

The Davis-Bacon Act and the Breakdown of the Black Family (updated)

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Conservatives tend to regard the growing trend of single parent families as an issue of personal responsibility, but what if the liberals who blame society are partly right? What if they can point their finger to a bill sponsored to two Republicans and signed into law by a Republican president?

Prior to the 1930's the labor force participation rate for African-Americans was roughly equal to that of whites. Following passage of the [first federal minimum wage](#) in 1931 these rates started to diverge, and from the 1950's to the present, national black unemployment has remained at double the rate for whites. This is not surprising: Minimum wage restrictions discourage businesses from hiring workers who are regarded as "less marketable" due to either their lack of experience or societal prejudice.

How is black employment affected today? The impact of minimum wage on worker participation depends on how much it exceeds market-based wages. This in turn varies from state to state. Since current information on the size of this gap is not easily available, the state "regulatory environment" as determined by [Forbes magazine](#) can serve a more comprehensive means for estimating of overall administrative barriers to job growth (including minimum wage).

To display the current effect of the regulatory environment on African-Americans I limited the data to states with significant black populations because these states are more likely to provide a representative sample for this group. Based on this sub-sample the line representing blacks is noticeably steeper than the line representing whites (Fig. 1). This means that the "[employment gap](#)" between blacks and whites widens as state regulations become less conducive to business.

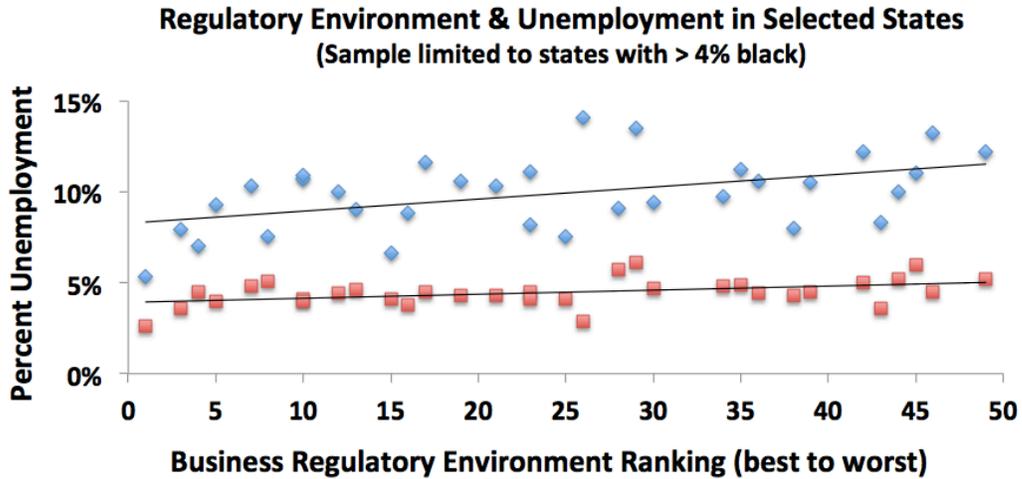


Fig. 1: Based on data from [Forbes](#) (2016), the [U.S. Census Bureau \(2015\)](#), and the Bureau of Labor Statistics (2015) as cited by Thomas C. Frohlich in [24/7 Wall Street](#). [24/7 Wall Street](#).

Federal expenditures on states obscure the effect of overregulation because federal jobs and grants can make up for the lack of private investment. For example, despite having one of the worst regulatory environments in the U.S. (ranks 48 out of 50), the state of Hawaii has one of the lowest unemployment rates. Does this mean that federal “investments” are a good strategy for narrowing the employment gap? Not really: Large federal expenditures are justified in regions with an extensive military infrastructure (like Hawaii or Guam), but spending for the sole purpose of “economic stimulus” is a zero-sum game that worsens the national debt while adding nothing to the national economy. Hence, to more accurately detect the effect of regulatory environment on states, it is necessary to limit the sample to states with less federal land because these states rely less on federal employment and control more of their own resources.

