

CONGRESSMAN G. K. BUTTERFIELD

DEFINING MOMENT

THE ECONOMIC STATE OF THE
BLACK COMMUNITY



BLACK HISTORY MONTH • FEBRUARY 2018

A NOTE FROM CONGRESSMAN G. K. BUTTERFIELD

We are in a **DEFINING MOMENT**.

African Americans have seen tremendous growth over past decades when it comes to civil rights and political gains. But the final frontier to true equality and freedom for African Americans is economic empowerment. To achieve economic parity, we must recognize the real disparities present in our society that prevent African Americans from reaching true equality.

Since the end of the Great Recession, the unemployment rates for all Americans have fallen. The Black unemployment rate was at its lowest point in history in December 2017 thanks to the progressive policies of the Obama Administration. While these trends provide optimism that minority workers will continue to see their economic standing improve, it can only do so if the federal government builds on the gains made during Barack Obama's presidency.

As we celebrate Black History Month, let's renew our focus on building upon the important foundations so that every citizen can achieve financial empowerment.

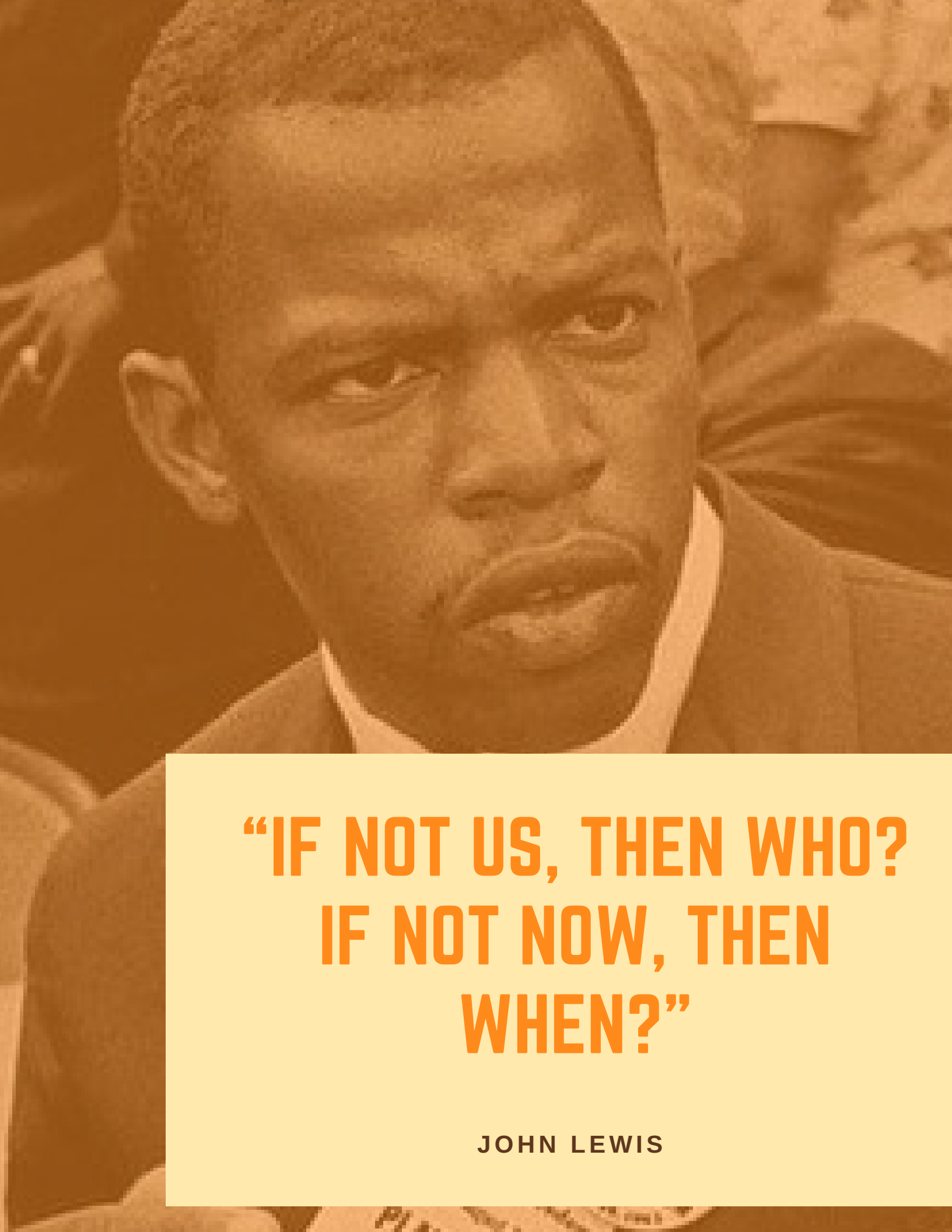
**THIS FACT SHEET PROVIDES A
SNAPSHOT OF THE ECONOMIC STATE OF
THE BLACK COMMUNITY AND SOLUTIONS
FOR ECONOMIC EMPOWERMENT BEING
CONSIDERED BY CONGRESS.**

