.3	3.5	24.3	7.0
1970	21.2	1.8	7.8	14.0	4.0	22.0	6.9

^aCalculated from data provided by Louisiana Department of Civil Service, Baton Rouge, Louisiana.

from Table 4-9 improved sharply from 1962 to 1966, but from 1966 to 1970 little or no improvement was recorded by the occupational index. However, in 1971 the index increased by 8 points over the 1970 index. Contributing to the stability of the index from 1966 to 1970 was the decline in the relative importance of graduate nurses, which are relatively high paid among Negro employees.

The occupational position of Negroes in Group III improved consistently from 1966 to 1971. This is of importance since currently about 62% of all Negro employees are contained in this group, it contains few classifications, and the jobs are mainly unskilled and low-salaried. A decrease in the relative importance of custodial workers after 1964 contributed to the improvement in the Group III index because the minimum salary in this classification is less than the Group III index. In addition, the attendant class gained in importance, which contributed additionally to the improvement of the index. On the other hand, very little relative change occurred in the laborers⁸ classifications. The changes that did occur would have had the effect of slightly improving the Group III index. For example, the proportion of Negroes in the laborer classification decreased but the proportion of Negroes in the laborer utility classification increased. The minimum salary of the former classification is lower than the Group III index, but the latter is higher.

An important aspect of Negro employment in state jobs is the change in the employment position of Negroes with respect to the employment of whites. If Negroes have made progress or if they are to make

⁸This includes both the laborer and laborer utility classifications.

progress in the future the employment position of Negroes must improve relative to that of whites. To this end, the ratio of Negro to white state classified employment is used to study the changes in the relative occupational occupational position of Negro state classified employees.

Table 4-12 elucidates the relationship between Negro and white classified state employees based upon five occupational classifications. A Negro to white employment ratio for three years--1956, 1966, and 1971--is used to show the relative change in Negro employment. In all classes except professional and technical, employment of Negroes relative to whites has increased significantly. Relative gains by Negroes in the managers, supervisors, and foremen class have occurred in positions where Negroes have traditionally been employed. As a result, Negro supervisory personnel acquire positions which would limit their supervisory authority to Negro employees. Most of the gains by Negroes have come in the last five years, from 1966 to 1971. The ten year period from 1956 to 1966 saw very slight gains by Negroes in all classes except professional and technical, and unskilled labor. The latter class has experienced a large relative increase in Negro employment, especially in the past five years, from 1966 to 1971. White employment in this class has actually declined from 3684 in 1956 to 2875 in 1971, while Negro employment in this class increased from 2758 in 1956 to 4294 in 1971. Thus it seems that a substantial part of the increase in the relative employment of Negroes by the state has been in the low-paying menial positions where in some cases, such as among laborers, Negroes are replacing whites as whites move out of the less desirable jobs. Even in the other classes elucidated by Table 4-12 (except

craftsmen), Negroes are generally employed in the lower salaried, less prestigious positions. In fact, there is a substantial list of classifications with 25 or fewer employees from which Negroes are totally excluded.

TABLE 4-12

RATIO OF NEGRO TO WHITE CLASSIFIED CIVIL SERVICE
EMPLOYMENT FOR SPECIFIED CATEGORIES; 1956-1971^a

Classification	1956 N/W	1966 N/W	1971 N/W
Managers, supervisors, and foremen	5.8%	7.9%	12.4%
Clerical	3.2	4.6	10.1
Steno clerk	3.4	3.3	5.5
Clerk	2.4	4.9	16.5
Typist clerk	3.2	6.0	11.4
Professional and technical	14.5	13.9	14.9
Craftsmen	6.5	8.7	15.4
Unskilled labor	75.6	104.5	149.5

^aCalculated from data provided by Louisiana Department of Civil Service, Baton Rouge, Louisiana.

The change in the relative occupational position of Negro classified employees can be further illuminated by constructing a Negro Relative Occupational Index. The mathematical form of the Negro Relative

Occupational Index is $\sum_{i=1}^n I_i \cdot \frac{Q_{ni}}{Q_{wi}}$, where I_i is the 1970 minimum salary

by state classification and Q_{ni} and Q_{wi} are percentage distributions of Negroes and whites in state job classifications by group and year.