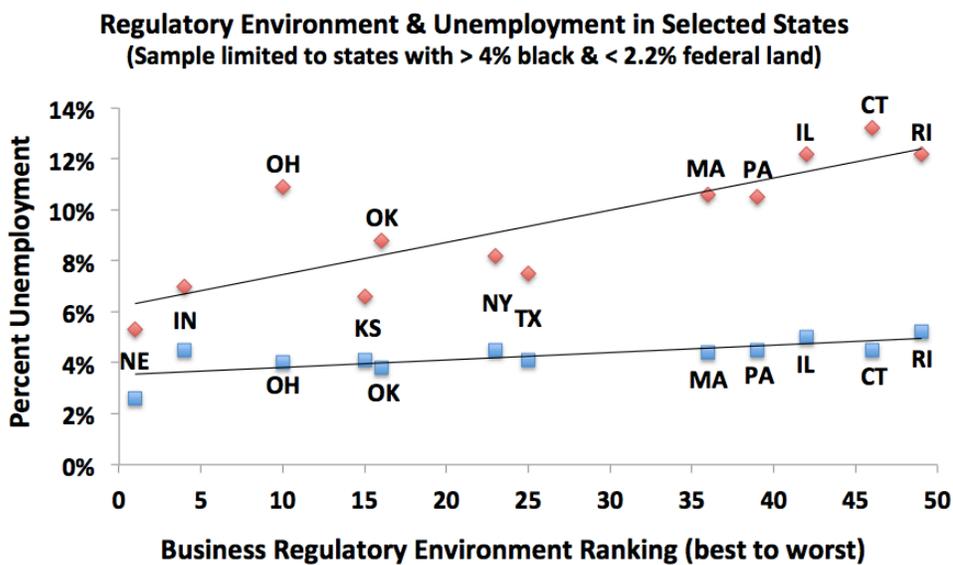


Fig. 2: Based on data from [Forbes](#) (2016), from [U.S. Congressional Research Service](#), the [U.S. Census Bureau \(2015\)](#), and the Bureau of Labor Statistics (2015) as cited by Thomas C. Frohlich in [24/7 Wall Street](#).*

When the sample is limited to states with [minimal federal land](#), the line representing black unemployment becomes much steeper (Fig. 2). On the right side of the graph the average employment gap between blacks and whites is 8 points. On the left side the gap is only 3.5 percentage points (Fig. 3). For the state of Indiana, the gap is a mere 2.5 points. During this time the governor of Indiana was Mike Pence.

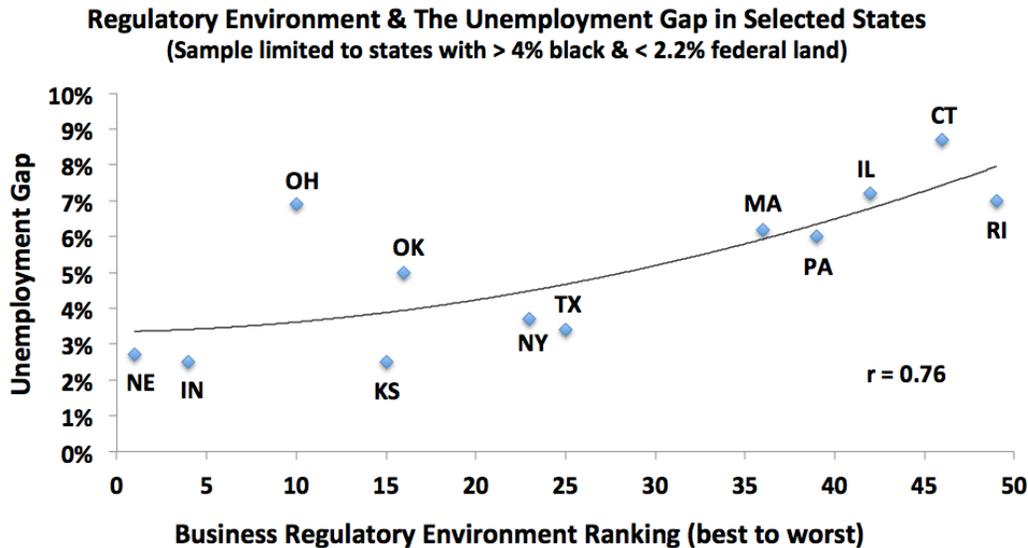


Fig. 3: Based on data from [Forbes](#) (2016), from [U.S. Congressional Research Service](#), the [U.S. Census Bureau \(2015\)](#), and the Bureau of Labor Statistics (2015) as cited by Thomas C. Frohlich in [24/7 Wall Street](#).*

If equality is so important to progressives, why is the right side of the graph dominated by states that have voted Democrat since 1992?

