

**SOCIO-ECONOMIC PROGRESS OF BLACK AMERICANS
SINCE THE CIVIL RIGHTS ACT OF 1964**

STATISTICS

JACK JACKSON

SOCIO-ECONOMIC PROGRESS OF BLACK AMERICANS
SINCE THE CIVIL RIGHTS ACT OF 1964

A Thesis
Presented to
the Graduate Council of
Austin Peay State University

In Partial Fulfillment
of the Requirements for the Degree
Master of Arts

by
Jack Jackson
December 1974

SOCIO-ECONOMIC PROGRESS OF BLACK AMERICANS
SINCE THE CIVIL RIGHTS ACT OF 1964

An Abstract
Presented to
the Graduate Council of
Austin Peay State University

In Partial Fulfillment
of the Requirements for the Degree
Master of Arts

by
Jack Jackson
December 1974

ABSTRACT

By the time Lyndon Baines Johnson affixed his signature to the Civil Rights Act of 1964, thereby making it law, there were at least 18,871,831 black Americans residing in the continental United States. The figure in question represents the findings reported by the U. S. Census Bureau in 1960. At that time, in 1964, blacks were accounting for approximately 11.2 percent of the overall total population of the United States.¹

This study looks in on blacks at about mid-decade to find legislation about to take place which was intended to rid them of those twin historical millstones, segregation and racial discrimination.

More than three fourths of these people could have been found concentrated in the country's twenty-five largest urban centers. It can be safely stated that blacks, for the most part, were an urban group in 1964.

In addition to the Civil Rights Act of 1964, two other meaningful pieces of legislation, the Voting Rights Act of 1964 and the Fair Housing Act of 1968, were made lawful and put into effect to give blacks at least a

¹Harry Hansen, ed., The World Almanac and Book of Facts, New York World-Telegram, 1971, pp. 255-256.

legal opportunity to better their lot economically and
2
socially.

In the 1960's significant advances were made by blacks in many fields--notably, income, health, education, employment, and voter participation. Current statistics indicate continued progress in some areas of life, while other areas remained unchanged. Overall, however, blacks still lag behind whites in most social and economic areas, although the differentials have narrowed over the years.

The 1960's have since been dubbed the "civil rights decade." Not since the Civil War amendments has so much far-reaching legislation taken place. Among the big battles of the 1960's was the fight against legally enforced segregation--in schools, busses, restaurants and other places of public accommodation. Those confrontations were won, legally at least, with the Supreme Court's school decision of 1954 and the Civil Rights Act of 1964, which also made it illegal to discriminate racially in jobs. Then came the Voting Rights Act of 1965 and the Fair Housing Act of 1968.

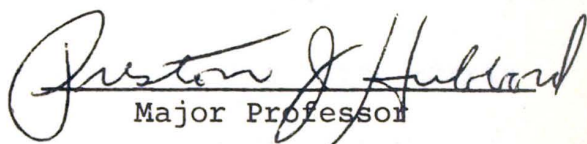
²"Civil Rights: Hopes of the Sixties and Problems of the Seventies," U. S. News and World Report, August 23, 1971, p. 25.

With the coming of the 1970's, the battle is to win enforcement of these laws. Blacks are demanding not only desegregated schools but better schools, not only open housing but better housing in suburbs as well as in the cities. In addition to jobs, blacks want an improved chance to go into business for themselves. In effect, what blacks are seeking today is recognition of achievement as well as equality of opportunity. In essence, the civil rights movement has evolved into an economic and
3
political movement.


³
Ibid., p. 26.

To the Graduate Council:

I am submitting herewith a Thesis written by Jack Jackson entitled "Socio-Economic Progress of Black Americans Since the Civil Rights Act of 1964." I recommend that it be accepted in partial fulfillment of the requirements for the degree of Master of Arts.

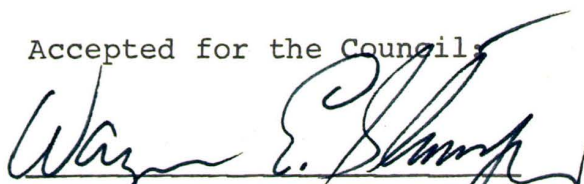

Major Professor

We have read this thesis and
recommend its acceptance:


Second Committee Member


Third Committee Member

Accepted for the Council.


Dean of the Graduate School

ACKNOWLEDGEMENTS

Many thanks are due Dr. Preston J. Hubbard, my advisor. I credit him with tempering my thoughts and teaching me objectivity throughout this entire master's program. His patience has truly been virtuous.

To Drs. Milton Henry, Thomas Dixon, Wentworth Morris and Ellis Burns, I wish to express appreciation for providing me with inspirational support while adding to my background and shaping new horizons for me in the classroom.

Very special thanks are due my wife, Shirley, who has seen me through two degrees during times when she was under extreme physical discomfort. In addition to typing this thesis and all other seminar papers, she has played a vital role in the fact finding and structural aspects of this work. Without her help this project could not have been achieved.

TABLE OF CONTENTS

	Page
LIST OF TABLES	iv
Chapter	
1. EMPLOYMENT.	1
2. BLACK CONSUMERISM	31
3. HOUSING	46
4. FOOD.	68
5. BLACK BUSINESS.	80
6. BLACKS IN TRADE UNIONS.	102
7. PHILADELPHIA PLAN	116
8. WELFARE	126
BIBLIOGRAPHY	140

LIST OF TABLES

Table	Page
1. Total and Black Population: 1960, and 1966 to 1972.	1
2. Percent Distribution of the Population By Region: 1960, 1970, and 1972.	2
3. Blacks as a Percent of the Total Population in the United States and Each Region: 1960, 1970, and 1972.	3
4. Region of Residence in 1970 and 1965 of the Black Population, By Region of Birth.	4
5. Black Residents of Central Cities of SMSA's Who Moved Between 1965 and 1970, By Area: 1970.	5
6. Median Income of Families: 1964 to 1972.	6
7. Distribution of Families By Income in 1961, and 1971.	7
8. Percent of Families With Income of \$10,000 or More By Region: 1966 to 1971.	8
9. Persons Below the Low-Income Level: 1964 to 1972.	9
10. Distribution of Persons Below the Low- Income Level in 1967, and 1972 by Family Status	10

LIST OF TABLES (continued)

Table	Page
11. Number of Employed and Unemployed Persons: 1960 to 1972.	11
12. Unemployment Rates: 1964 to 1972	12
13. Unemployment Rates By Sex and Age: 1967, and 1970 to 1972.	13
14. Unemployment Rates for Married Men, With Spouse Present: 1964 to 1972.	15
15. Change in Jobs Held By Negroes.	42
16. Median Income of Husband-Wife Families With Head Under 35 Years, By Work Experience of Husband and Wife, By Region: 1959 and 1970.	44
17. Earnings of Husband and of Wife For Families in Which Both the Husband and Wife Worked, By Region: 1970	45
18. Percentage of White and Nonwhite Occupied Units With 1.01 or More Persons Per Room in Selected Metro- politan Areas	49
19. Percentages of White and Nonwhite Occupied Units With Households Paying 35 Percent or More of Their Income For Rent in Selected Metro. Areas	51
20. Number of Households in Each Income Category By Race.	74
21. Store Classes Patronized By Area Shoppers By Income and Race	75

Chapter 1

BLACK EMPLOYMENT

The 1970 census revealed that approximately 22,500,000 blacks were living in the United States. Every year since 1964, blacks have accounted for roughly 11 percent of the total population of the United States, which has grown from 194,000,000 in 1966 to the 204,000,000 recorded in 1970. Out of a total labor force of 77,000,000 in 1964, blacks constituted between 8,500,000 to 9,000,000 of this number.⁴

Table 1

Total and Black Population: 1960, and 1966 to 1972

(Numbers in Millions)

Year	Total	Black	Percent Black
1960	179.3	18.9	11
1966	195.0	21.2	11
1967	197.0	21.6	11

⁴"Population," The Negro Almanac (New York: The Bellwether Company, 1971), p. 247.

Table 1 (continued)

Year	Total	Black	Percent Black
1968	198.9	21.9	11
1969	200.9	22.2	11
1970	203.2	22.6	11
1971	205.7	23.0	11
1972	207.8	23.4	11

Note: Data are for resident population as of April 1 for each year. Data for 1966-1969, 1971, and 1972 are estimates.

Source: U. S. Department of Commerce, Social and Economic Statistics Administration, Bureau of the Census.

Table 2

Percent Distribution of the Population
by Region: 1960, 1970, and 1972

Subject	1960	1970	1972
BLACK			
United States....millions....	18.9	22.6	22.9
Percent, Total.....	100	100	100
South.....	60	53	52
North.....	34	39	40
Northeast.....	16	19	20
North Central.....	18	20	20
West.....	6	8	8

Table 2 (continued)

Subject	1960	1970	1972
WHITE			
United States....millions....	158.8	177.7	179.0
Percent, Total.....	100	100	100
South.....	27	28	29
North.....	56	54	53
Northeast.....	26	25	24
North Central.....	30	29	29
West.....	16	18	18

Source: U. S. Department of Commerce, Social and Economic Statistics Administration, Bureau of the Census.

Table 3

Blacks as a Percent of the Total Population
in the United States and Each Region:
1960, 1970, and 1972

Area	1960	1970	1972
United States.....	11	11	11
South.....	21	19	19
North.....	7	8	9
Northeast.....	7	9	10
North Central.....	7	8	8
West.....	4	5	5

Source: U. S. Department of Commerce, Social and Economic Statistics Administration, Bureau of the Census.

Table 4

Region of Residence in 1970 and 1965 of the Black
Population, by Region of Birth

(Numbers in thousands)				
Region of Residence in 1970 by Region of Residence in 1965	United States	Born in--		
		South	North	West
¹ Living in South, 1970	9,975	9,785	164	27
Living in South 1970 and 1965	9,379	9,263	100	16
Living in different region in 1965	171	113	50	8
North	132	83	47	1
West	40	30	3	7
¹ Living in North, 1970	6,862	2,566	4,272	24
Living in North 1970 and 1965	6,171	2,183	3,972	16
Living in different region in 1965	341	275	60	7
South	314	264	49	1
West	27	11	11	5
¹ Living in West, 1970	1,347	678	129	540
Living in West 1970 and 1965	1,121	536	85	500
Living in different region in 1965	156	108	35	12
South	100	88	4	8
North	56	20	32	4

Note: Data are for the black population 5 years old and over.

¹Includes those persons abroad in 1965 and those whose 1965 residence was not reported.

Source: U. S. Department of Commerce, Social and Economic Statistics Administration, Bureau of the Census.

Table 5

Black Residents of Central Cities of SMSA's Who Moved
Between 1965 and 1970, by Area: 1970

(Numbers in thousands. Persons 5 years old and over)

Residence in 1965	Residence in 1970		
	Total	Central cities in the South	Central cities in the North and West
United States.....	1,011	353	658
Metropolitan areas.....	681	200	481
Outside metropolitan areas.....	329	153	177
South.....	552	285	267
Metropolitan areas.....	269	140	129
Outside metropolitan areas.....	283	144	138
North and West.....	459	68	391
Metropolitan areas.....	412	60	353
Outside metropolitan areas.....	47	9	38

Source: U. S. Department of Commerce, Social and Economic Statistics Administration, Bureau of the Census.

As of 1964 two out of three black families were subsisting on less than \$4,000 per year. In that same year blacks accounted for 10 percent of total unemployment and 30 percent of long-term unemployment. In fact, at least half of the black male population was out of work⁵ sometime during the year.

Table 6

Median Income of Families: 1964 to 1972

(In current dollars)

Year	Race of Head			Ratio: Negro & Other Races to White	Ratio: Negro to White
	Negro & Other Races	Negro	White		
1964.....	\$ 3,839	\$ 3,724	\$ 6,858	0.56	0.54
1965.....	3,994	3,886	7,251	0.55	0.54
1966.....	4,674	4,507	7,792	0.60	0.58
1967.....	5,094	4,875	8,234	0.62	0.59
1968.....	5,590	5,360	8,937	0.63	0.60
1969.....	6,191	5,999	9,794	0.63	0.61
1970.....	6,516	6,279	10,236	0.64	0.61
1971.....	6,714	6,440	10,672	0.63	0.60
1972					
United States....	\$ 7,106	\$ 6,864	\$11,549	0.62	0.59
South.....	5,730	5,763	10,465	0.55	0.55
North and West..	8,604	8,109	12,004	0.72	0.68
Northeast.....	7,984	7,816	12,307	0.65	0.64
North Central...	8,574	8,318	11,947	0.72	0.70
West.....	9,434	8,313	11,724	0.80	0.71

Source: U. S. Department of Commerce, Social and Economic Statistics Administration, Bureau of the Census.

⁵Eli Ginzberg, ed., The Negro Challenge to the Business Community (New York: McGraw-Hill, 1964), p. 16.

Table 7

Distribution of Families by Income in 1961, and 1971

(Adjusted for price changes in 1971 dollars.

Families as of following year)

Income	Negro and other Races		White	
	1961	1971	1961	1971
Number of families thousands.....	4,453	5,655	41,888	47,641
Percent.....	100	100	100	100
Under \$3,000.....	35	19	13	7
\$3,000 to \$4,999.....	22	18	12	9
\$5,000 to \$6,999.....	17	15	15	11
\$7,000 to \$9,999.....	14	18	25	19
\$10,000 to \$11,999....	5	9	12	13
\$12,000 to \$14,999....	4	9	11	15
\$15,000 and over.....	4	12	13	26
Median Income.....	\$4,321	\$6,714	\$8,109	\$10,672

Source: U. S. Department of Commerce, Social and
Economic Statistics Administration, Bureau of the Census.

Table 8

Percent of Families With Income of \$10,000
or More, by Region: 1966 to 1971

(Adjusted for price changes in 1971 dollars. A \$10,000
income in 1971 was equivalent in purchasing power
to about \$8,000 in 1966)

Area and Year	Negro and other Races	White
UNITED STATES		
1966.....	22	48
1967.....	25	50
1968.....	28	53
1969.....	30	55
1970.....	30	54
1971.....	30	54
SOUTH		
1966.....	12	39
1967.....	14	43
1968.....	17	45
1969.....	19	48
1970.....	20	48
1971.....	20	48
NORTH AND WEST		
1966.....	31	51
1967.....	35	53
1968.....	38	56
1969.....	40	58
1970.....	41	57
1971.....	40	57

Source: U. S. Department of Commerce, Social and
Economic Statistics Administration, Bureau of the Census.

Table 9

Persons below the Low-Income Level: 1964 to 1972

(Persons as of the following year)

Year	Number (millions)			Percent below the low-income level		
	Negro and other Races	Negro	White	Negro and other Races	Negro	White
1964.....	11.1	(NA)	25.0	50	(NA)	15
1965.....	10.7	(NA)	22.5	47	(NA)	13
1966 ¹	9.2	8.9	19.3	40	42	11
1967.....	8.8	8.5	19.0	37	39	11
1968.....	8.0	7.6	17.4	33	35	10
1969.....	7.5	7.1	16.7	31	32	10
1970.....	7.9	7.5	17.5	32	34	10
1971.....	7.8	7.4	17.8	31	32	10
1972.....	8.3	7.7	16.2	32	33	9

NA Not available.

¹Beginning with the March 1967 Current Population Survey, data based on revised methodology for processing income data.

Source: U. S. Department of Commerce, Social and Economic Statistics Administration, Bureau of the Census.

Table 10

Distribution of Persons Below the Low-Income Level
in 1967, and 1972 by Family Status

(Persons as of following year)

Family Status and Year	All Races	Negro	White	Negro as a Percent of all Races
1967				
Total.....millions.....	27.8	8.5	19.0	31
Percent.....	100	100	100	(X)
In families.....	82	90	78	34
Head.....	20	18	21	27
65 years and over.....	5	3	7	17
Children under 18 years.	41	54	35	40
Other family members....	20	18	21	28
Unrelated individuals.....	18	10	22	16
65 years and over.....	10	4	13	11
1972				
Total.....millions.....	24.5	7.7	16.2	31
Percent.....	100	100	100	(X)
In families.....	80	89	76	35
Head.....	21	20	21	30
65 years and over.....	4	2	4	21
Children under 18 years.	41	52	36	40
Other family members....	18	17	19	29
Unrelated individuals.....	20	11	24	18
65 years and over.....	9	4	12	15

X Not applicable.

Source: U. S. Department of Commerce, Social and
Economic Statistics Administration, Bureau of the Census.

The problem of black employment, or the lack of it, was long since recognized, but not until 1964 and the passage of the 1964 Civil Rights Act with its Fair Employment Amendment could some positive action be detected. Out of the Fair Employment Amendment, Title VII, grew the Equal Employment Opportunity Commission, headed by Franklin D. Roosevelt, Jr.

Table 11

Number of Employed and Unemployed Persons: 1960 to 1972

(Numbers in thousands. Annual averages)

Year	Employed		Unemployed	
	Negro and other Races	White	Negro and other Races	White
1964	7,383	61,922	786	2,999
1965	7,643	62,445	676	2,691
1966	7,875	65,019	621	2,253
1967	8,011	66,361	638	2,338
1968	8,169	67,751	590	2,226
1969	8,384	69,518	570	2,261

⁶ "Commission Complaints," New York Times, January 18, 1965, p. 8

Table 11 (continued)

Year	Employed		Unemployed	
	Negro and other Races	White	Negro and other Races	White
1970.....	8,445	70,182	752	3,337
1971.....	8,403	70,716	919	4,074
1972 ¹	8,628	73,074	956	3,884

¹Based on 1970 Census population controls; therefore not strictly comparable to data for earlier years. For example, the total employment level for whites was raised by about 255,000 while that for blacks was increased by 45,000 as a result of the census adjustment.

