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State of Black Omaha, 1988: Employment and Economic Development

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State of Black Omaha, 1988: Employment and Economic Development

Income, employment and growth are vital to the economic development of any community, and Omaha's Black community is no exception. Without jobs – particularly quality ones – and without the creation of wealth, a community cannot progress. Residents will eventually leave the area or experience a lessening of quality of life.

Information on employment, unemployment, and labor force status provides an overview of a community's economic development. It is also important to know the types of occupations and industries within which workers are employed, and to determine how well these patterns fit predicted overall occupational and industrial trends.

This report updates a portion of a broader study, *State of Black Omaha, 1984*, completed by the University of Nebraska at Omaha Center for Applied Urban Research in 1984 for the Urban League of Nebraska. The focus of this update is on employment and economic development. Data are presented for Blacks and Whites, men and women.

Douglas County is used as the unit of analysis, although most Black persons in Douglas County live in Omaha. The decision to use the entire county was based primarily on the stability of county boundaries compared to city boundaries, which are likely to change due to annexation. County data are also more readily available, making future updates easier without jeopardizing quality. Comparison analysis showed no significant differences in conclusions based upon Omaha and Douglas County data.

A large portion of the information used in this report was derived from 1980 U.S. Census Data, the most detailed and reliable source of local area data currently available for the topics addressed here. When the 1990 Census information becomes available, the data should be re-evaluated to detect any major shifts which may have occurred over the past decade. Because employment and labor force trends are traditionally slow to change, the patterns represented by the 1980 information should generally be applicable to 1989.

Other data sources used in this report include the Nebraska and United States departments of labor. These agencies provide updated employment and labor force information, although it is based on the 1980 U.S. Census data.

The major topics covered in the employment section of this report are labor force participation, unemployment, full-time and part-time employment, number of weeks worked throughout the year, educational characteristics of the labor force, employment by occupation, and employment by industry. The economic development section examines employment by type of employer and provides an analysis of Black-owned firms in Douglas County and Nebraska. A glossary of terms is also included.

Several themes appear in this report. One is the need for education and preparedness for the economic future of Blacks; another is the need to develop better job opportunities in growing occupations and industries; and the third is a need to develop greater entrepreneurship among Black persons.

Labor Force Participation

Labor force participation rates are used to measure the population's labor force status and its potential for employment. The labor force includes persons who are employed, temporarily laid off from employment, and those who have worked in the past but are now unemployed. Labor force participation rates are the percentage of the population over age 16 who are in the labor force. Participation rates can be used to gauge difficulties in gaining employment. For example, if persons in the prime working years of 25-54 show declining labor force participation rates, this shows that it is becoming more difficult for them to find employment. Follow-up investigation may reveal reasons for a population segment's low or declining labor force participation rate – it may be because of a decreased number of suitable jobs, or discrimination— and may lead to improvements.

Two thirds of all Douglas County residents over age 16 were in the labor force in 1980 (see table 1). Overall, Whites participate in the labor force at a higher level than Blacks, and men at a much higher level than women. While Black men are in the labor force at a lower rate than White men, the rates for Black women and White women over 25 years are not much different (see figure 1).

In 1980, young persons (ages 16-19) comprised the lowest percentage of the labor force for persons under age 60 . This is as might be expected, because many of these persons are in school. After this age group, though, rates rise sharply, peak at age 35-44, and decline through retirement age for the total labor force. For young Blacks (ages 16-19), only about one third are a part of the labor force. The percentage peaks at age 30-35 but continues to lag behind Whites.

One reason for the low participation in the labor force by young Black persons (16-19 years) may be the shortage of suitable jobs within reasonable proximity of their homes, since many young persons do not have automobiles. Even though public transportation may be available, it may be too time-consuming and inconvenient to be successfully utilized.

The continued migration of population and accompanying businesses to outlying areas of Omaha has undoubtedly depleted the number of jobs suitable for high school-age youth in central/north Omaha.

Black men are in the labor force at a consistently higher rate than Black women, but at a lower rate than White men.

Among women, Blacks are in the labor force at a lower percentage than Whites up to age 30. From ages 30 to 44 their participation rate is slightly higher than White women; after 44 they have a slightly lower rate than White women. However, of women over 65 who are still in the labor force, Blacks have a higher participation rate than Whites.

Labor force projections shown in table 2 for the Job Training Partnership Act's Omaha Service Delivery Area (Douglas, Sarpy, and Washington counties) indicate that participation rates are slightly higher in 1988 than in 1980 up to age 45, then they decline to retirement. Persons age 55 and over now have a lower participation rate than in 1980, reflecting a trend toward earlier retirement.

Labor Force Entry

In general, Blacks start participating in the labor force at a later age than do Whites. This finding is a cause for concern, because it may mean that by the time Blacks enter the labor force they are left with less time for career advancement. Also, many Black workers are likely to have been discouraged by previous employment experiences.

What will the labor force participation pattern be in the future? The U.S. Department of Labor Bureau of Labor Statistics (1986) projects that by 1995 Blacks will account for a rising share of the U.S. population (20 percent of total) due to increased birth rates, but they will comprise a smaller share of the labor force (12 percent). On the other hand, Black additions to the labor force will be 20 percent of all new additions; more Black persons will be entering the labor force. As will be discussed later, they will need more education and training to prepare them for a proportionate share of entry-level jobs.

Young Blacks (age 16-19) will be entering the labor force in a proportionately higher degree than Whites, because Blacks currently have a lower median age than Whites. This increase is in contrast to the young labor force in general, which will begin to decline in absolute numbers as people in the baby boom generation move through this age group.

By 1995, and continuing a trend set in the '60s and early '70s, Black women are expected to participate in the labor force at a higher rate than White women aged 30-64, but at a lower rate than those aged 25-29. In general, the prime age (25-54) female labor force will continue its 15-year pattern as the fastest growing group in the labor force, and women are expected to account for more than one third of the labor force in 1995. The activity rates for men are less optimistic and are expected to continue to decline, with rates for Black men to decline even more rapidly.

The older labor force (55 and over) is expected to continue its decline, which began in the '80s and followed growth in the '70s.

The projections clearly show that young Blacks and prime working age Black women will have the most growth in the labor force. Therefore Black men will need to be better prepared to maintain their current status as well as to compete in the future job market.

Although the preceding projections are at the national level, one can roughly apply them to the labor force in Douglas County.

Labor Force Status of Women by Presence and Age of Own Children and by Marital Status

Because women are now a substantial part of the labor force and will become even more so in the future, it is important to understand how their domestic arrangements are related to their labor force participation. This section examines how the labor force participation rates of Douglas County women are associated with their marital status, the presence of husbands, and the presence and ages of children. The importance of providing opportunities for women entering the labor force will mandate future policies regarding suitable family and work arrangements.

