



Mismeasuring Joblessness:

A Rejoinder to ETI/Murphy

by:

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In his landmark 1990s study of inner city economic life, *When Work Disappears*, Harvard sociologist William Julius Wilson observed: “[C]urrent levels of joblessness in some neighborhoods are unprecedented... For the first time in the twentieth century, *most adults in many inner city ghetto neighborhoods are not working in a typical week.*” (emphasis added). Subsequent research by scholars such as Andrew Sum, Mark Levitan, Harry Holzer, and Bruce Western confirmed the stunning reality that in many communities across the country, nearly half of working-age African American males were not employed.¹

Over the past decade, I have produced a series of studies on black male joblessness in Milwaukee and the nation’s largest cities.² My research has revealed that the percentage of working-age black males “not working” has doubled in Milwaukee since the 1970s, and that by the 2000s, in Milwaukee as well as in many big cities in the U.S., rates of black male joblessness have sometimes exceeded 50 percent. I have dubbed this disastrous labor market situation “the crisis of black male joblessness in Milwaukee.”

Recently, however, staff at the UWM Employment and Training Institute (ETI) has downplayed the gravity of Milwaukee’s crisis. In a short report, ETI asserted that my studies “misuse... the ‘jobless’ statistic as a proxy for unemployment,” adding the puzzling accusation that reporting joblessness somehow “promotes a stereotype of African-American males in Milwaukee as neither working nor even willing to look for employment.”³ Bruce Murphy of *Milwaukee Magazine* then amplified this claim, using the ETI assertions to accuse me of “exaggerating” the degree to which black males are not working in Milwaukee. “In his zeal to dramatize black unemployment,” says Murphy, “Levine ends up misleading people.”⁴

The central claim of ETI/Murphy is that my measure of “joblessness” –and presumably that of nationally prominent scholars such as Wilson, Sum, and Western—exaggerates

¹ See, among others: William Julius Wilson, *When Work Disappears: The World of the New Urban Poor* (New York: Knopf, 1996); Andrew Sum, “Labor Underutilization Problems of U.S. Workers Across Household Income Groups at the End of the Great Recession: A Truly Great Depression Among the Nation’s Low Income Workers Amidst Full Employment Among the Most Affluent,” report prepared for C.S. Mott Foundation, February 2010; Harry J. Holzer, “The Labor Market and Young Black Men: Updating Moynihan’s Perspective,” *Annals AAPSS*, 621 (January 2009): 47-69; Janny Scott, “Nearly Half of Black Men Found Jobless,” *The New York Times*, 28 February 2004; Bruce Western and Becky Pettit, “Black-White Wage Inequality, Employment Rates, and Incarceration,” *American Journal of Sociology*, 111:2 (September 2005): 553-578; Ronald Mincy (ed), *Black Males Left Behind* (Washington, D.C.: The Urban Institute Press, 2006); and Erick Eckholm, “Plight Deepens for Black Men, Studies Warn,” *The New York Times*, 20 March 2006.

² Marc V. Levine, *Stealth Depression: Joblessness in the City of Milwaukee Since 1990* (UWM Center for Economic Development, 2003); Levine, *The Crisis of Black Male Joblessness in Milwaukee: Trends, Explanations, and Policy Options* (UWMCED Working Paper, 2007); Levine, *The Crisis of Black Male Joblessness in Milwaukee: 2006* (UWMCED Working Paper, 2007); Levine, *The Crisis Continues: Black Male Joblessness in Milwaukee: 2007* (UWMCED Working Paper, 2008); Levine, *Race and Male Joblessness in Milwaukee: 2008* (UWMCED Research Update, 2009).

³ UWMETI, “Drilldown on African American Male Unemployment,” prepared for the Milwaukee Area Workforce Investment Board (December 2009).

⁴ Bruce Murphy, “Exaggerating Black Male Unemployment,” *Milwaukee Magazine News Buzz*, 4 May 2010.

“unemployment” by including as non-workers people of working-age who are in prison, the disabled, retirees, and full-time students. Murphy, in particular, claims I have confused readers by not explaining the differences in how “joblessness” and “unemployment” are calculated. Moreover, he asserts that the “jobless rate” deceptively portrays Milwaukee “to the rest of the world.”

These accusations, however, are unfounded. They reveal ETI/Murphy’s ignorance over the technical question among economists regarding how best to gauge labor market conditions. Moreover, in mistakenly asserting that the “official” unemployment rate is the only accurate measure of “joblessness” in Milwaukee, ETI/Murphy themselves mislead the public by downplaying the severity of the labor market realities facing black males in the city.

