

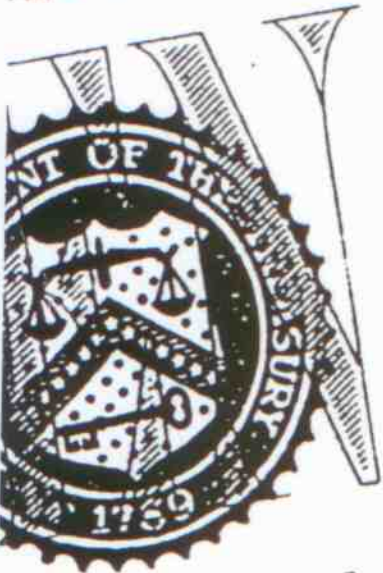
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The
Changing
Economic
Standing
of Minorities
and Women
in the
Chicago
Metropolitan
Area
1970-1990
Final Report
1994

Chicago Urban League
Latino Institute
Northern Illinois University



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Executive Summary

Over the 1970s and 1980s, the large economic disparities between the Chicago metropolitan area's African-American and Latino populations, on the one hand, and its Whites, on the other, remained basically unchanged or actually widened as measured by family income, poverty, children in poverty, labor force participation, unemployment, high school completion, and college completion. (The Chicago metropolitan area is defined as a six-county area including Cook, DuPage, Kane, Lake, McHenry, and Will counties.) During these two decades, African-American, Asian-American, and Latino populations in the suburbs generally maintained their higher economic standing relative to their counterparts in the city of Chicago.

The large economic disparities between female-headed households and all other households also remained largely unchanged over these two decades. While a higher percentage of women were working or seeking work in the Chicago metropolitan area in 1990 compared to 1970, female-headed households continued to experience much higher rates of poverty than other households.

● Median Family Income

Measured in constant dollars, the median family incomes of African Americans and Latinos increased somewhat since 1970. But the median income of White families increased even more, so the income gap widened between White families and African-American and Latino families.

- In 1990 African-American median family income was \$25,849, or 52.7 percent of White income, which was a drop from 62.9 percent of White median family income in 1970. Latino median family income in 1990 was \$28,839, or 58.8 percent of White median family income, a drop from 68.5 percent in 1970.
- Asian-American median family income of \$44,509 was 90.7 percent of White median family income in the metropolitan area in 1990. This represented a gain from 85.1 percent in 1970.
- Single female headed families in the metropolitan area in 1990 had a median family income of \$21,333, substantially lower than the median family income of other families. Single female headed families lost ground during the two decades: their median family income slipped from 51.7 percent of the median family income of all families in 1970 to 49.9 percent in 1990.
- Among families headed by single females, a large gap in median family incomes persisted throughout the 1970s and 1980s between Whites and Asian Americans, on the one hand, and African Americans and Latinos on the other. This gap widened between 1970 and 1990, as the median incomes of families headed by single African-American or Latino females declined as a percentage of the median income of families headed by single White females.

Total Poverty and Children in Poverty

- The poverty rate among Whites dropped between 1970 and 1990, while it increased among the metropolitan area's minority groups. As a result, the already large poverty gap between Whites and African Americans, Asian Americans, and Latinos in the metropolitan area widened over the two decades. In 1990 African Americans were nearly six times, Latinos nearly four times, and Asian Americans nearly two times, more likely than Whites to live in poverty.
- In the metropolitan area's suburbs in 1990, and in Chicago, African Americans were nearly 4 times, Latinos nearly 3 times, and Asian Americans almost 2 times as likely to be in poverty as Whites. African Americans were nearly 5 times, and Latinos over 3 times, more likely than Whites to live in poverty.
- The poverty gap evident in 1980 between White and African-American and Latino children under eighteen years of age persisted in the metropolitan area in 1990. African-American children were 8 times, Latino children 5 times, and Asian-American children nearly 2 times more likely to live in poverty than White children in 1990.
- The percent of African-American children living in poverty increased between 1980 and 1990, while the rate for all other groups in the metropolitan area declined slightly.
- While African Americans in 1990 continued to register the highest rates of poverty, including children in poverty, Latinos experienced the largest absolute increase of total persons in poverty and number of children in poverty during the 1980s. This occurred because of the large increase in Latino population in the Chicago metropolitan area.

