

## “When Work Moves: Suburbanization and Black Employment”

Summary of research by Conrad Miller

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### Background

Over the past sixty years, the black unemployment rate has been about double the national unemployment rate, even when controlling for education levels. And between 1970 and 2000, the percentage of black men who were employed declined at a faster rate than white men. These trends have run alongside a broad shift of both firms and white households toward the suburbs following World War 2, a shift which—alongside discriminatory housing policies—left black households disproportionately concentrated in central cities and farther away from the areas experiencing growth in employment opportunities.

Since 1970, there has also been a substantial gap—greater than 10 percentage points—in employment rates for blacks living in the suburbs compared with blacks living in urban areas. So what is the relationship between suburbanization and racial employment disparities? This empirical question has historically been a challenging one for researchers to answer. However, in this brief, we present new evidence generated by O-Lab researcher Conrad Miller to show that the suburbanization of employment opportunities was a major cause of the declines in black employment between 1970 and 2000.

### Research

Using census labor market data, as well as data from the Equal Employment Opportunity Commission, Miller finds that suburban employers are less likely to hire black workers. For every additional ten miles between the city center and a firm’s location, the proportion of black employees drops by 25% relative to the average. Further, if a firm relocates to the suburbs, there are fewer black employees in the same roles, providing strong evidence that the suburban location causes the decline. The author also found that U.S. cities with higher levels of suburbanization had higher disparities in black and white employment rates between 1970 and 2000, a difference that cannot be explained by other trends in the labor market.

The dramatic growth in the U.S. highway system played a major role in residential suburbanization following World War II, with the majority of highways constructed between 1956 and 1980. The author used data from prior research to measure the number of interstate highways in the central city in 1970, finding that metropolitan areas with more highways had increased employment rates and earnings for white workers but decreased rates and earnings for black workers. In short, highway construction caused job suburbanization, which increased the gap in employment rates between white and black workers.

### Policy implications

The suburbanization of employment opportunities is a significant factor behind the employment gap between white and black workers, accounting for between 40% and 60% of the employment rate disparity. Any policy solutions hoping to spur black employment must account for the reality that fewer job opportunities are located near black households, and address this geographic mismatch. In the long term, significant regional planning and policy-making to combat the historical effects of residential segregation will be needed to address the root cause of the black-white employment gap.