Source: U. S. Department of Labor, Bureau of Labor Statistics.

Table 12

Unemployment Rates: 1964 to 1972

(Annual averages)			
Year	Negro and other Races	White	Ratio: Negro and other Races to White
1964.....	9.6	4.6	2.1
1965.....	8.1	4.1	2.0

Table 12 (continued)

Year	Negro and other Races	White	Ratio: Negro and other Races to White
1966.....	7.3	3.3	2.2
1967.....	7.4	3.4	2.2
1968.....	6.7	3.2	2.1
1969.....	6.4	3.1	2.1
1970.....	8.2	4.5	1.8
1971.....	9.9	5.4	1.8
1972.....	10.0	5.0	2.0

Note: The unemployment rate is the percent of the civilian labor force that is unemployed.

Source: U. S. Department of Labor, Bureau of Labor Statistics.

Table 13

Unemployment Rates by Sex and Age: 1967,
and 1970 to 1972

(Annual Averages)

	1967	1970	1971	1972
NEGRO AND OTHER RACES				
Total.....	7.4	8.2	9.9	10.0

Table 13 (continued)

Subject	1967	1970	1971	1972
Teenagers.....	26.3	29.1	31.7	33.5
Adult Women.....	7.1	6.9	8.7	8.8
Adult Men.....	4.3	5.6	7.2	6.8
WHITE				
Total.....	3.4	4.5	5.4	5.0
Teenagers.....	11.0	13.5	15.1	14.2
Adult Women.....	3.8	4.4	5.3	4.9
Adult Men.....	2.1	3.2	4.0	3.6
RATIO: NEGRO AND OTHER RACES TO WHITE				
Total.....	2.2	1.8	1.8	2.0
Teenagers.....	2.4	2.2	2.1	2.4
Adult Women.....	1.9	1.6	1.6	1.8
Adult Men.....	2.0	1.8	1.8	1.9

Source: U. S. Department of Labor, Bureau of Labor Statistics.

Table 14

Unemployment Rates for Married Men, With
Spouse Present: 1964 to 1972

(Annual Averages)			
Year	Negro and other Races	White	Ratio: Negro and other Races to White
1964.....	5.3	2.5	2.1
1965.....	4.3	2.1	2.0
1966.....	3.6	1.7	2.1
1967.....	3.2	1.7	1.9
1968.....	2.9	1.5	1.9
1969.....	2.5	1.4	1.8
1970.....	3.9	2.4	1.6
1971.....	5.0	3.0	1.7
1972.....	4.5	2.6	1.7

Note: Data on unemployment for married men, with spouse present first became available in 1962.

Source: U. S. Department of Labor, Bureau of Labor Statistics.

Roosevelt reported lamentingly in 1964 that even though progress was being made in providing jobs for blacks, it might take twenty years to eliminate bias. During the first 100 days of the Commission, it received 1,383 complaints. Seventy-three percent of these complaints charged racial discrimination.⁷

As has been the trend of our nation, the private sector followed the lead of the Federal Government, which was at this time making some attempts at getting its own house in order. By June of 1964, 299,527, or 13.2 percent of all federal employees were black. These federally employed blacks were distributed almost equally among the government's three major pay systems, but made up a larger proportion of the work force under the Wage Board and Postal Field Service pay systems than under the Classification Act. However, within each pay system, blacks were employed predominantly in lower-paid jobs. Inadequate as some of the wages were at that time, the government's fair and sometimes liberal hiring practices attracted many blacks and consequently swelled the ranks of government employees. As previously indicated, blacks

⁷ "Less Than Good News," New York Times, November 9, 1964, p. 12.

accounted for a substantially smaller proportion of the government's white-collar employees, whose pay is determined by the Classification Act, than of its blue-collar workers, whose pay is generally determined by Wage Board action or of the workers in the Postal Field Service. The fact that about three of every five blacks employed under the Classification Act were in the four lowest grades (GS-1 through GS-4) illustrates the fact that blacks were concentrated mostly in jobs requiring limited skills and responsibilities. In contrast, less than three of every ten other employees held these grades. Almost an equal proportion of black and other employees were in the middle range (GS-5 through GS-8) which covers upper level clerical and entry level professional, technical, and administrative jobs. Only about 10 percent of blacks, compared with nearly 45 percent of all other employees were in jobs classified GS-9 or above.

The Wage Board system also displayed a similar gap. Almost one of every three black workers earned less than \$4,500 each year, compared with only one of every twelve other employees. Again, while only 11.3 percent of blacks held jobs paying \$6,500 or more

per year, 43.9 percent of all other Wage Board workers⁸ were so employed.

In 1964 George Meany, powerful leader of the AFL-CIO, urged the creation of enough jobs for blacks to ward off impending violence. Meany sounded quite benevolent in echoing that for "seven years black employment was double⁹ that of white employment."

Meany went on to say that the AFL-CIO would employ economic boycotts and strikes to assure full compliance with the 1964 Civil Rights Act and its attachment,¹⁰ Title VII, the Fair Employment Clause.

A giant of the private sector, Ford Motor Company made a grant of \$250,000 to various governmental agencies set up to attract and train blacks in the field of¹¹ business.

⁸"Employment of Negroes in the Federal Government," Monthly Labor Review, October, 1964, pp. 1222-1225.

⁹"Meany Declares," New York Times, April 17, 1964, p. 5.

¹⁰"Employment for All," New York Times, April 27, 1964, pp. 2-7.

¹¹"Foundation Gifts," New York Times, April 22, 1964, p. 5.

In 1965 the city of Louisville, Kentucky adopted anti-job bias laws rivaling Title VII of the 1964 Civil Rights Act. Louisville was the first southern city to adopt such laws, which provided for fines and prosecution
12
against firms and individuals.

In 1965 the Western Electric Power Company complied with industry's national Plans for Progress by opening
13
its doors to highly educated blacks.

Although the American populace seems to have been shocked to awareness, it is not clear why more positive signs could not be seen. Was it the evolution of national consciousness, or the fact that job discrimination was downright unlawful? Did this nation wake up to realize that blacks spent \$22,000,000,000 for quality products in 1964 and that the surface of that market had
14
hardly been scratched?

From our hindsight vantage point of 1974, we can see that an abrupt "about face" in generally accepted

¹²"Southern First," New York Times, February 10, 1965, p. 17.

¹³"Plans for Progress," New York Times, February 13, 1965, p. 4.

¹⁴Robert S. Wilson, ed., Bulletin of the Public Affairs Information Service (New York: Fiftieth Annual Cumulation, 1964), p. 48.

employment practices was impossible in 1964. This is easily borne out because we have yet to "turn the corner" in 1974. Overt discrimination was a way of life in 1964. It was firmly attached to such beliefs that blacks were innately inferior as evidenced by their social backwardness, lack of education, and their general inability to compete with whites on the whole.

Qualitatively, black employment can be measured by income distribution for whites and blacks, the only real and true measuring device. In 1967, the median income for a white family of four was \$7,409 as opposed to a \$4,187 figure for a black family of four. Only 19 percent of the white households had incomes below \$3,000 while 37 percent of black households fell into this category. At the upper end of the spectrum, 31 percent of white households had an annual average income of \$10,000 or better, while 12 percent of black households enjoyed a
15
yearly income of \$10,000.

As technology expands, more and more black Americans will find themselves out of work. The menial task market,

¹⁵Lester C. Thurow, Poverty and Discrimination (Washington, D. C.: The Brookings Institution, 1969), p. 19.

upon which so many blacks depend, will dissipate. Without new skills, brought about by extensive re-training, both the quantitative and qualitative aspects of black employment are going to suffer.

If the same ratio of employment gains continue as they were in the early and middle sixties, it will not be until 1992 when blacks will proportionately equal whites in the clerical fields, and blacks will not proportionately equal whites as skilled laborers until the fifth year of the next century.

As professionals, it will be 2017 before blacks stand proportionately equal to whites. If the snail-like pace of the sixties continues, the black sales force will not proportionately equate to their white counterparts until 2114.

At the current pace, it staggers the imagination how long it will conceivably take black business managers and proprietors proportionately to catch whites in the same situations.

It has been estimated by Thomas Pettigrew, former Harvard professor and social psychologist, that this will not happen until 2730! Obviously, Pettigrew's long range figures are meant to illustrate the fact

that there is a vast and inequitable economic gap
 separating blacks from whites.¹⁶

New jobs were not materializing fast enough to accommodate the growing number of unemployed blacks who were either poorly educated, unskilled, and without those personal connections to secure the jobs that did become available. All in all, 811,000 blacks were out
¹⁷
 of work in 1964.

Our era of concern, 1964 to 1974, fostered a not-so-new term but a term which has come to identify with the "movement." The term is "direct action," often called "affirmative action." Self-help by members of groups under discriminatory attack and their allies takes various forms, many of which are characterized under the general label of "direct action techniques " Direct action covers a broad range of activities, ranging from boycotts of products and services of employers and others who practice discrimination, to picketing and other measures which are more physically disruptive, such as

¹⁶Ginzberg, pp. 173-175.

¹⁷Herbert Hill and Arthur Ross, eds., Employment, Race, and Poverty (New York: Harcourt, Brace and World, 1967), pp. 215-217.

sit-ins, lie-ins, and chain-ins. Generally, the underlying purpose of such activities is to bring pressure to bear upon those organizations which practice racial discrimination. Usually economic and political pressure is brought to bear, but often, moral pressure is brought to bear, also.

Potential customers, suppliers, investors, employees, or employers are exhorted not to deal with a discriminating agency; the government is often taunted into taking a stand; support of the general public is solicited. Activities and persuasive tactics often disrupt the operations of discriminatory agencies and embarrass them. To defray the costs of a disrupted operation, get back into the good graces of the government, and to enjoy a more favorable public image, a discriminating factory, shop, foundry, school, or the like will grudgingly comply, consenting to opening up a few jobs, usually
 18
 token ones.

In 1966, black job progress was steady even though an 8 percent unemployment rate riddled black work ranks. The existing situation would apparently worsen before

¹⁸Ibid., p. 97.

it got better because of the urban migration pattern which took place all through the sixties. In 1969, 15,000,000 of the 21.5 million blacks residing in the United States lived in the large metropolitan cities. This urbanization concentrated in cities such as: Boston, Cleveland, Washington, D. C., Philadelphia, New York, Chicago, Cincinnati, Detroit, and Los Angeles.

The most encouraging aspect of the employment record of blacks is their rapid leap into higher level occupations. More than three fifths of the increase in black employment between 1961 and 1969 was in professional, other white-collar, and skilled occupations. There was also a large rise in the number of blacks in operatives. By contrast, in the lowest paid occupations, private household and farm work, black employment declined substantially, while the number in non-farm laborer jobs remained virtually unchanged. Though the gains of black workers have been substantial, especially in professional, clerical, and skilled occupations, they are still seriously under-represented in these and other relatively

¹⁹George S. Odiorne, Green Power: The Corporation and the Urban Crisis (New York: Pitman Publishing Corporation, 1969), pp. 19-30.

high-status, high-paying occupations. Conversely, far too many blacks are concentrated and trapped in unskilled, low-paying and service jobs.²⁰

In 1968, the unemployment rate for blacks was highest in the North Central region. This region included Illinois, Ohio, Michigan and the immediate east and west areas bordering these states. Eight out of every 100 blacks were employed part-time, and they were also more concentrated in low-skill occupations. In the southern United States in 1968, seven out of every ten blacks were employed in private household work.

The Northeastern region of the United States had the lowest percentage of unemployed blacks, 5.7 percent. In New York City and Philadelphia, black joblessness was among the lowest of the nation's twenty major metropolitan areas in 1968, but black-white jobless rate differentials were higher than average in Chicago, Cleveland, Detroit and St. Louis.

As for the western United States, the black unemployment rate was 6.8 percent in 1968, the same as the national

²⁰Thomas Palm and Harold G. Vatter, The Economics of Black America (New York: Harcourt, Brace Jovanovich, Inc., 1972), p. 77.

rate in that year, but a larger portion of blacks appeared to be in white-collar positions in the West than in other regions.

In the South, particularly, blacks were quite heavily under-represented in most "higher status" positions. Negro professional workers in the region, however, were not under-represented relative to other regions. This considerable professional group was made up of blacks working for the Federal Government in Washington, D. C., which is considered part of the Southern region, and of the large block of black educators who at that time were locked into the black educational process.

The states of New Jersey, Pennsylvania, New York and Massachusetts saw four out of every 100 blacks unemployed compared to the national figure of eleven out of every 100 blacks in 1968. New York had a 4.3 percent black jobless rate in 1968 and a black-white differential of 1.4 to one. Both of these statistics were well below the national average. One possible reason for this healthy pattern is that three fourths of the blacks, then and now, resided in New York City and represented third and fourth generations of urbanized blacks. These people had acquired the education and job skills needed to

compete in the local job market and be less vulnerable to unemployment.

The state of Pennsylvania had most of its black unemployment concentrated in the big metropolitan areas of Pittsburgh and Philadelphia. The unemployment differential for Pennsylvania was 2.4 to one.

New Jersey's employment differential of 2.6 to one was somewhat above the national average, a result of the black New Jersey labor force having grown by 50 percent as opposed to the national average of 22 percent during the period.

California, the nation's most populous state, accounts for 10 percent of the national labor force in 1968 and 14 percent of overall unemployment. The comparatively low, 1.6 to one jobless differential has remained the same in California since 1968.²¹

In 1970, unemployment rates of blacks reached the lowest point in ten years. In spite of the progress, however, the economic gap separating blacks and whites had not changed to any noticeable extent. Unemployment

²¹Paul M. Schwab, "Unemployment by Region and in the Ten Largest States," Monthly Labor Review, January, 1970, pp. 2-11.

was highest among blacks with one to three years of high school, especially women. Education has proven to be the key to sounder employment. By March of 1970, the median education for blacks was 11.7 years compared to 12.4 median educational years for whites.²²

Among the many future references which will be made to the 1960's will be the disastrous riots in the cities of the United States. Lack of employment, perpetuated by discrimination headed the list of black grievances. The hot, teeming summers added thousands and thousands of young blacks to the already swollen ranks of blacks looking for work. Full attention was diverted from legislation and programs aimed at solving black unemployment. The "establishment" took the defensive when despair and hopelessness replaced reason and patience in black communities. Pinned up frustration over not being able to live the "good life" enjoyed by most Americans gave way to anger, violence, and looting in the streets.

Riot control measures, gun laws, the designation of certain crimes as federal offenses and new stress being

²²Walter Deuterman, "Educational Attainment of Workers," Monthly Labor Review, October, 1970, p. 9.

placed on "law enforcement" concerned our government. Disruptive forces notwithstanding, blacks entering the 1970's found most of the previously locked doors to better employment at least unlocked.

A growing number of blacks are emerging into the American middle-class. Important economic facts leading to this conclusion are: blacks buy 23 percent of all the shoes sold in the United States, 25 percent of all musical cassettes sold in the United States, and 50 percent of the Scotch whisky sold annually in the United States. For those who question the economic progress of blacks, there are some very confirming statistics to substantiate this progress. In 1961, 13 percent of American blacks earned \$10,000 or more per year; by 1971 30 percent of American blacks earned this amount and 12 percent earned \$15,000 or more. In 1964 the median income of black families was 54 percent of that of white families; in 1972 it was 59 percent. Between 1967 and 1972 the number of blacks enrolled in college doubled to 727,000; 18 percent of all blacks aged 18 to 24 were attending college in 1972, compared with 26 percent of whites. By 1971, the number of blacks in professional and technical positions--doctors, lawyers,

engineers, teachers, writers, entertainers--jumped by 128 percent, to 756,000. In the same period, the number of black managers, officials and proprietors almost doubled, to 342,000 while the nation's total employment in these categories expanded by only 23 percent, to 8.7 million.

We, as Americans, are reminded of the tremendous economic strides being made by black citizens all across the United States. Statistics and facts prove that an ever-growing number of American blacks are economically qualifying to join the ranks of the established middle-class and beyond. While many blacks are sprinkling themselves throughout the upper strata of American life, their numbers constitute a substantial bloc which can be seriously regarded as a "black middle class."

23

²³"America's Rising Black Middle Class," Time June 17, 1974, pp. 19-28.

Chapter 2

BLACK CONSUMERISM

Material goods have played an important symbolic role in American society. The attainment of these material goods represents full status to blacks. In reality, the Negro revolution is not so concerned with the overthrow of the established order, but rather, it is a revolution to achieve full membership in that order.

Socioeconomic factors have been stacked against poor people in general and blacks in particular. Black occupational, educational, and housing deprivations have been so severe as indefinitely to retard the buying power of the black consumer. Blacks as a group have accepted middle-class values, but are disadvantaged in acquiring the goods which represent some of these values. The basic dilemma of blacks is whether to strive against odds to attain these middle-class values or to give in and live without them.

24

²⁴Robert J. Holloway, Environment of Marketing Behavior (New York: John Wiley and Sons, 1964), p. 54.

A consumer is defined as one who uses commodities and articles in any number of ways and who buys the use of services, private and public. Most consumers will purchase those goods and services which are most needed by the user. The extent to which a person is a consumer is dependent upon his buying power, in essence, on the amount of money he has to spend.

Black consumers are important and are becoming more and more important as their incomes grow. Certain characteristics are quite unique with black purchasers. Because the average black family currently earns only about 58 percent of what an average white family earns and because socially honed forces further hinder blacks from expending their dollars in the most beneficial and advantageous manner, their buying habits are often
25
peculiar.