First, let’s clear up the inflammatory and quite false claims by ETI/Murphy that: 1) I have intentionally “misled” readers by not explaining the difference between the official unemployment rate and the measure of “joblessness” used in my research; and 2) I have reported a “preposterously high unemployment figure” (sic). Here, at length, is how I carefully explained the issue in a 2007 paper, the first in a series on black male joblessness in Milwaukee:

The level of joblessness in a labor market is most often conveyed in one universally recognized and widely reported number: the unemployment rate. This statistic measures the percentage of people over the age of 16 in an area’s civilian labor force, actively looking for work, who do not have a job.

However, the official unemployment rate is an imperfect and sometimes misleading indicator of the true extent of joblessness. As calculated by the federal Bureau of Labor Statistics (BLS), the officially unemployed do not include working-age people who are not working but, for various reasons, are not in the labor force. Some of these potential workers, such as most students and homemakers, as well as the voluntarily self-employed or voluntarily retired, have chosen not to be in the labor force; thus, it makes sense to exclude them from measures of unemployment.

However, many other potential workers are not included in the official unemployment rate even though they are not necessarily among the *voluntarily* jobless. Some are “discouraged workers,” who have given up looking for elusive employment. Others may simply not enter the labor market, convinced that appropriate jobs are not available. These individuals do not show up in the official unemployment statistics, although they are clearly part of the jobless population in a community.

Thus, because the official unemployment rate ignores those who are not seeking jobs, it understates the full scope of joblessness. A different way, therefore, to gauge joblessness—and the one we will use in this report—is to look at the percentage of the *total* working age not employed: *everyone* between the ages of 16-64, not just those actively in the civilian labor force.

Obviously, this “jobless rate” will never be zero: aside from “frictional unemployment” (people between jobs), there are always working-age full-time students, homemakers, early retirees, or the self-employed who are *voluntarily* not in the labor force. But clearly, the more robust the labor market, the lower the jobless rate for the entire working-age population.⁵

And here is how I discussed this issue in a 2008 paper, in which I examine the impact of employment disabilities on shaping the “unemployment rate” and the “jobless rate”:

We have argued in this report that the official unemployment rate is a flawed statistic for measuring the true extent of joblessness in a community, primarily because the official rate leaves out portions of the working-age population who, for a variety of reasons, are not in the labor force. This is why, for example, many economists look to the “employment-population” ratio—essentially the flip-side equivalent of our “jobless” statistic—as a better measure of joblessness than the unemployment rate.

The official unemployment rate for black males in metro Milwaukee in 2007 was 21.7 percent – awful enough, but lower than the 51.1 percent jobless rate that headlines this report. A legitimate question: does the joblessness statistic overstate the number of able-bodied jobless, by including those with employment disabilities who are not counted in the official unemployment statistics because they are not actively seeking work?⁶

Now, ETI/Murphy may not agree with my conclusion that “joblessness” is a better gauge of labor market conditions than “unemployment;” that is certainly a legitimate matter for debate that I will address shortly (along with the entire question of how disabled workers have historically been accounted for in unemployment data). But it is quite unfair—indeed, I would say deliberately misleading—to assert that I “never explain to readers...why [the jobless rate] is so much higher [than the unemployment rate].”⁷ As anyone who has read my studies can see, and as the quotations above clearly illustrate, I discuss these questions in painstaking detail.

⁵ Levine, *The Crisis of Black Male Joblessness in Milwaukee*” Trends, Explanations, and Policy Options, pp. 15-16.

⁶ Levine, *The Crisis Continues: Black Male Joblessness in Milwaukee, 2007*, p. 19.

⁷ Murphy, “Exaggerating Black Male Unemployment.”

One of the other peculiarities of ETI/Murphy’s attack on me is their uncritical acceptance of the official unemployment rate as a sacrosanct gauge of labor market conditions, despite widespread recognition by economists that it understates considerably the level of joblessness among the working age population. Austan Goolsbee, economic policy adviser to President Obama and labor economist at the University of Chicago, has forcefully argued that the unemployment rate has been held artificially low since the mid-1980s –or at least had been until the Great Recession started in 2007-- “only because government programs, especially Social Security disability, have effectively been buying people off the unemployment rolls and reclassifying them as not ‘in the labor force.’” “In other words,” argues Goolsbee, “the government has cooked the books.” He calls this the “unemployment myth.”⁸

