



NO RELIEF IN 2012 FROM HIGH UNEMPLOYMENT FOR AFRICAN AMERICANS AND LATINOS

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Even though the U.S. recession officially ended in June 2009, the country's unemployment rate remains devastatingly high. The situation is particularly dire for many African Americans and Latinos—and is not predicted to improve any time soon.

Among the states with sufficient data for reliable estimates, African American unemployment rates exceeded 10 percent in 24 states and the District of Columbia in the third quarter of 2011, while unemployment rates for Latinos exceeded this symbolic threshold in 14 states. If our political leaders fail to quickly enact bold measures to spur a faster economic recovery, the status quo of high unemployment rates for African Americans and Latinos is likely to persist throughout 2012.

This issue brief reviews the unemployment rates by state for whites, Latinos, and African Americans for the third quarter of 2011 and the projected rates for the fourth quarter of 2012. We find:

- While the white unemployment rate remains high nationally, in each state and the District of Columbia, it is lower than the overall unemployment rate for each state. In the third quarter of 2011, the highest white unemployment rate was in Nevada (11.7 percent), and the lowest was in North Dakota (2.2 percent).
- In the third quarter of 2011, the states with the highest Latino unemployment rates were in the Northeast: Rhode Island (19.6 percent), Connecticut (18.7 percent), and Pennsylvania (17.5 percent). The lowest rate was in Virginia (4.6 percent).
- In each state, the black unemployment rate is higher than the overall rate. In the third quarter of 2011, it ranged from a low of 1.4 times the overall state rate in South Carolina to a high of 3.9 times the overall rate in Minnesota.
- The highest unemployment rate for blacks—27.4 percent—was in Minnesota, where the overall unemployment rate was 7.1 percent. The lowest was in Maryland, which had a black unemployment rate of 11.2 percent, while the overall rate in the state was 7.3 percent.
- The lowest black unemployment rate of 11.2 percent in Maryland is nearly equal to the highest white unemployment rate of 11.7 percent in Nevada.

- In the fourth quarter of 2012, the unemployment rate for each race in nearly every state is projected to remain very similar to the level recorded in the third quarter of 2011.

White unemployment rates by state

Nationally, the unemployment rate for whites is lower than the rate for the country as a whole (**Table 1**). Similarly, the white unemployment rate for each state and the District of Columbia is lower than each state's overall unemployment rate. (We will consider the District of Columbia a state in this issue brief.) In the third quarter of 2011, the highest white unemployment rates were in Nevada (11.7 percent) and California (10 percent), while the lowest rate was in North Dakota (2.2 percent). Nebraska, South Dakota, the District of Columbia, and North Dakota all had white unemployment rates below 4 percent.

The white unemployment rate for each state in the fourth quarter of 2012 is projected to be very similar to the rate for the third quarter of 2011. Only California is projected to have a change in white unemployment of more than one percentage point, dropping by 1.1 percentage points to 8.9 percent. This would give the state the fourth-highest white unemployment rate in the country, compared with the second-highest today.

TABLE 1

Unemployment rates for white and all workers, by state (third quarter, 2011, and projected fourth quarter, 2012)