Rep. John Lewis recently cancelled his scheduled appearance at the opening of a civil rights museum upon learning that Donald Trump would be attending. On his [own website](#), the 1960's civil rights veteran denounced Trump's policies as "hurtful" and "an insult" to the people portrayed in this civil rights museum. Since Trump has neglected to burn incense on the alter of diversity, how have African-Americans fared under the Trump administration?

Based on data from the Bureau of Labor Statistics, black unemployment in September reached its [lowest point](#) in 17 years. It may get even better given the unprecedented rate at which this president is undoing the burdensome regulations of the Obama administration. If you are among those who condemn the congressional Republicans

who did not let Obama [raise the minimum wage](#) to \$10 per hour, then you should do your homework on Davis-Bacon.

The Davis-Bacon Act was co-sponsored by Sen. James J. Davis (R-PA) and Rep. Robert L. Bacon (R-NY) and signed into law by president Herbert Hoover in 1931. According to the [Foundation for Economic Education](#) this law was originally designed to protect white workers from competition, presumably from the minorities who worked for lower wages. You may dispute the law's intent, but you cannot wish away data from the Bureau of Labor Statistics.

A chart from [Heritage Foundation](#) shows how the percent of black children born out of wedlock started rising steadily after 1940, when it was originally 15%. Today it is over 70%. If this is a "legacy of slavery" why were there less single mothers during the era of Jim Crow? If this was precipitated by a "brain drain" of black professionals during desegregation, why did this trend begin thirteen years prior to Martin Luther King's march on Washington? Could it be the drug trafficking, or might this be a just symptom of the chronic unemployment in these communities?

The steady trend towards single parent households started in the decade that followed the Davis-Bacon Act. I doubt this is a coincidence because few things are more damaging to a man's self-respect than undermining his means to make an honest living.

But what about those generous social benefits [in New England](#)? Is being chronically unemployed in Rhode Island preferable to being "stuck" in a low-wage job in Nebraska? Which option is more "hurtful" and "insulting"? Which is a greater barrier to success and personal fulfillment?

If my children ever regard the first option as remotely preferable I will have failed in my role as a father.

***Update:** Ohio strays far above the trend line possibly because prior to 2011 [Forbes ranked Ohio](#) at a paltry 38 out of 50 (near the current ranking level of Pennsylvania). Ted Strickland served as governor from 2007 to 2010 and there are [numerous articles](#) documenting how Strickland's policies compelled some prominent businesses to leave Ohio. A dramatic shift in state economic policy took place only after John Kasich took office in 2011. This resulted in Forbe's upgrading Ohio's rank to 10 out of 50 (an improvement of nearly 20 points).

Kasich's policies may have stemmed the tide of job losses in Ohio, but it will take years to reverse the long-term damage. This is probably why unemployment in Ohio is still high among blacks. Some of the other states on the left side of the graph also had Democrat governors as recently as 2010 but I found no evidence that these Democrat governors were as adversarial to free enterprise as Ted Strickland.

Links (in case the hypertext does not work):

Original article link:

https://www.americanthinker.com/articles/2017/12/the_davisbacon_act_of_1931_and_the_breakdown_of_the_black_family.html

Forbes link:

<https://www.forbes.com/forbes/welcome/?toURL=https://www.forbes.com/best-states-for-business/list/&refURL=&referrer=%20-%20tab:place>

U.S. Census link:

https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_15_5YR_S1501

Update links:

<https://www.forbes.com/places/oh/>

<https://www.cincinnati.com/story/opinion/contributors/2016/08/17/ohios-economy-suffered-under-strickland/88834588/>

Other links:

<https://fee.org/articles/davis-bacon-jim-crows-last-stand/>

<https://247wallst.com/economy/2016/12/17/white-unemployment-by-state/>

<https://fas.org/sgp/crs/misc/R42346.pdf>

<https://johnlewis.house.gov/media-center/press-releases/rep-john-lewis-and-bennie-g-thompson-joint-statement-not-attending>

<https://data.bls.gov/timeseries/LNS14000006>

<https://thehill.com/policy/finance/230168-obama-asks-congress-to-hike-minimum-wage>

<https://www.heritage.org/poverty-and-inequality/report/marriage-americas-greatest-weapon-against-child-poverty>

<https://247wallst.com/investing/2011/11/11/the-states-doing-the-most-and-least-to-spread-the-wealth/2/>

