3 Ways to Improve the Outcomes for African Americans in the Rural South

By Olugbenga Ajilore | August 6, 2019

When politicians speak about the plight of African Americans in the United States, their focus is predominately on those who reside in urban areas. They often discuss the lack of resources for African Americans in metropolitan and suburban areas, focusing on issues such as lack of education or employment opportunities or the need for criminal justice reform due to overcriminalization and underpolicing. While these are salient issues that need to be addressed, this limited focus ignores the plight of many African Americans residing outside of densely populated urban metro areas. African Americans make up 12.3 percent of the United States population and comprise 14.3 percent of the population in Southern nonmetropolitan counties. However, when politicians talk about rural America, they seemingly only focus on these areas’ white residents, neglecting the fact that they are home to a significant number of African Americans.

Using data taken from the Opportunity Atlas—a collaboration between the U.S. Census Bureau, Harvard University, and Brown University that provides data on economic mobility throughout the country—one can see that the South has the lowest level of economic mobility for all demographics. Compared with other groups, African Americans have particularly low prospects for upward mobility and, in certain cases, are more likely to experience downward mobility.

A long and brutal history of racist policies has kept African Americans from experiencing economic mobility through both legal and extralegal means. While the post-Reconstruction era and Jim Crow policies led to harsh outcomes for African Americans, the response by Southern—and national—politicians to the Civil Rights movement in the 1960s continued to promote policies that oppressed African Americans. This so-called Southern strategy has driven conservative politics and policy over the past 50 years, hurting African Americans to this day. Figure 1 shows a strong clustering of low mobility in the South and in certain parts of the industrial Midwest; it is not random that the areas with the lowest economic mobility are those with high populations of African Americans.
This history of both explicit and structural racism has led to policies that have maintained and exacerbated racial disparities in many outcomes. To combat these problems and close these gaps, policymakers should call for new strategies that appeal to African American communities previously excluded, villainized, or ignored; these solutions should address the injustice visited upon these communities and put forth an agenda centered around racial and economic justice. Addressing issues facing rural African Americans can provide benefits to other rural residents as well as residents throughout the country. While problems such as limited access to health care, unaffordable housing, and criminal injustice are most acute for African Americans in rural parts of the South, Americans throughout the country suffer from these issues as well.

This issue brief outlines the specific problems faced by rural African Americans and provides policy recommendations for this neglected population. It is crucial to address this issue, as structural racism has harmed all Americans by denying particular groups the means to get ahead in the economy. When all citizens are allowed to participate in the economy, the benefits spill over throughout the country.

**Structural racism and barriers to prosperity**

Structural racism has been and continues to be the primary impediment to upward mobility for African Americans throughout the country. This form of racism explains how race and racism permeate both public and private institutions to create unequal outcomes in all facets of life. Structural racism manifests in many ways, including employment discrimination, disparities in the criminal justice system,
disparities in health outcomes, and disparities in the education system. These issues are particularly pronounced within rural parts of the South. For example, rural residents must travel further to receive health services, and mass incarceration has been increasing in rural counties—primarily due to pretrial detention. Moreover, a 2018 article from the Brookings Institution shows that historical policies such as redlining and exclusion from the GI Bill have disadvantaged African Americans; and the long-term impacts of these policies continue to reverberate in a variety of ways. To this day, explicit discrimination against African Americans through Jim Crow policies and residential segregation has implications for employment and wealth-building activities. For example, in the run-up to the Great Recession, African Americans were targeted for subprime mortgage loans and were therefore at a greater risk for foreclosure during the housing collapse.

Yet there are additional factors that harm African Americans in the rural South relating to labor market outcomes and industry. For example, a recent CAP report showed how the U.S. Department of Agriculture was responsible for the severe decline in African American farmers since the early 20th century. Due in part to the well-documented structural racism within the federal agency, the share of farmers who are African American plummeted from 14 percent in 1910 to less than 2 percent in 2017.

It is well-understood that racial discrimination in the labor market exists and has persisted into the present day. African Americans are more susceptible to business cycle movements than other groups. During recessions, they tend to be the first fired, and during ensuing recoveries, they are the last to be hired. In addition, involvement with the criminal justice system further affects African Americans’ attachment to the labor force. In the South—and other regions as well—the criminalization of poverty has severely affected African Americans. In the criminal justice system, the fines and fees levied on indigent individuals amount to a modern-day debtors’ prison. As described by the nonprofit Southern Center for Human Rights, when an individual receives a misdemeanor and cannot pay the fine, they are subject to imprisonment along with multiple fees—including fees that go to the Sheriffs’ Retirement Fund and the Peace Officers’ Annuity and Benefit Fund, to name just a few. These predatory fees make it difficult for individuals to properly reintegrate into society.

