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Part 4 - Day 2: Decline in industrial jobs hurts blacks

BY HENRY J. CORDES WORLD-HERALD STAFF WRITER

Weary of scratching out a meager living as a Mississippi sharecropper, John D. Haynes in 1950 packed his family and headed north to a brawny Missouri River city called Omaha. He arrived on a Friday and the next morning was hired as a skinner at Cudahy, one of four major meatpackers that helped make Omaha the nation's butcher shop.



John D. Haynes, 82, was among the thousands of black migrants who found good-paying jobs in Omaha's meatpacking industry in the 1950s and '60s. The loss of those meaty paychecks when the big packers closed their doors is still felt — in the metro area's high black poverty rate.

The work was hard and raw, but the pay was really good — enough to give thousands of low-skilled Omaha workers, black and white, the chance for a middle-class life.

Thanks to his skill with a boning knife, Haynes could buy a house in the heart of north Omaha, drive a brand new Ford Fairlane and take his wife and three kids on vacations.

But the gritty utopia thousands of black migrants like him found in Omaha would not last.

Beginning in the mid-1960s, Omaha's big packers, one by one, shuttered their doors. Countless black workers were cast into unemployment lines and low-pay service jobs,

never again to see such meaty paychecks.

"So many people didn't know nothing else but the packinghouse," Haynes, 82, said recently.

In the stories of people like Haynes, you can find the roots of the black poverty rate in Omaha that today ranks among the highest in America.

Buffeted by economic shifts that have reshaped the job landscape, Omaha's black community has endured a largely overlooked, four-decade economic decline — one of the steepest experienced in any of the nation's 100 largest metropolitan areas.

Census income data suggest that, when adjusted for inflation, the buying power of the average black family declined by more than \$3,000 between 1970 and 2005. That's even as median incomes have risen by more than \$8,000 for black families nationally and about \$18,000 for Omaha's white families.

In only 10 metro areas nationally can you find a steeper income decline for black families during that period, and nearly all are former industrial giants in the upper Midwest region known as the Rust Belt.

Omaha went through its own, less-appreciated industrial decline, losing thousands of blue-collar jobs in packing plants, on the rails and in other smokestack industries.

Answers for why Omaha's black unemployment and poverty rates are among the highest in the nation most likely start with those job losses, said William Wilson, a Harvard sociologist.

Anywhere inner-city industrial jobs have gone away, in their wake has been a familiar pattern of decline and despair for black populations: chronic joblessness. Hollowed-out business centers. Broken families. Drugs, gangs and violence. The flight of educated blacks. And the loss of hope.

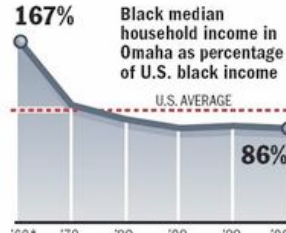
"I see something similar happening in Omaha," said Wilson, author of "When Work Disappears,"

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Falling income

Relative to blacks nationally, Omaha's black income has been falling for decades.



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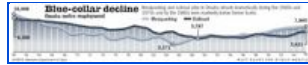
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about the social costs of Rust Belt de-industrialization.



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While the loss of the packers was a critical catalyst, it doesn't tell the whole story of how jobs play into the fiscal state of black Omaha.

Omaha has moved beyond its industrial losses and found niches in the new global economy. Today it boasts sizable transportation, finance and information-processing sectors and the headquarters of five Fortune 500 companies.

But during that shift, black workers have been largely left behind. Since 1970, almost half of all jobs created in the metro area have been in the management and professional ranks, nearly all requiring some school or training beyond high school.

Many black Omahans simply haven't made the educational gains needed to fill those jobs. Many who have climbed education's ladder often choose to make careers elsewhere.

While black professionals and managers have tripled in Omaha since 1970, nationally they've grown eightfold. Most job growth for black workers has been in service, clerical and sales occupations that are generally the lowest-paying.

The job shocks for Omaha's black community have continued: Between 2000 and 2005, Omaha shed thousands of manufacturing jobs at places such as Swanson Foods, Vickers and the former Western Electric. Census surveys suggest that black workers lost nearly 1,000 of them.

Harvard's Wilson and other experts say black workers today also are losing some lower-paying manufacturing, construction and service jobs to Latino immigrants.

The worst may be yet to come.

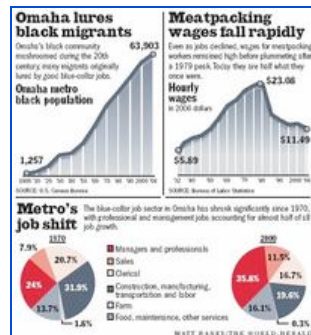
All projections indicate that the fastest-growing jobs will continue to be in fields that require higher levels of education. At the same time, the gap between white and black education levels in Omaha is — contrary to the national trend — widening.

"In a changing economy where high-tech, high-skilled industries are leading the growth, those with those skills sets will reap the biggest gains," said Jason Henderson, a Federal Reserve economist in Omaha.

Despite the diversity of the economy in 21st century Omaha, the city is not far removed from its meatpacking golden age.

Many still recall when Omaha was home to the "Big Four" packers, as well as the world's largest livestock yard.

What is often underappreciated is how those jobs helped turn Omaha into a relative industrial powerhouse — and how they made Omaha a magnet during the historic black "great migration" out of the rural South.



