

Unemployment Data By Race and Ethnicity

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The findings in this quarterly update on unemployment are based on the Bureau of Labor Statistics' Current Population Survey.

Employment Fragility

Employment fragility is at the center of racial disparities in wealth in the United States.¹ Black and Latino communities, in particular, experience higher rates of unemployment and more frequent and longer periods of joblessness. Also, when employed, these groups experience serious wage disadvantages. As such, analyzing unemployment disparities by race and gender provides insight into the work that remains to be done to close the racial wealth gap.²

In the last 12 years, unemployment in the United States has been uneven. In 2005, the national unemployment rate was 5.1 percent. During the Great Recession, which officially lasted from December 2007 to June 2009, the unemployment rate peaked at record levels of nearly 10 percent. The aftershocks of the recession continued to impact unemployment well after it officially concluded; unemployment remained fairly high until 2014. As of June 2017, the seasonally adjusted national unemployment rate had declined to 4.4 percent, one of the lowest rates in the past 12 years.³

The Gap Between Men's and Women's Unemployment has Decreased

There have been 10 recessions in the United States since 1949, and the recession of 2007–2009 marked the fastest increase in unemployment of any of them.⁴ In 2009, unemployment peaked at 9.7 percent.



FACTS AT A
GLANCE:

7.9%

of African Americans are unemployed.

6.6%

of Latinos are unemployed.

4.7%

of Whites are unemployed.

3.6%

of Asians are Unemployed

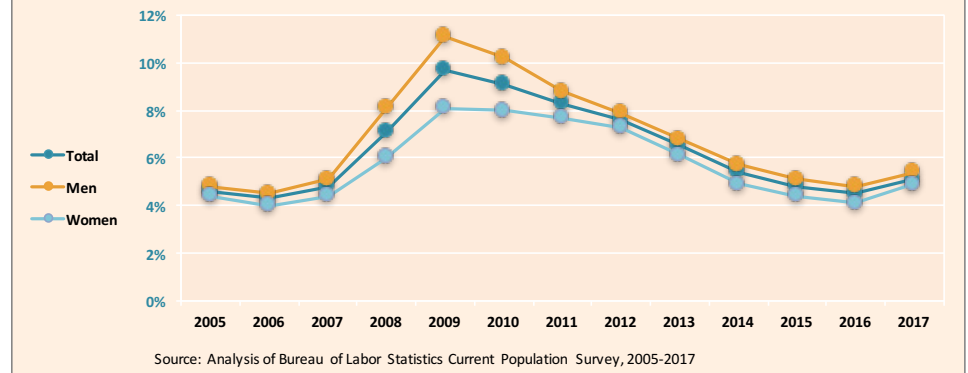
Men were disproportionately affected by unemployment during the recession. The unemployment rate for men peaked at 11.1 percent in 2009, while the unemployment rate for women peaked at 8.1 percent that year. Programs such as the Troubled Asset Relief Program (TARP) helped spur economic growth and stabilize the country's financial system.⁵ Additionally, the American Recovery and Reinvestment Act of 2009 provided funding to help stimulate the economy through federal tax relief, expansion of unemployment benefits, and other social welfare provisions. It also provided tax-exempt recovery bonds to areas with high unemployment, which paid for on-the-job training, education, and infrastructure.⁶ After the recession, men were able to recover their jobs more quickly than women. Men's unemployment steadily decreased after 2009, and their jobless rate gradually began to resemble that of women.⁷

Women had lower rates of unemployment overall because they tended to be employed in the health services and education industries, which grew during the recession.⁸ Men dominated the construction, manufacturing, and financial services fields, which were most heavily affected during the recession. Construction employment decreased by 13.7 percent, manufacturing employment fell by 10 percent, and financial services employment contracted by 3.9 percent.⁹ Since the recession, unemployment has trended mostly downward. As of the third quarter of 2017, men and women have near identical unemployment rates while overall unemployment remains relatively stable and, at 4.4%, is lower than pre-recession levels.

