

# The Persistent Gap Between White and Black Incomes in New York

There has long been a substantial gap between the incomes of white Americans and those who describe themselves as African/American or black. As early as 1964, with the enactment of the Civil Rights Act, the Federal and state Governments began passing laws aimed at preventing discrimination in the workplace. Has New York seen significant progress in reducing wage inequality between blacks and whites since 1970? This post examines the changes in wage incomes of black and white New Yorkers between 1970 and 2015, and considers the impact of education levels on incomes. This analysis does not consider the experience of other non-white groups, because small sample sizes would not yield reliable results.

[The Census Bureau defines](#) personal wage income as total pre-tax wage and salary income – that is, money received as an employee – for the previous year. Annual wage income includes the amount of wage income received by all people having wage income in a year, including those who worked full or part time, and those who worked only part of a year as well as those who worked all year.

Data, as in my [last post, which examined the relationship between age, education and inflation adjusted wage income](#) is based on Public Use Microdata Samples made available by the U. S. Census Bureau (Steven Ruggles, Katie Genadek, Ronald Goeken, Josiah Grover, and Matthew Sobek. *Integrated Public Use Microdata Series: Version 6.0* [dataset]. Minneapolis: University of Minnesota, 2015. <http://doi.org/10.18128/D010.V6.0>.) Public Use Microdata Sample files (PUMS) are a sample of the actual responses to

the American Community Survey and the Decennial Census and include most population and housing characteristics. Because the data is from samples of households in metropolitan areas, sampling error is possible, particularly for smaller metropolitan areas.

This post compares inflation adjusted wage income differences between African-American and white New Yorkers in Upstate metropolitan areas and in the New York City Metropolitan area.

Since upstate New York has not historically been racially diverse, relatively few black/African-American wage earners are in the Census sample. For that reason, data from the Upstate Metropolitan areas (Binghamton, Buffalo, Rochester, Syracuse, and Albany-Schenectady-Troy) examined in my earlier post on real wage income changes has been combined. Even so, only 657 respondents identified themselves as black or African American in 1970 – 4.7% of the population of those metropolitan areas. By 2015, the percentage of respondents identifying themselves as black or African-American in Upstate Metropolitan areas had increased to 8.6%.

The population of the New York City Metropolitan area has been consistently more diverse than that upstate. As a result, black/African-American residents comprised 21.5% of the sample in 2015, compared with 14.3% in 1970.

### **Differences in Real Wage Income – No Substantial Progress**

<b>Inflation Adjusted Wage Income 1970 vs. 2015</b>			
<b>White vs. Black/African - American</b>			
	<b>1970</b>		
	<b>White</b>	<b>Black</b>	<b>% Difference</b>
<b>Upstate Metros</b>	\$ 42,048.21	\$ 30,119.64	39.6%
<b>New York City Metro</b>	\$ 45,030.36	\$ 30,716.07	46.6%
	<b>2015</b>		
<b>Upstate Metros</b>	\$ 42,000.00	\$ 28,000.00	50.0%
<b>New York City Metro</b>	\$ 50,000.00	\$ 37,000.00	35.1%

The table above shows two significant things. First, inflation adjusted wage income increased between 1970 and 2015 for both white and African-American residents of the New York City Metropolitan area, but declined for blacks/African Americans in Upstate metropolitan areas. White residents of upstate metropolitan areas saw stable incomes over the period.

Second, the percentage difference in incomes between whites and African-Americans/blacks decreased from 47% to 35% in the New York City Metropolitan area, but increased from 40% to 50% in Upstate metropolitan areas.

The data shows that overall, adjusted wage incomes did **not** substantially converge over the 45 year period. In Upstate metropolitan areas, the gap increased from 40% to 50%, while in New York City, white residents had more than one third more wage income than blacks/African-Americans in 2015.