Sophisticated economics journalists such as *The New York Times*’ David Leonhardt have analyzed the shortcomings of the official unemployment rate in accounting for the enormous increase over the past three decades “in the number of people who fall into the no man’s land of the labor market... These people are not employed, but they also don’t fit the government’s [narrow] definition of the unemployment – those who ‘do not have a job, have actively looked for work in the prior four weeks, and are currently available for work.’”⁹ As a consequence, argues Leonhardt, “there is no doubt that the unemployment rate is a less telling measure than it once was. It’s simply no longer the best barometer of the country’s economic health.” In fact, Leonhardt recommends looking to the “employment-population” ratio – essentially, the flip-side equivalent of the “jobless rate” that I use in my research—for a “truer picture” of labor market conditions.

Moreover, as Harvard’s Bruce Western has pointed out, the unemployment rate is particularly defective in gauging inner city labor market conditions. “The unemployment rate is too restrictive for studying socially marginal groups,” writes Western, “because it does not count the long-term jobless who are discouraged from seeking work.”¹⁰ As a result, Western, who is the leading academic expert on the impact of the nation’s incarceration epidemic on inner city communities, uses *precisely the same* measure of joblessness that I do to gauge conditions in urban labor markets.

Finally, even the federal Bureau of Labor Statistics (BLS) now recognizes the limitations of the official unemployment rate. “Some have argued that this measure is too restricted, and that

⁸ Austan Goolsbee, “The Unemployment Myth,” *The New York Times*, 30 November 2003.

⁹ David Leonhardt, “Unemployed, and Skewing the Picture,” *The New York Times*, 5 March 2008.

¹⁰ Bruce Western, “Incarceration and Invisible Inequality,” unpublished paper (May 2004), p. 6.

it does not adequately capture the breadth of labor market problems. For this reason, economists at BLS developed a set of alternative measures of labor underutilization.”¹¹

In short, *even the BLS*, unlike ETI/Murphy, does not insist that the official unemployment rate is the *only* acceptable labor market gauge, or that other metrics are “deceptive.” As is well known (though perhaps not to ETI/Murphy), the BLS now offers various measures of joblessness, ranging from “U-3,” which is the traditional narrow measure of unemployment, to “U-6,” which includes “discouraged workers” who have stopped looking for work, other “marginally attached” workers, and part time workers who want to work full time but cannot due to economic reasons. The U-6 rate is usually around 75% or so higher than the official unemployment rate (U-3). Unfortunately, the BLS does not calculate the U-6 measure for urban labor markets, nor therefore for racial and ethnic groups in those markets, so it has been up to researchers such as Western, Wilson, and me to develop these more sensitive local measures of the degree to which working-age adults are, in fact, working in inner city communities.

Again, it is perfectly legitimate to dispute which statistics most accurately reflect the extent to which the working-age population is working in a given community. However, insinuating as do ETI/Murphy that there is something deceptive in using measures other than the official unemployment rate not only does little to advance this debate but also betrays their ignorance of the methodological issues involved.

As Bruce Western has pointed out, the chief virtue of the “jobless” statistic is that, unlike the official unemployment rate, it accounts for the “hidden jobless”: working-age black males who not “unemployed” according to the official government definition, but who nonetheless are not in the labor force (and hence not working). ETI/Murphy argue, essentially, that we shouldn’t be concerned with this group: black males “not in the labor force” (NILF), they assert, are mostly full-time students, early retirees, the disabled, or the incarcerated, so we shouldn’t really count them as jobless.

This ETI/Murphy depiction of the NILF population, however, is highly misleading, and ignores some troubling historical trends. As Table 1 shows, the NILF percentage among working-age black males (ages 16-64) has almost doubled since 1970 in metro Milwaukee, while actually *declining* for working-age white males. Among black males in their prime working

¹¹ U.S. Bureau of Labor Statistics, “How the Government Measures Unemployment,” p. 7. (Accessed at http://data.bls.gov/cgi-bin/print.pl/cps/cps_htgm.htm).

years (ages 25-54), the NILF rate has *tripled* since 1970.

Why has the black male NILF percentage skyrocketed? Unless one believes there has been a stunning growth in disability, early retirement, or non-working students among black males since the 1970s –with no comparable surge among white males—these historical data would suggest that other, less benign factors explain the dramatic rise in black males not in the labor force, and that this hidden joblessness is not being captured by official unemployment rates. Indeed, as early as the mid-1960s, the Moynihan report noted not only the high rates of officially defined unemployment among black males but also the worrisome trend of rising *nonparticipation* in the labor force.