Unemployment and Race

The trends in unemployment rates become even more nuanced when the differences between racial and ethnic groups are considered. Historically, African Americans

National Unemployment Rate by Age (16 years and over) and Sex, 2005-2017



and Latinos have had the highest rates of unemployment while Whites and Asians have had the lowest.¹⁰

African American unemployment was particularly high during the recession because job growth in the government sector, where African Americans are disproportionately employed, decreased.¹¹ In general, public sector jobs provide stable employment that offers a path to the middle class, better pay, and opportunities for career advancement.¹²

Yet during the recession, the government unemployment rate increased from 2.1 percent in 2007 to 3.6 percent in 2009. By 2010, the government jobless rate had risen to 4.4 percent.¹³ Finally, in 2013, the government unemployment rate began to gradually decrease. At the end of third quarter 2017, it was 3.3 percent (seasonally adjusted data for the government unemployment rate are not available so these numbers may reflect seasonal hiring trends).

Despite the low government unemployment rate in the third quarter 2017, the African American unemployment rate was 7.1 percent- roughly twice the unemployment rate of Asians. The Latino rate was 4.8 percent.

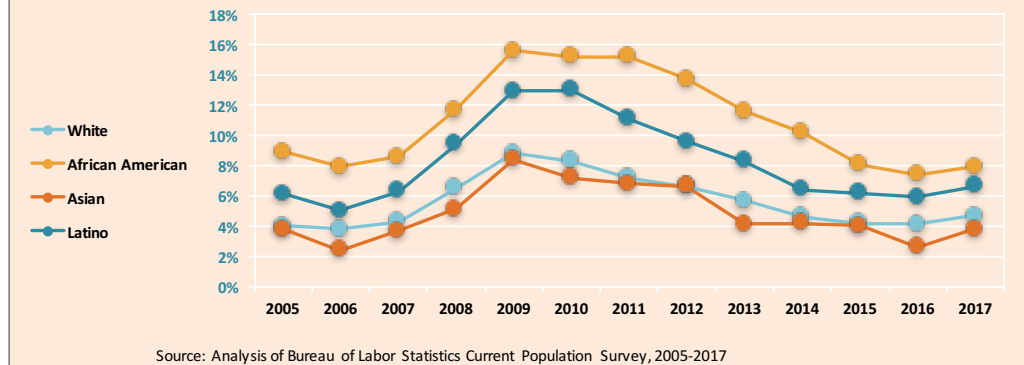
African American and Latino Men Have the Highest Rates of Unemployment

When unemployment is considered from a racial and gender perspective, even greater disparities are revealed. African American men have had the

highest unemployment rate consistently throughout the past 12 years. At the end of the recession in 2009, 18 percent of African American men were unemployed as compared to 13.9 percent of Latino men, 8.8 percent of White men, and 9 percent of Asian men.

Overall, the data suggest that women had slightly lower rates of unemployment than men across all racial and ethnic groups. African American women, whose rate of unemployment peaked at 13.4 percent in 2011, tended to have the highest unemployment rate among all women. Asian and White women tended to have the lowest rates. During the aftermath of the recession, from 2009 to 2012, unemployment steadily decreased for White women. Yet from 2013 to the present, Asian women's unemployment has remained the lowest of women's groups. As of the second quarter of 2017, 3.7 percent of Asian women were unemployed which was equal to the unemployment rate for White women, 5.7 percent of Latina women, and 7.2 percent of African American women.

National Unemployment Rate by Age (16 years and over), Race, and Hispanic or Latino Ethnicity, 2005-2017



African Americans Have the Highest Unemployment Rate of All Racial and Ethnic Groups

African Americans have the highest overall unemployment rate as compared to other racial and ethnic groups. Between 2008 and 2014, the African American unemployment rate remained in the double digits, ranging from 10 percent to 16 percent. In 2016, the African American jobless rate was at its lowest level in the past 12 years at 7.4 percent.

In fact, the current African American unemployment rate is only about 1.7 percentage point lower than the highest White unemployment rate recorded in the past 12 years. White unemployment peaked at 8.8 percent in 2009 at the end of the recession. In comparison, African American men's unemployment rate peaked in 2009 at 18 percent, and African American women's unemployment rate peaked at 14.1 percent in 2011.