Leonard Evans is editor and publisher of Tuesday, a supplement which is circulated in ten major metropolitan newspapers. With a current circulation of 1,365,000, Tuesday is the largest Negro circulated publication in the United States. Evans maintains that the Negro market is

²⁵Barry Newman, "Growth of Black Incomes," Wall Street Journal, July 24, 1974, p. 17.

an "abnormal" consumption. One, it is abnormal because it is concentrated within cities. Two, the purchase pattern is abnormal because of what Negroes buy. For example, Evans says that although blacks make up only about 11 percent of the total population of the United States, they consume 28 percent of all the soft drinks sold nationally. The Negro's "narrower spectrum of choice" is the basic reason for this abnormal consumption. Negroes have less selectivity when buying homes, travel, entertainment, etc. This abnormal consumption pattern has nothing to do with social attitudes because blacks "still have to buy a product" despite civil rights and all the attending social problems. Further, this difference in consumption patterns of black and white people is partly attributed to the "opposite economic histories" of the race. Whereas whites, with European ancestry, descended from a people who dealt in market places, trading and exchanging goods, Negroes descended from self-sufficient independent villages. Hence, the
 26
 difference in motivation and in consumption.

²⁶Norman A. P. Govoni and George Joyce, eds., The Black Consumer (New York: Random House, 1971), pp. 30-35.

But because black consumers represented a buying force upwards of thirty billion dollars as far back as early 1965, it was well worth the while of business to court the black buyer.

Buying propensities and value stress of black consumers have been shaped and buttressed by some very real economic facts. One should have a general knowledge of some basic statistics to have any understanding of the black consumer.

In 1973 the median income for black families was \$7,269 as opposed to a \$12,595 median income for white families. The U. S. Census Bureau, in its latest report, disclosed that in the years 1970 through 1973 income advances of black families have not kept pace with inflation, while earnings of white families have out-
27
stripped price increases by 6.1 percent.

Between 1940 and 1964 more than 3,000,000 blacks made their way from the South to many of the big cities in the North such as Washington, D. C., Newark, Detroit, Baltimore, St. Louis and Cleveland. The proportion of

²⁷Newman, p. 17.

blacks living outside the South swelled from 30 percent²⁸ in 1947 to 44 percent in 1967. This southern migrational phenomenon was estimated in 1966 to increase²⁹ from 12.1 million to 20.8 million by 1985.

Blacks became and are to this day, concentrated in large urban centers in the United States. The black consumer would most likely not be an entity if the 11.5 percent or so black population were evenly distributed across the country. Since one third of all blacks in the United States reside in the nation's twenty largest cities, their dollars must be competed for³⁰ in a special way.

Since the most influential change in the Negro population has been in location rather than in size, this fact would tend to alter their marketing behavior. In these large metropolitan areas with dense census tracts of

²⁸D. Parke Gibson, The \$30 Billion Negro (London: The Macmillan Company, 1969), p. 48.

²⁹K. K. Cox and others, "Negro Retail Shopping and Credit Behavior," Journal of Retailing, Spring, 1972, p. 54.

³⁰"Why the Negro Market Counts," Business Week, September 2, 1967, pp. 64-70.

blacks, their economic status further affects their
³¹marketing behavior.

Professor Marcus Alexis of the College of Business Administration at the University of Rochester asserts, and he is borne out, that three fourths of all people's incomes are spent on the "big four," food, clothing, shelter, and medical care. The U. S. Department of Labor findings show that blacks spend more for clothing than whites with comparable incomes. Further findings show that blacks spend less for food, housing, and medical
³²care than whites with comparable incomes.

The population growth of blacks has drawn the attention of the nation's businessmen. Industry now realizes the magnitude of the buying power of the black consumer. (In 1964, Census reports indicated that blacks are younger than whites, having a median age of 21.7 years to the white median age of 29.5. The higher fertility rate gave blacks a higher "dependency ratio," that is the

³¹K. K. Cox and others, p. 54.

³²Thomas Palm and Harold G. Vatter, eds., The Economics of Black America (New York: Harcourt, Brace, Jovanovich, 1972), pp. 23-24.

ratio of dependents to workers). With the passage of the 1964 Civil Rights Act, the Federal Government has drawn attention to blacks as legitimate consumers and studies and statistics have made more information available to the seller about the Negro market.

Charles E. Van Tassel, Manager of Market Research for Rivana Foods, Inc., describes the Negro market as follows:

- A. The Negro population rose from 13 million in 1940 to approximately 21 million today--an increase of over 60 percent. By comparison, the white population increased in size by about 45 percent during the same period.
- B. Negro median family income is approximately one half that of white median family income.
- C. Negroes have an aggregate annual purchasing power of between \$25 billion and \$30 billion, about 7 percent of the U. S. total.
- D. Negro consumers represent a rather compact sales target. While about one seventh of the white population lives in the 25 largest cities, one third of all Negroes are concentrated in these 25 cities.
- E. The Negro market is relatively young. Median age for whites is about 30.³³ Median age for Negroes is around 23.

³³ James U. McNeal, ed., Dimensions of Consumer Behavior (2nd ed.; New York: Appleton-Century-Crofts, 1969), p. 304.

As a result of the stress on black self-esteem and pride in the sixties, and as more blacks moved into white-collar positions, they became more conscious of their personal appearance. The psychological effect of this new awareness has created still another unique aspect of the black consumer market--"ethnic items". Products created especially for black hair and black skin are now in constant demand. Companies manufacturing these products are experiencing rapid success. Johnson Products of Chicago is one such company reporting an increase in sales from \$4 million in 1968 to nearly \$15 million in Fiscal Year 1971. Since most blacks are concentrated in urban areas, supermarkets are now carrying these items. ³⁴

The basic change in the black consumer market is hard to witness at times because of the many statistical facts showing that average black incomes are well below average white incomes.

The manner in which income amongst blacks is dispersed is the key factor in the change. Even though fewer and fewer blacks are living in poverty, far too

³⁴G. H. Snyder, "Black is Beautiful Market Bringing New Dollars to Supers," Progressive Grocer, April, 1972, pp. 142-145.

many blacks are still in a state of poverty and result in holding down average black incomes. These poverty dwellers are mostly blacks in rural southern areas and older blacks in all areas.

Fortunately, at the same time an even larger proportion of blacks is pulling black incomes more into line with white incomes. From one third to one half of all blacks are middle-class or better, in the basic economic scale. From a marketing standpoint, because the blacks who are making economic progress are eager consumers, at least 40 percent of blacks must be considered middle-class or better (and that 40 percent controls 70 percent of black income).

Age is another important factor in families where the head of the family is over 55 years of age. Black income is 64 percent of white income. Where the head of the household is under 35, black income is 82 percent of white income.

The blacks of the rural South and the northern ghetto blacks seem to misshape and distort white perceptions.

Today at least one out of every three black families has an annual income of \$10,000 or more. From 1961 to 1971 the proportion of black families over the \$10,000

mark increased from 13 percent to 30 percent. A substantial black middle class of 2,000,000 families is on the scene today.

The vanguard of this progress is to be found in the North and West where two of every five black families have incomes of more than \$10,000 annually. Black migration from the South to the North and West is still taking place. In 1970, approximately 45 percent of the blacks in the West were southern-born as were 35 percent of the blacks in the North.

Also, in the North and West, black families in which the husband and wife both work and the husband is under 35, earn 104 percent of the income of similar white families. To further illustrate this economic drive, 55 percent of black husband-wife teams work. The comparable white figure is 44 percent. Black wives work for longer periods of time than do white wives, more hours per week, more weeks per year, more years per lifetime.

The percentage of black white-collar employees increased 76 percent to 5,100,000 and currently 64 percent of black employees hold jobs classified as "good" by government economists.

The new black middle-class is expected to mature in ten years. The class is already starting behavioral patterns which will influence other blacks who aspire to the middle strata of American life. Patterns with the greatest growth potential among blacks will be housing, automobiles, medical and personal care, clothing and accessories, home furnishings, food at home, recreation, travel, liquor, entertainment, education, banking and credit cards.

With the economic pendulum approaching a complete swing, there will be shifts in product and brand preference as a new set of black perceptions and values continues to rise. We will continue to see Number 1 brand appeal but blacks will also develop a stronger independence. More and more blacks are earning their livelihoods in the general world, but the typical of these people return from work to invariably black communities where they associate with other blacks, speak black English, and consume products according to black tastes and values.

The ever increasing mobility of black purchasers, irrespective of where they live, threatens the comfortable position of these Number 1 brands. Historically, blacks

who dwell in the ghetto were relegated and confined to local retailers. Because there existed an element of distrust in such relationships, the black consumer would buy the nationally known, quality assured, and more often than not, more expensive product to protect himself. The mobile middle-class blacks can now seek out the large retailers they trust (Sears, A&P, Penny's) who are most often to be found in white middle-class areas.

The factor of credit increased black confidence during the waning 1960's and is giving them a sense of security today. Blacks are assured that they can now do business with reputable retailers and when defective and shoddy merchandise comes about, they do not have to pay for it.

Blacks often prefer higher status stores than whites of comparable incomes. Whites and blacks usually differ in modes of recreation, food they eat, and fashion and dress.

Table 15

Change in Jobs Held by Negroes

Occupation	1960	1970	% Change
Professional/Technical	331,000	766,000	+131

Table 15 (continued)

Occupation	1960	1970	% Change
Manager/Official/ Proprietor	178,000	331,000	+ 67
Clerical	503,000	1,113,000	+121
Sales	101,000	179,000	+ 77
Craftsman/Foreman	415,000	691,000	+ 67
Operative	1,414,000	2,004,000	+ 42
Service Worker, Except Private Household	1,214,000	1,547,000	+ 27
Private Household Workers	982,000	653,000	- 34
Nonfarm Laborers	951,000	866,000	- 9
Farmers and Farm Workers	841,000	328,000	- 61
	<hr/>	<hr/>	<hr/>
TOTAL	6,927,000	8,445,000	+ 22

Table 16

Median Income of Husband-Wife Families with Head Under 35 Years, By Work Experience of Husband and Wife, By Region: 1959 and 1970 (in current dollars)

Work Experience of Husband and Wife	United States	North and West	South	United States	North and West	South
<u>Negro Total</u>	\$ 3,534	\$ 4,594	\$ 2,835	\$ 8,032	\$ 9,560	\$ 6,788
Only Husband Worked	3,025	4,080	2,311	5,965	7,104	5,196
Husband and Wife Worked	3,845	5,320	3,060	9,267	11,045	7,464
<u>White Total</u>	5,658	5,897	4,987	9,796	10,002	9,229
Only Husband Worked	5,233	5,467	4,436	9,065	9,373	8,210
Husband and Wife Worked	6,013	6,246	5,420	10,396	10,578	9,948
Negro as Percent of White						
<u>Total</u>	62	78	55	82	96	74
Only Husband Worked	58	75	52	66	76	63
Husband and Wife Worked	64	85	56	89	104	75

Note: Parity with whites is actually exceeded by black husband-wife families under 35 in which both members work. In the North and West, their median income is \$11,045 compared with \$10,578 for white families where both husband and wife work.

Source: U. S. Department of Commerce, Social and Economics Statistics Administration, Bureau of the Census.

Table 17

Earnings of Husband and of Wife For Families in Which Both the Husband and Wife Worked, By Region: 1970 (in current dollars)

Earnings of Husband and Wife	United States	TOTAL		HUSBAND UNDER 35 YEARS		
		North and West	South	United States	North and West	South
<u>Negro</u>						
Mean Family Income	\$10,581	\$12,403	\$ 9,032	\$ 9,905	\$11,309	\$ 8,516
Mean earnings of husband	6,209	7,247	5,326	6,225	6,978	5,481
Mean earnings of wife	3,327	4,015	2,742	3,307	3,903	2,719
Earnings as a Percent of Family Income	31	32	30	33	35	32
<u>White</u>						
Mean Family Income	13,563	14,022	12,467	10,969	11,215	10,439
Mean earnings of husband	8,786	9,100	8,037	7,607	7,777	7,243
Mean earnings of wife	3,490	3,537	3,376	2,973	3,008	2,898
Earnings as a Percent of Family Income	26	25	27	27	27	28

Source: U. S. Department of Commerce, Social and Economic Statistics Administration, Bureau of the Census.³⁵

³⁵Kevin A. Wall, "New Market Among Blacks, the Haves are Now Overtaking the Have Nots," Advertising Age, February 11, 1974, pp. 35-36.

Chapter 3

HOUSING

Next to food expenditures, housing takes the next largest chunk out of an average black family budget, even though blacks spend far less for housing than do comparable whites. One of the most glaring inequities, unequal housing opportunities, has been all but supported by the Federal Government. Even under the New Deal, federal housing had supported racial segregation in housing. The Federal Housing Administration, in conjunction with banks and conventional loan companies, refused to grant loans to blacks who desired to purchase houses in white residential areas. The U. S. Housing Authority financed separate public housing facilities for blacks and whites.

By 1964 there had been more than three decades of fragmented and grossly under-funded federal housing

³⁶August Meier and Elliott M. Rudwick, From Plantation to Ghetto (New York: Hill and Wang, 1966), p. 212.

programs. Decent housing remained a chronic problem for the disadvantaged urban household. Fifty-six percent of the nation's nonwhite families lived in neighborhoods marked by substandard housing and general urban blight.

The 31-year history of subsidized federal housing had produced 800,000 units and had done comparatively little to provide housing for the disadvantaged. By comparison, over a period only three years longer, Federal Housing Administration insurance guarantees made possible the construction of over 10,000,000 middle and upper middle-class units.

Federal programs also did little to prevent the growth of racially segregated suburbs around our cities. Until 1949, Federal Housing Administration policy was to refuse to insure any unsegregated housing. It was not until the issuance of Executive Order 11063 under the Kennedy Administration on November 20, 1962 that it became unlawful to discriminate racially against persons availing themselves of housing built, purchased, or financed with federal assistance. Direct federal expenditures for housing and community development increased from \$600,000,000 in 1964 to nearly \$3,000,000,000 in 1969.

During the decade of the 1950's when vast numbers of blacks were migrating to the cities, only 4,000,000 of the 16.8 million new housing units constructed throughout the nation were built in the central cities. These additions were counterbalanced by the loss of 1.5 million central-city units through demolition and other means. The result was that the number of nonwhites living in substandard housing increased from 1.4 to 1.8 million, even though the number of substantial units declined.

Blacks, on the average, occupied much older housing than whites. In each of ten metropolitan areas analyzed by the National Advisory Commission on Civil Disorders, substantially higher percentages of nonwhites than whites occupied units built before 1939.

In fourteen of the largest U. S. cities, the proportions of all nonwhite housing units were classified as deteriorating, dilapidated, or lacking full plumbing in 1960.

Black housing units were far more likely to be overcrowded than those occupied by whites. In metropolitan areas in 1960, 25 percent of all nonwhite units were overcrowded by the standard measure (that is, they contained 1.01 or more persons per room). Only 8 percent

of all white-occupied units were in this category. Moreover, 11 percent of all non-white occupied units were seriously overcrowded (1.51 or more persons per room), compared with 2 percent for white-occupied units. The figures were as follows in the ten metropolitan areas analyzed by the Commission:

Table 18

Percentage of White and Nonwhite Occupied Units With
1.01 or More Persons Per Room in
Selected Metropolitan Areas

Metropolitan Area	White Occupied Units	Nonwhite Occupied Units
Cleveland	6.9	19.3
Dallas	9.3	28.8
Detroit	8.6	17.5
Kansas City	8.7	18.0
Los Angeles--Long Beach	8.0	17.4
New Orleans	12.0	36.1
Philadelphia	4.9	16.3
St. Louis	11.8	28.0
San Francisco--Oakland	6.0	19.7
Washington, D. C.	6.2	22.6

Source: U. S. Department of Commerce, Bureau of the Census.

Blacks in large cities were often forced to pay the same rents as whites and receive less for their money,

or pay higher rents for the same accommodations. Paying the same amount but receiving less is illustrated by data from the 1960 Census for Chicago and Detroit.

In certain Chicago census tracts, both whites and nonwhites paid median rents of \$88, and the proportions paying various specific rents below that median were almost identical. But the units rented by nonwhites were typically:

1. Smaller (the median number of rooms was 3.35 for nonwhites versus 3.95 for whites).
2. In worse condition (30.7 percent of all the units which were rented by nonwhites were either in the deteriorated or dilapidated categories, while 11.6 percent of the units rented by whites were in this condition).
3. Occupied by more people (the median household size was 3.53 for nonwhites versus 2.88 for whites).
4. More likely to be overcrowded (27.4 percent of nonwhite units had 1.01 or more persons per room versus 7.9 percent for whites).

In Detroit, whites paid a median rental of \$77 as compared to \$76 for nonwhites. Yet 27.0 percent of nonwhite units were dilapidated or deteriorating, as compared to only 10.3 percent of all white units.

The second type of discriminatory effect, paying more for similar housing, is illustrated by data from a study of housing conditions in disadvantaged neighborhoods in Newark, New Jersey. In four areas of that city, nonwhites with housing essentially similar to that of whites paid rents that were from 8.1 percent to 16.8 percent higher. Though the typically larger size of nonwhite households, with consequent harder wear and tear, may justify partially the difference in rental, the study found that nonwhites were paying a definite "color tax" of apparently well over 10 percent on housing. This condition prevails in most racial ghettos.

The combination of high rents and low incomes forces many blacks to pay an excessively high proportion of their incomes for housing. This is shown by the following chart, reflecting the percentage of renter households which pay over 35 percent of their incomes for rent in the ten metropolitan areas listed:

Table 19

Percentages of White and Nonwhite Occupied Units With Households Paying 35 Percent or More of Their Income For Rent in Selected Metropolitan Areas

Metropolitan Area	White Occupied Units	Nonwhite Occupied Units
Cleveland	8.6	33.8

Table 19 (continued)

Metropolitan Area	White Occupied Units	Nonwhite Occupied Units
Dallas	19.2	33.8
Detroit	21.2	40.5
Kansas City	20.2	40.0
Los Angeles--Long Beach	23.4	28.4
New Orleans	16.6	30.5
Philadelphia	19.3	32.1
St. Louis	18.5	36.7
San Francisco--Oakland	21.2	25.1
Washington, D. C.	18.5	28.3

Source: U. S. Department of Commerce, Bureau of the Census.