Table 1:

Percentage of Working-Age Males Not in the Labor Force, By Race
Metropolitan Milwaukee, 1970-2008

Age Cohort	Race	% not in labor force		
		1970	1990	2008
16-19	Black	59.5	56.5	71.3
	White	44.5	37.5	43.4
20-24	Black	16.4	26.2	34.6
	White	16.4	12.2	13.1
25-54	Black	8.7	22.1	25.5
	White	3.4	4.4	6.2
55-64	Black	27.6	50.8	49.9
	White	14.1	30.0	23.9
16-64	Black	20.3	31.7	35.8
	White	15.1	15.9	13.5

Source: U.S. Bureau of Census, various years

This nonparticipation has exploded since the late 1960s, in Milwaukee and elsewhere. The spread in the NILF percentage between black and white males in Milwaukee grew from a modest 5.3 points in 1970 to an astonishing 22.3 points in 2008. For young adults (ages 20-24) in Milwaukee, *there was no racial gap* in 1970; in 2008, it was 21.5 points. In *every age cohort*, the NILF percentage has increased much more rapidly for black males than whites. Do ETI/Murphy

seriously believe this reflects massive increases in black male disabilities, voluntary early retirement, or black male students voluntarily deciding they do not wish to look for work (with no commensurate increases for whites), rather than a catastrophic deterioration in labor market conditions for black Milwaukeeans?

Let's put it another way: *all* of NILF categories that ETI/Murphy assert deceptively inflate the black male jobless rate in 2008 Milwaukee have been in the calculations of joblessness since 1970 *and* apply to whites as well as blacks (disability, school attendance, and early retirement). Why, then, has the black male NILF rate doubled since the 1970s (tripling for males in their prime working years), while actually *declining* for whites? Are black males more prone than whites to disability, likelier to be full-time students with no desire for work, and more able to achieve voluntary early retirement? Clearly, these categories are inadequate as explanations for the massive decline in black male labor force participation since the 1970s.

Let's look more closely at these categories ETI/Murphy think "exaggerate" black male joblessness in my calculations.

The disabled:

As I have noted, "employment disability" has become something of a controversial topic among labor economists. Scholars such as Austan Goolsbee, David H. Autor, and Mark Duggan have analyzed the degree to which loosened disability eligibility policies have "artificially" lowered the official unemployment rate by, in effect, shifting some working-age jobless from the unemployment rolls to "not in the labor force."¹² Goolsbee calls it "a kind of invisible unemployment" – moving, in record numbers, "people who would normally be counted as unemployed...[with] hard-to-verify disabilities like back pain and mental disorders, into the disability system."¹³

Importantly, Goolsbee concludes: "The point is not whether every person on disability deserves payments. The point is that in previous recessions these people would have been called unemployed. They would have filed for unemployment insurance. They would have shown up in the statistics. *They would have helped create a more accurate picture of national unemployment, a crucial barometer we use to measure the performance of the economy, the likelihood of inflation and the state of the job market.*" (my emphasis).

¹² David H. Autor and Mark G. Duggan, "The Rise in the Disability Rolls and the Decline in Unemployment," *Quarterly Journal of Economics* (February 2003): 157-205.

¹³ Austan Goolsbee, "The Unemployment Myth," *The New York Times*, November 30, 2003.

Tables 2 and 3 illustrate the extent to which this explosion in disabilities may have distorted the official unemployment rate in Milwaukee. Between 2000 and 2007, among working-age males of *all* racial and ethnic groups, the number out-of-work and reporting employment disabilities shot up by 63.8 percent, and the number reporting “any disability and not employed” increased by 23.9 percent – yet, the total number of working-age males in metro Milwaukee grew by just 6.3 percent during this period. Table 3 breaks down the disability numbers by race, and shows that the number of black males with “any disability, not employed” almost doubled between 2000-2007.

Curiously, the black male disability rate increased by over two and half times faster than the white rate between 2000-2007 in Milwaukee, and the Hispanic male disability rate actually fell by 38 percent during these years. This seems to be strong circumstantial evidence that the disability figures may reflect, at least in some significant measure, economic rather than medical conditions in Milwaukee. Again, though, following Goolsbee, the issue is not whether these disabilities “deserve payments;” it is that, historically, these individuals would have been included in the unemployment statistics, and that not including them now actually distorts our understanding of trends in joblessness in the community.