In Douglas County, proportionately more Black women than White women are separated, single, divorced, and widowed, and of these, more have schoolage children than Whites do (table 3). These "single heads of families" have many barriers to prevent them from participating in the labor force, such as child care arrangements. A larger share of White women in Douglas County (55 percent) than Black women (31 percent) are married with husbands present, and they have proportionately more children under the age of 18.

Table 4 explains the participation of Douglas County women in the labor force. It shows that married Black women with husbands present and with children under 18 participate in the labor force to a greater degree than White women or all women of the same status. This is especially true for those women with preschool-age children. The rates become less disparate between Black and White women with children of school age. An unusual finding is that married women with husbands present but without school-age children are almost equally divided between those in the labor force and those not in the labor force, with very little difference between Black and White women.

The percentage of separated, single, divorced and widowed ("other marital status") Black women in the labor force is lower than the percentage in the labor force who are married with husbands present, regardless of presence of children or their ages (table 4). Meanwhile, White women of "other marital status" participate to a greater degree in the labor force than their married counterparts. Black women with school age children participate at about the same rate regardless of marital status. Black women of "other marital status" and without their own children participate less in the labor force than do White women or total women.

These findings emphasize the large percentage of Black women who are of "other marital status" and heading households. An unexpected finding is that these women participate at lower rates in the labor force, particularly those with children under five years of age or with no children under 18.

In order to raise the participation rate of this segment of the potential labor force, policy issues such as child care, education and training, time away from work, and benefits will need to be addressed.

Unemployment

Unemployment information is important because it presents a picture of the proportion of a community's labor force which is available for work but not working. While such persons are a resource for the community, they are underutilized and their unemployment affects other members of the community. Unemployment can lead to reduced individual and family income levels and is related to a number of individual and family stress indicators. Long-term unemployment can lead to discouragement and withdrawal from the labor force.

This section focuses on the unemployment experiences of Douglas County residents. Most of the data are from 1980, although some information is more recent.

Unemployment Rates

Unemployment is usually expressed in the form of an unemployment rate (a ratio of the number of unemployed persons to the total labor force). Unemployment rates in Douglas County in 1980 (see table 5) show an overall figure of 4.8 percent. The unemployment rate for Whites (4.2 percent) was lower than the total, while the rate for Blacks was 10.6 percent. The rate for women was lower than the overall rate and the rate for men. Black women, however, have rates more than double those of White women and total women. Rates for Black men are the highest, at 13.2 percent (versus 5.4 percent for the total male population).

Unemployment rates in 1986, collected by survey of unemployment insurance and based on 1980 rates, were higher than the 1980 figures, although the gap between rates for Blacks and Whites remained proportionately the same. Although data by race and sex are not available, the overall unemployment rate for Douglas County in April (the same month the Census is taken) of 1988 was 3.9 percent. While unemployment rates have dropped in Douglas County over the past two years, it is unlikely that ratios of Black to White unemployment have changed considerably in 1988.

Table 6 shows the unemployment rates in 1980 by age group. Note that young Black men (ages 16-19) have the highest unemployment of all groups (see figure 2). Unemployment among Black men stays high, over 10 percent, through age 44 and does not fall substantially until age 60-64, when it reaches 5.4 percent. In sharp contrast, White male unemployment rates start at 10.5 percent at ages 16-19, but drop sharply to 3.3 percent at ages 25-29 and stay below the four percent level through the 65+ age category. The greatest relative differences between Black and White unemployment rates generally occur for persons in their 20s and early 30s.

Generally, Black women have consistently lower unemployment rates than Black men, except in the 20-24 and 55-65 age ranges.

Table 7 compares unemployment and labor force participation rates between Black women and Black men.

It is unclear why unemployment rates for Blacks are so much higher than those for Whites, but likely reasons include discrimination in hiring, lack of appropriate education and training, and discouragement in looking for work.

Length of Unemployment

Information on length of unemployment allows us to better understand the types of unemployment faced and possible implications for the current and future labor force.

Black workers in Douglas County not only have higher unemployment rates than White workers, but table 8 shows they are unemployed for longer periods of time, with a higher percentage having been unemployed for two years or longer before the 1980 survey was taken.

The length of unemployment during 1979 is divided into three categories: 1-4 weeks, 5-14 weeks, and 15 or more weeks. Almost 40 percent of unemployed Blacks were unemployed for 15 or more weeks, compared to 25.7 percent for Whites and 27.7 percent for the total unemployed population. Black men and women showed longer unemployment when compared to White men and women, with Black males having longer unemployment in general.

A larger percentage of women were unemployed for 1-4 weeks than men, but Black women's unemployment was almost evenly distributed among long and short unemployment periods. Reasons for shorter unemployment periods among women are unclear, but the higher percentage of women working for temporary agencies may have some bearing on this.

Lengthy unemployment periods could have several causes, including being employed in companies with long periods of layoffs, discouragement in looking for work, and discrimination by employers.

Full-Time and Part-Time Employment

Over three-fourths of workers in Douglas County were full-time employees (working 35 or more hours per week) in 1980. More men than women worked full time, and more women than men worked part time (1-34 hours/week). Two thirds of women who worked were full-time workers (table 9).

Blacks and Whites worked full time at almost equal levels. However, more Black women than White women worked full time. Black men and White men worked full time at approximately the same rate.

Almost one fourth of all workers (22 percent) worked part time, with Black and White workers being almost equal. Among women, fewer Blacks (26 percent) than Whites (34 percent) worked part time.

Of full-time workers, substantially more Whites (73 percent) than Blacks (59 percent) worked the entire year. The next most common length of time to work was 40-47 weeks of the year, for both Blacks and Whites. In contrast, only one third of part-time workers worked the entire year. But more Blacks than Whites did. One third of Black part-time workers worked only 1-13 weeks in the year 1979.

According to projections, the part-time worker will have an even greater role in the workplace of the future. With three-fifths of all women expected to be working in 2000, and with women being employed more heavily in part-time work, appropriate policies covering child care and time away from work may have to be re-examined in order to fully utilize this growing segment of the workforce.

Number of Weeks Worked Throughout the Year

This section looks at the total number of weeks worked in a year to determine how work is apportioned to full-time and part-time workers, men and women, and Blacks and Whites. This will help to show the contribution to the total work output by various groups. In

general, full-time workers work more weeks out of the year than do part-time workers. This may mean that part-time workers change jobs more often, are more often seasonal workers, or work irregularly; and because more women are part-time workers they may be devoting themselves to raising families and working only when financially necessary.