The high proportion of income that must go for rent leaves less money in such households for other expenses. Undoubtedly, this hardship is a major reason many black households regard housing as one of their worst problems.

Housing conditions in cities that could not be classified as ghetto per se, generally paralleled such areas in many ways. Overall, many black homes were physically inadequate. Forty-seven percent of the units occupied by nonwhites were substandard.

Overcrowding was common. Twenty-four percent of all units occupied by nonwhites were overcrowded, against only 8.8 percent of white-occupied units.

Blacks were paying higher percentages of their incomes for rent than whites. In the metropolitan areas across the United States of which blacks were a part, the median rent as a proportion of median income was over 25 percent higher for nonwhites than for whites.

The Report of the National Advisory Commission on Civil Disorders listed poverty and racial discrimination as the one-two causes condemning vast numbers of blacks to urban slums. Discrimination prevented access to many non-slum areas, particularly the suburbs, and has a detrimental effect on ghetto housing itself. By restricting the area open to a growing population, housing discrimination makes it profitable for landlords to break up ghetto apartments for denser occupancy, hastening housing deterioration. By creating a "black pressure" in the racial ghetto, discrimination keeps prices and rents of older, more deteriorated housing in the ghetto higher than they would be in a truly free and open market.

The basic reason many blacks are compelled to live in inadequate housing is the failure of the private market to produce decent housing at rentals they can afford to pay. Provision of decent low-cost housing will solve only part of the problem. Equally fundamental is

the elimination of the racial barrier in housing. Residential segregation prevents equal access to employment opportunities and obstructs efforts to achieve integrated education.

Title VI of the Civil Rights Act of 1964 promulgated a broad national policy of nondiscrimination with respect to programs or activities receiving federal financial assistance, including public housing and urban renewal. By 1967, eighteen states and forty cities had enacted fair housing laws of varying degrees of effectiveness. Despite these actions, the great bulk of housing produced by the private sector remained unaffected by anti-
37
discrimination measures.

Oddly enough, it was Illinois' senior Senator, the late Everett Dirksen, who was one of those most responsible for total open housing. Dirksen, as Republican minority leader in the Senate, was vehemently opposed to such suggested legislation in 1966 and he fillibustered
38
against the bill to keep it from being voted upon.

³⁷Report of the National Advisory Committee on Civil Disorders, (March, 1968), pp. 467-482.

³⁸"Housing Open and Shut," The Economist, July 1, 1967, p. 33.

Regarded as perhaps the most sensitive civil rights legislation, the Fair Housing Bill, HR2516-PL-90-284, was made lawful by Lyndon Baines Johnson in April of 1968. In effect, the law prohibited discrimination in the sale or rental of about 80 percent of all housing. The signing took place in an election year and at a time in our history when race relations were rapidly deteriorating.³⁹

Realtors predicted that housing integration would move slowly, despite the new Open Housing Law. Said one home builder, "I personally am delighted with the new ruling. I consider it long overdue." A Dallas, Texas realtor states, "The home builder can no longer choose whom he sells his house to." Some realtors saw potential advantages in the new act. A Toledo, Ohio real estate man asserts that the 1968 law brought about a double standard by permitting white owners to discriminate while prohibiting real estate men from doing so. The new ruling wipes out the distinction. One builder, a crusader for open housing for many years warned, "Some businessmen will make mistakes and lose their shirts. Integration must be done carefully to avoid an exodus of whites." A

³⁹U. S. Congress, Congress and The Nation, Vol. II, (Congressional Quarterly Service, Inc., Washington, D. C.) pp. 217-219.

Cleveland broker thought that blacks themselves should assume the responsibility to "see that neighborhoods don't become entirely Negro--especially not suddenly." The National Committee Against Discrimination in Housing noted that in the city of St. Louis there was a "marked trend among builders toward voluntary compliance."

Chicago's largest real estate brokerage company explained, "Our people were fearful of this sort of thing at one time. Now they are conditioned to it." A Milwaukee broker lamented, "We might be losing most of our personal rights." Most of the aforementioned comments and assertions were made shortly after the Supreme Court's ruling upholding the legality of the Fair Housing Act in
40
June of 1968.

Many state legislatures reflected the various attitudes of their constituents. It took the United States Supreme Court to strike down California's Proposition 13, a referendum in which the voters chose in effect to throw out the state's anti-discrimination laws, but Governor Reagan urged the legislature to rewrite the rules to mee the "will of the people."

40 "Housing Gets a New Message," Business Week, June 22, 1968, pp. 30-31.

A number of cities and states approved fair housing laws although the effectiveness of each varied. Iowa, Vermont, Washington, and Maryland ratified open housing ordinances soon after the national bill was made law, but Virginia, Kansas, Kentucky, and Nebraska failed in their first attempts to push through such legislation in 1968.⁴¹

The Bureau of Labor Statistics in 1966, surveyed merchants in low-income neighborhoods and compared prices and buying habits to that of better-off areas and found that for equivalent rents, poor families get poorer housing than families with higher incomes.⁴² Fifteen percent of the consumption expenditures of urban Negro families is for shelter.⁴³ Negroes pay more than whites⁴⁴ for residential financing.

The city-wide white housing market and the concentrated Negro housing market are not equalized because the

⁴¹"Housing Open and Shut," p. 33.

⁴²Palm and Vatter, p. 152.

⁴³Gerald D. Nash, Ed., Issues in American Economic History (2nd ed." Lexington, Massachusetts: D. C. Heath and Company, 1972), pp. 486-487.

⁴⁴Ibid.

white home-owner or renter receives more for his housing dollar than does the black. The results of a Chicago Welfare Department study indicates that "housing defects are significantly greater for Negro than for white families," despite the fact that rents for Negro families are \$28 per month higher than for whites in private dwellings.⁴⁵

Almost half of all nonwhite families live in either deteriorating or hazardous homes. The coming of the sixties brought positive improvement to this situation. The housing situation in the South was far worse for nonwhites than anywhere else in the United States.⁴⁶

Many blacks have argued over the years that the many and varied "model cities" programs have been basically unsuccessful in upgrading housing on hand and in providing new housing for blacks. It took a few years for blacks to realize that there was only so much redeveloping that could take place in dilapidated "core" areas.⁴⁷

⁴⁵ Ibid.

⁴⁶ Herman P. Miller, Rich Man, Poor Man (New York: Thomas Y. Crowell Company, 1964), pp. 27-28, 31, 37.

⁴⁷ Palm and Vatter, pp. 149-155.

Urban renewal even reduces the number of housing units for blacks to occupy. True, it replaces slums with more attractive dwellings. L. K. Northwood states that "the supply of housing has been reduced in areas formerly occupied by Negro families. . . . 115,000 housing units were. . . . planned to replace 190,500. . . . a net loss of 75,000." Sixty percent of the people in urban renewal must face paying rents upwards of 10 percent higher in a
 48
 new home.

The U. S. Department of Defense, comprising all branches of our military, was to provide a good laboratory for open housing as a way of life in the United States. The military had proven to be a good tool in spreading racial integration and in the summer of 1967 it interceded in behalf of its black servicemen to persuade landlords to rent and sell them housing.

Since 1963, it was the Defense Department's stance to declare any segment of the private sector "off limits" that did not treat all of its servicemen fair and equally. This sanction had been employed against places of entertainment and business but never in the field of housing,

⁴⁸Nash, p. 488.

where prejudice is most entrenched, whether it be North, South, East or West. At that time, Congress had no plans for making it illegal to discriminate against blacks on racial grounds, whether a person was a private citizen or military personnel, and the Defense Department acted on its own.

First, a nation-wide study was conducted in order to determine just how many housing units were available near major military installations and which ones were available to all persons, race notwithstanding. In April of 1967, Defense Department officials met with some landlords in the Military District of Washington to urge each and every one of them to desegregate their facilities if they were indeed denying entry to blacks. The Defense Department did a "selling job" on the landlords in the behalf of blacks. The officials cited blacks' enviable record in Vietnam and their past sacrifices in defense of this country. The landowners were reminded of the difficulty in trying to retain men in the military when suitable living conditions could not be provided for them and for their families, hence presenting the government with high turnover costs. The landlords were given some tangible facts, such as the government's ability to provide but

one third of its personnel with adequate housing and that twice as many black servicemen as white live twenty miles or more from their duty stations and over half of these blacks were dissatisfied with their homes, as well as with the quality of nearby schools.

In June of 1967 the Department of Defense began placing the properties of discriminatory landlords near major installations in Maryland off-limits to all servicemen seeking homes. This action apparently worked wonders because the number of units offered without any racial restrictions went from 4,580 to 19,500 during the summer. The affected landlords began to demand state and local open occupancy laws to get at their colleagues who escaped Defense Department pressure. This same type of persuasion was set into motion across the nation and was quite effective in preparing and grooming the general
49
populace for what was to happen in 1968.

Many large cities vigorously opposed open occupancy regulations, local, state, and national. Milwaukee, Wisconsin was one such locale. A sprawling mid-western metropolis of 750,000 people in 1967, Milwaukee had most

⁴⁹"Better Off Base," The Economist, September 30, 1967, p. 1196.

(some estimates ran as high as 95 percent) of its black residents cramped in the city's three square mile inner core called the North Side. The area in question consisted of old, run-down houses criss-crossed with freeways. Residential and commercial property values had declined by \$40,000,000 since 1955.

Anxiety and frustration reached a fever pitch in 1967 and resulted in rioting and violence in the inner city. Denial of access to better housing was the number one frustration of blacks and they were determined to persuade the Mayor and city council to enact legislation enabling them to purchase property wherever they wanted and could afford.

Equally as determined to maintain the status quo were strongly ethnic neighborhoods of European descent and a proud working class which was bent on resisting forced change. The Mayor was willing to push for open housing in the city only if the surrounding metropolitan communities did so. The city council argued that the state of Wisconsin already had such a law on the books. To quell the rioting, the Mayor, in conjunction with local civil rights groups, worked up a thirty-nine point program which included a commitment to work for

state legislation to permit passage of a county-wide open housing law.

The action of the city fathers and the civil rights groups did not satisfy a number of factions, including the National Association for the Advancement of Colored People (NAACP) Youth Council, whose advisor was Father James Groppi, a Roman Catholic priest. The then thirty-six year old Groppi brought national attention to himself as the leader and organizer of many nonviolent protest marches. He, like his advisees, felt that too little was being done too slowly. Except for his lack of violent propensities, Groppi was regarded in about the same light as the black militants of the day. He embarrassed the Catholic hierarchy in Milwaukee and whites in general across the country. In support of Groppi, the Archbishop of Milwaukee said that Groppi is an "honest, dedicated, and sincere priest." Lutheran and Methodist groups as well as the board of the National Council of Churches, and the Milwaukee Journal supported the priest. As things turned out, the city of Milwaukee adopted open occupancy laws with its metropolitan surroundings falling into line with the National Fair Housing Act of 1968. The saga of Father James Groppi and his Youth Council of

the NAACP was typical of the resolve adopted by blacks who were pushing for the opportunity to purchase housing where they wanted and could afford.⁵⁰

With the passage of the 1968 Fair Housing Act, the Federal Government was bent on allowing officials at the local level to administer the programs as outlined in the law, but the Nixon Administration in 1971 served notice that localities where zoning could be construed as "racially motivated" would find the Justice Department facing them in court. John Mitchell, former Attorney General, filed such a zoning suit against a St. Louis suburb. Stemming from the suit was a requirement by former Housing and Urban Development Secretary, George Romney, for developers and builders to use an "equal-housing" logotype or slogan in their advertising. This approach in advertising became mandatory for all subdivisions and multi-family housing projects under Federal Housing Administration grants or insurance when they involve twenty-five or more lots or housing units. People, whites in particular, realized from this action

⁵⁰"The Long Fight in Milwaukee," Business Week, October 14, 1967, pp. 64-67.

that the pressure to enforce open occupancy legislation⁵¹ would not be lessened.

Several southern newspapers were violating the Fair Housing Act by indicating race in its housing advertisement. This practice was first brought to the public attention by an official of the Legal Defense and Educational Fund, Incorporated, of the NAACP. This organization sent letters of correspondence to fourteen southern newspapers engaged in the practice of stating race in its advertisement.

Some of these newspapers stated that their attorneys were "researching" the validity of the new law and a few complied immediately, deleting any indication of race in their advertisement. Still others tried to compromise or evade the law by employment of "sectional advertising." In a situation of this sort, no designation of race would be given but a newspaper would be so sectioned that⁵² any local citizen reading the paper would know.

⁵¹"A New Pressure on Housing Bias," Business Week, June 19, 1971, pp. 218.

⁵²"Racial Note Warning Sparks Law Dispute," Editor and Publisher, May 11, 1968, p. 20.

As the sixties wore on into the young seventies, housing for blacks became increasingly acute what with the bulk of blacks being locked into central cities while industries and jobs moved out to the fringes of suburbia. The better housing over the past ten years has sprung up in the outlying areas of cities and the lack of job training and accessibility to these "employment centers" has limited blacks' acquisition of the earnings which might enable them to purchase dwellings in the suburbs. ⁵³

The non-profit Council on Municipal Performance determined that housing segregation is more pronounced in southern areas. The city of Shreveport, Louisiana heads a list of 109 most segregated communities. Shreveport was followed by Winston-Salem, North Carolina; Augusta, Georgia; Montgomery, Alabama; Charlotte, North Carolina; and Dallas, Texas.

The Council found Cambridge, Massachusetts to be the least segregated city it studied. Following Cambridge were San Francisco and Sacramento, California; East Orange, New Jersey; and Berkeley, California.

⁵³ Palm and Vatter, pp. 260-265.

In general, the study found that housing segregation was most pronounced in the South and occurred least in California and such university towns as Cambridge and Berkeley.

The greatest trend toward desegregation in the sixties was found in East St. Louis, Illinois, where segregation declined 15.2 percent. Following East St. Louis in the percentages were San Francisco, California; Cambridge, Massachusetts; Flint, Michigan; and Minneapolis, Minnesota.

Charleston, South Carolina led the list of cities showing an increase in segregation during the decade with a 7 percent rise. Charleston was followed by the cities of Macon, Georgia; Mt. Vernon, New York; Newark, New Jersey; and Detroit, Michigan.

The survey excluded Asians and Indians in order to get as pure a black strain as possible. The study was derived from the 1970 census, measuring 1970 nonwhite segregation, 1970 black segregation, and the 1960 to 1970
54
change in nonwhite segregation.

⁵⁴"Housing Segregation More Pronounced in Southern Areas," Leaf-Chronicle /Clarksville, Tennessee/
October 27, 1974, p. 13.

Chapter 4

FOOD

After a poll of several large cities, both in the North and in the South, and several southern villages, it was discovered that with few exceptions, food expenditures of white families were considerably higher than the food expenditures of black families. This is true in spite of the fact that black families were generally larger than the white families with whom they
55
were compared.

The kinds of food ethnic groups tend to consume is affected by demographic trends. Not all blacks adhere to their traditional diets. As a result of in-migration and moving into the "core" areas of the city and being set apart from the general society, however, many food consumption patterns are traditional.

Young black housewives are inclined to stick to their traditional diets, the ones their mothers reared them on.

⁵⁵ Palm and Vatter, pp. 149-155.

The breakfast meal, for instance, will usually include a meat. The black diet will most often include starchy goods but very few "raw foods." With the weakening of ethnic traits, many young black homemakers are not using low-income meats, meal, molasses, rice, beans, and other such "plantain" diets. They regard processed foods as a sample of social status.

A recent pilot study conducted in New York was designed to determine the individual tastes of ethnic groups with respect to new packaged foods. The following results depict black preferences:

1. Frozen food dinners - Blacks tend to resist frozen food dinners--seemingly on traditional grounds.
2. Frozen red meat - Is opposed to traditional preference for fresh and fatty cuts. Refusal is further strengthened by the prevailing inadequacy of refrigeration in many homes.
3. Frozen fruit pies - Still do not "take to" fruit pies.
4. Instant coffee - The black diet favors acceptance of instant coffee, but countervailing socio-economic sources tip the balance against heavy consumption. Actually found to rank last in terms of actual purchases.

5. Cake mix - Blacks do not accept it.
6. Dehydrated soup - Used in limited amounts.

With increases in income, however, black families increase their consumption of protein foods more rapidly than do white families. For example, low income black families tend to spend less for milk, cream, cheese, vegetables and fruits than whites in the same income class.
57

It is known that black families tend to buy substantially more cooked cereals, corn meal, household insecticides, cream, rice, spaghetti, frozen vegetables, syrup, and vinegar among others, than do white counterparts.
58

Blacks also apparently consume somewhat more flour, waxes, toilet and laundry soap, shortenings, salt, peanut butter, fruit juices, and canned chili than do whites.
59

Since the most influential change in the Negro population has been in location rather than in size, this

⁵⁶McNeal, pp. 299-301.

⁵⁷Palm and Vatter, pp. 149-155.

⁵⁸McNeal, pp. 304-305.

⁵⁹Cox, K. K., and others, pp. 54-66.

fact would tend to alter their marketing behavior. In large metropolitan areas with dense census tracts of blacks, their economic status further affects their marketing behavior.