Labor Force Participation and Youth Unemployment

- Latinos and Asian Americans continued to have the highest rates of labor force participation, measured by the percent of all those working or seeking work among all people aged 16 and over, in the Chicago metropolitan area. The largest increases in labor force participation rates between 1970 and 1990 occurred among African Americans (8.6 percent) and Latinos (11.0 percent) in the suburbs. Because Latinos maintained high labor force participation rates and experienced rapid population growth, the number of Latinos in the suburban labor force tripled between 1970 and 1990 and increased by 75 percent in Chicago.
- African Americans and Latinos experienced significantly higher unemployment rates than Whites and Asian Americans in 1970, 1980, and 1990 in the Chicago metropolitan area. And the gap widened during the two decades. In 1970 African Americans and Latinos were two times more likely than Whites to be unemployed; by 1990 African Americans were 4.5 times and Latinos 2.7 times more likely than Whites to be unemployed.
- The large gap between the unemployment rates of African-American youth and all other youth between the ages of 16 and 19 grew between 1970 and 1990, especially in Chicago. Of African-American youth in Chicago in the labor force, counted as either working, or unemployed and seeking work, 45.9 percent were unemployed, compared to only 14.9 percent of White youth and 26.7 percent of Latino youth.
- The largest concentration of youth labor market distress was among African-American youth in Chicago, who were not in school and had not graduated as of 1990. Only 35.5 percent of African-American dropouts between the ages of 16 and 19 were in the labor force in Chicago in 1990, and about 61.4 percent of them reported that they were unemployed.
- Latino youth experienced the largest absolute increase during the 1980s in the number of youth unemployed in the metropolitan area due to relatively high unemployment rates and the growing Latino population. During the same decade, the absolute number of White youth unemployed in the metropolitan area declined.

High School and College Completion

- Among persons 25 years of age and over, both the high school and college completion rates increased significantly in 1990 for Whites, African Americans, Asian Americans, and Latinos in the metropolitan area, compared to the same populations in 1970.
- Although Latinos made significant gains in high school completion between 1970 and 1990, they continued to have the lowest high school completion rates of all groups, thus worsening the already existing gap due to the larger gains experienced by Whites and African Americans. In 1990, only 43.9 percent of Latinos who were 25 years of age and over had completed four years of high school or more, compared to 83.6 percent of Asian Americans, 82.8 percent of Whites, and 66.0 percent of African Americans.
- Asian Americans also had the highest college completion rate in the metropolitan area in 1990, with 49.2 percent completing college, compared to 28.5 percent for Whites, 11.8 percent for African Americans, and 7.7 percent for Latinos. The largest gains in college completion were experienced by Whites, especially in Chicago, resulting in a larger gap in college completion between Whites and African Americans and Latinos. Asian Americans experienced a significant drop in college completion rates in Chicago between 1980 and 1990, and a marginal decline in the suburbs during the same decade.

Female Labor Force Participation and Unemployment

- Many more women were working or looking for work in the Chicago metropolitan area in 1990 than in 1970. Just under 60 percent of women 16 years of age and older were in the labor force in 1990, compared to only 45.0 percent in 1970. The labor force participation rate for men dropped by 2 percentage points over the same twenty years. Despite these changes, female labor force participation rates still remained below the comparable rates of men.
- Latino women showed the greatest increase in labor force participation rates between 1970 and 1990, while Asian-American women showed the least change. In 1990 Asian-American women had a higher labor force participation rate in the metropolitan area as a whole than any other group.
- While unemployment rates for both men and women have increased substantially since 1970, the gender difference remains small. In 1980 and 1990, in the Chicago metropolitan area the unemployment rates for all women were slightly lower than those for men. However, the total number of women experiencing unemployment in the metropolitan area has increased greatly due to the rising female labor force participation during the 1970s and 1980s.

Female-Headed Households and Poverty

- In 1970, 1980, and 1990 female-headed families experienced much higher rates of poverty than other families in the Chicago metropolitan area. Despite gains in labor force participation rates, and slightly lower unemployment rates than men, in 1990 female-headed families were seven times more likely to be living in poverty than other families in the metropolitan area.
- In 1990, nearly 3 out of every 10 female-headed families (or 28.7 percent) were in poverty in the Chicago metropolitan area, and this proportion hasn't changed much since 1970. In Chicago nearly 4 out of every 10 (or 38.9 percent) of female-headed families were living in poverty, and nearly half of the families headed by African-American and Latino females were in poverty.