Union representation has also had important implications for African American wealth. Compared with other racial or ethnic groups, African Americans have consistently had the greatest level of union participation. However, as shown in Table 1, the South has lower rates of union representation. In the pre-Civil Rights period, right after World War II, many of these states enacted right-to-work laws, which depress union membership. Unsurprisingly, as a result of this, there is lower union representation in these states.
TABLE 1
Labor market indicators for the bottom 10 states by union membership in 2018

<table>
<thead>
<tr>
<th>State</th>
<th>Union membership rates</th>
<th>Minimum wage (per hour)</th>
<th>Year right-to-work statute was enacted</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Carolina</td>
<td>3.6%</td>
<td>$7.25</td>
<td>1954</td>
</tr>
<tr>
<td>North Carolina</td>
<td>4.0%</td>
<td>$7.25</td>
<td>1947</td>
</tr>
<tr>
<td>Arkansas</td>
<td>5.3%</td>
<td>$8.50</td>
<td>1947</td>
</tr>
<tr>
<td>Texas</td>
<td>5.4%</td>
<td>$7.25</td>
<td>1993</td>
</tr>
<tr>
<td>Virginia</td>
<td>5.5%</td>
<td>$7.25</td>
<td>1947</td>
</tr>
<tr>
<td>Georgia</td>
<td>5.6%</td>
<td>$5.15</td>
<td>1947</td>
</tr>
<tr>
<td>Idaho</td>
<td>5.6%</td>
<td>$7.25</td>
<td>1985</td>
</tr>
<tr>
<td>Utah</td>
<td>5.7%</td>
<td>$7.25</td>
<td>1955</td>
</tr>
<tr>
<td>Louisiana</td>
<td>5.8%</td>
<td>$7.25</td>
<td>1976</td>
</tr>
<tr>
<td>Tennessee</td>
<td>6.4%</td>
<td>$7.25</td>
<td>1947</td>
</tr>
</tbody>
</table>


However, these Southern states do not just have a lack of union representation; they have a history of racist labor policies as well. Many of these—and other—states have a history of legalizing racism through labor carve-outs. While the 1935 National Labor Relations Act (NLRA) and the 1938 Fair Labor Standards Act—which established a national minimum wage—created worker protections and established labor rights, domestic and agricultural workers were not protected at the behest of Southern lawmakers. At the time, these workers were disproportionately African American. Moreover, as shown in Table 1, since many of these states do not have a minimum wage, their state minimum wage is the same as the federal minimum wage of $7.25, which has not been raised since 2009. 56 percent of rural Americans live in states with a minimum wage of $7.25 or less. In addition, current labor enforcement patterns continue to exacerbate racial disparities. In cases where firms illegally refuse to pay the federally mandated minimum wage, there is very little recourse for the employees. A Politico investigation found that in six Southern states, there are no investigators for minimum wage violations. Any complaint in these states gets referred to the U.S. Department of Labor, which is selective in the cases it chooses; therefore, many employees in a variety of industries are unable to seek recompense. This underenforcement disproportionately harms African Americans, who are more likely to work minimum wage jobs and are therefore the most likely to not be properly compensated.

Making matters worse, firms can engage in wage theft with little worry of sanction due to the lack of investigators. Some studies find that wage theft costs workers billions of dollars per year. Workers do have the private right of action, though it is difficult to take advantage of that right in the absence of class-action lawsuits. Recently, a large federal contractor, General Dynamics, was accused of wage theft, and this case is being brought up through the Labor Department. However, this is only occurring because
a large union, the Communications Workers of America, is bringing forth the lawsuit. While General Dynamics has call centers throughout the United States, many of the egregious labor claims occurred in their Southern call centers in cities such as Bogalusa, Louisiana, and Hattiesburg, Mississippi. In fact, a study showed that if General Dynamics complied with labor law, Hattiesburg would add nearly $10 million to the local economy annually.\textsuperscript{30}

Even policies targeted at low-income individuals are not effectively implemented in Southern states. An Urban Institute report found that benefits through the Temporary Assistance for Needy Families (TANF) program provide fewer benefits, impose more restrictions, and allow shorter time limits in states with higher African American populations.\textsuperscript{31} While not sufficient on their own, TANF benefits and other forms of public assistance can improve children’s long-term outcomes.\textsuperscript{32} Yet unfortunately, TANF rules are established by the state and thus allow states to harm low-income residents. For example, Oregon provides $506 monthly benefit for a single family, while Mississippi only provides a monthly benefit of $170. Notably, the African American share of the population is 1.8 percent in Oregon and 38 percent in Mississippi. This is a consistent pattern of benefit generosity, where more generous states have larger white populations and the least generous states have larger African American populations.

The recent imposition of work requirements on Medicaid poses yet another threat to rural residents.\textsuperscript{33} Given the existing difficulties in procuring gainful employment due to discrimination, work requirements can lead to the loss of health care for the most marginalized groups.\textsuperscript{34} These requirements were first proposed in Arkansas, a state with a higher than average African American population. Not only do states need policies to improve the prospects for economic mobility, but they also need representation that does not actively work to harm African Americans.