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Omaha was not a migration center on the scale of Chicago or Detroit. But between 1900 and 1960, the heyday of the city's packinghouses, Omaha's black population grew twentyfold to more than 26,000. Old-timers like Haynes still talk about the bounty of blue-collar jobs they found as luggers, boners and hide-strippers in the plants.

By 1960, more than 10,000 workers toiled in Omaha's packing plants, with a like number working for the railroad — many of them black.

As tough as the work was, the old-timers always talk about the money. In today's dollars, meatpacker pay in 1970 averaged \$44,000 annually — great for someone with little education and almost \$7,000 above the national factory worker average.

It's hard to overstate what those significant checks meant to Omaha's black community.

They helped support a bustling retail community on North 24th Street that employed hundreds of other black

workers.

And for families, the jobs could be tickets to bright futures. Omaha Police Chief Thomas Warren and his sister, former Omaha City Council member Brenda Council, can trace the roots of their success to their father's packinghouse job.

"They weren't white-collar jobs by any means," said Council, an Omaha attorney. "But we were socially, economically, lower middle class."

Poverty still was a serious problem, and there was a big gap between black and white income and education levels. But average income for Omaha's black families in 1970 was 7 percent above the national black average. Less precise census measures from 1960 suggest black income in Omaha was even higher: more than 60 percent above the U.S. average.



John D. Haynes, the meatpacker who came to Omaha almost six decades ago, remained in north Omaha after the big packing plants closed. Now he sees his grandchildren struggling. "There's jobs, but not the decent-paying jobs we had," he said.

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But massive change was coming to meatpacking, and it would hit the black community hard.

At a time when production lines nationally were becoming more automated and specialized, Omaha's plants in the 1960s were badly in need of modernization.

Also, major new industry player IBP was establishing its plants in rural areas. The plants were closer to the cattle but also away from the active unions in cities. On payroll costs, the old packers simply couldn't compete.

In 1967, the massive Cudahy plant was the first of the Big Four to succumb, throwing Haynes and hundreds of others out of work. Wilson, the last holdout, was gone by 1976.

By the mid-1980s, Omaha had lost more than 8,000 packing jobs and nearly 5,000 rail jobs.

Wages plummeted, too. In today's dollars, average annual meatpacking pay fell between 1979 and 1985 by more than \$16,000.

"These changes came rather quickly and, when they came, people weren't prepared," said Richard Blue, a black Swift worker and union officer.

Rioting in other declining urban centers spread to Omaha in the late 1960s, and the north Omaha business district was looted and torched. Young, frustrated rioters shouted demands for "jobs, jobs, jobs," but their actions helped drive out hundreds more. The once-thriving district remains a mostly empty shell today.

By the 1970s, Omaha was seeing a net loss of black residents to migration.

Some new black migrants arriving during the mid-1980s brought only misery. Gangs came from the West Coast peddling crack cocaine and staking rival claims. Young north Omaha men began killing one another over the color of their clothes.

The population left in north Omaha was disproportionately the poorest, least educated and most dependent — "the remains of a once vital community," retired Creighton University sociologist Jack Angus said.

"North Omaha never recovered," Angus said. "That part of our community has lived on in relative isolation, in a basic survival mode, with little interest, concern or support from the rest of us."

While there is much debate over the reasons for the cascading social problems in America's inner cities, Wilson and others say there's no doubt many have roots in the loss of good-paying industrial jobs.

"The decline in wages and disappearance of blue-collar jobs clearly reduced the incentives for many young men to enter and remain attached to the legitimate labor market," Georgetown University's Peter Edelman recently wrote. There were many other social costs to that, he said.

When Haynes, the meatpacker who came to Omaha almost six decades ago, considers the problems he sees today in north Omaha, jobs definitely "had a lot to do with it."

In the years following Cudahy's demise, he usually could find work, closing out his productive years doing odd jobs around north Omaha. But he would never see another paycheck like the ones at Cudahy. And things haven't gotten better for generations that followed.

Among his own nine grandkids, some have gotten caught up in drugs, he said, with one spending time in prison.

Three graduated from high school, with two now in good jobs, and two are still in school. The rest, he said, "are not doing too much." Without the skills for today's best jobs, he wonders what their futures hold.

"They all want these high-paying jobs," he said. "There's jobs, but not the decent-paying jobs we had."

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coolers at 6110 Abbott Drive.

Employees: 699, all but one full time.

Salaries: Entry-level hourly wage is \$10 for production packers.

Jobs available: Production packers, material handlers, printing specialists, process technicians, molding specialists.

Minority recruitment efforts: No special emphasis. Uses Nebraska Workforce Development, [careerlink.com](#), [Monster.com](#), job fairs and recruiting seminars to solicit applications.

Training: Each employee gets a combination of classroom and on-the-job training for entry-level packer positions. Other positions have more extensive training programs. An in-house training department includes seven professionals and 26 on-the-job coaches.

Applicants' barriers: Failed drug screens, physicals or background checks or, when applicable, cannot pass a vision test that checks for color acuity.

MUTUAL OF OMAHA

Employees: 4,295, including 3,477 in Omaha.

Salaries: Average starting base wage depends on position.

Jobs available: Numerous positions, all requiring some combination of education, experience and specific skills.


Minority recruitment efforts: Company has diversity objectives. Actively recruits in minority communities; participates in both.

- Compiled by Erin Grace



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