ETI/Murphy, in their zeal to imply that I’ve juiced the jobless numbers by including “the blind” and other disabled, seem completely unaware of the methodological debate on disability and unemployment rates among economists.¹⁴

Table 2
Rising Disability Among Working-Age Males
In Metropolitan Milwaukee: 2000-2007

CATEGORY	2000	2007	% CHANGE
With employment disability, not employed	16,071	26,320	+63.8%
With any disability, not employed	28,480	35,285	+23.9%
Total # working-age males in population	465,301	496,830	+6.3%

Source: U.S. Bureau of the Census, *Census of Population, 2000*; *American Community Survey, 2007*

¹⁴ Even more appallingly, I alerted Murphy to the methodological complications surrounding disability and unemployment *prior* to publication of his story. He chose to ignore the issue and the intricacies of how economists calculate joblessness, apparently more interested in publicizing ETI’s superficial work and making sensationalistic and misleading claims about “exaggeration” and “deception.”

Table 3

**Disability Among Working-Age Males
In Metropolitan Milwaukee, by Race and Ethnicity: 2000-2007**

RACIAL/ETHNIC GROUP	2000	2007	% CHANGE
Black	6,547	12,168	+85.9%
White	14,857	19,807	+33.3%
Hispanic	3,560	2,176	-38.9%

Source: Same as Table 2

Students:

ETI/Murphy contend that the black male jobless figure is inflated in Milwaukee because it includes 16-19 year old students, many of whom are in school.

Once again, however, this is a red herring. Students have been included in the black male jobless calculations from the 1970s onward – so this is not some “addition” in the 2008 numbers, included to deceptively “inflate” the black male jobless rate.

Moreover, students are also included in the white male jobless rate, which, of course, remains less than half the black rate. In 1970, 33 percent of black males 16-19 were employed in Milwaukee; today it’s only 18 percent (the employment rate for 16-19 year old white males has remained constant since 1970 at 50 percent, almost *triple* the black teenager rate). The question isn’t whether it makes sense to include students in employment statistics: the question is why have the labor force participation and employment rates have declined so precipitously for black males 16-19 years old in Milwaukee since the 1970s.

The key issue here, as is well known among economists and sociologists, is that the labor market has collapsed for young black males. As Table 1 shows, the percentage of black males 16-19 years old (as well as 20-24) not in the labor force (and thus not counted in the official unemployment statistics) has skyrocketed since the 1970s (while remaining constant for whites). Most serious studies attribute this shocking growth in the youth NILF population to deteriorating labor market conditions for black males; yet, ETI/Murphy think only the “officially unemployed” young adults should be part of the labor market discussion in Milwaukee, since

most of the 16-19 year olds are students.

But this begs the question: why did a much higher percentage of black male students participate in the labor market *and* find jobs in the past? Declining labor force participation, in short, is a central aspect of the labor market crisis in Milwaukee for black males, and surely flows, in large measure, from the well-documented job shortage in the city.

Early Retirees:

ETI/Murphy also criticize “joblessness” as a metric because it includes individuals receiving social security and other retirement income. I assume they are implying that these are black male early retirees, *voluntarily* not in the labor force, and thus not reasonably counted as “jobless” in gauging labor market conditions.

Once again, however, ETI/Murphy assume that these individuals are *voluntarily* not in the labor force. Some historical perspective is again useful here: as Table 1 shows, the percentage of black males 55-64 years old who are not in the labor force has nearly doubled since 1970. Is it plausible that the rate of *voluntary* early retirement among black males has *doubled* since 1970 and is over *twice* the white rate (especially given what we know about racial disparities in income and wealth)? Do ETI/Murphy believe there is a large population of nonworking black males enjoying bountiful 401-k accounts in Milwaukee’s inner city -- at a much higher rate than metro Milwaukee’s white males? Or is it much likelier that the disastrous Milwaukee labor market has discouraged labor force participation among 55-64 year old black males?