Of the 9.3 million aggregate weeks worked in Douglas County in 1979, men contributed approximately 5.2 million (57 percent) and women 4.1 million (43 percent). The vast majority (82 percent) of this work was performed by full-time workers (7.6 million weeks) (table 10).

Of the total amount of work accomplished by full-time workers, a greater share was completed by men than women, Whites than Blacks, and Black women than White women. Of total weeks worked by Blacks, 83.3 percent were by full-time workers; of total weeks worked by Whites, 81.9 percent were full time. Of total weeks worked by men, 89 percent were by full-time workers and 11 percent by part-time workers. Of those worked by women, 73 percent were by full-time workers and 27 percent by part-time workers.

Educational Characteristics of the Labor Force

Education is an important part of any assessment of employment and economic development because the types of employment found in a community depend a great deal upon the skill and education levels of persons looking for work. Likewise, the educational background of prospective workers is an important determinant of the types of jobs and occupations those individuals are placed in. Education is also strongly related to the income level of individuals and families. This section looks at analysis of education levels by race, sex and age to provide information about the current and future labor force and its potential.

Of persons 25 years and older in 1980, Black persons comprised a higher percentage of those completing 0-8 years of education (table 11). They also were a lower proportion of high school graduates (58 percent, versus 79 percent for Whites). Black persons also comprised a lower percentage of college attendees and completed four years of college at a much lower rate.

There is a dramatic drop in the percentage of college attendees after the first and second years. One explanation for this is that the college category includes two-year colleges, and technical and professional schools. It is at the completion of four years of college where the gap widens between Whites and Blacks. White students complete college more often than Blacks, at a rate of almost three to one. Advanced degree training is completed by twice as many Whites as Blacks.

The data show that educational levels of Blacks continue to be lower than those of Whites. Although programs of integration and other minority concerns have been in effect for some time, perhaps new attention needs to be paid to the special cultural and scholastic needs of Blacks and ways to keep them in school. The importance of education and skills training in employment continues to grow.

Table 12 shows the education levels of Douglas County residents (highest grade completed) by age group and demonstrates the higher educational levels for younger persons. One-third of all persons 65 years old and older, and 53.4 percent of Blacks in this age group have completed 0-8 years of school. In this age group, half as many Blacks as Whites graduated from high school and only eight percent of Blacks attended college.

Persons 45 to 64 years old in 1980 had a much lower rate of 0-8 years of education. Sixty percent attended high school but not college, Whites and Blacks almost equally. However, Blacks this age had a greater high school drop-out rate (15 percent) than Whites. The number of persons having attended college grows, but the number of Blacks having graduated from college remains the same as for the older age group.

The 25-44 age group shows a dramatic drop in 0-8 years of education, especially for Blacks. Black students have attended high school as their highest grade at a higher rate than White students, and the rates of Blacks and Whites having graduated high school but obtaining no further education are almost the same. However, at the college level improvement is not as dramatic. While almost one-third of Blacks attended college (half the White rate), only 11.7 percent of those attending graduate, compared to 29.4 percent of Whites.

The trend, although showing improvement in the younger age groups, still indicates that Black persons are not completing higher education at the same rate as White persons. Less than 10 percent of Blacks 25 years and older graduate from college, whereas 20 percent of Whites do. This lack of higher education may be hampering Blacks' entry into professional jobs.

Education Required for Employment

Projections for the future indicate that required skill levels for most jobs will be higher than in the past. For example, when jobs are ranked according to the math, language and reasoning skills they require, only 27 percent of all new jobs fall into the lowest two skill categories, while 40 percent of current jobs require these limited skills. Forty-one percent of new jobs are in the three highest skill categories, while 24 percent of current jobs are. Even new jobs in services industries will demand much higher skill levels than those of today. Very few new jobs are predicted to be created for those who cannot read, follow directions, or use mathematics. This will lead to more joblessness among the least skilled and less among the most educationally advantaged.

Employment by Occupation

The common view is that Black workers are concentrated in lower paying and less professional jobs than are White workers. Information from the 1980 Census data and projections for the 1990s support this perception.

In 1980, Blacks were under-represented compared to Whites in managerial and professional as well as technical, sales, and administrative occupations, and were slightly under-represented in precision production, craft, and repair occupations (table 13). Black workers tend to be over-represented compared to Whites in service occupations and as operators, fabricators, and laborers (see figure 3).

Black women are over-represented, compared to White women, in services; in precision production, craft and repair; and as operators, fabricators, and laborers. In specific services, they have a higher employment level in food service, health service, cleaning and building services occupations (except household), and personal service occupations.

Black persons are also more heavily employed as machine operators and tenders; fabricators and assemblers; material moving equipment operators; stock and material handlers; and motor vehicle operators; and in miscellaneous manual occupations.

Table 14 displays those occupations that have over-representation by Blacks, with a ratio of Black to White employment of 1.5 or greater (found by dividing the percentage of White employment by the percentage of Black employment). Only occupations that have at least one percent of total Douglas County employment are included on the table. To clarify the ratio:

1. If the percentage of Black employment is equal to the percentage of White employment (relative to population), then the ratio is 1.0.
2. If the percentage of Black employment is greater than the percentage of White employment, the ratio is greater than 1.0.
3. If the percentage of Black employment is less than the percentage of White employment, the ratio is less than 1.0.

The only professional specialty occupation category with a ratio greater than 1.5 is social, recreation, and religious workers. The only technical, sales and administrative support occupation is mail and message distributing for Black women. Service occupations including private household, protective, health, cleaning, and personal are highly over-represented for Blacks. Blacks are also over-represented in production, machine operation, assembly, motor vehicle operation, and miscellaneous manual occupations.

At the other end of the scale, table 15 shows the occupations in which the ratio of Black workers to White workers is 0.75 or less. Managerial, professional specialties, and technical, sales and administrative support occupations, as previously described, are under-represented by Blacks.

In general, Douglas County women are employed less than men in managerial and professional specialties; in precision production, craft and repair; and as operators, fabricators, and laborers. They work in higher percentages than men in professional specialties, particularly health assessment and treating; as teachers, librarians, and writers; and as artists, entertainers and athletes. They are also employed more heavily as health technologists, nurses, sales workers, cashiers, and secretaries, and in most administrative support categories. Service occupations, especially food, health, and personal service occupations, attract more women than men.

Changes in Occupational Structure

The main causes of occupational structure changes within industries are changes in technology, business practices and operational methods, and product demands.