Sincerely,



G. K. Butterfield
Member of Congress, NC-01





**“IF NOT US, THEN WHO?
IF NOT NOW, THEN
WHEN?”**

JOHN LEWIS

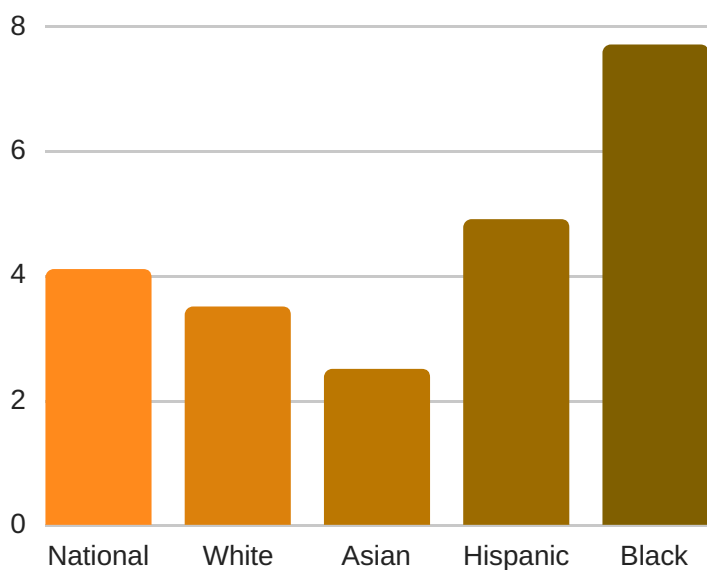
BLACK UNEMPLOYMENT

The unemployment rate for Black workers stands at 7.7 percent as of January 2018.¹

This is the highest unemployment rate for all racial groups nationwide. By comparison, the unemployment rate for white workers is currently 3.5 percent. The national average is 4.1 percent.²