Incarceration:

The explosive growth since the 1980s in the number of African-American males in prison or jail has been extensively documented. Studies have shown, in fact, that the official unemployment rate nationally has been artificially depressed by this *involuntary* removal of working-age black males from the labor force. Nationally, according to Bruce Western, the foremost academic expert on the subject, incarceration accounts for over 30 percent of all joblessness among black men ages 22-30.¹⁵

According to ETI’s own analysis, about 10% of working-age African-American males not in the labor force in Milwaukee are “institutionalized” -- about the same percentage as nationally. EIT/Murphy make the curious argument that these working-age men should not be counted as

¹⁵ Western and Pettit, “Black-White Wage Inequality, Employment Rates, and Incarceration,” p. 556.

jobless, but their logic is fuzzy: are they contending that incarcerating black males is a good strategy to keep official unemployment low by reducing black labor force participation? To once again cite Bruce Western:

“[Official] statistics, as bad as they are, overstate the economic status of young black men and underestimate racial inequality...By institutionalizing large numbers of...African-American men through the 1990s, official employment and wage statistics for those at the margins of the labor market are artificially optimistic.”¹⁶

Apparently, however, ETI/Murphy prefer to rely on the “artificially optimistic” official unemployment rate, in which the incarcerated are not counted, and to attack as “exaggeration” attempts such as mine to document the true extent to which working-age black males in Milwaukee are, in fact, working. In my view, however, a criminal justice policy that, in the words of *The Economist*, locks up “so many for so little” (referring to lesser drug offenses), is hardly an example of effective labor market policy.¹⁷ As Western and Pettit put it: “Rising incarceration rates result mostly from changes in criminal justice policy...While public policy may have significantly reduced discrimination in hiring, labor market inequality may still be affected by racial disparities in the criminal justice system.”¹⁸

[And let’s not ignore, of course, how the incarceration epidemic is deleteriously affecting the future employment prospects of ex-offenders, as Princeton’s Devah Pager has documented in her research on Milwaukee].¹⁹

In 1970, there were only 8 Milwaukee census tracts in which over 50 percent of working-age males were not employed. By 2000, 62 city census tracts were “majority jobless,” and no serious researcher believes the situation has improved over the past decade. It would take an ostrich—or ETI/Murphy—to overlook this trend, and to minimize rather callously this catastrophic decline in black male labor force participation since the 1970s by attributing it to “students, the disabled, or early retirement.”

No gauge of labor market conditions is perfect. As I have noted in all my papers, in caveats apparently ignored by ETI/Murphy, it is true that the “jobless” statistic includes some working-

¹⁶ Western, “Incarceration and Invisible Inequality,” pp. 25, 27.

¹⁷ *The Economist*, “Too many laws, too many prisoners,” 24 July 2010: 26-29.

¹⁸ Western and Pettit, “Black-White Wage Inequality, Employment Rates, and Incarceration,” p. 559.

¹⁹ Devah Pager, *Marked: Race, Crime and Finding Work in an era of Mass Incarceration* (Chicago: University of Chicago Press, 2007).

age males who are voluntarily not in the labor force or are precluded from working because of disabilities, and, of course, incarceration. On the other hand, my calculation doesn't include involuntarily part-time workers—those included in the BLS' U-6 statistic—that would surely *raise* black male labor underutilization percentage in Milwaukee. (The percentage of black males working full-time in Milwaukee declined from 59% in 1970 to 33% in 2007; is there any doubt that a substantial share of the growth in part-time work among Milwaukee's black males is *involuntary*, a product of the city's chronic jobs shortage)?

Better data would certainly enable us to identify the precise local magnitude of these components of labor force nonparticipation and underutilization, and accordingly refine the “jobless rate.” But does the “jobless” statistic significantly “exaggerate” the proportion of working-age males who are not working? No, especially when presented—as I do—in historical and comparative terms, and with more than a superficial analysis of the categories putatively explaining black male labor force nonparticipation. Does the statistic unfairly make Milwaukee “look bad nationally,” as Murphy claims? No, because the jobless rate is calculated for all cities in my studies exactly the same way. Does the statistic confuse “joblessness” and “unemployment?” No, not if critics bother to read the studies they carelessly attack or familiarize themselves with basic labor market measurement issues.

Most importantly, compared to the flawed official unemployment rate, the jobless statistic is useful because it takes into account the single most important element in the labor market collapse in Milwaukee: the precipitous decline in black male labor force participation. In the last analysis, whether the jobless rate is *precisely* 50%, 45% or even 40% is less important than, say, the stunning reality that the percentage of black males in their prime working years (25-54), not in the labor force, has *tripled* in a generation. Unlike ETI/Murphy, who argue that only the “officially” unemployed count, I believe that labor market policy in Milwaukee needs to address this collapse in labor force participation, and the overall shortage of jobs in the community, if we are to alleviate the employment crisis facing the city's black males.

Labor Market Exclusion in Milwaukee 1970-2000:

Census tracts in which 50% or more of working age males are unemployed or not in the labor force