Food prices are associated with the kind of store rather than with the geographic area. In buying food, the poor pay more if they shop in the small independent stores rather than in the large independent stores and the chain stores, where prices are lower. In poor neighborhoods, small-sized packages are more popular than the relatively cheaper larger sizes.⁶⁰

"In 1966, the U. S. Bureau of Labor studied food prices in six cities." The study compared prices of a standard list of eighteen items in low-income areas and higher-income areas in each city. In a total of 180 stores, including independent and chain stores, and for items of the same type sold in the same types of stores, there were no real differences in prices between low-income and high-income areas. Many of the stores in transient areas were small independents and the food quantities tended to be packaged smaller, resulting in

⁶⁰Palm and Vatter, p. 166.

paying a higher price. The patrons frequently bought more expensive foods in smaller packages. In part, the immobility of the low-income buyer forces him to utilize the services of the neighborhood market.⁶¹

Blacks living in the "core" of the city shop more independent stores because of their accessibility.⁶²

Lower-priced chain food stores do not locate in the ghetto area.⁶³

The smaller independent store has higher prices partly because the owner of the small store finds it more costly to operate because of his locale. In high crime areas, the neighborhood store operator suffers and makes up for it by over-pricing food or selling poor quality food.⁶⁴

It has been shown that low-income families may buy at neighborhood stores because of familiarity with the

⁶¹David A. Aaker and George S. Day, eds., Consumerism: Search for the Consumer Interest (New York: The Free Press, 1971), p. 34.

⁶²D. E. Sexton, Jr., "Comparing the Cost of Food to Blacks and to Whites--A Survey," Journal of Marketing, July, 1971, pp. 40-46.

⁶³Palm and Vatter, p. 149.

⁶⁴Aaker and Day, p. 35.

owner, but the accessibility of credit is also a deciding factor. Economic researcher David Caplovitz found in his study that when low-income families do not shop at neighborhood stores, they go to chain stores, whereas most all others frequent discount houses. The chain store offers easy credit which, until very recently, the discount house did not.

65

Using data from Gunnar Myrdal's An American Dilemma, it is estimated that in southern villages, black families spend 43 percent of their income for food. Black families living in Atlanta and New York spend 34 percent of their income for food. White families in Atlanta and in southern villages spend 28 to 32 percent of their income for food. It is also indicated that blacks spend a larger proportion of their income for food, especially protein foods, as their incomes increase.

It was found that the difference in the amounts of money spent for food per person, when black and white families are compared, is because of the types of foods rather than the quantities bought.

⁶⁵ Palm and Vatter, p. 52.

⁶⁶ Govoni and Joyce, pp. 262-263.

A recent survey conducted by the Office of Economic Opportunity chose 128 city blocks containing 550 households. Each of 119 food shoppers were interviewed as to their food purchasing habits and incomes. The area chosen was designated a poverty area. Of the interviewed shoppers, 51.3 percent were black and 48.7 percent were white.

Ninety percent of these impoverished families were blacks earning under \$1,000 while 68 percent of those earning over \$3,000 were white. Twenty-two percent of the shoppers revealed incomes under \$1,000 per year.

Table 20

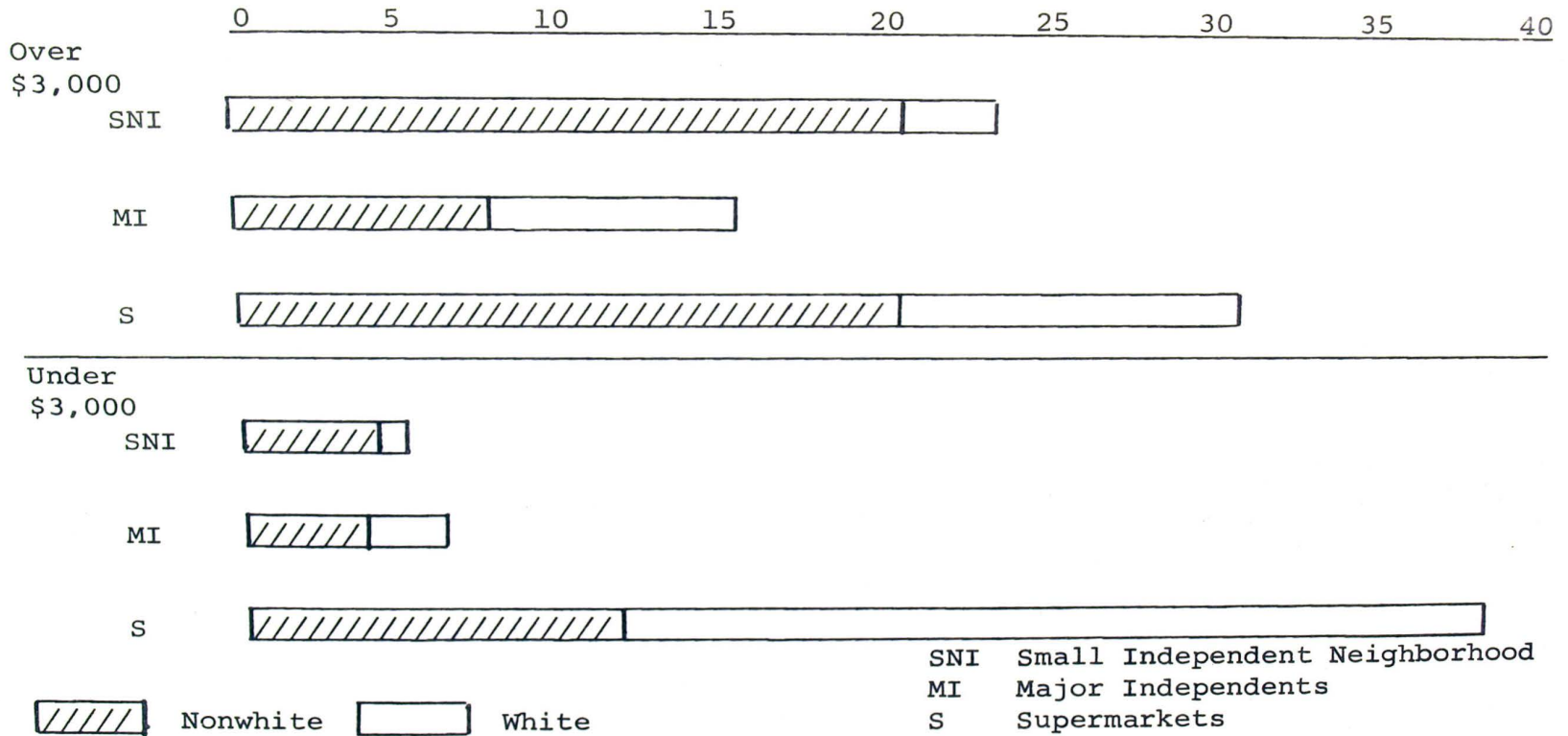
Number of Households in Each Income Category By Race

RACE	Less than <u>\$1,000</u>	Less than <u>\$3,000</u>	<u>\$3,000 or More</u>
WHITE	3	26	32
NEGRO	<u>23</u> 26	<u>46</u> 72	<u>15</u> 47

Note: The first two columns are cumulative

Table 21

Store Classes Patronized By Area Shoppers By Income and Race
NUMBER OF RESPONDENTS



As the previous table shows, Negro families with incomes over \$3,000 shopped the major independents and supermarkets.

The majority of the families shopping at the neighborhood food stores were Negroes who cited convenience, friendship and the availability of credit as some of their reasons for doing so. Many wanted to trade among their own race. As evidenced in this and other studies, a lack of transportation is a major factor which forces the black inner city resident to shop at neighborhood stores.⁶⁷

It is generally argued that blacks spend more for clothing than do whites and that blacks are not as price conscious. This spending more for clothing is attributed to the "compensatory consumption" idea, that is the relatively "easy" credit terms for clothing make up for the difficulty or even the inability to purchase some forms of recreation and shelter. An intense study conducted in Nashville, Birmingham and Richmond revealed that blacks were paying as much for their clothing as whites with equal incomes. It was also uncovered in the

⁶⁷L. E. Boone and J. A. Bonno, "Food Buying Habits of the Urban Poor," Journal of Retailing, Fall, 1971, pp. 79-84.

study that black laborers paid as much for their clothing as white semi-skilled workers. This refers to total expenditures rather than to specific prices. This lack of concern for pricing could also be attributed to black people's history of having poor quality merchandise thrown off on them. Urban Negroes spend a greater proportion of their income on clothing than do whites with comparable incomes. The Bureau of Labor Statistics confirms this premise. In the study, Detroit blacks spent more for clothing at every income level, whereas Houston whites spend more at all income levels.

In each Bureau of Labor Statistics survey, blacks spent less than whites for medical care.

In the 1968 U. S. Riot Commission Report, it was found that health insurance has forced many previously discriminating hospitals to accept blacks. Some private hospitals will not admit blacks or accept doctors who have black patients. More blacks than whites are treated in clinics.

⁶⁸Govoni and Joyce, pp. 265-266.

⁶⁹Ibid., p. 269.

⁷⁰Report of the National Advisory Committee on Civil Disorders, p. 272.

Thirty percent of the families with incomes under \$2,000 per annum have health conditions poor to the point that it affects their employment, compared to 8 percent of the families with incomes of \$7,000 and over. Also, only 30 percent of those families with incomes of \$2,000 yearly use health insurance. Almost 90 percent of those with incomes of \$7,000 or more use it.

Blacks with incomes comparable to those of whites spend less for medical services. This is because, on the whole, black families are larger, resulting in less money being spent per person, even though the incomes for the black and white families may be the same.

71

Poor blacks are relatively unprepared for emergencies because most have no savings at all. Three out of every five, however, do have life insurance protection. More than one out of every four black families have twenty-year endowment policies for the children, regarding this investment as a savings. Many blacks do not initially realize the added strain of the premiums on the family household budget and so after years of paying into the endowment, they may fail to meet the premiums and lose

⁷¹Ibid., pp. 316-318.

the coverage on the children along with all the money paid into the policy over the previous years. Most blacks have health insurance coverage through their places of employ-

72

ment.

Chapter 5

BLACK BUSINESS

"The Negro finds himself more underrepresented in business activity than in any other occupational category," so stated Harvard Business School professor,⁷³ Robert B. McKersie.

Black business, or at least speaking of black business, was fashionable in the newsrooms, corporate board rooms, and in government councils during the middle and late sixties. The truth of the situation was and is that black business is almost universally small and black businessmen are a disadvantaged group even⁷⁴ within the ranks of small business.

For all the divisions that rend the United States, there is at least one point of agreement between blacks and whites, Democrats and Republicans. It is that

⁷³Robert B. McKersie, "Vitalize Black Enterprise," Harvard Business Review, September-October, 1968, p. 89.

⁷⁴Abraham S. Venable, Building Black Business (New York: Earl G. Graves Publishing Co. Inc., 1974), pp. 8-13.

blacks are not really part of the mainstream of American enterprise, and that they should be brought full circle through the classic means--ownership of a business.

Beyond doubt, black capitalism today is meager. Though blacks constitute roughly 12 percent of the United States populace, they scarcely own 1 percent of the country's 5,000,000 private business firms. One out of every forty white Americans is a proprietor while one out of every thousand black Americans is. Almost all black businesses are "mom-and-pop" operations catering to a ghetto clientele and providing a slim income for their owners and a few jobs for others. Most of these operations depend on free labor provided by family members. Some surveys show that a quarter of all black firms are barber shops and beauty salons. Blacks also run mortuaries, restaurants, bars, small grocery stores and cleaning establishments. They own a few manufacturing or distribution firms. Only six of the 28,000 United States automobile dealerships are black owned, and until recently, there was only one. Even the largest black enterprises, such as life insurance companies and banks, are relatively small by comparison. The nation's largest black-owned concern, North Carolina Mutual Life Insurance

Company, has assets exceeding \$94,000,000 compared with front-running Prudential, with overall assets exceeding \$25,000,000,000.⁷⁵

With such a tradition of one-car taxi cab companies, grocery stores, beauty shops, undertaking parlors, and barbecue stands to look back on, most blacks who do go into business tend to be a bit timorous of the hazards of expansion, cautious in their financing, and reconciled to a life on the economic fringe.⁷⁶

By 1964, approximately 100 years since the Civil War, the black population had decreased to 11 percent of the total United States population. They currently comprise 5.4 percent of the national income and 1.2 percent of the business enterprise.⁷⁷

By the time of desegregation in the early and mid-sixties, the black businessman was feeling the impact in that he no longer had a "lock" on the black clientele

⁷⁵ "Birth Pangs of Black Capitalism," Time, October 18, 1968, pp. 98-99.

⁷⁶ "Ordeal of the Black Businessman," Newsweek, March 4, 1968, pp. 72-74.

⁷⁷ "Drive to Set Negroes up in Business," U. S. News and World Report, August 31, 1964, p. 82.

surrounding him. Many fine black restaurants and hotels which had formerly catered to blacks only fell on hard times, thus adding to the already conditions of black enterprise.⁷⁸

Census statistics as of September, 1967 show that only 3.9 percent of employed non-white males were in the category of managers, officials, and proprietors, while 14.4 percent of the employed white males were in this category. Although blacks constitute nearly 11 percent of the civilian labor force in the country, they have only 3 percent of the managerial posts.

In disappointing contrast to blacks' progress in government, private industry, and the professions, blacks were making imperceptible gains in business management. From 1950 to 1960, there was actually a decline of one fifth in black ownership and operation of business enterprises. A recent article in Fortune Magazine, commenting on the rising black middle class, pointed out that between 1962 and 1965 there was only a 9 percent increase in the attainment of managerial jobs for blacks.

⁷⁸Andrew F. Brimmer, "The Trouble With Black Capitalism," Nation's Business, May 1969, pp. 78-79.

According to a recent report by the Interracial Council for Business Opportunity, New York City, with a black population of about 1,100,000 had only about a dozen black owned or managed enterprises employing as many as ten people. The total number of residents of Newark, New Jersey was 400,000 in 1967 and more than half of these people were black. Yet, out of 12,172 licensed businesses in Newark, only 10 percent were black owned. In Los Angeles, it had been estimated that there were 600,000 blacks. Of the 131,039 licensed businesses in Los Angeles, an almost invisible fraction was owned by blacks, and these few businesses were relegated to the ghetto area. In that same year in Washington, D. C., where blacks comprised 63 percent of the city's population, only 13 percent of the 11,775 businesses, 1,500,⁷⁹ were owned by blacks.

In 1970 Robert Podesta, Assistant Secretary of Commerce, pointed out that the average black businessman was 51 years of age, took home \$6,000 to \$8,000 per year after taxes and operating expenses were paid. Eighty-one

⁷⁹Phillip F. Ziedman, "The Negro Businessman," Vital Speeches, January 15, 1968, pp. 209-214.

percent of all black enterprises are individual pro-
⁸⁰prietorships.

In 1969, the U. S. Census Bureau sought out and tallied up some 163,000 black owned businesses with total receipts in that year of \$4,500,000,000, insignificant when compared to a gross national product which at that time was nearing the \$1,000,000,000,000 mark, that
⁸¹is the one thousand billion dollar mark.

Historically, racial discrimination and segregation in this country produced effects quite similar to those associated with a protective tariff in foreign trade. Two markets emerged. The market for goods (with the exception of housing) was generally open to all consumers, including blacks. However, the other market--that for services--was circumscribed severely as far as blacks were concerned. Blacks had little access to many establishments serving the general public such as barber and beauty shops and hotels and restaurants, therefore

⁸⁰C. L. Frankel, "Uphill Road to Black Capitalism," Nation's Business, December, 1970, pp. 60-62.

⁸¹Venable, p. 13.

black businessmen historically concentrated on meeting
these needs with their own shops, hotels, and cafes. ⁸²

"Be your own boss"--this is a classic vision of the American dream. It is a powerful vision, and a major force in the innovative, competitive thrust of the nation. Yet a black man who tries to follow this vision runs into the same bleak tangle of barriers which confront blacks who try nearly anything else.

The basic disadvantages are the same: Southern rural or Northern ghetto life, with its disintegrating and numbing weight; poverty and lack of resources, inferior education, and the grinding fact of prejudice and discrimination. A black man hoping to go into business finds another large problem--the lack of business heritage. "When I was growing up, business was a dirty word in the average Negro home," recalls the Executive Director of New York's Interracial Council for Business Opportunity, Wilburforce Clark, Jr. "The businessman was the enemy. Success for a Negro was to be a lawyer, maybe a doctor. There was no exposure to business."

⁸²Brimmer, pp. 78-79.

According to Abraham S. Venable, blacks are, for the most part, ignorant of the necessary techniques and procedures of business. Through no real fault of their own, the systems and procedures of American business eluded blacks. He points out that during the past 200 years of acceleration and refinement of the American system of business, blacks, through prejudice and segregation, have been denied money, real estate, and the customers. Perhaps most important of all, they have not been able to share in the vast storehouse of knowledge of American enterprise. Venable is of the very strong opinion that blacks must master the techniques of American business. A black man, or any man for that matter, who enters business without a firm grasp on the principles can be saved only by "irrepressible genius or divine intervention." About the only sure thing that the black businessman has going for him is the sure knowledge that there are many, many others in the same predicament. In summation, Venable states that proven statistics show that blacks are lacking in two very basic essentials for starting a successful business--adequate financial
83
resources and business and managerial experience.

Aside from Venable's overall, encompassing stumbling blocks, a number of very real and immediate questions come to mind to illustrate the potential non-growth of black businesses. Where will he find the money? Where can he locate his plant or office? Who will sell him equipment or supplies? Where will he get his management and sales force? Will the customers come when he is ready for business? If most or part of the answers were negative to the aforementioned questions, the small, black businessman is destined to lead an existence on the economic fringe and cannot be successful.