Moreover, the gap between the African American and White unemployment rates has increased since the start of the recovery because the African American jobless rate has fallen more slowly than that of Whites. According to one theory, this is due to two factors: First, African

American employment has rebounded less than White employment in the years since 2007. Second, there is a "resilience factor" that helps to keep the African American unemployment rate high. This refers to the higher share of unemployed African Americans who remain in the labor force actively seeking work and who therefore continue to be counted as unemployed. In other words, this theory suggests that the resilience of African American labor force participation is contributing to the growing gap between the African American and White unemployment rates¹⁴

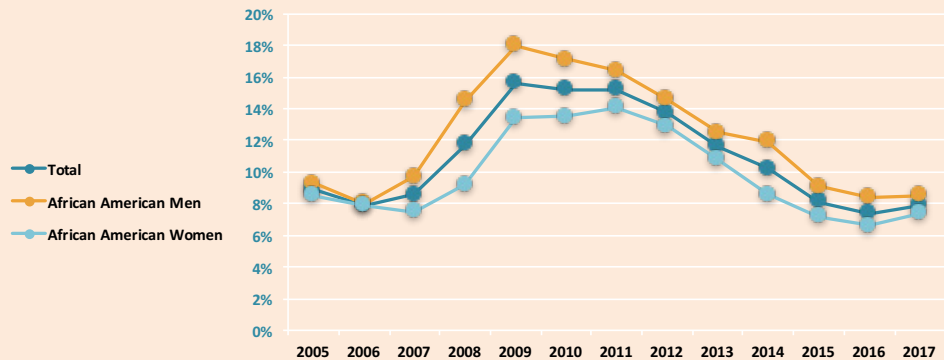
Latinos Have the Second Highest Rate of Unemployment of All Racial and Ethnic Groups

The Latino unemployment rate is the second highest among communities of color. In the first quarter of 2017, the Latino unemployment rate dropped considerably to 4.8 percent. Yet this rate is still higher than the national average of 4.4 percent.

In the aftermath of the recession, Latino unemployment rate continued to grow, peaking in 2010 at 13 percent. While Latino men's unemployment rate peaked at 13.9 percent in 2009, Latina women's unemployment peaked at 11.9 percent in 2010. Currently, the unemployment rate for Latino men is 4.1 percent while that of Latina women is 5.7 percent.

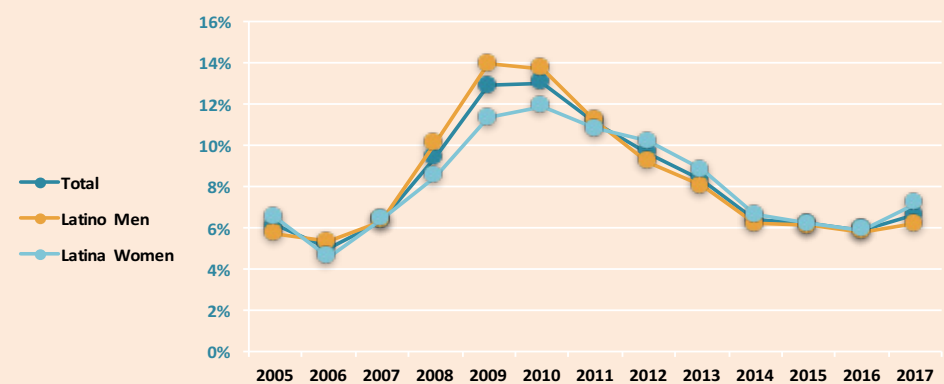
The changing structure of the labor market has had an adverse effect on Latinos' job prospects. Since the recession, there has been a "hollowing out" of good-

African American National Unemployment Rate by Sex, 2005-2017



Source: Analysis of Bureau of Labor Statistics Current Population Survey, 2005-2017

Latino National Unemployment Rate by Sex, 2005-2017



Source: Analysis of Bureau of Labor Statistics Current Population Survey, 2005-2017

paying, low-skilled jobs in favor of job growth at the bottom and top of the labor market.¹⁵