### **Educational Disparities Remain**

In my [earlier post](#), the data showed that wage earners with more education fared better than those with less. People with high school educations or less saw significant real declines in wage incomes over the 45 year period, in many cases. But, because the educational backgrounds of New York residents have substantially improved, fewer people today have high school educations, or less, than in 1970. This has offset some of the income decrease that would have otherwise occurred.

<b>Educational Attainment - 2015 vs. 1970</b>			
<b>White Residents of NYS Metropolitan Areas</b>			
<b>NYC Metro</b>	<b>1970</b>	<b>2015</b>	<b>% Change</b>
<b>Less than 4 Yrs. HS</b>	36.4%	4.7%	-31.7%
<b>4 Years HS</b>	33.3%	25.5%	-7.8%
<b>3 Yrs College or Less</b>	11.9%	18.2%	6.4%
<b>4 Yrs College or More</b>	18.5%	51.6%	33.1%
<b>Upstate Metros</b>			
<b>Less than 4 Yrs. HS</b>	35.5%	3.0%	-32.5%
<b>4 Years HS</b>	37.2%	29.7%	-7.6%
<b>3 Yrs College or Less</b>	11.7%	27.6%	15.9%
<b>4 Yrs College or More</b>	15.6%	39.7%	24.1%
<b>Educational Attainment - 2015 vs. 1970</b>			
<b>Black/African-American Residents of NYS Metropolitan Areas</b>			
<b>NYC Metro</b>	<b>1970</b>	<b>2015</b>	<b>% Change</b>
<b>Less than 4 Yrs. HS</b>	52.0%	6.1%	-45.9%
<b>4 Years HS</b>	34.0%	34.7%	0.8%
<b>3 Yrs College or Less</b>	8.5%	27.9%	19.4%
<b>4 Yrs College or More</b>	5.5%	31.3%	25.8%
<b>Upstate Metros</b>			
<b>Less than 4 Yrs. HS</b>	63.7%	7.7%	-56.0%
<b>4 Years HS</b>	26.0%	41.2%	15.2%
<b>3 Yrs College or Less</b>	6.6%	32.0%	25.3%
<b>4 Yrs College or More</b>	3.7%	19.2%	15.5%

This data offers several important findings. First, in 1970, in most cases people with less than four years of high school education were the largest single group – both in the New York City metropolitan area and Upstate. The only exception was that the percentage of people with four years of high school was slightly larger than those with less than four years for white wage earners in Upstate metropolitan areas.

For black/African-American residents, more than half of New York City Metropolitan area wage earners had less than four years of high school, while upstate, nearly two-thirds had less than four years.

Second, in 1970, those with four or more years of college

comprised less than 20% of the total. For black/African-Americans, only 6% in the New York City metropolitan area, and 4% upstate had four or more years of college.

By 2015, the situation had changed dramatically. Seventy percent of white wage earners in the New York Metropolitan area had some post-secondary education. More than half had four or more years of college. In Upstate metropolitan areas, 67% had some post-secondary education, while 40% had four or more years of college. For black/African-American wage earners in the New York City Metropolitan area, 58% had some post-secondary educational experience, while 31% had four or more years of college. In Upstate metropolitan areas, 51% had had some post-secondary experience, while 19% had four or more years.

Third, by 2015, the percentage of New York City Metropolitan area wage earners with four or more years of college exceeded the percentage of Upstate metropolitan area wage earners with four or more years of college by more than 10%. This may reflect the concentration of headquarters jobs in the New York City area, and the area's greater ability to pull higher skilled workers into it compared with Upstate metropolitan areas.

While black/African-American wage earners have much higher levels of education than in 1970, the percentage increase in black/African American wage earners who have four or more years of college has lagged that of white wage earners. In 1970 about 12% more white wage earners had four or more years of college than black/African-American wage earners. By 2015, the gap was 20%. The increasing gap in highly educated wage earners between white and black/African-American wage earners contributes to the continuing disparities in wage incomes. But, it is not the only reason why the gap persists.