Introduction

Background

In January 1992, the Chicago Urban League, the Latino Institute, and Northern Illinois University began a two-year project to examine the effects of economic and demographic changes on the economic standing of minorities and women in the Chicago Metropolitan Area between 1980 and 1990. The plan called for using 1990 census releases to examine the economic standing of women and four major groups -- Whites, African Americans, Asian Americans, and Latinos. With funding from the John D. and Catherine T. MacArthur Foundation, the project aimed at producing two reports on major research findings; providing 1990 census data to policy researchers, advocacy and service organizations; and sponsoring a research report series on selected public policy issues.

In September 1992, the project issued its interim report, summarizing findings from the STF (Summary Tape File) 3 release of the 1990 census. This report focused on changes in the economic standing of minorities. Information on the corresponding changes for women was severely limited by what was available in the STF 3 release. These interim findings showed that the metropolitan area's minority groups made little headway in closing the gap between themselves and Whites during the 1980s. Indeed, on some indicators, what were already glaringly large disparities actually widened.

But how did these results compare with what had occurred earlier? To answer that frequently asked question, the project team sought and obtain additional funding from the John D. and Catherine T. MacArthur Foundation. This expansion of chronological scope allowed the project to describe what happened economically to minorities and women in the Chicago metropolitan area during the twenty years since the 1970 census. This final project report presents these descriptions.

Shifts in Population

The economic fate of women and minorities during the past twenty years can't be isolated from the major changes that affected Chicago and other large metropolitan areas during that time. These included the shift of the largest share of employment from manufacturing to services, and the shift of population and jobs from the central city to the suburbs. These economic shifts were accompanied by major demographic changes, including the increased labor force participation of women and the increased concentration of minorities in the population and labor force in both Chicago and the surrounding suburbs.

The total population of the Chicago metropolitan area grew from 6,945,000 in 1970 to 7,261,176 in 1990, a gain of over 4 percent. Although Whites remained the largest ethnic/racial group in the metropolitan area in 1990, their ranks declined by 577,395, or about 11 percent, since 1970 (see Appendix A). This dropped the White share of the total metropolitan area population from 77 percent in 1970 to 66 percent in 1990. During the same interval, the number of

African Americans increased by 202,248, or 17 percent, boosting the African-American share of the metropolitan area's total population from 17 percent to 19 percent. Latinos had the largest absolute increase in population, growing by 485,237 persons, which represented a 147 percent increase since 1970 and an growth in share of the total metropolitan population from about 5 to 11 percent. The Asian-American population grew by 209,855 persons. This represented a 507 percent increase between 1970 and 1990, and a 3 percent share of the total 1990 Chicago metropolitan population.

The population of the city of Chicago declined by 568,274 between 1970 and 1990, a drop of about 16 percent. During the same interval, the number of Whites in Chicago declined by 914,119, a 46 percent drop; and the number of African Americans fell by 5,901, less than a 1 percent decline. These declines were only partially offset by the net addition of 284,515 Latinos, an increase of 113 percent, and 73,341 Asian Americans, a gain of 238 percent. During this twenty-year period, Whites dropped from 59 percent of Chicago's total population to 38 percent, while Latinos increased their share of the population from about 7 percent to 19 percent.

The population of the Chicago suburbs rose by 25 percent, or 884,350 persons, between 1970 and 1990. Although the number of Whites continued to grow, the White share of the total population of the suburbs dropped from 94 percent in 1970 to 83 percent in 1990. This was the result of significant increases in population among African Americans, Asian Americans, and Latinos. These population shifts produced corresponding changes in the Chicago metropolitan labor force in both the city and its suburbs. (Appendix A presents the detailed data documenting these changes.)

The 1970s and 1980s also witnessed a decisive shift in population from Chicago, the central city of the metropolitan area, to the surrounding suburbs. In 1970 Chicago held 48 percent of the metropolitan area's total population, and the suburbs just under 52 percent. In 1990, twenty years later, Chicago's share had dropped to 38 percent, while the suburbs contained nearly 62 percent of the metropolitan area's total population.