In a U.S. Department of Labor projection over the 1984-95 period, the three major occupational groups requiring a college education or specialized post-secondary technical training are expected to increase faster than the average for all occupations. Executive, administrative and managerial positions are expected to increase 22 percent compared to the 15 percent rate of increase for total employment. Technical and related support positions— especially in computer-related occupations, engineering, and health specialties — are projected to increase 29 percent, which is faster than the average but slower than in the past. Professional positions are expected to increase 22 percent.

Other occupations that are expected to grow more rapidly than the average are sales, at 20 percent, and service, at 21 percent.

The occupational areas which are expected to grow the most are the ones that will require the most education and training. Service positions, as mentioned earlier, will also require more training than in the past. It is expected that the major growth in service occupations will be growth in increased productivity per worker in health care, education, retailing, and government. This will likely be accomplished through technological changes and changes in skill levels of employees. Another major impact of growth in service industries will be the unequal distribution of wages, because service jobs have more high and low earners and fewer middle-wage earners.

When interpreting data on occupational demand it is important to remember the availability or supply of workers trained or educated to enter an occupation. Even with job openings expanding rapidly from growth or replacement needs, job seekers may have a difficult time finding work because the supply of workers in a particular area may be expanding at an even faster pace, or because they are under-trained for available positions.

While young Whites may find their job prospects improving, Black men will find the job market particularly difficult by 1995. Black women will hold a rising fraction of all jobs, but the increase will be less than needed to keep pace with their growing share of the labor force.

Employment by Industry

When analyzing employment data it is important to know the types of industries in which employment is distributed, because the industries generate the jobs. The major industrial employers— service, retail trade, and manufacturing — employ 64 percent of total workers and 67 percent of Black workers (table 16). Other industries with at least 10 percent of employment are transportation, communication and other public utilities; and finance, insurance and real estate.

Of the three industries that employ the most people, the service industry employs Blacks at almost the same rate as Whites, but Black women are employed at over twice the rate of Black men. Retail trade employs a smaller percentage of Blacks than Whites, especially for women; Black women are employed at only half the rate of White women. Manufacturing industries employ a higher percentage of Blacks than Whites, with one fourth of all employed Black males working in this industry (see figure 4).

Blacks are employed to a slightly lesser degree than Whites in transportation and finance, insurance and real estate.

A more detailed look at industrial employment uses ratios of Black to White employment to show whether Blacks are under- or over-represented, compared to Whites and total employment. Table 17 displays the major categories and subsets of industries that have ratios of 1.5 or greater, Black to White. Especially over-represented areas of employment are food and kindred products for both men and women; and manufacturing of durable goods, especially for women. In the transportation, communications, and other public utilities category, utilities and sanitary services are over-represented by Blacks.

Blacks, especially women, are well represented in government employment, and this is likely due to the emphasis on affirmative action programs by the government. However, because government policy is heavily guided by politics, the long-term commitment to affirmative action should not be relied upon to provide opportunities for Blacks in government employment.

At the opposite end of the industrial employment scale, table 18 shows the industries in which a ratio of Black to White employment of 0.75 or less exists. Analysis of industrial employment points out that Black workers are not employed in industries that usually hire highly educated and skilled employees. Blacks are the most poorly represented in categories of legal, engineering, and other professional services; and automotive dealers and gasoline stations. Black women are poorly represented in business services.

Economic Development

As indicated earlier, economic development involves the creation of both jobs and wealth. A major route to the creation of wealth in the minority community is the development of minority-owned businesses. This section profiles patterns of employment by type of establishment and also provides information on trends in minority-owned businesses in the Omaha area.

In 1980, the vast majority of Douglas County employment was in the private sector (table 19). Most persons worked for private companies (77.5 percent) with few working in their own businesses (6.7 percent). An even smaller percentage of Blacks worked in their own businesses (3.1 percent). Blacks worked as employees of their own corporations at a lower rate (0.4 percent) than Whites (2.5 percent), and were self-employed at a lower rate (2.7 percent) than Whites (4.2 percent). Black women worked for their own corporations at the lowest rate (0.1 percent) of all groups.

Government employment is an area of much higher participation for Blacks (23.9 percent) than Whites (14.5 percent). As previously mentioned, this is likely due to affirmative action programs.

Small business entrepreneurship is important to the economic development of the Black community because it provides an opportunity to benefit not only the business owner, but the community as a whole. Although few new jobs are created by the smallest of businesses, these operations tend to keep revenues in the community and they consume goods and services from other small businesses. Also, minority-owned firms are most likely to hire minorities. According to the U.S. Census Bureau, only 0.3 percent of businesses owned by Blacks do not hire minorities (American Demographics 1988).

Therefore, even though the number and size of Black-owned establishments is small (national figures show Blacks having 12 percent of the population but accounting for only 0.16 percent of all business revenues [American Demographics]), it is important to evaluate them in more detail to identify trends of growth and decline. The following section uses data from the "U.S. Census Bureau's Survey of Minority Owned Businesses, 1977 and 1982." This survey provides the most recent and detailed information available on businesses owned by Blacks in Douglas County, Nebraska, and the United States. The next update of this survey is scheduled for mid 1989.

As shown in Table 20, the total number of Black-owned firms increased in Douglas County (38.6 percent), Nebraska (33.9 percent), and the United States (46.7 percent) from 1977 to 1982. The two largest sectors— services and retail trade — comprise three fourths of all Black-owned firms and show increases. Smaller sectors showing growth include construction; wholesale trade; finance, insurance, and real estate; and unclassified firms. Black-owned manufacturing firms, although in very small numbers, increased in Douglas County and Nebraska while declining nationally. Conversely, Black-owned transportation companies and public utilities declined locally while increasing slightly at the national level. It should be noted that in an industry with a small number of firms, a large percentage change is not as meaningful as in an industry with a large number of firms.

It is important to know the percentage a particular industry represents of total industries in order to gauge its relative importance. Table 21 shows that services represent the largest share of industries, although the share decreased slightly from 1977 to 1982. Retail trade in 1982 composes almost one-fourth of all Black-owned firms and shows higher increases locally than nationally or statewide. Finance, insurance, and real estate increased its share of firms dramatically, although still retaining under six percent of the total. Construction and transportation had declining shares of total industrial firms.

Gross receipts for all Black-owned firms grew by a wide margin in Douglas County during the reported period. Growth, however, was concentrated only in retail trade and finance, insurance, and real estate. All other sectors of county and statewide industries lost ground, with construction being the big loser (see appendix table 13). All dollar amounts in this report have been adjusted for inflation by benchmarking them to 1967 prices to allow for accurate comparisons.