<b>Educational Attainment - White vs. Black/Afro-American Earners</b>			
<b>NYS Metropolitan Areas - 1970</b>			
<b>NYC Metro</b>	<b>White</b>	<b>Black</b>	<b>% Difference</b>
<b>Less than 4 Yrs. HS</b>	36.4%	52.0%	-15.6%
<b>4 Years HS</b>	33.3%	34.0%	-0.7%
<b>3 Yrs College or Less</b>	11.9%	8.5%	3.4%
<b>4 Yrs College or More</b>	18.5%	5.5%	12.9%
<b>Upstate Metros</b>			
<b>Less than 4 Yrs. HS</b>	35.5%	63.7%	-28.2%
<b>4 Years HS</b>	37.2%	26.0%	11.3%
<b>3 Yrs College or Less</b>	11.7%	6.6%	5.0%
<b>4 Yrs College or More</b>	15.6%	3.7%	11.9%
<b>Educational Attainment - White vs. Black/Afro-American Earners</b>			
<b>NYS Metropolitan Areas - 2015</b>			
<b>NYC Metro</b>	<b>White</b>	<b>Black</b>	<b>% Difference</b>
<b>Less than 4 Yrs. HS</b>	4.7%	6.1%	-1.4%
<b>4 Years HS</b>	25.5%	34.7%	-9.2%
<b>3 Yrs College or Less</b>	18.2%	27.9%	-9.6%
<b>4 Yrs College or More</b>	51.6%	31.3%	20.3%
<b>Upstate Metros</b>			
<b>Less than 4 Yrs. HS</b>	3.0%	7.7%	-4.7%
<b>4 Years HS</b>	29.7%	41.2%	-11.5%
<b>3 Yrs College or Less</b>	27.6%	32.0%	-4.3%
<b>4 Yrs College or More</b>	39.7%	19.2%	20.5%

### **Income Differences for Wage Earners with Similar Educations**

While the differing educational levels of the populations of black/African American and white wage earners provide a partial explanation of the difference in wage income between the groups, they do not totally explain it. In fact, black/African wage earners continue to have median wage incomes that are less than white wage earners with the same levels of educational attainment.

Inflation Adjusted Wage Income - White vs. Black/African-American								
New York Metropolitan Areas - 1970 vs. 2015								
	White	Black	Difference		White	Black	Difference	Change
<b>New York Metro</b>	<b>1970</b>				<b>2015</b>			
Less than 4 Yrs. HS	\$ 36,083.93	\$ 30,119.64	19.8%		\$ 24,100.00	\$ 22,000.00	9.5%	-10.3%
4 Years HS	\$ 42,048.21	\$ 33,101.79	27.0%		\$ 36,000.00	\$ 30,000.00	20.0%	-7.0%
3 Yrs College or Less	\$ 52,187.50	\$ 39,066.07	33.6%		\$ 44,000.00	\$ 37,000.00	18.9%	-14.7%
4 Yrs College or More	\$ 65,905.36	\$ 51,889.29	27.0%		\$ 74,000.00	\$ 55,000.00	34.5%	7.5%
<b>Upstate Metros</b>								
Less than 4 Yrs. HS	\$ 36,083.93	\$ 27,137.50	33.0%		\$ 23,000.00	\$ 19,100.00	20.4%	-12.5%
4 Years HS	\$ 39,066.07	\$ 32,505.36	20.2%		\$ 34,500.00	\$ 22,000.00	56.8%	36.6%
3 Yrs College or Less	\$ 46,819.64	\$ 33,101.79	41.4%		\$ 39,800.00	\$ 30,000.00	32.7%	-8.8%
4 Yrs College or More	\$ 59,941.07	\$ 48,012.50	24.8%		\$ 57,000.00	\$ 44,000.00	29.5%	4.7%

In 1970, at each educational level, differences in median wage income between Black/African-American and White wage earners were 20% or more. In that year, wage differences between races did not appear to be related to educational level. In 2015, results were more varied, with black/African-American workers with less than four years of high school in the New York City Metropolitan area having median wage incomes that were about 10% less than white wage earners. But, at other wage levels, disparities were larger. White wage earners with four or more years of college in the New York Metropolitan area earned more than one-third more than black/African-American workers.