The percentage distribution of whites include active classifications only since the inactive classifications contained no Negroes and were relatively static with less than five employees and usually only one employee in each classification. The inactive classifications were thus higher level administrative classes and comprised less than 5% of all white employees. This elimination made the Negro and white classifications comparable in analyzing the change over time in the relative occupational position of Negro classified state employees.

Table 4-13 gives the Negro Relative Occupational Index of all three groups of classifications for the years 1956, 1966, and 1971. In 1956 Negroes in Group I were in the best relative occupational position, as compared to whites. However, during the first period-- 1956 to 1966--Negroes in this group experienced a substantial decline in their relative occupational position, while in the second period-- 1966 to 1971--suffering only a slight deterioration. Negroes employed in Group II experienced a slight relative gain during the first period but experienced a moderate loss in occupational position in the more recent period. Negroes in Group III did not experience a significant gain or loss relative to whites in either period.

Overall, Negroes, relative to whites, appear to have been better off occupationwise in 1956 and 1966 than in 1971, despite the relative increase in Negro employment in state classified jobs from 1966 to 1971. In other words, in 1966 state officials began hiring a larger number of Negroes to state job classifications, but this increased hiring of Negroes did not improve the occupational position of the Negro state employee. This indicates that Negroes were generally employed in traditional classifications and classifications that were losing white

employees on a relative basis.

TABLE 4-13

NEGRO RELATIVE OCCUPATIONAL INDEX FOR
CLASSIFIED CIVIL SERVICE EMPLOYMENT;
1956, 1966, AND 1971^a

Year and Group	Negro Relative Occupational Index
<u>1956</u>	
Group I	97.80
Group II	72.03
Group III	92.98
<u>1966</u>	
Group I	89.16
Group II	73.14
Group III	91.52
<u>1971</u>	
Group I	86.91
Group II	69.58
Group III	92.50

^aCalculated from data provided by Louisiana Department of Civil Service, Baton Rouge, Louisiana.

Public officials have discussed the problem of hiring Negroes to positions in the state bureaucracy in terms of the difficulty Negro applicants face, especially graduates of Negro schools and colleges, in attempting to make a high enough score on the civil service exam to qualify for Group I positions. Thus, because of the exam requirements for Group I positions, it might be expected that Negroes would make greater relative gains in Group II positions, which do not require the passage of the civil service exam but which is instead based upon

experience and/or education.

The data, however, do not support this conclusion. Table 4-14 clearly shows that Negroes have made their greatest employment gains in Group I in spite of the civil service exam, but the proportion of Negroes employed in Group II has remained about the same since 1960.

TABLE 4-14

PROPORTION OF TOTAL NEGRO CLASSIFIED CIVIL
SERVICE EMPLOYEES IN EACH GROUP OF
CLASSIFICATION BY YEAR; 1956-1971^a

Year	Ratio of Group I Employment to Total	Ratio of Group II Employment to Total	Ratio of Group III Employment to Total
1956	7.2	18.0	74.8
1959	7.4	19.0	73.8
1960	8.3	20.6	71.1
1962	8.5	21.3	70.2
1964	8.8	21.1	69.6
1966	10.4	20.4	69.1
1968	13.7	20.0	66.5
1970	16.2	21.0	63.8
1971	17.5	20.6	61.8

^aCalculated from data provided by Louisiana Department of Civil Service, Baton Rouge, Louisiana.

It seems possible that there has been an increase in the substitutability of Negroes for whites in some of the Group I classifications due to the relatively large increase in the demand for labor in these classifications. It might be concluded that an increased demand for labor by the state might tend to result in a reduction in public job discrimination in classifications that experience large expansions of employment, resulting in a greater substitution of Negro for white labor. Thus a high or low rate of increase in demand in a

classification would be associated with a high or low increase in the Negro-white employment ratio. A close positive relationship may indicate that the increase in demand for labor by the state government has resulted in the necessity of state officials to rely more and more upon nonwhite sources of labor supply or that nondiscriminatory placement of Negroes in classified state jobs would be based upon the demand for labor by the state.