Third quarter, 2011				Fourth quarter, 2012 (projected)			
Rank	State	White	All	Rank	State	White	All
1	Nevada	11.7%	13.2%	1	Nevada	11.8%	13.4%
2	California	10.0%	12.0%	2	Michigan	9.7%	11.2%
3	Michigan	9.6%	11.1%	3	Oregon	9.1%	9.7%
4	Rhode Island	9.1%	10.6%	4	California	8.9%	10.7%
5	Oregon	8.9%	9.6%	5	Rhode Island	8.7%	10.2%
5	South Carolina	8.9%	11.0%	5	South Carolina	8.7%	10.7%
7	Idaho	8.7%	9.2%	7	Arizona	8.0%	9.5%
8	Kentucky	8.6%	9.6%	7	Tennessee	8.0%	9.5%
9	Washington	8.5%	9.3%	7	Washington	8.0%	8.7%
10	Florida	8.4%	10.7%	10	Idaho	7.9%	8.3%
11	Illinois	8.2%	9.8%	10	Indiana	7.9%	9.0%
11	Tennessee	8.2%	9.8%	10	Illinois	7.9%	9.4%
13	Alabama	7.9%	9.9%	13	North Carolina	7.8%	10.3%
14	Georgia	7.8%	10.2%	13	Kentucky	7.8%	8.6%
14	North Carolina	7.8%	10.3%	15	Georgia	7.5%	9.8%
14	Arizona	7.8%	9.3%	15	Ohio	7.5%	8.8%
14	Ohio	7.8%	9.1%	17	Florida	7.4%	9.5%
18	Indiana	7.6%	8.7%	18	Massachusetts	7.3%	7.7%
18	New Jersey	7.6%	9.4%	19	New Jersey	7.2%	8.9%
20	Missouri	7.5%	8.7%	20	Alabama	7.1%	8.9%
21	Utah	7.3%	7.5%	21	Maine	7.0%	7.5%
22	Maine	7.2%	7.6%	21	Missouri	7.0%	8.2%
23	West Virginia	7.1%	8.1%	23	Pennsylvania	6.7%	8.0%
23	Colorado	7.1%	8.4%	23	Montana	6.7%	7.6%
25	Massachusetts	7.0%	7.4%	23	West Virginia	6.7%	7.7%
25	Connecticut	7.0%	9.0%	23	Delaware	6.7%	8.0%

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TABLE 1 (continued)

Third quarter, 2011				Fourth quarter, 2012 (projected)			
Rank	State	White	All	Rank	State	White	All
27	Pennsylvania	6.9%	8.1%	23	Utah	6.7%	6.8%
28	Montana	6.8%	7.7%	28	Connecticut	6.5%	8.4%
28	Delaware	6.8%	8.1%	29	Alaska	6.4%	7.6%
30	Alaska	6.5%	7.6%	30	Colorado	6.3%	7.5%
31	Texas	6.3%	8.5%	30	Mississippi	6.3%	10.4%
31	Mississippi	6.3%	10.5%	32	New York	6.2%	8.2%
31	Wisconsin	6.3%	7.8%	33	Texas	6.1%	8.2%
34	Arkansas	6.2%	8.3%	34	Wyoming	6.0%	6.4%
35	New York	6.1%	8.0%	35	Arkansas	5.8%	7.8%
36	Minnesota	5.9%	7.1%	36	Wisconsin	5.7%	7.2%
37	Vermont	5.7%	5.8%	36	New Mexico	5.7%	7.5%
38	Maryland	5.6%	7.3%	38	Maryland	5.6%	7.3%
39	Iowa	5.5%	6.0%	38	Vermont	5.6%	5.7%
40	Hawaii	5.4%	6.2%	40	Minnesota	5.4%	6.6%
40	Kansas	5.4%	6.6%	41	Iowa	5.3%	5.8%
40	Wyoming	5.4%	5.8%	41	Virginia	5.3%	6.7%
43	New Hampshire	5.1%	5.3%	43	Hawaii	5.1%	5.9%
43	New Mexico	5.1%	6.6%	43	Kansas	5.1%	6.3%
45	Virginia	5.0%	6.3%	45	New Hampshire	4.9%	5.1%
46	Louisiana	4.5%	7.2%	46	Louisiana	4.4%	7.1%
47	Oklahoma	4.3%	5.7%	47	Oklahoma	4.0%	5.3%
48	Nebraska	3.6%	4.2%	48	Nebraska	3.7%	4.3%
48	South Dakota	3.6%	4.7%	49	South Dakota	3.4%	4.5%
50	District of Columbia	3.4%	11.0%	50	District of Columbia	3.2%	10.5%
51	North Dakota	2.2%	3.4%	51	North Dakota	2.4%	3.8%
	United States	7.4%	9.1%		United States	7.0%	8.7%

NOTE: States are ranked by highest to lowest white unemployment rate.

SOURCES: EPI estimates based on data from the Current Population Survey and the Local Area Unemployment Statistics from the Bureau of Labor Statistics, and December 2011 projections from Moody's Economy.com

Latino unemployment rates by state

In the third quarter of 2011, Northeastern states had the highest Latino unemployment rates, as shown in **Table 2**. (Note that, as mentioned previously, this analysis is limited to states with sufficient sample size for reliable statistics.) Rhode Island (19.6 percent) topped the list, followed by Connecticut (18.7 percent) and Pennsylvania (17.5 percent). This is surprising considering that the states with the highest overall unemployment rates are Nevada and California—both states in which a fairly large share of the labor force is Latino. Yet Nevada ranks sixth in Latino unemployment, and California ranks fifth. More research is necessary to understand the causes of high unemployment rates for Latinos in the Northeast.

