



Only Spot a Few Blacks the Higher I Go: Occupational Segregation and the COVID-19 Pandemic

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This project focuses on examining the relationship between occupational segregation by race and labor market outcomes during the COVID-19 pandemic. Below is a summary of the key points and contributions of the study.

Historical context: The study begins by referencing the work of economist Barbara Bergmann from over 50 years ago. Bergmann's hypothesis about discrimination in the labor market, particularly the clustering of Black workers into lower-paying occupations due to racial biases, sets the historical context for the research.

Relevance of the COVID-19 pandemic: The study underscores the significance of understanding how structural barriers, such as racial occupational segregation, contributed to the economic challenges faced by American workers during the COVID-19 pandemic, one of the worst employment hardships in recent times, leading to significant job losses.

Data sources: The study uses data from the National

Longitudinal Survey of Youth 1997 Cohort (NLSY97), specifically the most recent biennial survey (Round 19) and the COVID-19 supplement from 2021. These data sets are merged to create a comprehensive picture of individuals' work situations before and during the pandemic.

Measuring occupational segregation: The study constructs measures of occupational segregation in two ways. First, it looks at the concentration of Black workers within specific, main occupational categories. Second, it groups occupations into broader categories and calculates segregation based on these groups. Similar measures are also constructed for Hispanic workers.

Labor market outcomes: The primary focus of the study is to examine how occupational segregation relates to changes in labor market outcomes during the pandemic. It investigates whether workers employed in occupations with higher levels of occupational segregation were more likely to experience changes in their earnings, working hours, and employer due to the COVID-19 outbreak.

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Key findings:

- ▶ The study finds that Black workers employed in occupations with a higher concentration of Black workers were more likely to experience reductions in hours and earnings during the pandemic compared to white workers in similar occupational settings. Specifically, Black workers had a 0.4% increase in the probability of indicating a reduction in hours and a 0.2% increase in the probability of indicating a reduction in earnings when working in occupations with higher concentrations of Black workers compared to their white counterparts.
- ▶ Interestingly, this disparity does not exist between Hispanic and white workers.
- ▶ The study considers potential confounding factors such as union membership, health conditions, and criminal

history but finds that these factors do not explain the observed differences in labor market outcomes between Black and white workers during the pandemic.

Contributions: The study sheds light on the role of long-standing structural barriers, such as occupational segregation by race, in exacerbating economic hardships during the pandemic.

In summary, this research project provides important insights into the relationship between racial occupational segregation and labor market outcomes during a major crisis like the COVID-19 pandemic. It highlights the persistent disparities faced by Black workers and underscores the need for addressing structural barriers to promote more equitable economic outcomes, especially during retirement age. ❖

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