84

Of all the tangible problems, money seems to be dominant. J. Cullen Fentress of Allied Printers and Publishers, Incorporated of Los Angeles, applied for a \$40,000 loan in 1968 to update his printing plant. Even though his printing enterprise was a proven success, it was an unusually long wait before the loan was finally approved. Fentress only hoped that it was not because he was black that the loan approval took so long.

85

⁸⁴"Negro Integrates His Market," Business Week, May 18, 1968, p. 92.

⁸⁵Ibid.

Officials of the Pullman Bank and Trust Company of Chicago explained that they were anxious to find qualified loan applicants, but lament that "many more Negroes are turned down for loans than are approved." One banker feels that on the average, blacks had a better pay-off record than whites. In reply to the previous statement, one black remarked that "We are given only one chance to succeed." The commercial credit officer for a large bank in Atlanta says that most of the blacks he encounters do not have the background to make a persuasive presentation and most of them have not heard of such things as cash flow. The same officer concluded that if the Negro wants to compete in this league, he must learn the rules of the game.

The Small Business Administration has to be the front runner of major legislation aimed at helping all small business people. It was and is unique because it is the only agency ever created by Congress for the sole purpose of advising and assisting the nation's small community--a category which includes virtually every

⁸⁶Ibid.

black businessman in the United States. This agency was established in 1948. In particular, the most outstanding aspect of the SBA was its "six by six" program, which floated a \$6,000 loan for up to six years use and the loan was based on a person's character rather than on his collateral.

Small Business Development Centers were scattered throughout the large urban areas where they counseled, guided, and identified the problems of the loan recipients. The personnel who manned the centers acted as "circuit riders" who worked quite closely with the new businessmen. The findings of the Small Business Development Centers were reported back to the Administration for
87
analysis and study.

Between 1965 and 1968 the SBA made or underwrote 8,000 soft loans, totalling \$82,000,000 to would-be businessmen, about one third of them black, with incomes below the poverty line. Unfortunately, the effort to make instant entrepreneurs of the poor proved to be disastrous. Default rates soared, and the SBA
88
conceded that a majority of the firms were in trouble.

⁸⁷Ziedman, pp. 209-214.

⁸⁸"Birth Pangs of Black Capitalism," pp. 98-99.

The SBA also sponsored the 4,000 man Service Corps of Retired Executives, a volunteer organization whose members help and counsel SBA clients with business problems, and tried to prod reluctant commercial banks into taking advantage of Federal loan guarantees in minority areas.

89

Title IV of the Economic Opportunity Act of 1964 became more commonly known as the Economic Opportunity Lending Program. This program was considerably successful in providing black businessmen in poverty-stricken areas with substantial financial aid. The EOL program has undergone many changes since its inception as part of Lyndon Johnson's War on Poverty, and as far back as 1967 loans of \$25,000 or more with fifteen years to repay based on character of collateral were common. Title IV and other programs were not set up to issue "subsistence" to blacks aspiring to go into business. The aforementioned types of loans were available to all persons who could not obtain funds privately, but a significant percentage of those loans were made to minority group members who obtained loans

89 "Ordeal of the Black Businessman," pp. 72-74.

in numbers several times their proportion of the population and an even greater proportion based on their share of the business population.⁹⁰

Between early 1967 and late 1968, the Economic Opportunity Loan Program made a total of 1,601 small business loans and 439 of these loans went to blacks. These loans, according to officials, are made under such flexible criteria that they are actually character loans, and default rates have been estimated as high as 25 percent.⁹¹

Late in 1968 President Nixon signed into law Executive Order 11458, which directed Secretary of Commerce Maurice H. Stans to establish within his department an Office of Minority Business Enterprise. Nixon denoted in a statement accompanying the Order, "Black enterprise and its furtherance is one of the priority aims of this administration." For the first time, a President had formally recognized by executive order that the Federal Government had a responsibility to black business.⁹²

⁹⁰Ziedman, pp. 209-214.

⁹¹"Ordeal of the Black Businessman," pp. 72-74.

⁹²Venable, pp. 8-13.

The new office was designed to perform four basic functions: (1) coordinate all programs in the public sector having anything to do with minority enterprise, making sure that there existed the most efficient utilization of available resources; (2) stimulate and mobilize the resources in the private sector so that the business community would direct a maximum portion of its time and resources toward assisting minorities who have designs on going into business; (3) set up a data bank to provide coordination for the massive flow of information in the public and private sector relating to minority enterprise. The data bank was to collect, analyze, and disseminate all pertinent minority enterprise data to and from local communities where it is needed and can be used; (4) form an advisory council to the President and to the

93

Secretary of Commerce.

Back in 1963, a group of successful white and black executives got together to discuss new ways to help blacks improve themselves economically. Out of that meeting was born the Interracial Council for Business Opportunity, which offered free management consulting services to black

people who wanted to go into business for themselves, or to improve the business they were then operating. ⁹⁴

In 1963 the Interracial Council for Business Opportunity's volunteer business experts counseled some 2,000 businessmen. In one prize case, the ICBO advised 48-year old Preston Lambert to fold up his failing restaurant in Brooklyn, then helped him work out a no-money-down franchise with Chicken Delight. Lambert said his Chicken Delight outlet in the Williamsburg section of Brooklyn netted him \$18,000 in 1963, and he ⁹⁵ himself became one of ICBO's 400 volunteer advisers.

Council Co-Chairman Rodman Rockefeller, Vice-President of International Basic Economy Corporation, feels that the group is opening the way for white businessmen to take part in the civil rights movement. Many executives, he says, have been sitting on their hands wondering how to participate. Now they are pitching in and trying to do what comes naturally--promoting good business.

⁹⁴"Helping Negro Business Prosper," Nation's Business, August, 1968, p. 54.

⁹⁵"Ordeal of the Black Businessman," pp. 72-74.

About 100 men and women are active in the Interracial Council and their corporate backgrounds range from small and middle-sized companies to such giants as IBM, American Home Products Corporation, Bach and Company, Schenley Distillers Company, Chemical Bank of New York Trust Company, McCann-Erickson, and R. H. Macy and Company.

96

The Small Business Opportunities Corporation was also started in 1963. The group was spearheaded by a man by the name of Maurice Fagan. The Corporation was initially funded by Drexel Institute and the Area Redevelopment Administration. Fagan then persuaded the Small Business Administration to pledge "unlimited" funds for loans. In his and the corporation's opinion, the SBA was too frugal in its approach to lending. By the time of this printing, at the beginning of the second quarter of 1964, the Corporation's six-man staff had interviewed more than 1,300 applicants and had sent them on to SBA, which was the banker for the project.

97

⁹⁶"Negroes Get a Hand," Business Week, June 27, 1964, p. 38.

⁹⁷"Aiding Negro Businessmen," Business Week, April 18, 1964, p. 141.

Philadelphia's First Pennsylvania Banking and Trust Company agreed in September, 1966 to funnel loans to ghetto businesses through an all-black organization called the Businessmen's Development Corporation, which provided skilled counseling to loan applicants and acted as their advocate with the bank. Since its inception, and until March, 1968, the program has resulted in 82 loans totaling just over \$1,000,000.⁹⁸

In February, 1969, Opportunity Through Ownership Corporation was organized. The sponsors, seven San Francisco banks, and the Di Giorgio Company, loaned money to the newly established group to pay the overhead of the 19-man multiracial staff.

Opportunity Through Ownership was managed by Melvin C. Yocum, a former vice-president of one of the sponsor banks, and started out with committed funds totalling \$2,150,000. Loans made were guaranteed to an aggregate of \$200,000 by the State of California under the California Job Development Corporation Act. As of August 31, 1970, after processing 390 loan applications for funds totalling more than \$16,000,000, Opportunity

⁹⁸"Ordeal of the Black Businessman," pp. 72-74.

Through Ownership had made 56 loans totalling \$1,929,000. Among the many black firms receiving money was a black electronic components assembly plant.⁹⁹

One of the most successful management assistance programs is the Service of Retired Executives, popularly known as SCORE. The organization started out with some 3,000 retired business executives who volunteered to furnish management, marketing, and financial counseling to small business free of charge. SCORE members have shared their know-how with more than 15,000 small firms located in all sections of the country, including many owned by blacks and other minority groups. Small businesses in need have only to ask this group's assistance.¹⁰⁰

Olin Corporation, formerly Olin Mathieson Chemical Corporation, is one of the many big businesses beginning to channel more and more of their funds into black banks. President and Chief Executive Officer Gordon Grand of Olin stated, "We hope to aid the economies of poverty areas without intruding in any sense into their handling of

⁹⁹Frankel, p. 62.

¹⁰⁰Ziedman, p. 211.

their affairs." Olin's program has a "seed money" multiplier effect. For every dollar the company adds to a bank's resources, the bank can lend several more to its clients. According to Grand, "funds made available to the ghettos by this program will reach borrowers through established black banks staffed to investigate loan applications and presumably in a good position to evaluate the black businessman's problems and capabilities." 101

In 1968 a new organization called the National Alliance of Businessmen was set up to find employment for 500,000 ghetto residents over a period of three years. Henry Ford II was chairman of the group and member corporations from Mobil Oil Corporation in the East to Pacific Power and Light in the West were 102 vigorously opening up more jobs for black people.

In New York City, there was and still exists a chain of seven luncheonettes called Prexy's, Incorporated, which sells "the hamburger with a college education."

101 "Olin Corporation Sows Ghetto Seed Money," Nation's Business, December, 1969, p. 39.

102 "Helping Negro Business Prosper," p. 52.

This small business went out of its way to recruit and train black youngsters. A young man with a minimum education would be hired as a kitchen helper, for example, and a short time later he would be reassigned to a training luncheonette at Prexy's corporate headquarters where he would be taught to be a counterman. After he had mastered his job, he would then return to headquarters and be taught more skilled work all the way up to store manager.

103

Black Enterprise magazine published a listing of the nation's top 100 black businesses in June of 1973. Significant progress has undoubtedly been made in building profitable businesses over the past decade, but black businesses still occupy the backwaters in U. S. industry.

Heading the list was Motown Industries, one of three record companies in the top 100. Formerly based in Detroit, Motown is now in Los Angeles, California and headed up by a dynamic black man, Berry Gordy, Jr. Motown did \$40,000,000 in business last year. Next comes Johnson Publishing Company, Incorporated. Headed by John Johnson, this company is one of eight publishing

firms on the list. The smallest firm on the list is Terry Manufacturing of Roanoke, Alabama, which had \$1,000,000 in sales of women's uniforms and sportswear. The list is dominated by light manufacturing companies (18), automobile dealers (15), general contractors (9), food processors and distributors (9) and beer and liquor wholesalers (4).

In all, 54 of the firms were begun since 1968, a period which coincides with the Nixon Administration's Black Capitalism Program. Of the 100 big black companies, only a few have sold stock publicly, the truest measure of large-scale expansion. Only twelve of the top 100 are in the South. Most are in New York City, Chicago, Detroit, and the state of California.

As of 1973, those top 100 black companies netted \$732,000,000 collectively. To be sure, this is a substantial sum of money, but it represents smaller earnings than the company which ranks number 268 in Fortune Magazine's listing of the top 500 companies in the United States. The publisher of Black Enterprise Magazine, Earl G. Graves, says "The success of many black firms indicates that some of the historical

obstacles to black business ownership have been overcome,
104
but others remain maddeningly, to real opportunity."

104 "Black Capitalism: The Rise of Entrepreneurs,"
Time, June 25, 1973, p. 47.

Chapter 6

BLACKS IN TRADE UNIONS

Few, if any labor organizations have been as hard for blacks to "crack" as have been the various trade and/or craft unions. These little isolated pockets of resistance represent what has to be some of the last horizons of racial discrimination. Sheetmetal workers, plumbers, carpenters, brickmasons, and all those other jobs which constitute the construction trades have been denied blacks for the most part as long as such trades have existed. Jobs of this nature require extensive training and skill learning. Following the learning process and skill acquisition phase comes an apprenticeship period, and finally, entry into an appropriate union. Once a man becomes a card-carrying union member, it usually takes an extensive process to wrest his membership from him. Incentives for trade jobs are considerable. Compensation packages include good pay, expenses, and excellent insurance programs. Nepotism and "cronyism"

were and still are common practices. Fathers groom sons for jobs and treat union memberships like family heirlooms.

Indeed, trade union membership is a practical necessity for the skilled craftsman.

"By definition, a trade union is a voluntary continuous association of wage earners who unite to maintain and improve their working conditions."¹⁰⁵

All trades now include at least some blacks among union members, in contrast to the early days of the unions when a number of them had an absolute "whites only" membership clause. A greater proportion of whites than blacks in blue-collar jobs are members of unions. Yet, among the white-collar occupations that have been the recent targets of union organizations, the ratio of blacks who belong to unions is higher than the ratio of whites. On balance, black workers account for a somewhat higher proportion of total union membership than¹⁰⁶ they do of the work force as a whole.

¹⁰⁵Hubert Harris, American Labor (Boston: Yale University Press, 1965), p. 137.

¹⁰⁶"Official Progress Report on Blacks in Unions," U. S. News and World Report, January 22, 1973, pp. 76-78.

1. Black workers are slightly more likely to join unions than are their white counterparts.
2. Among female employees, a significantly higher proportion of blacks are union members than are whites.
3. In some fields, particularly construction, black union membership is below average compared with the work force. In others, such as the Federal Government, it is above average.
4. In unions generally, white members often hold better-paying jobs than do black members.

This data comes from a special analysis of census information. The authors believe it to be more detailed than any other study undertaken on the subject of blacks in unions.

Blacks constitute 11.6 percent of the 84,000,000 private and government wage and salary workers. They account for 12.4 percent of total union membership. Overall, roughly one out of every five workers--black and white--is a union member.

In white collar occupations, particularly clerical, black workers are in unions to a greater degree than are other workers. Almost 14 percent of the union members in clerical jobs are black. In public administration, where 13 percent of all wage and salary workers are black,

the blacks make up nearly 17 percent of all the union members. The Bureau of Labor Statistics study finds little difference in the rate of union membership between black and white males. About 14 percent of all black women in the labor force belong to unions, compared with about 10 percent of all white women.

Differences between black and white unions show up in earnings. In 1970, the median income for a white male union member was \$9,285. For a black male union member, the median income was \$7,732. The split is less among women, \$5,890 for whites and \$5,363 for blacks. A big factor is the type of jobs held by the two races. Proportionately, whites were better represented than blacks in the traditionally higher-paying crafts. A larger proportion of whites were employed in the high-
107
paying professional and technical occupations.

As of 1966, only 1,500,000 blacks held trade union cards. About these 1,500,000 persons, then National Urban League Director Whitney M. Young stated that they "have tickets to do the hardest, dirtiest, and most menial jobs that industry requires." By 1975, the Department of Labor

107 "Official Progress Report on Blacks in Unions,"
pp. 76-78.

estimates, the United States will need 2,000,000 more skilled workers than there were in 1966. This increase is double the increase of the eighteen years from 1947 to 1964. Blacks are almost totally excluded from high-paying craft unions. Skilled workers such as electricians and plumbers naturally command the best wages. Where they can, they jealously restrict admission to unions--and apprenticeships--to their own progeny. A recent Labor Department survey of apprenticeship programs in twelve major cities found only sixteen blacks training to be electricians, five learning plumbing and two black apprentice sheetmetal workers. As a result, a typical city such as Chicago, with a black population greater than the entire population of Baltimore, had no sheet-metal workers, only 40 black pipe fitters, and 200 electricians.

108

The building and trades unions, which together account for 23 percent of the AFL-CIO membership, have problems. When a construction worker finishes a building, he moves on, and the union serves as a hiring hall to

¹⁰⁸"Magnificent Tokenism: Labor Department Requests Federal Action in the AFL-CIO Building Trades Council," Time, January 28, 1966, pp. 19-20.

bring him together with a contractor who needs a crew. The workers prefer to hold down the number of new union members. By doing so, they feel this will assure them near full-time employment in their area.

It can be very helpful if one has a friend or a family member in a building trades union. The building trades unions have a strong family cast, with sons of the members moving almost automatically into the union. They enter through an apprentice system which can demand as much as five years of training. As Negroes are blocked from these training apprenticeship programs, they cannot get into the unions and consequently cannot work in these well-paying trades.

Department of Labor surveys of apprentice enrollments indicated how little success Negroes were having:

Pittsburgh: Four out of 100 randomly chosen carpenters, none of sixty-two electricians, none of nineteen painters, none of fourteen plumbers, and none of forty-six sheetmetal apprentices were blacks.

Philadelphia: None of forty-eight electricians, none of thirty-four ironworkers and two of eleven plumber apprentices were black.

St. Louis: Eight of 179 carpenters, none of 121 electricians, none of sixty ironworkers and none of ninety-three plumbers' apprentices were blacks. 109

In 1968, 51 percent of all employed blacks were laborers. The New York Committee, an official advisory committee to the U. S. Commission on Civil Rights, recently conducted hearings into the operation of a New York City plan to increase minority employment in construction.

According to the committee's report, representatives of a sheetmetal workers' local testified that of 3,386 fully-qualified journeymen, forty-four were minority members. An electrical workers union reported 331 minority journeymen of a total of 5,800. Plumbing and pipe fitting unions local listed 182 of its 2,200 journeymen as being from minorities.

More efforts are being made to increase minority membership in the various skilled trades concentrated in apprenticeship programs where new workers are trained.

Chrysler Corporation's Harry B. Douglas, along with the United Auto Workers officials, conducted a conference

109 "Jim Crow in Building Unions," Life,
February 18, 1966, p. 4.

in Chicago dealing with just such an apprenticeship program. Chrysler and UAW jointly took on the task of preparing black workers in reading, math and drafting so that they could qualify for apprenticeship training. According to Douglas, when the program was initiated in 1968, only 5 percent of those who qualified for the programs were black. This number grew to 27 percent last year. Of the 2,000 now in the four-year Chrysler program, about 16 percent are black.