The U.S. Department of Labor has established that about 90 percent of all Black-owned firms nationwide are sole proprietorships, and these firms have few employees or are owner operated. Therefore they have little impact upon the community in terms of job creation. The data show that the number of Black-owned firms with paid employees increased at a much slower pace (15.1 percent) from 1977-82 than did total firms (38.6 percent) (table 22). The total number of these firms was less than 15 percent of all Black-owned firms. Almost three-fourths of those firms with paid employees were in the retail trade or service sector, the only sectors that came close to keeping pace with growth in total firms. Following the national trends, the number of firms with paid employees increased in services; retail trade; and finance, insurance and real estate. It declined in manufacturing and construction. Distribution of firms with paid employees is roughly similar to the distribution of all firms (appendix table 14).

Table 23 summarizes the overall picture of Black-owned firms with paid employees. Note that while the number of firms increased, the number of employees declined, indicating fewer employees per firm in 1982. Annual payroll in Douglas County also shows a marginal decline (0.6 percent) but Nebraska had a slight increase of 9.4 percent. Sales and receipts show that Black-owned businesses with paid employees are doubling their real dollar income.

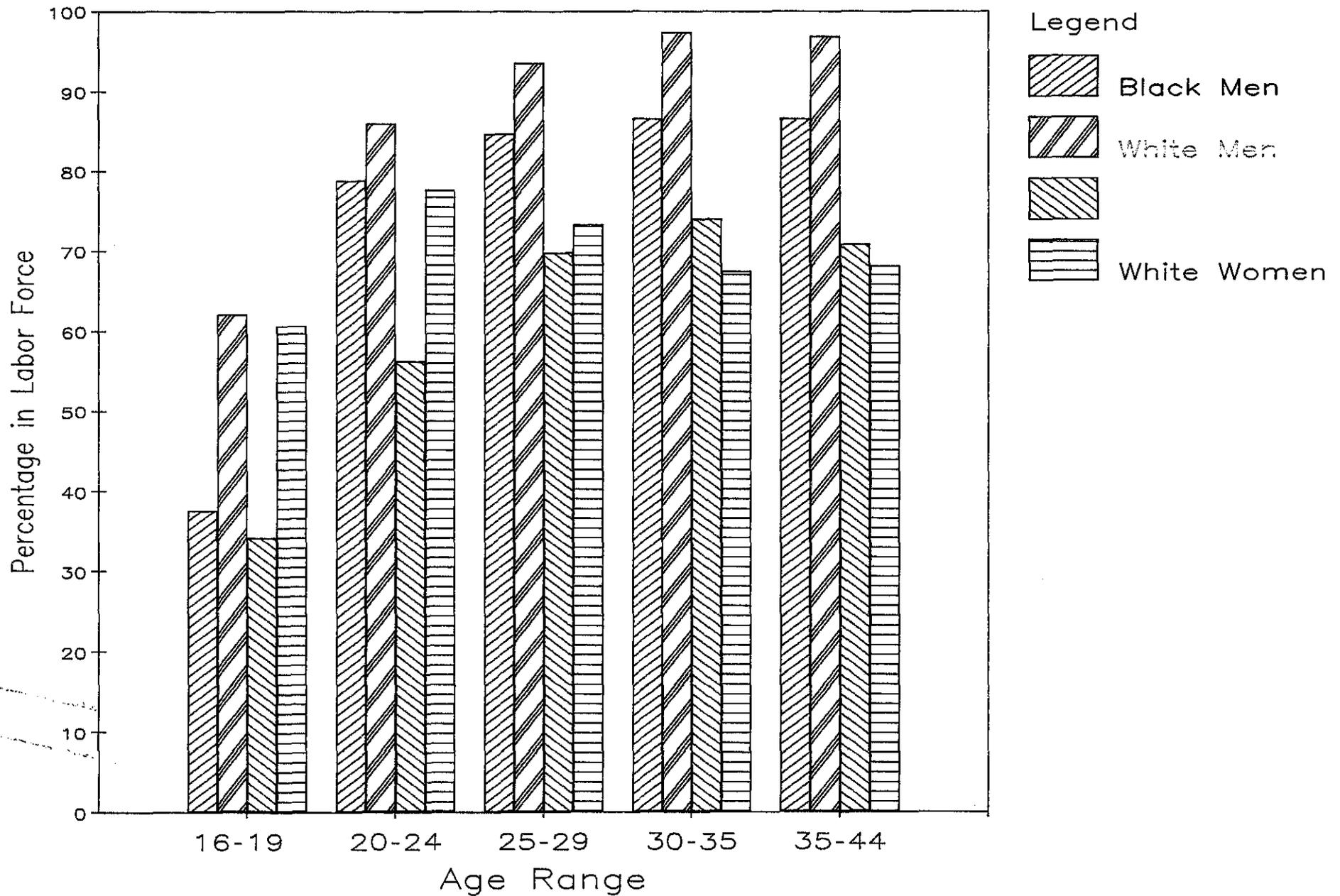
Because business ownership is one primary way in which wealth is generated, Blacks will need to increase their participation in business in order to improve their economic status. A strong Black business sector increases minority employment, reduces the need for social programs, and increases local revenues from taxes, consumer spending, and investment. Black business people also benefit the community by being role models for youth and benefactors of politicians and charities (American Demographics 1987).

Not only is there a disproportionately small number of Black-owned establishments, but there is a growing gap between the health of Black-owned businesses and that of American businesses in general. There are two possible reasons for this. First, many Black-owned business started during a time of racial segregation, making the Black community a captive market for Black businesses until the erosion of racial barriers during the '60s and '70s. Larger Black-owned firms, which are better adapted to an integrated marketplace, have shown real growth nationally since 1977. But until there are more such firms, they will be overshadowed by the declining, marginal businesses. A second explanation is that the 1982 survey was conducted during a recession, so some decline should have been expected (American Demographics 1987).