Shifts in Economic Standing

How did these types of changes affect the economic standing of women and minorities in the Chicago metropolitan area? It is generally important to chart the comparative economic standing of racial/ethnic minorities and gender groups, and especially so when their increasing presence in the labor force coincides with other types of economic shifts. The structural changes that have occurred in metropolitan economies during the past twenty years, particularly the shift from manufacturing to service activities, have made the struggle for equity even more difficult.

This project's interim report presented the first picture of what happened economically to minorities during the 1980s. But it could neither offer a longer time perspective nor offer adequate gender breakdowns. This final report overcomes both of these limitations.

The project's interim report concluded that minorities in the Chicago metropolitan area made very little headway during the 1980s. Their education levels improved and more of them were in the labor force, but their economic gains were minimal. It was as though they were running on a treadmill -- working harder and harder but not moving forward.

Adding the data from the 1970 census put the developments of the 1980s into better perspective. The general pattern showed the marginal gains of the 1970s were wiped out in the 1980s. So that when we look over the full twenty-year period, the economic gap separating Whites from African Americans and Latinos grew wider. These minority groups lost ground economically in median family income, persons in poverty, children in poverty, unemployment, youth unemployment, and college completion.

The numbers presented in this report are sobering indeed. Certainly, some knew from their own experience, and others may have guessed, that the trends were heading in the wrong direction. But this report documents and quantifies them. It offers the first comprehensive compilation of information of this sort for the full two-decade period.

The trend toward growing economic disparities is alarming. We expect that policy makers, community groups, advocates, and the general public will make use of this report to advocate on behalf of and to improve the quality of life for African Americans, Latinos, Asian Americans, women, and youth.

Data Sources

This project report uses the STF 4 release of the 1990 census to present a detailed and comprehensive picture of the changes that occurred in the economic standing of women and minorities during the 1970s and 1980s. The terms African American, Asian American, Latino, and White are used to describe the four major ethnic/racial groups in the Chicago metropolitan area, although these groups were identified through different terminology in the census (see Appendix B).

In the 1990 census all individuals were asked to identify themselves by race: White, Black, Asian, or another racial category. A separate question asked individuals if they were of Spanish/Hispanic origin and the Hispanic subgroup, e.g., Mexican, Puerto Rican, etc. Since "Hispanic" or "Latino" (the latter term is used in this report) is not a racial category, many Latinos, an estimated 38 percent in Chicago and 53 percent in the remainder of the metropolitan area, identified themselves as racially White and ethnically as one of the Hispanic subgroups. Fewer than 3 percent of Hispanics identified themselves as racially Black.

This project's interim report used the STF 3 releases for 1980 and 1990. In these releases, Latinos were counted both under that ethnic label and under whichever racial label each respondent selected. This "double counting," which resulted in a fairly large number of Latinos also being counted as Whites, no doubt underestimated the economic differences between the Latino population and non-Latino Whites. The economic statistics provided in this final project report resolve this double-counting because the STF 4 census releases for 1980 and 1990 separated data for the non-Hispanic White, non-Hispanic Black, non-Hispanic Asian, and Hispanic populations.

Unfortunately, the STF 4 release for the 1970 census did not allow for this type of non-duplicative breakout. To get unduplicated population counts for 1970, this project used the 1970 Public Use Microdata Sample (PUMS), a 1 percent sample weighted to reflect total population size. This means that all figures reported here for 1970 are estimates developed from the PUMS file. In the cases of some population subgroups, the sample sizes were so small, and the associated standard errors of estimate so large, that the estimated numbers likely would be misleading. In these instances, the project reports no figures.

Finally, one additional data limitation must be noticed. The 1990 STF 4 release contains a known error in the poverty tables. This error involves small inaccuracies in the figures for non-Hispanic Whites, non-Hispanic Blacks, and non-Hispanic Others. The project decided to use this release despite this known source of error for two reasons. First, the error is small and limited to one indicator. Second, the Census Bureau has not yet indicated when -- or, indeed, even whether -- it will release a corrected version of the STF 4 file.

In this report, the Chicago metropolitan area is defined as a six-county area including Cook, DuPage, Kane, Lake, McHenry, and Will counties. Each section of the report provides information on the metropolitan area as a whole, the city of Chicago, and the surrounding suburbs including suburban Cook county.