While four states had white unemployment rates below 4 percent in the third quarter of 2011, no state had comparably low Latino unemployment rates. The lowest rate was in Virginia, with a Latino unemployment rate of 4.6 percent.

As with whites, the projected Latino state unemployment rates for the fourth quarter of 2012 are very similar to the rates for the third quarter of 2011. The four states with the highest unemployment rates in the third quarter of 2011 are also projected to have the highest rates at the end of 2012, with the rank order of these states projected to remain unchanged. California and Florida are expected to see the largest reductions in Hispanic unemployment, but these decreases will likely not exceed 1.5 percentage points.

TABLE 2

Unemployment rates for Latino and all workers, by state (third quarter, 2011, and projected fourth quarter, 2012)

Third quarter, 2011				Fourth quarter, 2012 (projected)			
Rank	State	Latino	All	Rank	State	Latino	All
1	Rhode Island	19.6%	10.6%	1	Rhode Island	18.8%	10.2%
2	Connecticut	18.7%	9.0%	2	Connecticut	17.3%	8.4%
3	Pennsylvania	17.5%	8.1%	3	Pennsylvania	17.2%	8.0%
4	Washington	15.3%	9.3%	4	Washington	14.4%	8.7%
5	California	13.7%	12.0%	5	Nevada	13.7%	13.4%
6	Nevada	13.5%	13.2%	6	Arizona	12.8%	9.5%
7	Idaho	12.6%	9.2%	7	Massachusetts	12.3%	7.7%
8	Arizona	12.4%	9.3%	8	California	12.2%	10.7%
9	Florida	12.3%	10.7%	9	Idaho	11.4%	8.3%
10	Colorado	12.1%	8.4%	10	New Jersey	11.3%	8.9%
11	New Jersey	11.9%	9.4%	11	Illinois	11.0%	9.4%
12	Massachusetts	11.8%	7.4%	11	New York	11.0%	8.2%
13	Illinois	11.5%	9.8%	13	Florida	10.9%	9.5%
14	New York	10.7%	8.0%	14	Colorado	10.8%	7.5%
15	North Carolina	9.1%	10.3%	15	New Mexico	9.0%	7.5%
16	Texas	9.0%	8.5%	15	North Carolina	9.0%	10.3%
17	Utah	8.3%	7.5%	17	Texas	8.7%	8.2%
18	Delaware	8.2%	8.1%	18	Delaware	8.1%	8.0%
19	New Mexico	8.0%	6.6%	19	Utah	7.6%	6.8%
20	District of Columbia	7.5%	11.0%	20	District of Columbia	7.2%	10.5%
21	Georgia	6.4%	10.2%	21	Maryland	6.4%	7.3%
22	Maryland	6.3%	7.3%	22	Georgia	6.1%	9.8%
23	Nebraska	5.5%	4.2%	23	Nebraska	5.6%	4.3%
24	Virginia	4.6%	6.3%	24	Virginia	4.9%	6.7%
United States		11.3%	9.1%	United States		10.8%	8.7%

NOTE: States are ranked by highest to lowest Latino unemployment rate, based on states with sufficient data by race for reliable estimates.

SOURCES: EPI estimates based on data from the Current Population Survey and the Local Area Unemployment Statistics from the Bureau of Labor Statistics, and December 2011 projections from Moody's Economy.com

African American unemployment rates by state

While the white unemployment rate is consistently lower than the overall state rate, the black rate is consistently higher (as shown in **Table 3**). Indeed, the lowest black unemployment rate is about equal to the highest white unemployment rate.

In the third quarter of 2011, the unemployment rate for African Americans ranged from a low of 1.4 times the overall state rate in South Carolina to 3.9 times the overall rate in Minnesota.