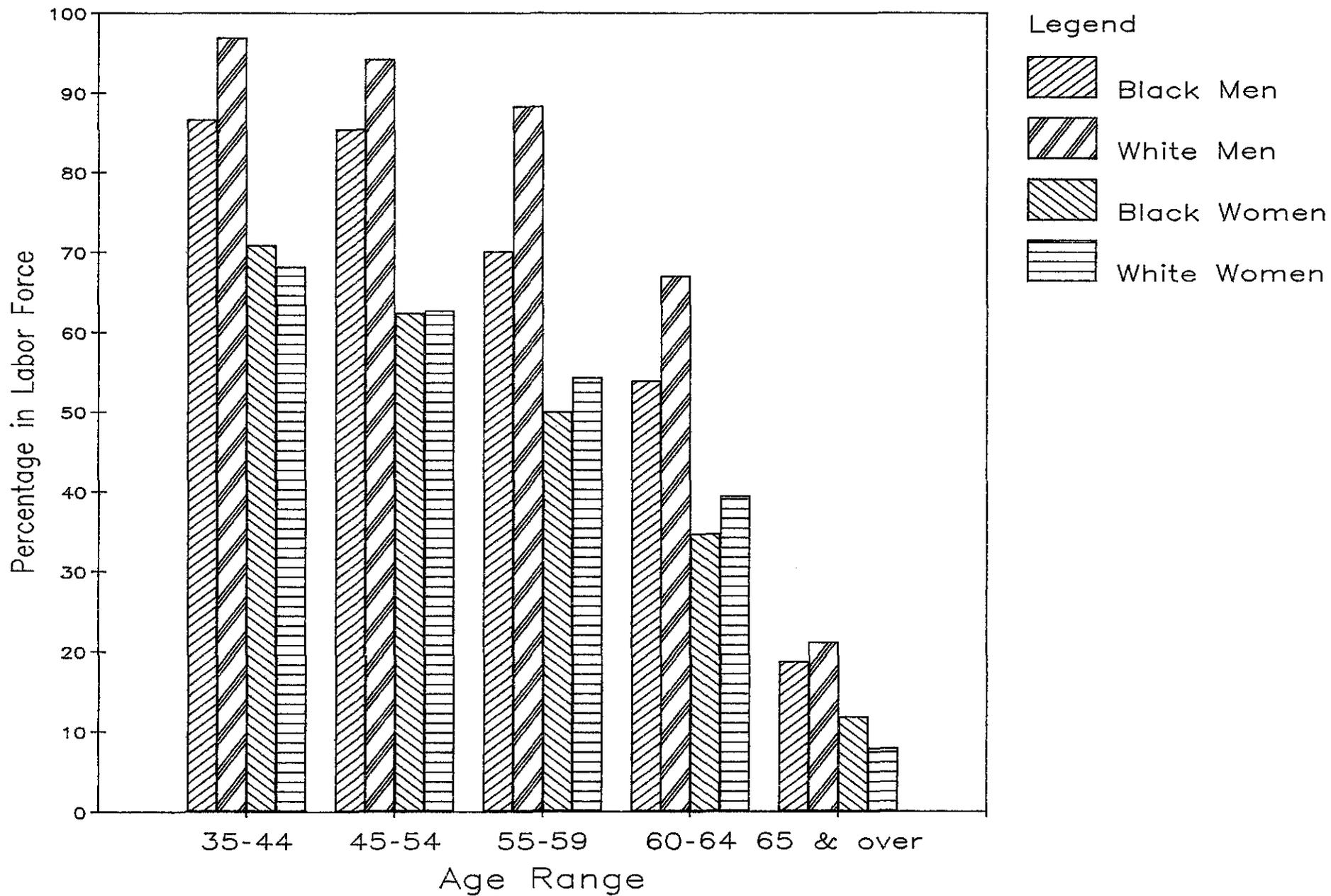
The growth of large firms, the movement of Black business into high-growth sectors, and the positive effects of a federal program on minority-owned firms are reasons for optimism. However, if increased Black business ownership is to occur, there will be a need for extensive support and training to help entrepreneurs reach a higher level of success. This may take the form of technical assistance, financial support, networking with other businesses, and/or community loyalty and support.

Summary

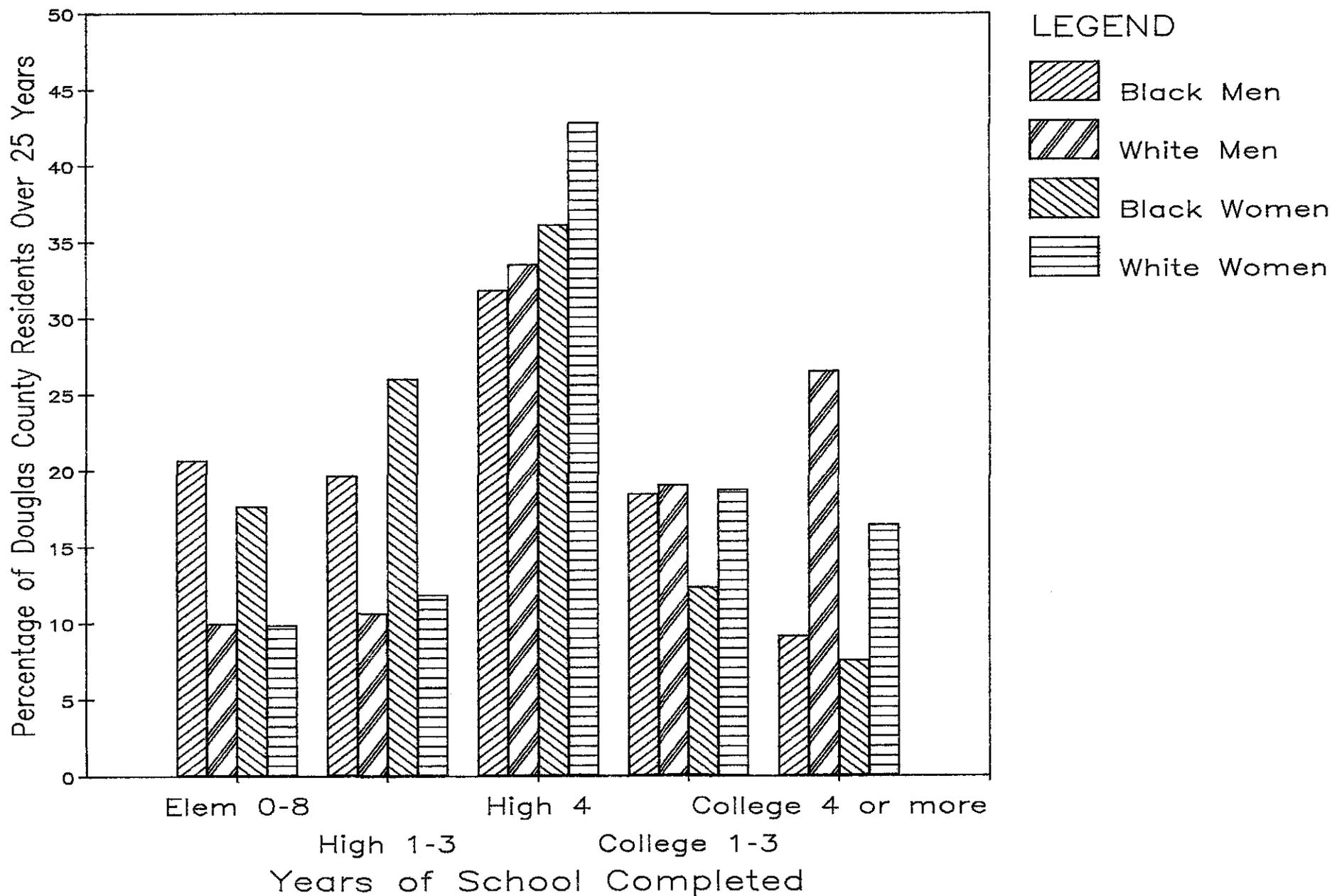
Labor Force Participation Rates for Douglas County Residents Ages 16-44 by Sex and Race, 1980