The next sections of this report address the relative economic standing, as measured by income, poverty status, labor force status, and education, of African Americans, Asian Americans, Latinos, and Whites. These sections are followed by a section that gives breakdowns by both ethnic/racial categories and gender for labor force participation and unemployment rates, and for poverty rates of female-headed households.

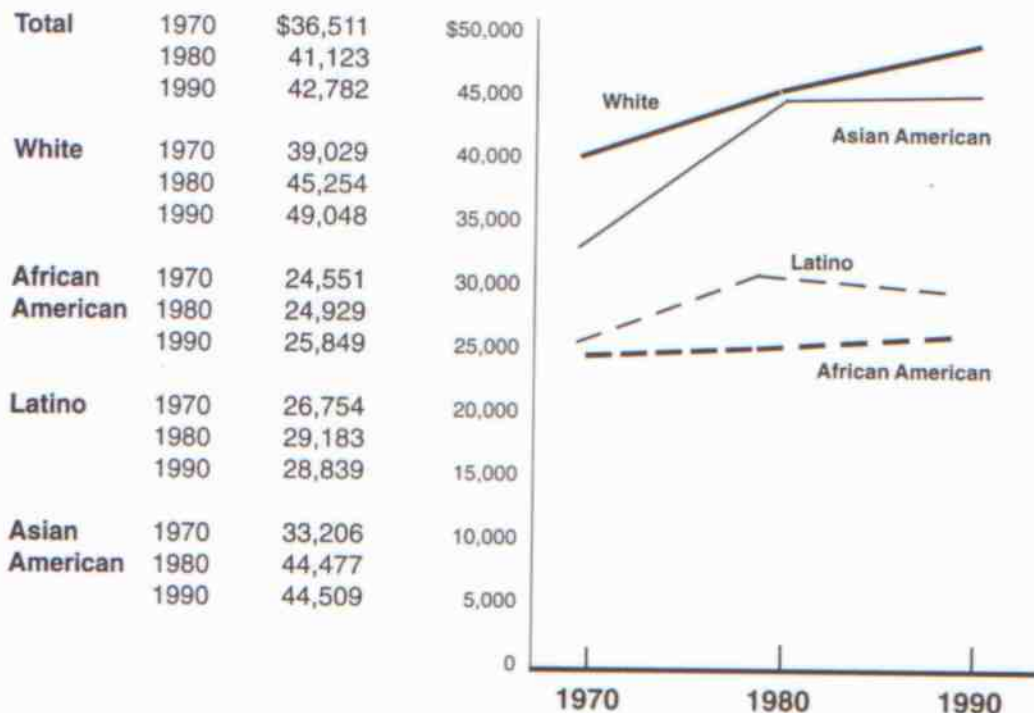
Appendix A provides the raw data for all indicators, for each ethnic/racial category, for each of the three census years, and for each of the three geographies. We expect these numbers to serve as reference tools for advocacy and community groups. Appendix B provides the formal definitions of the census indicators that were used in this report.

Income Median Family Income

Metropolitan Area A large disparity in median family income persisted between Whites and African Americans and Latinos in the metropolitan area from 1970 to 1990. The median family incomes of both minority groups grew slightly in constant (adjusted for inflation) dollars, although Latino

median family income peaked in 1980. But the median family income of Whites grew at a faster pace making the gap wider than it had been twenty years earlier. Only Asian Americans gained at a fast enough pace to begin closing the gap with Whites.

Figure 1A. Median Family Income: Metropolitan Area, 1970, 1980 and 1990*



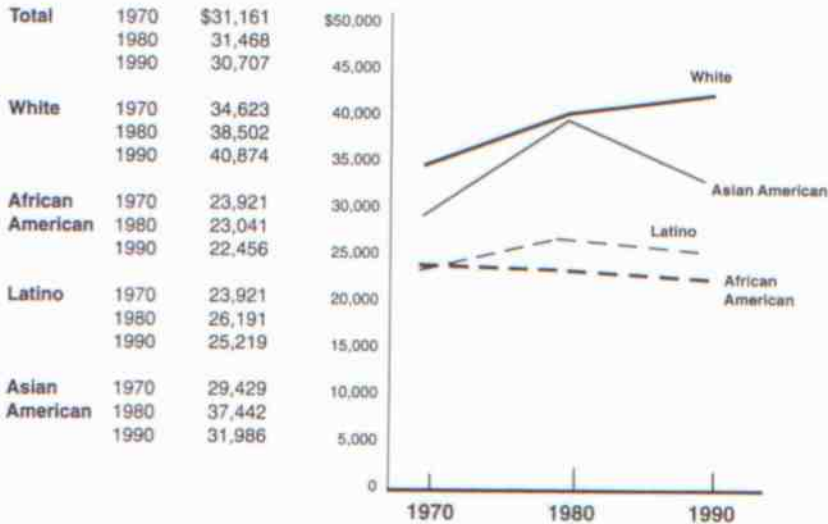
*Median income is based on income received in previous calendar year.