Blacks in Minnesota experienced the highest unemployment rate in the third quarter of 2011, at 27.4 percent. Four other states had black unemployment rates of more than 20 percent: Michigan (21.8 percent), California (21.3 percent), the District of Columbia (21.1 percent), and Ohio (20.3 percent).

In the third quarter of 2011, the lowest black unemployment rates were in Maryland (11.2 percent) and Virginia (11.6 percent). These states encircle the District of Columbia, the area with the fourth-highest black unemployment rate. This finding suggests that there are significant demographic and economic differences between blacks inside and adjacent to the District of Columbia.

TABLE 3

Unemployment rates for black and all workers, by state (third quarter, 2011, and projected fourth quarter, 2012)

Third quarter, 2011				Fourth quarter, 2012 (projected)			
Rank	State	Black	All	Rank	State	Black	All
1	Minnesota	27.4%	7.1%	1	Minnesota	25.4%	6.6%
2	Michigan	21.8%	11.1%	2	Michigan	22.0%	11.2%
3	California	21.3%	12.0%	3	Indiana	20.4%	9.0%
4	District of Columbia	21.1%	11.0%	4	District of Columbia	20.1%	10.5%
5	Ohio	20.3%	9.1%	5	Ohio	19.7%	8.8%
6	Indiana	19.8%	8.7%	6	North Carolina	19.3%	10.3%
7	North Carolina	19.4%	10.3%	7	California	18.9%	10.7%
8	Mississippi	19.0%	10.5%	7	Mississippi	18.9%	10.4%
9	Missouri	18.9%	8.7%	9	Missouri	17.7%	8.2%
10	Connecticut	18.3%	9.0%	10	Connecticut	17.0%	8.4%
11	Florida	18.1%	10.7%	11	Illinois	16.8%	9.4%
12	Illinois	17.5%	9.8%	12	Arkansas	16.1%	7.8%
13	Arkansas	17.2%	8.3%	12	Florida	16.1%	9.5%
14	New Jersey	16.4%	9.4%	14	New Jersey	15.6%	8.9%
15	Georgia	16.2%	10.2%	14	Georgia	15.6%	9.8%
16	Alabama	16.0%	9.9%	16	New York	15.3%	8.2%
17	Texas	15.5%	8.5%	17	Tennessee	15.1%	9.5%
17	Tennessee	15.5%	9.8%	17	South Carolina	15.1%	10.7%
17	South Carolina	15.5%	11.0%	19	Texas	15.0%	8.2%
20	New York	14.9%	8.0%	20	Alabama	14.4%	8.9%
21	Pennsylvania	12.6%	8.1%	21	Pennsylvania	12.4%	8.0%
22	Louisiana	12.5%	7.2%	22	Virginia	12.3%	6.7%
23	Delaware	12.3%	8.1%	23	Louisiana	12.2%	7.1%
24	Virginia	11.6%	6.3%	23	Delaware	12.2%	8.0%
25	Maryland	11.2%	7.3%	25	Maryland	11.3%	7.3%
United States		16.6%	9.1%	United States		15.9%	8.7%

NOTE: States are ranked by highest to lowest black unemployment rate, based on states with sufficient data by race for reliable estimates.

SOURCES: EPI estimates based on data from the Current Population Survey and the Local Area Unemployment Statistics from the Bureau of Labor Statistics, and December 2011 projections from Moody's Economy.com

As with whites and Latinos, the projected black unemployment rates for the fourth quarter of 2012 are very similar to the rates for the third quarter of 2011. Most of the changes are within one percentage point in either direction. Again, the largest decline is in California, where the black unemployment rate is projected to decline 2.4 percentage points. Similarly, Florida and Minnesota are projected to see declines of 2 percentage points. But even with these reductions, these three states will all still have black unemployment rates higher than 15 percent, and, in the case of Minnesota, more than 25 percent.

States with unemployment rates of 10 percent or higher by race

Despite small positive signs, the nation remains in a period of very high unemployment. While all groups are experiencing significant economic hardship, the burden of high unemployment is not spread uniformly by race. **Figure A** shows the states where whites, Latinos, and blacks have unemployment rates of 10 percent or higher. In the third quarter of 2011, whites experienced this level of unemployment only in California and Nevada. Latinos, however, had unemployment rates at or above 10 percent in 14 states, while this was the case for blacks in 25 states. Blacks also have the misfortune of having unemployment rates above 20 percent in five states.