On average, Latinos have lower levels of education than other communities. Typically, Latinos have 11 years of education versus 13.7 years of education among all adults ages 25 and older. There are also gaps in education between Latino men and women and between those who were born in the United States and those who were not. The disappearance of middle class jobs has added another layer of structural challenges in socio-economic mobility. A reform of the labor market to favor higher pay for service sector jobs combined with more investment in the education of Latinos would allow them to develop the skills needed to compete for better jobs.¹⁶

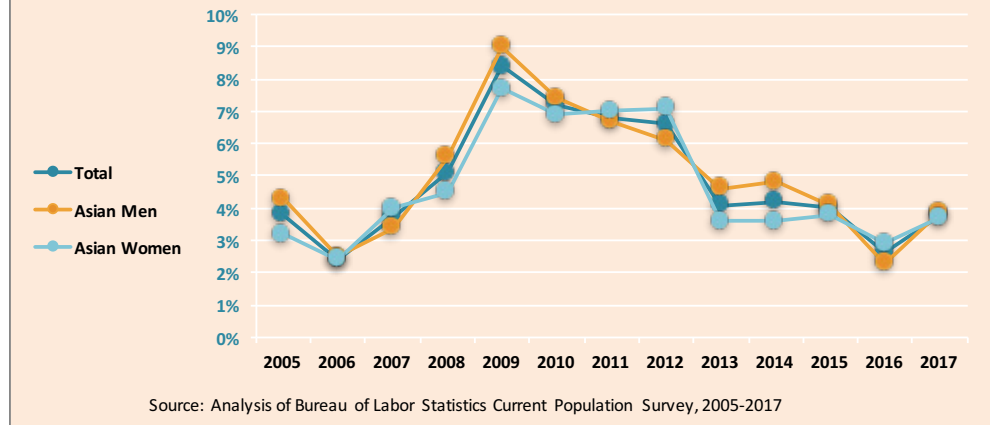
The Asian-American Unemployment Rate Obscures Subpopulation Inequalities

Among all racial and ethnic groups, the Asian unemployment rate has consistently been the lowest. However, the data indicate that Asian men tend to have higher unemployment rates than Asian women. The only time this was untrue was in 2016 when Asian men had a 2.3 percent unemployment rate as compared with a 2.9 percent rate for Asian women. Unemployment peaked for both Asian men and Asian women in 2009. In that year, 9 percent of Asian men were jobless, while 7.7 percent of Asian women were jobless.

Since the recession, Asian unemployment has fallen considerably and it is now at 3.8 percent, which suggests that the community as a whole is doing well. Yet the community is made up of a very diverse population that includes many ethnic subgroups. An examination of unemployment and long-term unemployment (a condition that occurs when an individual has been jobless for more than 27 weeks) across different Asian communities shows that some of these communities face greater economic challenges than others.

At the end of the second quarter 2017, Asians who were unemployed has been unemployed for an average of 33.6 weeks, the highest of any group.¹⁷ Among all racial and ethnic groups, they had highest rate of long-term unemployment. The higher incomes and lower unemployment rates that characterize the majority of Asian populations in the United States hide the disparity in income, employment, and lack of access to insurance that exists between several subpopulations such as the Vietnamese, Cambodians, and Filipinos.¹⁸ A more

Asian National Unemployment Rate by Sex, 2005-2017



nuanced analysis shows that Asians of Chinese and Indian descent generally have lower unemployment rates and higher incomes, but many other Asian populations face poverty and high rates of long term unemployment.¹⁹

Conclusion

Although the U.S. unemployment rate has decreased since the recession, an examination of unemployment statistics by race and gender reveals the many complexities that affect job security among communities of color. Jobs in the nation's economy are increasingly requiring more advanced skills, and the jobs of lower-skilled workers are being displaced.²⁰ As such, investing in targeted education and skills training to enable workers to compete in today's workforce is an important step towards closing the racial wealth gap and promoting economic security among communities of color.

End Notes

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