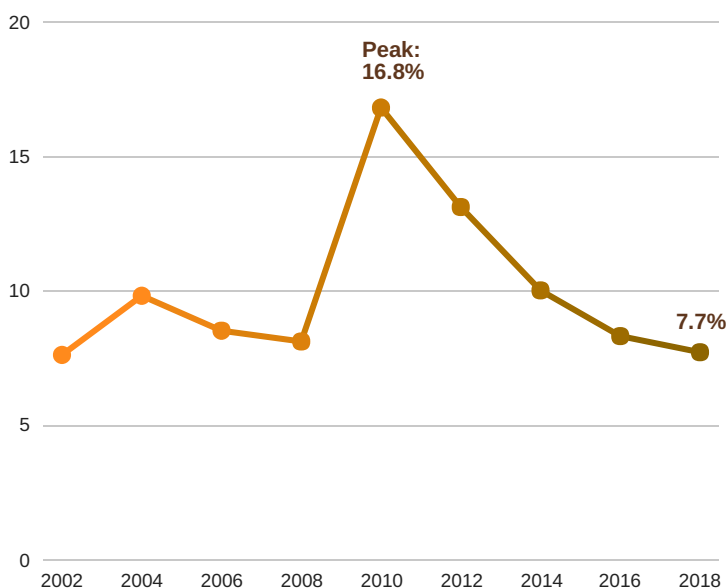
Though the Black unemployment rate has fallen significantly over the last eight years, many communities of color have yet to feel the full benefits of the economic recovery since the Great Recession (during the Great Recession, the unemployment rate for Blacks hit a high of 16.8 percent in March 2010- nearly seven points higher than the peak unemployment rate of the general population).

UNEMPLOYMENT BY RACE
JANUARY 2018



Source: Joint Economic Committee report, January 2018

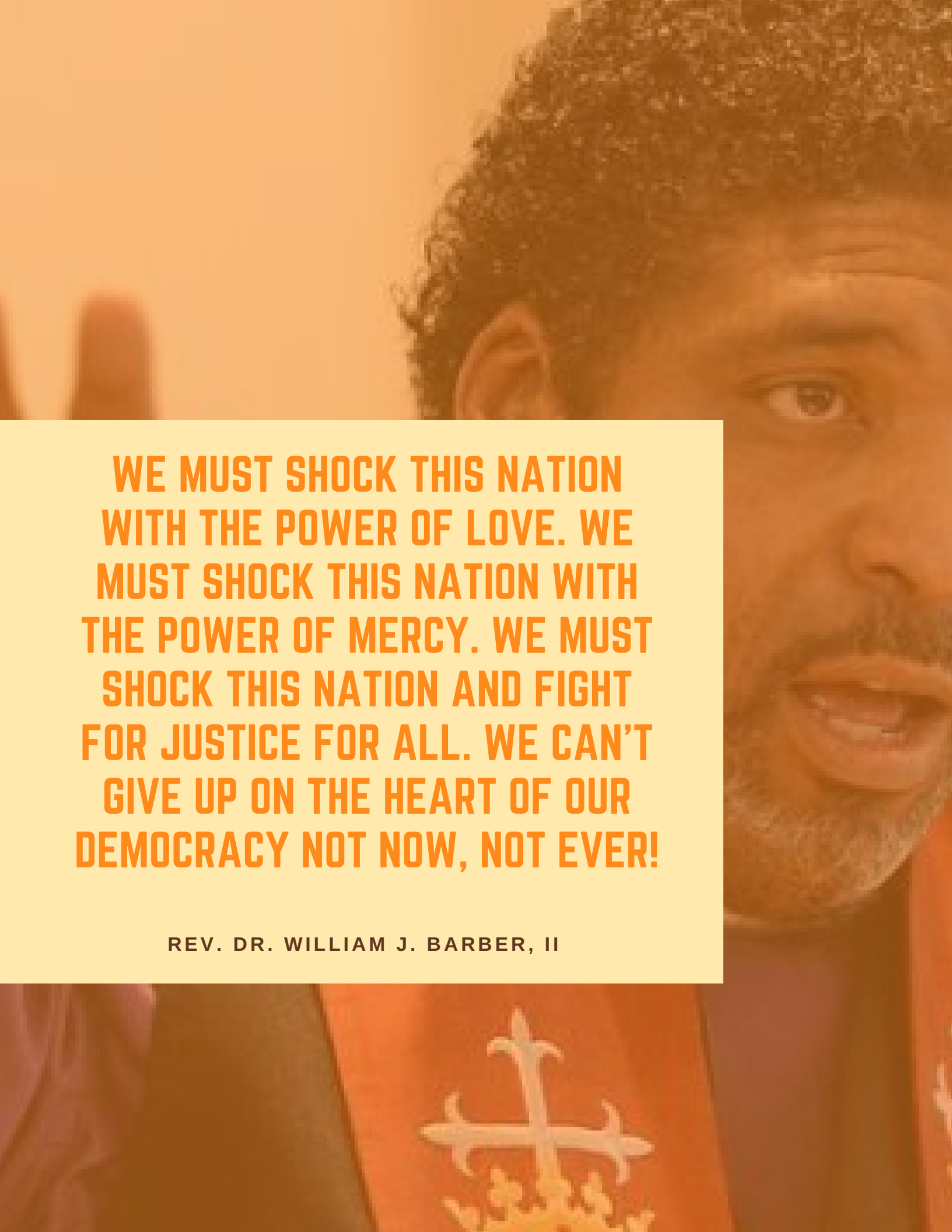
BLACK UNEMPLOYMENT
JANUARY 2002 TO JANUARY 2018



