



Leveling the Playing Field

How to Ensure Minorities Share Equitably in the Economic Recovery and Beyond

Christian E. Weller and Amanda Logan September 2009

Center for American Progress



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Introduction and summary

The Great Recession, now in its 21st month, has affected many people and many sectors of the economy. Businesses are hurting and laying off workers, who in turn are having a harder time finding a new job than at any point since 1948 due to this being the longest recession since the Great Depression. The very weak labor market thus feeds troubles elsewhere: Foreclosures and credit card defaults are at record highs, while the personal bankruptcy rate—the number of bankruptcies per 1,000 households—has risen by 64.5 percent since the end of 2007 when the U.S. economy entered the recession.

Some groups have felt more economic pain than others. The past 21 months are not much different in this regard than prior recessions, except that the length of the economic pain is lasting longer than before. African Americans and Hispanics have lost more economic ground and done so more quickly than their white counterparts from the end of 2007 to the summer of 2009, and the economic fortunes of minorities have fallen from lower levels than those of whites to begin with. This means that the gap in the economic security between minorities and whites is widening in this recession, as it has in previous ones.

The following pages examine annual, quarterly, and monthly data on the different economic experiences of whites, African Americans, and Hispanics during this recession and prior ones, where appropriate comparisons can be made.¹ The data show that there are apparent structural problems such as labor market segmentation, credit market steering, and discrimination in the U.S. economy and particularly in the labor market that present an unlevel playing field for minorities. Policymakers need to pay closer attention to these problems.

We cannot simply rest our hopes on an eventual economic recovery. Concrete policy steps must be taken to make sure that the U.S. economy can finally erase the gulf in economic security and economic opportunities between whites and minorities. These concrete steps start with the continuation of a substantial economic stimulus to get the U.S. economy out of its worst recession since the Great Depression, but they also require energy security and health care reform. These additional steps can both enhance long-run economic growth and immediately buffer the economic security of society's most vulnerable. Only with the help of such supporting policies can the country truly move forward into a strong and sustained expansion that will benefit all Americans.

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