To test the relationship between the demand for labor and the relative employment of Negroes in state classified jobs 57 job classifications were chosen, based upon the size and expansion of employment of these classifications. The rate of increase in employment and the change in the ratio of Negroes to whites were computed for two periods--1956 to 1966, and 1966 to 1971. The simple correlation coefficients were found as follows:

TABLE 4-15

RELATIONSHIP BETWEEN THE DEMAND FOR LABOR BY THE
STATE OF LOUISIANA AND THE RELATIVE EMPLOYMENT
OF NONWHITES; 1956 - 1971^a

Period	Correlation coefficient (r)	t-value
1956 to 1966	.0232	.1672
1966 to 1971	.1829	1.380

^aCalculated from data provided by Louisiana Department of Civil Service, Baton Rouge, Louisiana.

The relationship between the demand for labor and the relative employment of Negroes is not significant in either period, although the correlation coefficient is larger in the second period. It may be concluded then that demand conditions mean little as far as the employment of Negroes is concerned. Thus it is likely that the placement of Negroes by state employing agencies remains selective and discriminatory in nature and unresponsive to the demand for labor by the state of Louisiana to the extent that there are Negroes who qualify to fill the additional needs of the state.

III. CONCLUSION

Since 1966 the employment of Negroes by the state has increased at a faster rate than total state employment and Negroes have been appointed to positions from which they had previously been excluded as well as to state agencies which had not previously employed Negroes in any other but the most menial positions. Thus, job opportunities for Negroes have expanded and a possible reduction in public job discrimination has occurred, however slightly. This expansion of job opportunities and reduction in public job discrimination, however, does not seem to have improved by a substantial amount the overall economic and occupational position of new and promoted Negro classified civil service employees. The reason seems to be that most of the expansion of employment and reduction in public job discrimination has occurred among the lower salary classifications. During the period from 1966 to 1970 few Negroes in relation to the total number of appointments were hired for higher-paying positions. Thus, token hiring to the higher-paying positions seems to have prevailed during this period.

This, then, may be the reason that the appointment indices did not show any substantial improvement from 1966 to 1970. It is also possible that the state set an annual quota for hiring Negroes to a limited number of classifications from which they had previously been excluded to show good faith in its policy of nondiscriminatory hiring.

Negroes were excluded from supervisory positions that would require supervisory authority over white employees. Further, Negroes have been totally excluded from such professional positions as attorney, engineer, physician, biologist, forester, geologist, psychologist, pharmacist, and photographer. Since these positions are relatively numerous, the absence of Negro employment in these positions would suggest either the nonavailability of Negro applicants for these positions or the nonconsideration of Negro applicants, the latter of which implies the practice of public job discrimination by the state government. In addition, Negro employment in such Group I positions as examiners, inspectors, investigators, analysts, and auditors is almost nonexistent. In 1971, out of 1020 examiners, inspectors, and investigators employed by the state, only seven were Negroes. In the same categories in 1956 and 1966 only 3 and 4 Negroes, respectively, were employed.

Overall, on the basis of an analysis of Negro applicants and promotions, the quantitative aspects were of more importance than the qualitative aspects of the McKeithen administration policy to reduce discrimination in state employment. However, a number of appointments of Negroes were made during this period in classifications unique to the racial situation which developed in 1965, but in general, since 1966 Negroes do not seem to have infringed on traditionally white jobs

and are still excluded from a large number of classifications.

Promotions and appointments of Negroes to administrative positions were almost nonexistent during the period, and if administrative appointments were made they were related to the race problem facing the governor and legislature.

The increase in the ratio of the average Negro pay rate to the total average pay rate in classified state employment may be explained by the civil service regulation that all positions have a minimum salary, a maximum salary, and nine intermediate steps. New employees are generally employed at the minimum and after the first six months and thereafter at twelve-month intervals receive a step increment until the maximum salary is reached. Adjustments after the maximum is reached would depend upon a revision of the entire pay schedule or promotion to a higher classification. Beginning in 1966 Negro classified state employment expanded at a faster rate than white, thus it is probable that there was an increase in the proportion of Negro employees who were still in the process of reaching the maximum salary as compared to white employees during the period. This would result in an increase in the ratio of the average Negro pay rate to the average total pay rate.