**Policy recommendations**

All hope is not lost for African Americans in the rural South. There are several policies that can uplift this community and create more opportunities for upward mobility. It is important for society not to ignore this population, as it represents a significant portion of the African American community as well as the U.S. population as a whole.

First, one policy that could dramatically lower poverty is raising the minimum wage. At the state level, there has been a steady movement to raise minimum wages to $15 per hour. And the U.S. House of Representatives recently passed the Raise the Wage Act, which would gradually increase the federal minimum wage to $15 per hour by 2025.\textsuperscript{35} However, this movement has not gained much traction in the South, though Arkansas and Florida have seen increases in 2019.\textsuperscript{36} In fact, as noted earlier, many Southern states do not have a state minimum wage and instead rely on the federal minimum wage. While some cities—such as Birmingham, Alabama, and St. Louis,
Missouri—have pushed for higher minimum wages, states have preempted these increases by blocking local ordinances. Research generally finds that higher minimum wages improve a variety of economic outcomes, such as average earnings. A recent working paper found that higher minimum wages help all groups but may disproportionately benefit African Americans relative to white Americans. Policymakers have also discussed moderating a $15 national minimum wage by making it a regional wage. However, such a policy would disadvantage low-income individuals and, especially, African Americans. On the other hand, a federal $15 minimum wage would address this regional disparity and counteract state preemptions of local ordinances.

Second, there needs to be more of a focus on union representation. Observers often tout manufacturing as the key to middle-class success, but a major reason for the high quality of manufacturing jobs is the historically high rates of union representation within this sector. Union representation not only raises wages and provides benefits, but it also has shown to be a boon for the wealth of African Americans. Moreover, union membership has been linked to intergenerational mobility through higher earnings and stronger benefits. Benefits and employment in the manufacturing sector have been in decline in part due to diminishing union representation. Additionally, public sector workers, domestic workers, and agricultural workers do not have bargaining rights under the NLRA; and these occupations are disproportionately held by African Americans. Increasing union representation and improving worker power in general can lead to positive income growth for African Americans in this sector. One means of achieving this is through co-enforcement, by which agencies such as unions, religious organizations, and volunteer groups can partner with workers to enforce wage and other labor standards. Another potential solution is to extend bargaining rights to workers not currently under the NLRA—for instance, public sector workers, domestic workers, agricultural workers, and independent contractors. There are other ways to increase worker bargaining power throughout the United States that would have a profound effect for rural African Americans in the South—especially for those who work in the automotive industry, which is increasingly reliant on contract workers. For instance, the Protecting the Right to Organize Act is one example of a policy that would strengthen unions and shift the balance of power from businesses to workers.

Finally, a third policy—which could have the greatest impact on improving the fortunes of rural Southern African Americans—would be to increase voter participation by removing structural barriers. For these communities to have the ability to improve their outcomes, they will need representation that is responsive to them in the statehouses. Better representation would lessen the hostility toward anti-poverty programs such as TANF and Medicaid, clearing the way for better economic mobility. Unfortunately, however, there are many barriers to registration and voting that limit African Americans’ ability to have their voices heard. After the Supreme Court struck down portions of the Voting Rights Act in 2013 in <i>Shelby County v. Holder</i>, states across the country passed a slew of suppressive voting measures that disproportionately targeted African Americans. For instance, a major voter suppression law passed by the North Carolina Legislature—which imposed a strict voter ID reque-
ment and eliminated early voting—was eventually struck down in 2016 for targeting African Americans with “surgical precision.” And during the 2018 midterm elections, there were a number of examples of African American communities being deterred or prevented from making their voices heard due to barriers in the voting and voter registration process. There are several pro-voter reforms that lawmakers can adopt—such as automatic registration, same-day registration, and early voting—in order to empower more people, particularly people of color, to participate in the democratic process. For instance, the For the People Act would establish many of these reforms at the federal level and go a long way in ensuring that all eligible Americans can make their voices heard.

Conclusion

Rural sections of the South have the lowest economic mobility, lowest median household income, and highest level of deep poverty. This area is also home to the largest share of African Americans in nonmetropolitan counties. This fact provides progressives with a mandate to tackle the myriad problems facing African Americans in the rural South.

Rural Southern African Americans are struggling—and not just economically. They face many problems, ranging from disparities in criminal justice to voter disenfranchise-ment. The solutions to these issues would help not only African Americans, but also low-income individuals of all races and individuals of all classes. As policymakers work to tackle race, economic inequality, and the lack of economic mobility, they must recognize and combat the structures that impede progress for those historically harmed.

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Endnotes

1 Author’s calculations are based on American Community Survey data.
3 “Economic mobility” is defined as the probability of reaching the top income quintile if an individual’s parents were in the 25th percentile of household income.
22 Ibid, West “New Bills Address the Racist and Ableist Wage Loopholes in the New Deal”.