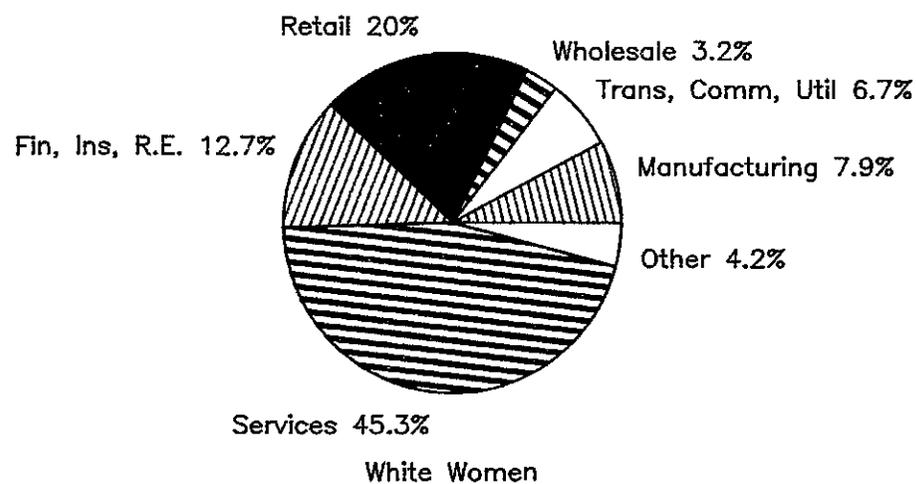
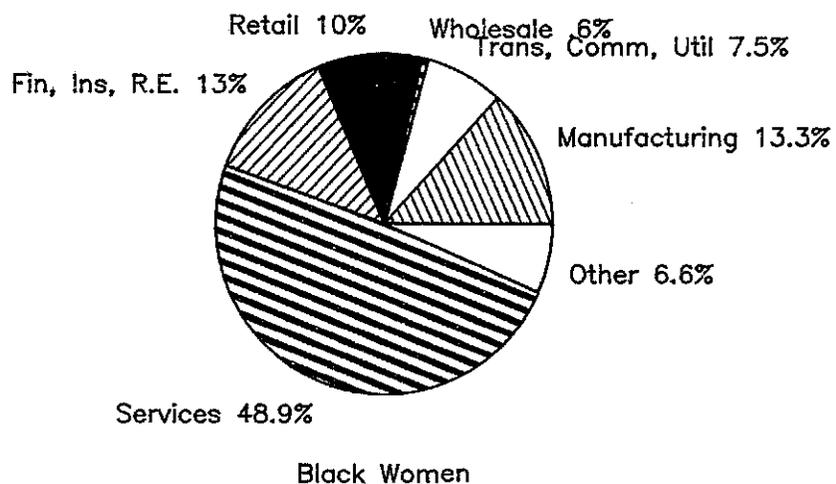
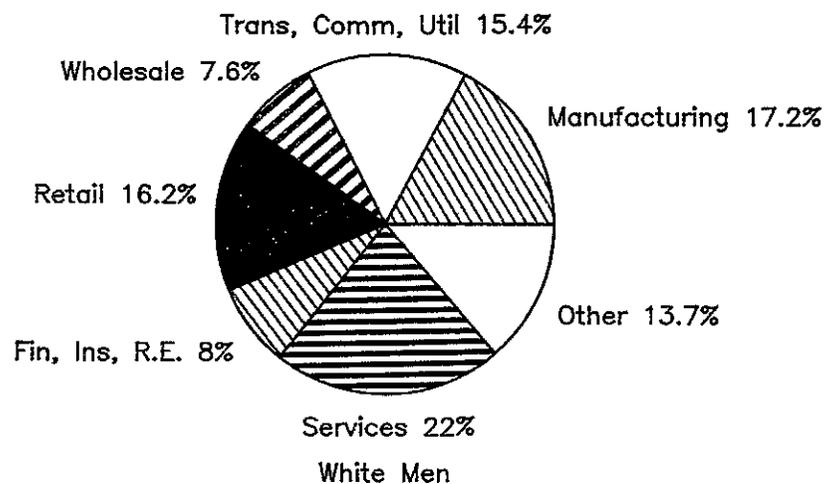
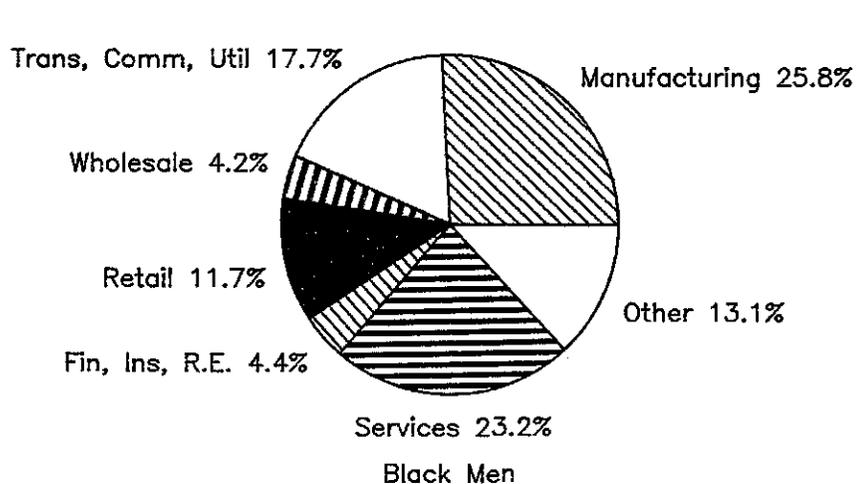
Labor Force Participation Rates for Douglas County Residents by Age, Sex, and Race, 1980