Even though public job discrimination has weakened somewhat during the period from 1956 to 1971, the relative occupational position of Negroes has declined, according to the comparison of the Negro and white occupational indices. This result may be due to the relative increase in Negro employment in the clerical and unskilled labor classifications. Thus, public job discrimination is still strong in state employment even though minor token concessions have been made

to Negroes. It appears that a major breakthrough for Negroes is unlikely due to the still strong prevalence of a taste for discrimination on the part of the electorate and state officials.

CHAPTER V

V. CONCLUSIONS AND RECOMMENDATIONS

The central theme in this study has been the extent to which wage discrimination and private job discrimination in Louisiana have been lessened through private and governmental efforts to end income and employment discrimination against nonwhites. Of additional importance is the extent to which the public job discrimination in state classified employment has been lessened to allow a greater participation of nonwhites in employment classifications where in the past they have been totally or substantially excluded.

The historical evidence presented in this study supports the following summary of findings applicable to Louisiana.

- (1) The private sector has surpassed the public sector in response to pressures to end discrimination.
- (2) Job discrimination in the public sector is still strong even though nonwhites have acquired better-paying positions in some areas. These positions, however, represent token concessions to nonwhites since the overall relative occupational position of nonwhites in state classified employment has not improved since 1956 but in fact has deteriorated through 1971.
- (3) The income and employment position of nonwhites in private employment improved moderately during the 1960's as compared to the 1950's.

- (4) The difference in income between whites and nonwhites in Louisiana is not fully explained by educational and employment differentials, but these two factors more fully explain the income differential in 1970 than in 1960.
- (5) Occupationally, nonwhites in Louisiana became more mobile during the 1960's as compared to the 1950's. Relatively, nonwhites became more represented in the higher-wage skilled, semi-skilled, and white collar jobs and less represented in the low-wage unskilled labor and farm jobs.
- (6) Nonwhite males suffer a higher level of discrimination than nonwhite females and experience a smaller reduction in discrimination over time.
- (7) The relative demand for nonwhite labor in Louisiana was more responsive to changes in the total demand for labor during the 1960's than during the 1950's, both by occupation and industry.
- (8) Nonwhite males in Louisiana found greater opportunities in capital intensive high-wage industries during the 1960's than in the previous decade.
- (9) Although wage discrimination and private job discrimination have been modestly reduced during the 1960's, discrimination is still an important force in Louisiana.

It appears that the progress made in reducing the income and employment differential between whites and nonwhites in Louisiana has been quite small. Based upon historical experience there seem to be several requirements for continued steady progress in providing expanded employment opportunities for nonwhites in Louisiana during the 1970's.

First, a strong and expanding state economy is a very important condition since a rise in the relative employment of nonwhites is generally associated with an increase in the market demand for labor. Public policy aimed at stimulating and diversifying the state economy should be initiated by the state government.

Second, measures must be taken to adequately finance the educational process of nonwhites both at the secondary level and post-secondary level. Special emphasis should be placed upon adequate vocational training and guidance, especially for nonwhites, who tend to place a smaller value on education because the payoffs to education have been lower to them than to whites in the past.

Finally, the state must adopt an effective policy of antidiscrimination in both the private and public sectors. The establishment of a biracial equal employment commission to hear complaints of racial discrimination in public and private employment appears to be necessary. The commission should have legislative authority to act in a quasi-judicial capacity as well as authority to require the employment of qualified nonwhites in state employment classifications where in the past they have been excluded. It is probable that this would place additional pressure on Louisiana employers to hire qualified nonwhites and possibly increase the cost of discrimination to employers.

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C. PERIODICALS

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John Hampton Carson was born on October 26, 1934, in St. Petersburg, Florida. He received his Bachelor of Arts degree in Economics from the University of Georgia in 1960. He received his Master of Business Administration degree from the University of Georgia in 1962. In that same year he joined the faculty at McNeese State University in Lake Charles, Louisiana, where he remained until July of 1973. In September of 1973 he will join the faculty of Elizabeth City State University.

EXAMINATION AND THESIS REPORT

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Major Field: Economics

Title of Thesis: A Quantitative and Qualitative Analysis of Racial Employment
Discrimination in Louisiana: 1950-1971

Approved:

Robert F. Smith
Major Professor and Chairman

James B. Traynham
Dean of the Graduate School

EXAMINING COMMITTEE:

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Date of Examination:

July 20, 1973