Source: Bureau of Labor Statistics

1. <https://www.bls.gov/news.release/empsit.t02.htm>

2 <https://www.bls.gov/news.release/empsit.t02.ht>; <https://data.bls.gov/timeseries/LNS14000000>

A close-up, high-angle portrait of Rev. Dr. William J. Barber, II. He is looking slightly to the right with a serious expression. He has short, dark, curly hair and a light beard. He is wearing a dark suit jacket over a red garment with a white cross emblem. The background is a solid, warm orange color.

**WE MUST SHOCK THIS NATION
WITH THE POWER OF LOVE. WE
MUST SHOCK THIS NATION WITH
THE POWER OF MERCY. WE MUST
SHOCK THIS NATION AND FIGHT
FOR JUSTICE FOR ALL. WE CAN'T
GIVE UP ON THE HEART OF OUR
DEMOCRACY NOT NOW, NOT EVER!**

REV. DR. WILLIAM J. BARBER, II



PERSISTENT POVERTY

Black household wealth is less than one fifth of the national average.³ The median Black household had a net worth of just \$17,600 in 2016. (Yet, during that same year, the median white household held \$171,000 in wealth while the national household median was \$97,300.) Lack of wealth can have severe adverse consequences and can limit several life opportunities like starting a business or putting a child through college.

Only 34 percent of Black families have a retirement account, compared to 60 percent of white non-Hispanic families and 52 percent of all families.⁴

Additionally, even those Black families that do have a retirement account, save significantly less than their peers. The median value for a Black family's retirement account is \$25,000, less than half the national average.

Almost one-third of Black children are growing up in poverty.⁵ Approximately 31 percent of Black children live in poverty, compared to 11 percent of white children. The national average is 18 percent, putting the percent of Black child poverty at more than 150 percent of the national average. Children growing up in poverty tend to experience worse health, education, and economic outcomes than children who did not.

Blacks are disproportionately affected by certain states' failure to expand Medicaid coverage.⁶ In the 18 states that did not expand Medicaid, there are millions of Americans who are both ineligible for Medicaid and for marketplace subsidies under the Affordable Care Act. North Carolina is among the 18 states that did not expand Medicaid.