In Upstate metropolitan areas, median wage disparities between black/African-American wage earners and white workers were larger in most cases than in the New York Metropolitan area. For example, the median wage income for white wage earners with four years of high school was 56% higher than similar black/African-Americans. The larger gap between white and black/African-American incomes in upstate areas leads to speculation that weak employment growth and the lack of racial diversity upstate may be related to larger racial income differentials.

Changes in disparities between white and African-American/black wage earner median incomes between 1970 and 2015 were inconsistent, though it is notable that black/African-American wage earners with four or more years of

college fell further behind white wage earners in 2015 than they were in 1970.

<b>Change in Inflation Adjusted Income - 2015 vs. 1970</b>		
<b>White vs. African-American/Black</b>		
<b>New York City</b>	<b>White</b>	<b>Black</b>
<b>Less than 4 Yrs. HS</b>	-\$11,983.93	-\$8,119.64
<b>4 Years HS</b>	-\$6,048.21	-\$3,101.79
<b>3 Yrs College or Less</b>	-\$8,187.50	-\$2,066.07
<b>4 Yrs College or More</b>	\$8,094.64	\$3,110.71
<b>Overall</b>	\$4,969.64	\$6,283.93
<b>Upstate</b>		
<b>Less than 4 Yrs. HS</b>	-\$13,083.93	-\$8,037.50
<b>4 Years HS</b>	-\$4,566.07	-\$10,505.36
<b>3 Yrs College or Less</b>	-\$7,019.64	-\$3,101.79
<b>4 Yrs College or More</b>	-\$2,941.07	-\$4,012.50
<b>Overall</b>	-\$48.21	-\$2,119.64

Note that in the table above, **overall**, both whites and blacks did better than they did **at specific educational levels**. This was the result on the large improvements in educational attainment that occurred between 1970 and 2015. Much larger percentages of workers in 2015 had some college or four or more years of it than they did in 1970.

Comparing educational levels, white and black/African-American workers with less education fared worse than those with more education. In New York City, white and black/African-American workers with four or more years of college saw gains in median inflation adjusted wage earnings. Overall, black/African-American workers saw slightly larger median income gains than white wage earners.

Upstate, workers at all levels saw decreases, but wage earners at higher educational levels saw smaller median income losses.

Overall, however, black/African-American workers lost more



wage income between 1970 and 2015 than did white wage earners.

## **Conclusions**

The data shows that increasing educational levels in both white and African-American communities have offset much of the wage erosion that has occurred among those who have high school educations or less. But, whites continue to have higher levels of educational attainment than blacks/Afro-Americans, and that the gap has increased for those with four or more years of college education.

Differences in average educational attainment provide a partial explanation of the continued gap between median wage earnings of white and black/African-American workers. But, the fact that differences in median incomes between white and black/African Americans exist at similar educational levels points to the reality that policies promoting higher levels of education will not erase the median income deficit that this group faces. While programs that "raise all boats" are more politically salable than those that address the needs of particularly disadvantaged groups, they cannot erase the income gap faced by African-American wage earners.

Because the wage gap between white and black wage earners persists, even among those at the same educational level, it is clear that the enactment of laws, like the Civil Rights Act of 1964, that have been aimed at erasing employment discrimination, are not in themselves enough to eliminate it.

The data from this analysis cannot provide the answer to the question of why this is true. It does not show whether local, state and federal agencies need to do a better job of enforcing the laws, or whether the causes of the gap lie outside their purview. For example, it may be that white and black/African-American job candidates are often seen differently because many black candidates are products of central city school systems with high levels of poverty and low levels of academic achievement.

The racial gap in incomes remains a significant component of the inequalities that exist within our society. If the wage gap between white and African-American workers is to be ameliorated, local, State and Federal governments must confront the realities that a better understanding of the causes of the gap is needed and that compensatory policies must have an implicit or explicit component that addresses racial differences in wage incomes.