Union officials claim that few Negroes apply for openings and that most of those who do apply fail the qualifying examinations. There is some truth in both charges. There is truth in the former because of a long tradition that the trades were closed to Negroes and in the latter because the quality of education available to Negroes is usually not so high as that enjoyed by

whites. In 1963, 103,046 out of 158,616 registered apprentices were in construction.

110 "Official Progress Report on Blacks in Unions," pp. 76-78.

111 "Jim Crow in Building Unions," p. 4.

112 Louis A Ferman, Joyce L. Kornbluh, and J. A. Miller, eds., Negroes and Jobs (Ann Arbor: The University of Michigan Press, 1968). p. 299.

In the state of Maryland that same year, only twenty
 of 2,400 apprentices were black. ¹¹³

Many and varied factors limit black apprentices. Blacks are aware of discrimination in these areas and deem it futile to attempt apprenticeships. Counselors steer blacks away from apprenticeships because of racial discrimination. Also, most blacks do not have an "inside track" to apprenticeships. That is to say, they do not learn of vacancies from relatives and friends as white applicants do. Of course, many blacks are just not qualified and many apprentices require "sponsors," thus limiting black membership. Finally, if a black does surmount all these barriers, there is the final on-the-job block with which he must contend. If his co-workers
 ignore him, he most likely will not grow in his trade. ¹¹⁴

In 1970, of the construction unions' 1,300,000 members, about 106,000 or 8.4 percent were black. Unless the figures just mentioned are analyzed closer, they are misleading. Actually, 81,000 of these black members belonged to lowest paid laborers union, where they formed

¹¹³Ibid., p. 302.

¹¹⁴Ibid., pp. 306-311.

30 percent of the membership. An Equal Employment Opportunity Commission survey revealed that only 1.6 percent of union carpenters were blacks and a mere 0.6 percent of blacks were electricians. Blacks accounted for an almost non-existent 0.2 percent of union plumbers.

Under the union standards of 1970, it took 8,000 hours or four years to train a carpenter. Lengthy apprenticeship programs and out-moded qualifying examinations made it difficult for blacks to get a foothold. For example, in 1970 it only took 1.5 years to become a qualified air traffic controller, while some of the trades required
115
apprenticeships of a much longer period.

Hearings before the U. S. House of Representatives' Subcommittee on Labor in 1962 proved that the United States' "volume of apprenticeship is insufficient to meet the needs of the economy." Also apprenticeships were not publicized, therefore blacks were unaware of openings. The Federal Government had not taken a firm and definite position on apprenticeship programs. Preference, most likely, would be given to those people with experience,

115 "Narrow Victory for Blacks: Philadelphia Plan,"
Time, January 5, 1970, pp. 49-50.

which of course meant that few if any blacks would be included in the programs. The U. S. Bureau of Apprenticeships and Training provides stimulation and technical assistance for programs.

116

Business Week reported in 1968 that blacks were joining integrated labor unions at an unprecedented rate. The trend came through clearly in a Business Week survey of union organizing patterns. This trend was probably strongest regionally in the South and occupationally in government employees, where an estimated 30 percent of recent recruits were blacks. Many union leaders credited the Negro rights movement with motivating blacks to assert their rights in the workplace. "There is much more stand up and fight" among black workers than there used to be," says a Chicago official of the Amalgamated Meat Cutters. "They are willing to take their chances and go ahead and fight the boss." An Atlanta organizer of the Retail, Wholesale and Department Store Union felt the link was even more direct, especially in the South. "Negro workers now realize that when people stick together, all will benefit," he says.

116 Ferman, Kornbluh and Miller, p. 476.

"They saw this happen in the civil rights movement and now they are redirecting it to labor." Government workers are the number one group in this category. The surge of government workers into the unions is perhaps the most outstanding labor phenomenon of the 1960's. Hotel and Restaurant Employees Unions and unions representing retail workers also reported increased organizing success. The reasons are apparent. Young blacks want more money, and older blacks want better pensions and seniority provisions, and everyone wants medical insurance and cost of living adjustments.

117

In 1967, Paul Jennings, President of the International Electrical, Radio, and Machine Workers Union, stated at a social action conference that organized labor must get more involved in the social problems of our times. Jennings suggested that the answers may lie in "social action", political action, legislative action, trade union action--that is what is meant by whole unionism.

Jennings went on to ask, "What good is it to negotiate the best possible contracts when, after work,

117 "Where Unions Win New Recruits," Business Week, November 2, 1968, pp. 120-122.

a union member returns to a ghetto? Or he is forced to send his children to an inferior school, or stands helplessly as his friends or relatives lack decent employment opportunities, or the prospects of a bleak retirement?"

Through the years, organized labor has probably been the most consistent supporter of the government's social and welfare legislation.

Big business, like the government, has been accused of adding to U. S. poverty problems. Non-discrimination is the stated official position throughout the organized labor movement, but many union critics attacked the restrictive rules on apprenticeships in some unions as a thinly disguised tactic for blocking the entrance of minority groups into certain trades.

Many times when strikes are brought against a company or other such entity, it leads the general public to suspect that a union cares more for its members than the public as a whole.

Many individual labor unions and district counselors have signed agreements with the Federal Government to operate job corps training centers, and to organize Neighborhood Youth Corps projects. They

have further extended their assistance by volunteering
118
their service in manpower training programs.

118 "And Organized Labor Gets Involved, Too," Senior Scholastic, November 2, 1967, p. 10.

Chapter 7

PHILADELPHIA PLAN

The so-called Philadelphia Plan was penned and put into effect by Secretary of Labor George Schultz in 1969. The Plan's aim was to require builders to display a "good faith effort" toward hiring representative quotas of blacks to skilled jobs on all federally supported construction. The quotas were to approximate the percentage of black residents in each city included
119
in the Plan.

The Philadelphia Plan required contractors working on large federally-aided projects to make a legitimate and sincere effort to raise minority employment of blacks and other minorities to 20 percent of their work forces within four years. Philadelphia served as the pilot city because of several pending federally-aided

¹¹⁹Harry A. Ploski and Ernest Kaiser, eds., Negro Almanac, 2d ed., (New York: The Bellwether Co., 1971), p. 397.

projects ranging from a new children's hospital to an expansion of the Villanova law school.¹²⁰

The Philadelphia Plan actually began on July 18, 1969 and extended to other metropolitan areas later. The Plan was first announced on June 27, 1969, indicating the Nixon Administration's forthright and serious determination quickly to begin implementation of the Plan.¹²¹

It was to be the Office of Federal Contract Compliance which was to set up specific goals for hiring minority group members in the higher-paying construction trades under federal contracts.¹²²

Citing the deplorably low rate of minority group members in the building trades, the Labor Department announced the Philadelphia Plan would be used as a national pattern. The new system had a devastating effect on the unions because in construction work, the unions, not the contractors, do the hiring. The Labor

¹²⁰"Negro Rights: Mr. Nixon vs. Labor: Congress Reveals Fider to Philadelphia Plan," Newsweek, January 5, 1970, pp. 49-50.

¹²¹"Dirksen Asks Delay on Negro Job Plan," New York Times, July 9, 1969, p. 6.

¹²²"Schultz Defends New Plan to Get Jobs for Negroes," New York Times, July 6, 1969, p. 37.

Department took the action under President Johnson's executive order requiring equal employment in federal construction work.¹²³

Along with many southern senators, George Meany, head of the powerful AFL-CIO, stated that "quota setting" was illegal under the provisions of the 1964 Civil Rights Act. Attorney General John Mitchell believed the Plan to be legal and George Schultz stood by it.¹²⁴

As far as civil rights activists were concerned, the Nixon Administration had been one big failure inasmuch as blacks were concerned. Nixon bettered his image in their eyes when he saved the Philadelphia Plan from being killed by the Ninety-First Congress. The President argued that the best way to help blacks was through bigger pay checks for them and better business opportunities. The construction industry, where wages run as high as ten dollars an hour, provides some of the most lucrative blue-collar jobs in the nation.¹²⁵

¹²³ "U. S. Plans Formula to Get Contractors to Hire Minorities," New York Times, June 28, 1969, p. 61.

¹²⁴ Ploski and Kaiser, p. 397.

¹²⁵ "Negro Rights: Mr. Nixon vs. Labor: Congress Repeals Rider to Philadelphia Plan," pp. 49-50.

There was a very definite lack of black representation in the construction trades not only in Philadelphia, but all across the United States. In Philadelphia, 20 percent of the overall labor force is black, but most of the trades had permitted about 1 percent or 2 percent minority membership.

The Commission on Human Relations in Philadelphia found that unions in plumbing, steamfitting, electricians, sheetmetal workers and roofers were discriminating in employment tactics. At the end of 1967, less than 0.5 percent of the aforementioned trades unions members were black. The Federal Government conducted its own survey of the Philadelphia area:

<u>Union</u>	<u>Total Membership</u>	<u>Total Minority Group Membership</u>	<u>Percentage Minority Group Membership</u>
Ironworkers	850	12	1.4%
Steamfitters	2,308	13	0.65
Sheetmetal Workers	1,688	17	1.00
Electricians	2,274	40	1.7
Elevator Construction Workers	562	3	0.54
Plumbers & Pipe fitters	2,335	12	0.51

In August of 1969, the government presented its case before a public hearing using these actual survey figures.

Also found in the survey, (1) in the first half of 1969, in the Philadelphia area, nonwhite unemployment rates were double that of the labor force as a whole or approximately 21,000 persons. There were 1,200 to 1,400 nonwhite craftsmen available for employment, (2) 7,500 minority group people in the labor unions were working side by side with journeymen in the construction trade as journeymen helpers and could easily be trained, (3) 5,000 to 8,000 prospective minority craftsmen were prepared to accept training provided construction jobs were guaranteed once training was completed.

<u>Trade</u>	<u>Number Available</u>
Ironworkers	302
Plumbers, pipe fitters & steam fitters	797
Sheetmetal Workers	250
Electrical Workers	745

The Building and Construction Trades Department of the AFL-CIO sprang to its own defense on March 23, 1970. The Department, through its General Counsel, Louis Sherman, asserted that more than 8,000 minority group apprentices

accounted for a record 11 percent of all new apprentices
admitted to registered programs in 1969. ¹²⁷

As he indicated in an earlier New York Times article, AFL-CIO President George Meany took issue with Secretary Schultz' requirement that contractors promise him an exact number of nonwhite skilled tradesmen in federal building projects. Meany was sure that Schultz' plan would not work because according to Meany, there were not enough skilled tradesmen to go around and many federal building projects would suffer. Meany further maintained that the major problem was the failure to get sufficient white applicants into the trades. ¹²⁸

From its inception, the AFL-CIO and its affiliated trades unions have maintained the best and ultimately most fair way to achieve racial balance in the construction trades was to recruit black apprentices. In their own defense, the unions hold that the number of black apprentices had risen by 60 percent in the last two years. Secretary Schultz countered by summing up that the total

¹²⁷ Labor Relations Yearbook, p. 269.

¹²⁸ Damon Stetson, "Meany Doubtful on Hiring Quota Plan," New York Times, August 9, 1969, p. 17.

number of black apprentices is still relatively insignificant--5,000 out of 130,000 construction trades apprentices.

The AFL-CIO pushed its case with Congress and found a few supporters, a few liberals indebted to the big labor officials for past election help. Even then Comptroller General Staats sided with the labor movement. Eventually, the Senate relented by initiating a rider which garnished a supplemental appropriations bill. The rider guaranteed that no federal money would be spent on any project which Staats held to be illegal. The President called the passage of the rider "dirty pool" and thus inspired administration officials and Republican Congressional leaders to set out to reverse
129
the Senate decision.

To enforce the Philadelphia Plan against Congressional opposition, Nixon Administration aides first persuaded top civil rights leaders, notably Roy Wilkins of the NAACP, to endorse the Plan because of what a prominent black man, Assistant Secretary of Labor Fletcher, had said--"The civil rights groups have been supported by organized labor--in this instance the very unions that

we are trying to get to open up their ranks." The endorsement of the civil rights leaders won over a few Congressional votes. The rider to kill the Philadelphia Plan had been attached to a vast catch-all appropriations measure which had to pass to keep the government functioning. President Nixon threatened to veto the bill if the rider survived. This would mean that Congress would have to return to Washington after Christmas and the Congressional holidays would be shortened. Because of the threat of an abbreviated holiday, the House voted 208 to 156 to dump the rider. For the same reason, the Senate voted 39 to 29 to repeal the rider also.

Though bitter, the heirarchy of AFL-CIO decided against testing the ruling in court. Meany and his headquarters decided that they would leave the Plan to prove
130
itself or fail, as big labor had hoped.

Civil rights groups were increasing pressure through demonstrations and court actions to get minority group members admitted to building trades unions.

A coalition of black civil rights groups in Pittsburgh demonstrated and clashed with policemen in a

bid for jobs on \$200,000,000 worth of construction contracts on twenty different sites, situated, for the most part, on the South side, which is predominately black. Similar activity took place in Milwaukee, Boston, Cleveland and New York.¹³¹

If general business conditions permit expansion in the building trades, the number of workers from minorities will be increased within five years until the percentage in the industry will be proportionate to the 42 percent in the population.¹³²

As of June, 1970, the Philadelphia Plan was tied up in the courts as a result of a suit filed by the Contractors Association of Eastern Pennsylvania. This association of contractors was contending that minority group quota-hiring practices were illegal and breached sections of the 1967 Civil Rights Act and the Fifth Amendment.¹³³

¹³¹"Negro Groups Step Up Militancy in Drive to Win Building Unions," New York Times, August 28, 1969, p. 27.

¹³²Marvin J. Levine, The Untapped Human Resource (General Learning Corporation: Morristown, New Jersey, 1972), p. 103.

¹³³Ibid., p. 109.

Other such programs are not faring much better than the Philadelphia Plan, especially with the situation of tight money and cutbacks in government spending curtailing future federal construction plans. Inexperienced tradesmen, irrespective of race, are finding it difficult to compete for the few jobs which do exist. For example, in Chicago, in 1970, only seventy-five blacks were in construction training, with the promise of seventy-five additional blacks to start training immediately. Sometime in the future it is expected that joblessness among black youths will be over 40 percent.

¹³⁴Ibid., pp. 110-111.

Chapter 8

WELFARE

The Federal Government first intervened in the welfare structure as a direct result of the Great Depression. President Franklin D. Roosevelt felt that the Federal Government was responsible and accountable for the well-being of each and every member who made up the American society. Various programs were put into effect in order to buffer less capable citizens from the strain of day-to-day living during these critical times. This aid took the shape of provisions for housing, health, and educational benefits, and relief for the poor. ¹³⁵

During Lyndon B. Johnson's Great Society years, the antipoverty program was plagued with criticism from Republicans attempting to dismantle the Office of Economic Opportunity and transfer the subdivisions to old agencies,

¹³⁵Robert A. Diamond, ed., Future of Social Programs (Washington, D. C.: Congressional Quarterly, August, 1973), pp. 2-3.

to charges of excessive salaries in the OEO and on the administrative levels locally.

In 1966, the United States Congress began to take a closer look at all phases of the antipoverty program and make adjustments in it. These adjustments authorized and initiated programs and provided funds for them. The authorization survived.

While Republicans were never really successful in overturning the OEO, negative Congressional attitude was apparent toward the various antipoverty programs. OEO was required by Congress to provide a list of local anti-poverty officials who earned over \$10,000 annually, to insure that no community action agencies (CAA's) or Job Corps officials earning in excess of \$6,000 yearly could earn more than 20 percent of his previous salary, making certain that no new "supergrade" (GS-16 to GS-18) could be created by the OEO in the fiscal year, and temporarily limiting administrative expenses for the OEO to 10 percent of the total funds authorized under the Act.

136

The antipoverty programs were under fire from militant groups. Group leaders asserted that the program

was interested mostly in providing high, comfortable
salaries for local officials.¹³⁷

The final authorization bill, S2388-PL-90-222, provided a two-year authorization. A House, Education and Labor Committee amended revised community action programs. The new provision required that all local community action funds be controlled by public officials. This action appeased southerners and militant anti-poverty groups in northern cities.¹³⁸

In 1968 an extensive lobbying effort was calling national attention to the poor, in the "Poor People's Campaign" of Dr. Martin Luther King, Jr. This publicity idea was set into motion by Dr. King before his assassination and was carried out by his successor of the Southern Christian Leadership Conference, Rev. Ralph D. Abernathy. He erected "Resurrection City," a plywood and canvas shantytown on the grounds of the Washington Monument in Washington, D. C.

The actions of Dr. King and Rev. Abernathy were intended to push three main issues before the American

¹³⁷Ibid., p. 56

¹³⁸Ibid., p. 62.

public: (1) repeal of welfare restrictions added to the 1967 Social Security Act, as well as removal of the freeze on the number of Aid to Families with Dependent Children (AFDC) recipients and elimination of a new compulsory work program, (2) passage of an emergency employment bill (3) passage of the Administration Housing Bill.

139

In 1964 and 1965, Daniel P. Moynihan, one of President Nixon's special assistants, forecast at the Department of Labor that there would be a rapid increase in the number of female-headed families in the large urban centers of the North. Moynihan forwarded a report to the White House entitled "The Negro Family: The Case For National Action." In essence, this analysis revealed a 15-year parallel between AFDC and the unemployment of black males. Perplexingly, during the early 1960's unemployment went down but AFDC cases continued to rise.

140

Moynihan suggested a resulting "urban underclass" which would lead to a wholly unexpected range of social

¹³⁹Ibid., p. 72.