3. <https://www.federalreserve.gov/publications/files/scf17.pdf>

4. Federal Reserve Survey of Consumer Finances 2016.

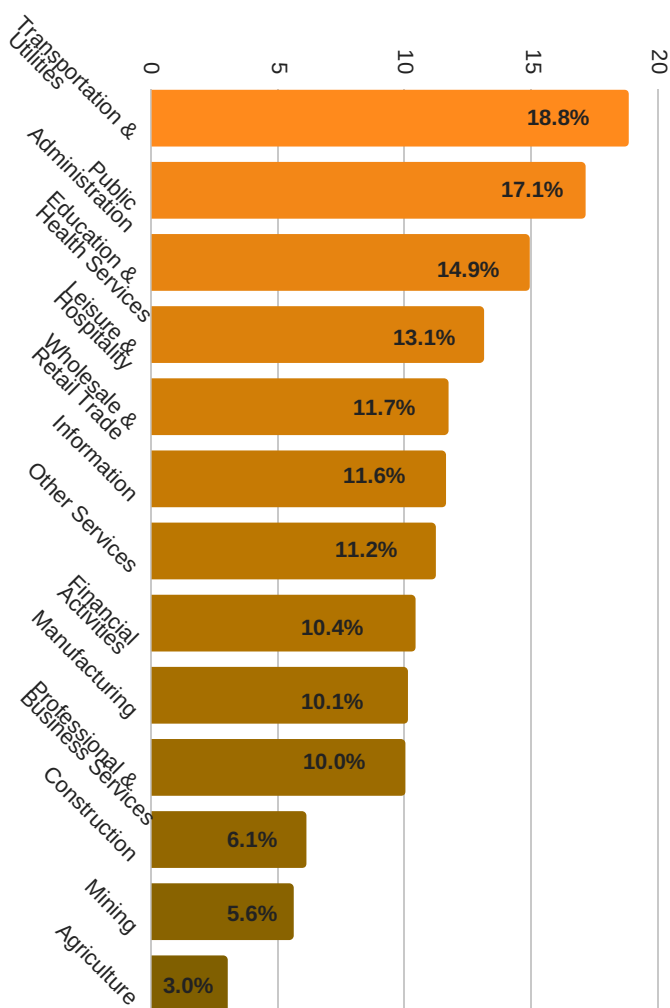
5. <https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-people.html>

6. <https://www.kff.org/report-section/health-coverage-by-race-and-ethnicity-changes-under-the-aca-issue-brief/>

BLACK LABOR FORCE PARTICIPATION

EMPLOYMENT BREAKDOWN BY INDUSTRY

SHARE OF JOBS HELD BY BLACK WORKERS, 2017 ANNUAL AVERAGES



Source: Bureau of Labor Statistics

Note: Data includes workers 16 years and older

The Black community accounted for a combined **\$1.1 Trillion in economic spending activity in 2017**.⁷ The community's spending power is projected to reach \$1.5 Trillion by 2021. As of 2012, 2.6 Million Black-owned businesses generated \$150.2 Billion in sales.⁸

Blacks make up roughly 12 percent of the American workforce. The community makes up an even larger share of employment in the transportation and utilities, public administration, and education and health services industries.

Blacks face disproportionately high incarceration rates compared to whites.

Despite only making up 13 percent of the nation's overall population, Black comprise 38 percent of the federal inmate population.⁹ State and federal policies, in conjunction with uneven law enforcement practices, have led to these high incarceration rates, which have negatively affected Black labor participation and future job opportunities. Black job applicants with criminal records are 60 percent less likely to secure an interview and may earn up to 44 percent less than those without criminal records should they secure employment.¹⁰

7. <http://www.nielsen.com/content/dam/corporate/us/en/reports-downloads/2017-reports/nielsen-african-american-diverse-intelligence-report-2017.pdf>

8. <https://census.gov/newsroom/blogs/random-samplings/2016/02/women-are-leading-the-rise-of-black-owned-businesses.html>

9. <https://www.census.gov/quickfacts/fact/table/US/PST045216> ; https://www.bop.gov/about/statistics/statistics_inmate_race.jsp

10. https://obamawhitehouse.archives.gov/sites/default/files/page/files/20160423_cea_incarceration_criminal_justice.pdf

BILLS TO ADDRESS ECONOMIC EMPOWERMENT

THERE ARE A NUMBER OF BILLS BEFORE CONGRESS TO ADDRESS POVERTY IN AMERICA AND INCREASE OPPORTUNITIES FOR FAMILIES, INCLUDING:

Jobs, On-the-Job 'Earn While You Learn' Training, and Apprenticeships for African-American Young Men Act (H.R. 52)

To rebuild the Nation's crumbling infrastructure, transportation systems, technology and computer networks, and energy distribution systems, by strongly and urgently requesting the immediate recruitment, employment, and on-the-job "earn as you learn" training of African-American young men ages 18 to 39, who are the hardest hit in terms of unemployment.