FIGURE A

States with white, Latino, and black unemployment rates of 10% or higher, third quarter, 2011, and projected fourth quarter, 2012

(Red highlighting indicates an unemployment rate over 20%)

Third quarter, 2011			Fourth quarter, 2012 (projected)		
White	Latino	Black	White	Latino	Black
		Virginia			Virginia
		Texas			Texas
		Tennessee			Tennessee
		South Carolina			South Carolina
		Pennsylvania			Pennsylvania
		Ohio			Ohio
		North Carolina			North Carolina
		New York			New York
		New Jersey			New Jersey
		Missouri			Missouri
		Mississippi			Mississippi
	Washington	Minnesota	Washington	Minnesota	
	Rhode Island	Michigan	Rhode Island	Michigan	
	Pennsylvania	Maryland	Pennsylvania	Maryland	
	New York	Louisiana	New York	Louisiana	
	New Jersey	Indiana	New Jersey	Indiana	
	Nevada	Illinois	Nevada	Illinois	
	Massachusetts	Georgia	Massachusetts	Georgia	
	Illinois	Florida	Illinois	Florida	
	Idaho	District of Columbia	Idaho	District of Columbia	
	Florida	Delaware	Florida	Delaware	
	Connecticut	Connecticut	Connecticut	Connecticut	
	Colorado	California	Colorado	California	
Nevada	California	Arkansas		California	Arkansas
California	Arizona	Alabama	Nevada	Arizona	Alabama

NOTE: Based on states with sufficient data by race for reliable estimates

SOURCES: EPI estimates based on data from the Current Population Survey and the Local Area Unemployment Statistics from the Bureau of Labor Statistics, and December 2011 projections from Moody's Economy.com

In the fourth quarter of 2012, the unemployment rate for each race in nearly every state is projected to remain very similar to the level recorded in the third quarter of 2011. The white unemployment rate in California is projected to fall from 10 percent in the third quarter of 2011 to 8.9 percent in the fourth quarter of 2012, dropping it out of the 10-percent-or-above states for whites in Figure A.

For Latinos and African Americans, the states with unemployment rates of 10 percent or higher in the third quarter of 2011 are projected to have similarly high unemployment rates at the end of 2012.

However, the states with black unemployment rates above 20 percent are projected to change slightly by the fourth quarter of 2012. The black unemployment rate in California is projected to decline from 21.3 percent in the third quarter of 2011 to 18.9 percent in the fourth quarter of 2012. For blacks, the rate in Ohio is also expected to fall below 20 percent, while the rate in Indiana is projected to rise above 20 percent; however, in both states, the change is too small to be considered meaningful.

Conclusion

EPI economist Heidi Shierholz noted recently that “even at January’s growth rate, it would still take until 2019 to get back to full employment.” Current projections show that state unemployment rates by race will remain largely unchanged throughout 2012. To avoid this scenario, Congress should pass the American Jobs Act to help accelerate the rate of economic recovery.

Methodology

The unemployment rate estimates in this issue brief are based on the Local Area Unemployment Statistics (LAUS) and the Current Population Survey (CPS) from the Bureau of Labor Statistics. The overall state unemployment rate is taken directly from the LAUS. CPS six-month ratios are applied to LAUS data to calculate the rates by race and ethnicity. For each state subgroup, we calculate the unemployment rate using the past six months of CPS data. We then find the ratio of this subgroup rate to the state unemployment rate using the same period of CPS data. This gives us an estimate of how the subgroup compares to the state overall.

For our projections, we use the same method but modify it slightly. We find the subgroup state ratios from the most recent six months of data, and then multiply this ratio by the projected state unemployment rate for a given quarter.

In many states, the sample size of these subgroups is not large enough to create an accurate estimate of their unemployment rate. We only report data for groups which had, on average, a sample size of at least 700 in the labor force for each six-month period.

Reference

Shierholz, Heidi. 2012. "U.S. Labor Market Starts 2012 with Solid Positive Signs but Fewer Jobs than It Had 11 Years Ago." Economic Policy Institute *Economic Indicators*, February 3. <http://www.epi.org/publication/labor-market-starts-2012-solid-positive/>