Years of School Completed by Douglas County Residents By Sex and Race, 1980

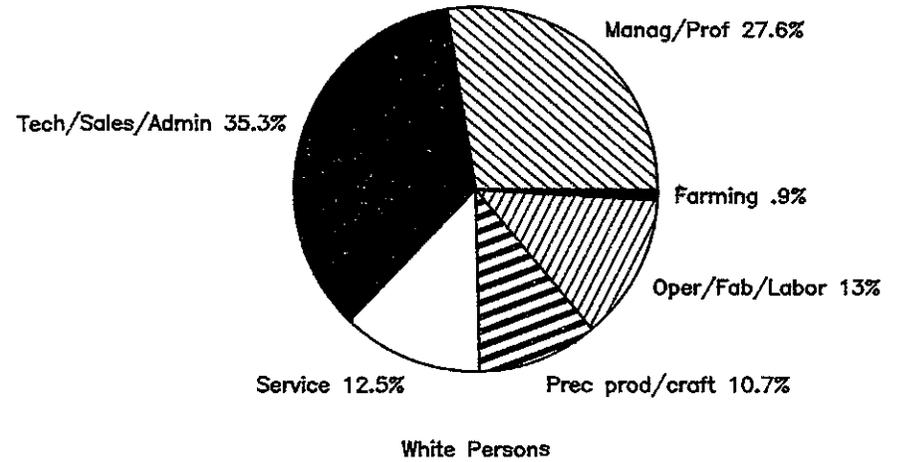
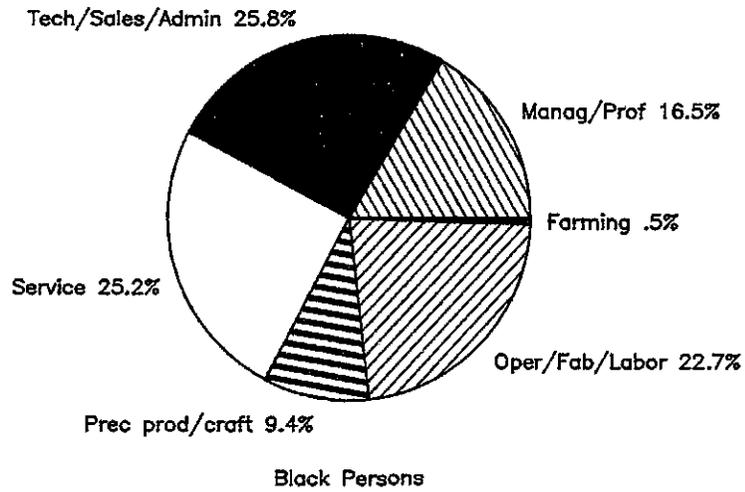


Employment of Douglas County Residents By Industrial Sector and Race, 1980

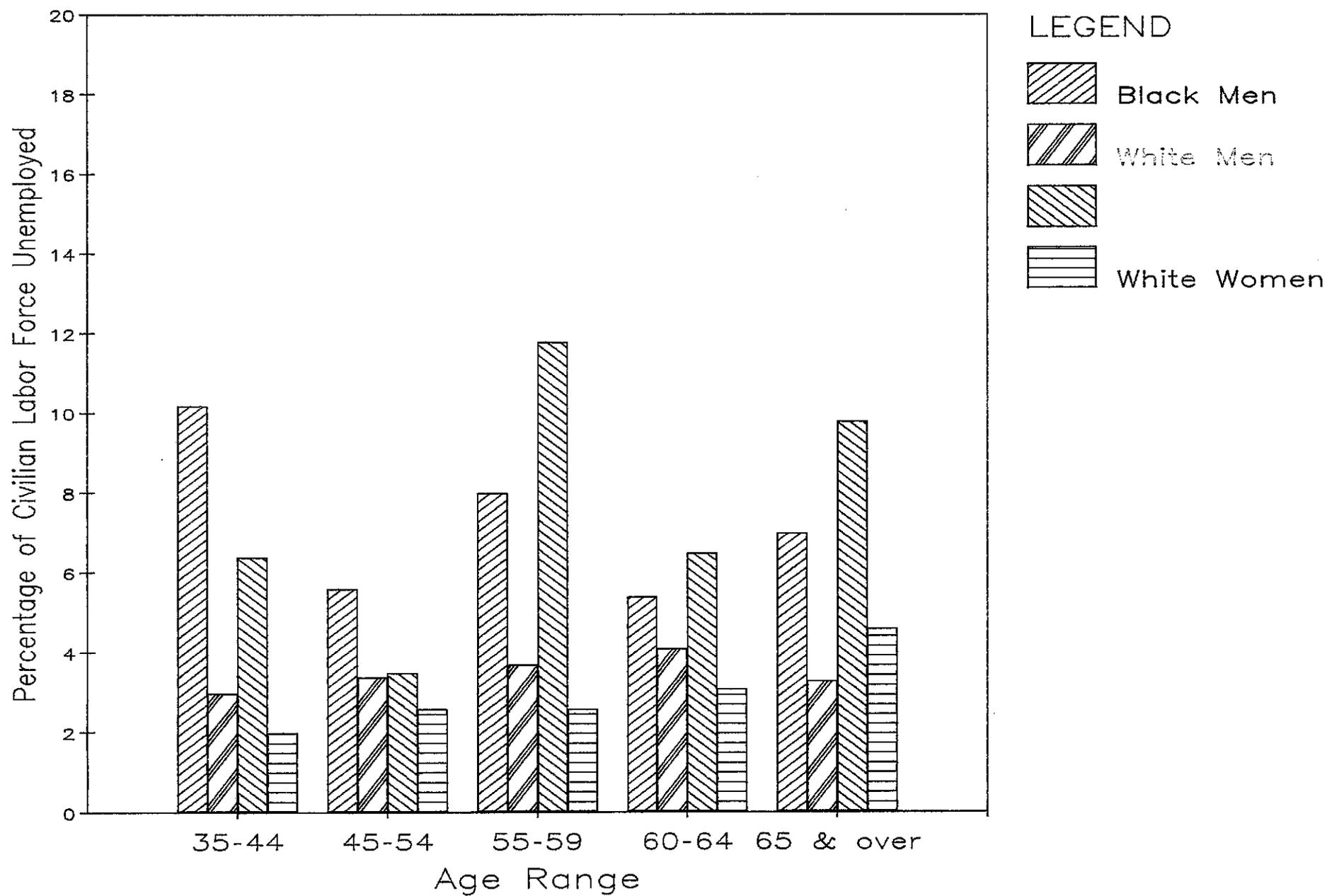


Other includes Ag, Mining, Construction, and Pub. Admin.

Occupation of Employed Douglas County Residents By Race, 1980



Unemployment Rates for Douglas County Residents By Age, Sex, and Race, 1980



Unemployment Rates for Douglas County Residents
Ages 16-44, By Sex and Race, 1980