Recognizing the growth and importance of minority women-owned businesses (H.Res. 586)

Recognizes the growth and importance of minority women-owned businesses; that minority women often work in low-paying jobs in the traditional workforce; that minority women entrepreneurs are paving the way for women-owned businesses and are an important segment to the U.S. domestic and world's global economy; and that, in order to sustain the U.S. economy, we must fully support and encourage the growth of minority women-owned businesses.

Pathways Out of Poverty Act (H.R.4074)

To strengthen and expand proven anti-poverty programs and initiatives.

Funding for Student Scholarships for the 1890s Land-Grant African-American Colleges and Universities Act (H.R. 51)

To establish and provide funding for a grant program within the Department of Agriculture (USDA) for scholarships for students at 1890 land-grant colleges and universities (historically black colleges and universities established under the Second Morrill Act of 1890). USDA may award the scholarships to students who: (1) are seeking to attend such a college or university, and (2) intend to pursue a career in the food and agricultural sciences.

Tax Benefit for Homeownership Clarification Act (H.R. 516 - 114th Congress)

To amend the Internal Revenue Code to reduce the limitation on the mortgage interest deduction for the acquisition indebtedness of certain taxpayers. (Acquisition indebtedness is indebtedness that: (1) is incurred in acquiring, constructing, or substantially improving any qualified residence of the taxpayer; and (2) is secured by such residence.

The Comprehensive Consumer Credit Reporting Reform Act (H.R. 3755)

A bill to amend the Fair Credit Reporting Act to revise requirements for reinvestigations of disputed information by a consumer reporting agency, establishing a new right to appeal, free of charge, completed disputes adverse to the consumer.

Fair Chance Act (H.R. 1905)

This bill prohibits federal agencies and federal contractors from requesting that applicants for employment disclose criminal history record information before receiving a conditional offer (an offer of employment conditioned upon the results of a criminal history inquiry). The bill sets forth positions to which such prohibition shall not apply, such as positions for which prior consideration of criminal history record information is otherwise required by law, positions with law enforcement and national security duties, and positions requiring access to classified information.

Young Americans Financial Literacy Act (H.R. 2674)

This bill will establish a grant program to develop and implement financial literacy programs for young people ages 8 to 24 and it incentivizes the development of partnerships between institutions of higher education, local educational agencies, non-profit organizations, and financial institutions to develop programs aimed at young Americans in different phases of their life. This bill promotes the development of evidence-based instructional material that is geared towards targeted groups and addresses unique life situations, including student loans, credit card misuse, and other financial transactions of young Americans.

Expanding Penalty Free Withdrawal Act of 2016 (H.R. 4972 - 114th Congress)

This bill amends the Internal Revenue Code to expand the exceptions that permit penalty-free distributions to unemployed individuals from retirement plans.



**CHANGE WILL NOT COME IF
WE WAIT FOR SOME OTHER
PERSON OR SOME OTHER TIME.
WE ARE THE ONES WE'VE
BEEN WAITING FOR. WE ARE
THE CHANGE THAT WE SEEK.**

**BARACK OBAMA,
44TH PRESIDENT OF THE UNITED STATES**

**JOBS AND THE ECONOMY
REMAIN A TOP PRIORITY
FOR THE FIRST DISTRICT. I
AM COMMITTED TO
PROVIDING RESOURCES TO
NORTH CAROLINA
BUSINESSES AND
WORKERS IN ORDER TO
CREATE JOBS, PROSPER,
AND GROW.**

CONGRESSMAN G. K. BUTTERFIELD
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