- African Americans had the lowest median family income of all groups in 1990. Their median family income slipped from 62.9 percent of White median family income in 1970, to 55.1 percent in 1980, and to 52.7 percent in 1990.
- Latino median family income dropped from 68.5 percent of White median family income in 1970, to 64.5 percent in 1980, to 58.8 percent in 1990.
- Asian-American median family income increased by \$11,303 between 1970 and 1990, more than that of any other group. By 1990 Asian-American median family income was 90.7 percent of White median family income, up from 85.1 percent in 1970.

Chicago and Suburbs The large disparities in median family income between Whites and African Americans and Latinos evident in 1970 in both Chicago and the suburbs grew larger by 1990.

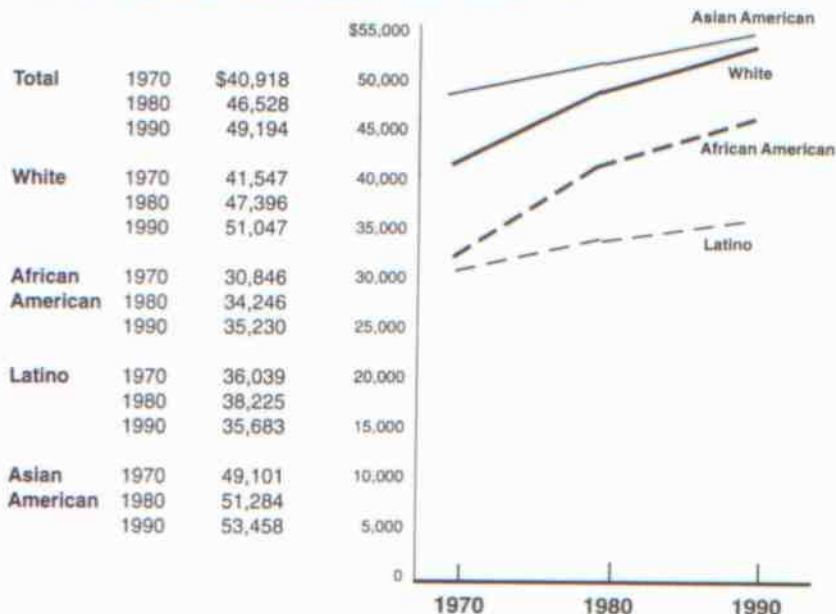
NOTE: The graphic lines in Figure 1C are incorrectly plotted for African Americans and Latinos. The data tables in Figure 1C for these groups are correct.

Figure 1B. Median Family Income: Chicago, 1970, 1980 and 1990*



*Median income is based on income received in previous calendar year.

Figure 1C. Median Family Income: Suburbs, 1970, 1980 and 1990*



*Median income is based on income received in previous calendar year.

- In Chicago, White median family income increased by \$6,251 between 1970 and 1990, far more than any other group.
- African-American median family income dropped by \$1,465 over the twenty years, shrinking from 69.1 percent of White median family income in 1970, to only 54.9 percent in 1990.
- Latino median family income increased by \$1,298, but dropped as a share of White income. In 1970 Latino median family income was 69.1 percent of White median family income; in 1990 it was 61.7 percent.
- Asian American median family income was 85.0 percent of White median family income in 1970, but fell to 78.3 percent by 1990.
- Median family income for African Americans increased by \$4,384 over the twenty years, but slipped from 74.2 percent of White median family income in 1970 to 69.0 percent in 1990.
- Latino median family income decreased by \$356, and slipped from 86.7 percent of White median family income in 1970 to 69.9 percent in 1990.