¹⁴⁰Daniel P. Moynihan, The Politics of a Guaranteed Income (New York: Random House, 1973), p. 328.

conflict." The Moynihan Report pointed up the situation of many female-headed households in ghetto sections of our large urban cities.¹⁴¹

Enter the National Welfare Rights Organization, based in Washington, D. C. as a "poverty rights" organization which started in 1967. Females heading households and the NWRO were in direct conjunction because the organization was comprised of black AFDC mothers, one fourth from New York and another two thirds from nine industrial states. Moynihan and others were apprehensive about an organization of AFDC mothers who were taking it upon themselves to speak on behalf of all the poor. The group certainly was not representative of the whole spectrum of poor people.¹⁴²

During the Johnson Administration, between 1965 and 1968 Congress relaxed welfare legislation. Retirement benefits were raised twice and the "medicaid" program was established. The very nature of public assistance programs was changed, including a mandatory work-training act for AFDC recipients and a freeze on the amount of

¹⁴¹Ibid., p. 329.

¹⁴²Ibid., p. 334.

federal aid for AFDC assistance when the father was
absent from the home.¹⁴³

The first major legislation originated by Johnson was the antipoverty bill, the EOA Act of 1964. The bill authorized various programs under the supervision of the Office of Economic Opportunity (OEO) in the Executive
¹⁴⁴Offices.

Dr. Andrew F. Brimmer, one of the highest-ranking blacks in the Federal Government, endorsed the President's welfare reform program as a major potential boost to the poor and blacks in particular.

Dr. Brimmer clashed with the NWRO, which charged that Nixon's welfare reform program was discriminatory because it provided lower benefits for the part of the
¹⁴⁵program with more black recipients.

Under all welfare programs, Old Age Assistance (OAA), Aid to the Needy Blind (AB), Aid to Families with Dependent Children (AFDC), Aid to the Permanently and

¹⁴³ Diamond, p. 41.

¹⁴⁴ Ibid., p. 46.

¹⁴⁵ Warren Weaver, Jr., "Welfare Project Backed By Negroes," New York Times, June 6, 1971, p. 3.

Totally Disabled (ATPD), and Medical Assistance to the Aged (MAA), the states had wide latitude in shaping policy.¹⁴⁶

In 1965 Congress wrote Title XIX to the Social Security Act which was aimed at substituting a single system for the fragmented services administering welfare.

Under Medicaid, federal aid was based on each state's income and cost of the Medicaid program for each state, a cost-sharing formula.

When the Medicaid program was a year old, the high costs of running it became apparent to administering officials. The rising costs of medical care and the flexibility of the law allowed the states to decide who was eligible. Often times, people under the program had greater incomes than the welfare levels.¹⁴⁷

The Department of Health, Education and Welfare's National Center for Social Statistics determined in 1971 that the average American welfare family was healthier, younger, and better educated than any preceeding them.

¹⁴⁶Diamond, p. 42.

¹⁴⁷Ibid., p. 44.

More families had unemployed fathers in the home and more lived in big cities, but fewer were black.

The report focused on the AFDC program which was providing help for 10.4 million people in October, 7.5 million of them children. A 1 percent sampling, representing 24,000 to 25,000 people was used. State welfare agencies were asked to provide information based on Federal sampling techniques.¹⁴⁸

Every Congressional leader agreed on the "welfare mess" regardless of his political persuasion. The welfare rolls were swelling and maintenance costs were continually rising. The Nixon Administration was preoccupied with welfare reform. The Administration never acted intensely upon the problems of welfare and in 1972 President Nixon talked in terms of "work ethic."¹⁴⁹

In 1972 Chief Justice Earl Warren defended the purpose of welfare. Said Warren, "the blacks--almost 20,000,000 of them--have carried a cross throughout our

¹⁴⁸ "Welfare Family Called Younger and Better Educated Than Ever," New York Times, February 22, 1971, p. 1.

¹⁴⁹ Diamond, p. 75.

history--not because of anything they could change, but because of well-known reasons not flattering to the rest of us. The condition of these citizens presents one of our greatest national problems."

"Recently resistance has developed to what is compendiously called 'welfare'. Because of disjointed statutes, faulty administration, and abuse by some, all of the categories of aid to the unfortunate are lumped under that term, and welfare has acquired a somewhat sinister meaning. But it is not, of course, an evil word. Indeed, the Preamble to the Constitution includes the general welfare as one of its objectives."

150

For the future, even though there is a considerable amount of dissention among government officials on how to approach the situation of help for the needy, some very real statistics make it necessary to have some programs in effect. "Nearly 13 percent of the United States population is poor. One third of all blacks; one fourth of all the elderly; one out of every six

¹⁵⁰Earl Warren, "Welfare is Not an Evil Word," New York Times, May 13, 1972, p. 3.

children; 35 percent of the poor live in central cities
 or metropolitan areas."¹⁵¹

In his federal budget for 1974, President Nixon proposed that the states bear more of the implementation costs of welfare programs. Also, in 1974, the President put forth some cost reduction. His plan was to save the Federal Government \$45.1 billion. The Department of Health, Education and Welfare was to have \$15.2 billion shaved from its normal budget. This kind of federal move would necessitate a reduction in some Health, Education and Welfare programs, such as changing Medicare payments and benefits and eliminating federal financing for low-priority Medicaid services for medically indigent adults, and improving the structure of public assistance

152

programs.

In 1974 the Nixon Administration abandoned its commitment to income maintenance aid for the poor as a substitute for the present welfare system. Health, Education and Welfare administrators worked on alternate plans of action. Casper W. Weinberger, Health, Education

¹⁵¹ Diamond, p. 6.

¹⁵² Ibid., p. 2.

and Welfare Secretary, said the administration was never really wedded to the income maintenance program, which provided cash in lieu of goods and services such as food and clothing for the poor.

Secretary Weinberger denied that the end of total commitment had anything to do with the President's problems surrounding the Watergate scandal or impeachment proceedings. Some political sources said the Nixon Administration would not submit the proposal for fear of alienating conservatives in Congress whom he might need in case there was voting on impeachment. President Nixon was too politically weak to push such a program.

153

Americans, and more specifically, that large bloc of Americans who constitute the lower-middle to upper-middle class of wage earners agreed with welfare "cuts". But their reasoning was based mostly on some time-worn "myths." In 1974 the Department of Health, Education and Welfare published a pamphlet to dispell many of these myths and distributed them to 100,000 people ranging from top government officials to militant welfare rights

¹⁵³Paul Delaney, "Nixon Drops Plan on Income Aid For Reform of Welfare System," New York Times, May 26, 1974, p. 1.

workers. Myths that most welfare children are illegitimate, and that the welfare rolls are full of able-bodied cheats, and that most welfare families are black have always been a part of our thinking. The pamphlet was entitled "Welfare Myths vs. Facts" and it used charts and statistics to supplant fact with fiction. Surveys revealed that almost half of the welfare mothers spent extra money for food. Twenty-eight percent spent additional money on clothing and shoes. As for the illegitimacy aspect, the publication showed that 68 percent of the more than 7,000,000 children of welfare families were born in wedlock. Fewer than 1 percent of welfare recipients are able-bodied, unemployed men, suspected frauds occur in less than four tenths of 1 percent of the nation's total welfare caseload, and the largest racial group among welfare families--

154

49 percent--is white.

Despite the expenditure of \$4,000,000,000 on food stamps so far this year, hunger in the United States still persists. Perplexingly, we have been unable to give each

154"U. S. Pamphlet Rebuts Welfare Myths,"
New York Times, November 22, 1974, p. 4.

of our eligible needy "an opportunity to obtain a nutritionally adequate diet." With the problem of inflation surrounding us, the situation is worsening. Food stamp applications are sharply up in many areas and hunger-related crimes are increasing. The first food stamp program took place ten years ago, but millions of Americans are hungry at least part of their lives.

A "ten-state nutrition survey" was conducted by the Department of Health, Education and Welfare, covering years only through 1970, and thus, by now, it is reversing. The survey found evidence, for example, of deficiency in vitamin A in more than 40 percent of children of the low-income black families studied, compared to 10 percent or less among children of white families. The survey also found that more than 8 percent of the low-income black families studied showed evidence of iron deficiency.

As an assumed result of malnutrition, it found that children from low-income families tended to show retarded development, including smaller head sizes. Other studies have shown that young children suffering from malnutrition are penalized throughout their lives by retarded brain development.

Thus, specialists say, poverty and the blighting
effects of poverty are passed on from one generation to
the next.

155

¹⁵⁵William Robbins, "Hunger in America Has Many Faces,"
Leaf-Chronicle /Clarksville, Tennessee/, October 30, 1974,
p. 21.

BIBLIOGRAPHY

- "A New Pressure on Housing Bias," Business Week, (June 19, 1971), 218.
- "Aiding Negro Businessmen," Business Week, (April 18, 1964), 141.
- "America's Rising Black Middle Class," Time, CIII, (June 17, 1974), 19-28.
- "And Organized Labor Gets Involved, Too," Senior Scholastic, SCI, (November 2, 1967), 10.
- "Better Off Base," The Economist, CCCIV, (September 30, 1967), 1196.
- "Birth Pangs of Black Capitalism," Time, XCII, (October 18, 1968), 98-99.
- "Black Capitalism: The Rise of Entrepreneurs," Time, CI, (June 25, 1973), 47.
- Boone, L. E , and J. A. Bonno. "Food Buying Habits of the Urban Poor," Journal of Retailing, XLVII, (Fall, 1971), 78-84.
- Brimmer, Andrew F. "The Trouble With Black Capitalism," Nation's Business, LVII, (May, 1969), 78-79.
- "Civil Rights: Hopes of the Sixties and Problems of the Seventies," U. S. News and World Report, LXXI, (August 23, 1971), 25.
- Cox, K. K., and others. "Negro Retail Shopping and Credit Behavior," Journal of Retailing, LXVII, (Spring, 1972), 54-66.
- Deuterman, Walter. "Educational Attainment of Workers," Monthly Labor Review, XCIII, (October, 1970), 9.

"Employment of Negroes in the Federal Government,"
Monthly Labor Review, XXCIII, (October, 1965),
1222-1225.

Frankel, C. L. "Uphill Road to Capitalism," Nation's Business, LVIII, (December, 1970), 60-62.

Hansen, Harry, ed. The World Almanac and Book of Facts,
New York World-Telegram, (1971), 255-256.

"Helping Negro Business Prosper," Nation's Business, LVI,
(August, 1968), 52-54.

"Housing Gets A New Message," Business Week, (June 22,
1968), 30-31.

"Housing Open and Shut," The Economist, CCIV, (July 1,
1967), 33.

"Jim Crow in Building Unions," Life, LX, (February 18,
1966), 4.

Labor Relations Yearbook, 1969-1970, Bureau of National
Affairs, Inc., 269, 613.

McKersie, Robert B. "Vitalize Black Enterprise,"
Harvard Business Review, XLVI, (September-October,
1968), 89.

"Magnificent Tokenism: Labor Department Requests Federal
Action in the AFL-CIO Building Trades Council,"
Time, LXXXVII, (January 28, 1966), 19-20.

"Narrow Victory for Blacks: Philadelphia Plan," Time,
XCV, (January 5, 1970), 49-50.

"Negro Integrates His Market," Business Week, (May 18,
1968), 90-92.

"Negro Rights: Mr. Nixon vs. Labor: Congress Repeals
Rider to Philadelphia Plan," Newsweek, LXXV,
(January 5, 1970), 49-50.

"Negroes Get A Hand," Business Week, (June 27, 1964), 38.

- "Official Progress Report on Blacks in Unions," U. S. News and World Report, LXXIV, (January 22, 1973), 76-78.
- "Olin Corporation Sows Ghetto Seed Money," Nation's Business, LVII, (December, 1969), 39.
- "Ordeal of the Black Businessman," Newsweek, LXXI, (March 4, 1968), 72-74.
- "Population," The Negro Almanac, New York: The Bellwether Company, 1971, 247, 462.
- "Racial Note Warning Sparks Law Dispute," Editor and Publisher, CI, (May 11, 1968), 20.
- Sexton, D. E., Jr. "Comparing the Cost of Food to Blacks and to Whites--A Survey," Journal of Marketing, XXXV, (July, 1971), 40-46.
- Schwab, Paul M. "Unemployment By Region and in the Ten Largest States," Monthly Labor Review, XCIII, (January, 1970), 2-11.
- Snyder, G. H. "Black is Beautiful Market Bringing New Dollars to Supers," Progressive Grocer, LI, (April, 1972), 142-145.
- "The Long Fight In Milwaukee," Business Week, (October 14, 1967), 64-67.
- Wall, Kevin A. "New Market Among Blacks, the Haves Are Now Overtaking the Have Nots," Advertising Age, XLVI (February 11, 1974), 34-36.
- "Where Unions Win New Recruits," Business Week, (November 2, 1968), 120-122.
- "Why the Negro Market Counts," Business Week, (September 2, 1967), 64-70.
- Wilson, Robert S., ed. Bulletin of the Public Affairs Information Service, L, New York: Fiftieth Annual Cumulation, 1964, 48.

Ziedman, Phillip F. "The Negro Businessman," Vital Speeches, XXXIV, (January 15, 1968), 209-214.

143

MONOGRAPHS

Aaker, David A., and George S. Day, eds. Search for the Consumer Interest. Consumerism: Free Press, 1971. New York: The

Congress and the Nation, II. Washington, D. C.: Congressional Quarterly Service, Inc., 1968.

Diamond, Robert A., ed. Future of Social Programs. Washington, D. C.: Congressional Quarterly Service, August, 1973.

Ferman, Louis A., Joyce L. Kornbluh, and J. A. Miller, eds. Negroes and Jobs. Ann Arbor: The University of Michigan Press, 1965.

Gibson, D. Parke. The \$30 Billion Negro. London: The Macmillan Company, 1969.

Ginzberg, Eli, ed. The Negro Challenge to the Business Community. New York: McGraw-Hill, 1964.

Govoni, Norman A. P., and George Joyce, eds. The Black Consumer. New York: Random House, 1971.

Harris, Hubert. American Labor. Boston: Yale University Press, 1965.

Hill, Herbert, and Ross, Arthur, eds. Employment, Race, and Poverty. New York: Harcourt, Brace and World, 1967.

Holloway, Robert J. Environment of Marketing Behavior. New York: John Wiley and Sons, 1964.

Levine, Marvin J. The Untapped Human Resource. Morristown, New Jersey: General Learning Corporation, 1972.

- McNeal, James U., ed. Dimensions in Consumer Behavior. 2d ed. New York: Appleton-Century-Crofts, 1969.
- Meier, August, and Elliott M. Rudwick. From Plantation to Ghetto. New York: Hill and Wang, 1966.
- Miller, Herman P. Rich Man, Poor Man. New York: Thomas Y. Crowell Company, 1964.
- Moynihan, Daniel P. The Politics of A Guaranteed Income. New York: Random House, 1973.
- Nash, Gerald D., ed. Issues in American Economic History. 2d ed. Lexington, Massachusetts: D. C. Heath and Company, 1972.
- Odiorne, George S. Green Power: The Corporation and the Urban Crisis. New York: Pitman Publishing Corporation, 1969.
- Palm, Thomas, and Harold G. Vatter. The Economics of Black America. New York: Harcourt, Brace, Jovanovich, Inc., 1972.
- Ploski, Harry A., and Ernest Kaiser, eds. Negro Almanac. 2d ed. New York: The Bellwether Company, 1971.
- Report of the National Advisory Committee on Civil Disorders, March, 1968.
- Thurow, Lester C. Poverty and Discrimination. Washington, D. C.: The Brookings Institution, 1969.
- Venable, Abraham S. Building Black Business. New York: Earl G. Graves Publishing Company, 1972.

NEWSPAPERS

- "Commission Complaints," New York Times, January 18, 1965, 8.
- Delaney, Paul, "Nixon Drops Plan on Income Aid for Reform of Welfare Systems," New York Times, May 26, 1974, 1.

"Dirksen Asks Delay on Negro Job Plan," New York Times,
July 9, 1969, 6.

"Employment for All," New York Times, April 27, 1964, 2-7.

"Foundation Gifts," New York Times, April 22, 1964, 5.

"Housing Segregation More Pronounced in Southern Areas,"
Leaf-Chronicle /Clarksville, Tennessee/,
October 27, 1974, 13.

"Less Than Good News," New York Times, November 9, 1964,
12.

"Meany Declares," New York Times, April 17, 1964, 5.

"Negro Groups Step Up Militancy in Drive to Join Building
Unions," New York Times, August 28, 1969, 27.

Newman, Barry, "Growth of Black Incomes," Wall Street
Journal, July 24, 1974, 17.

"Plans for Progress," New York Times, February 13, 1964, 4.

Robbins, William, "Hunger in America Has Many Faces,"
Leaf-Chronicle /Clarksville, Tennessee/, October 30,
1974, 31.

"Schultz Defends New Plan to Get Jobs for Negroes,"
New York Times, July 6, 1969, 37.

"Southern First," New York Times, February 10, 1965, 7.

Stetson, Damon, "Meany Doubtful on Hiring Quota Plan,"
New York Times, August 9, 1969, 17.

"U. S. Pamphlet Rebuts Welfare Myths," New York Times,
November 22, 1974, 4.

"U. S. Plans Formula to Get Contractors to Hire
Minorities," New York Times, June 28, 1969, 61.

Warren, Earl, "Welfare Is Not An Evil Word," New York
Times, May 13, 1972, 3.

Weaver, Warren, Jr., "Welfare Project Backed By Negroes,"
New York Times, June 6, 1971, 3.

"Welfare Families Called Younger and Better Educated Than
Ever," New York Times, February 22, 1971, 1.