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UNEQUAL UNEMPLOYMENT

Racial disparities by state will worsen in 2010

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Unemployment will continue to rise at least into the second quarter of 2010, according to the latest projections from Moody's Economy.com, putting states already experiencing record high unemployment in an even worse position. Further analysis by the Economic Policy Institute of Moody's state projections extends them to include race and gender, showing that African Americans and Hispanics will bear a disproportionately heavy burden. Nationally, black unemployment is expected to reach 16%, the Hispanic rate 13.3%, and the white rate 8.6%.[1]—up from 14.7%, 12.2%, and 7.8%, respectively, in the quarter that ended on June 30.

Hispanic unemployment in California and Nevada is expected to approach 18% by this time next year. Among the major racial and ethnic groups, African Americans consistently have historically had and continue to have the highest unemployment rate. In California, however, Hispanic unemployment surpassed black unemployment in the second quarter of this year and is projected to remain higher into 2010.

The direst situation will face African Americans in Michigan, where their unemployment in the second quarter of 2010 is expected to reach 24.9%—the peak national unemployment rate experienced during the Great Depression.[2] The employment situation will be only slightly better in Ohio and Alabama, where one in five blacks are projected to be unemployed.

Increasing joblessness will continue to plague the nation as a whole into 2010, and its effects will be disproportionately borne by blacks and Hispanics. In 14 states and the District of Columbia, the black unemployment rate will exceed 15%; Hispanic unemployment will pass 15% in California and Nevada. After the peak, it will also take years before unemployment rates return to their typical levels.

Unemployment disparities in the second quarter of 2009

The national unemployment rate increased from 8.1% in the first quarter of this year to 9.3% in the second quarter. In the second quarter, state unemployment rates ranged from 4.2% in North Dakota to 14.1% in Michigan. Fifteen states (Ala., Calif., Fla., Ga., Ill., Ind., Ky., Mich., Nev., N.C., Ohio, Ore., R.I., S.C., and Tenn.) and the District of Columbia had unemployment rates higher than the national rate of 9.3%.

The United States has consistently had racial and ethnic disparities in unemployment rates. Nationally, the black unemployment rate tends to be about twice as high as the white rate. The Hispanic rate tends to be about 1.5 times the white rate. This means that within high-unemployment states, Hispanic and black unemployment are particularly high.

From the last quarter of 2007, when the recession began, to the second quarter of 2009, the national white unemployment rate increased about 3.8 percentage points, rising from 4.0% to 7.8%. During that same period, the rates for Hispanics and blacks increased by 6.3 and 6.1 percentage points, respectively. At 14.7% in the second quarter of this year, African Americans have the highest national unemployment rate of any major racial or ethnic group. Hispanics have the second highest rate (12.2%), but have had the largest increase in unemployment since the start of the recession—a rise of 6.3 percentage points overall.

Unemployment rates among racial and ethnic groups vary significantly from state to state. In 12 states (Ariz., Calif., Col., Conn., Fla., Ill., Md., N.J., N.M., Nev., N.Y., and Texas) the Hispanic population is large enough for the data to be reliable. In the second quarter of 2009, Hispanic unemployment in these states ranged from 8.1% to 16.4%. The states with the highest Hispanic unemployment rates in the second quarter of 2009 are Nevada (16.4%) and California (15.7%). Hispanics in Nevada were 1.7 times as likely to be unemployed as non-Hispanic whites. In California, the Hispanic/white ratio was 1.8 times.

For blacks, reliable data are available for 18 states and the District of Columbia. In the second quarter, black unemployment ranged from a low of 8.1% in Maryland to a high of 22.8% in Michigan. The highest black/white unemployment ratio was in the District of Columbia where blacks were four times as likely to be unemployed as whites. In Alabama, Louisiana, New York, Texas, and Virginia blacks were *more than* twice as likely to be unemployed as whites.

Although the recession has caused widespread economic hardship, Hispanics and African Americans have been hurt disproportionately in most states. Hispanics have lost a very large number of jobs in construction. Black job loss has not been concentrated in any one sector of the economy. Black workers in manufacturing, wholesale and retail trade, transportation and utilities, and finance, insurance, and real estate have all experienced significant job losses.

It is clear that the country is in a very deep recession. However, not all states are suffering equally and not all racial and ethnic groups are experiencing the same degree of economic hardship. In developing policies to address the economic crisis, the nation should devote extra resources to those states and groups that are hardest hit.

Endnote

1. In these data, the racial categories "white" and "black/African American" exclude Hispanics. Unemployment rates from the Bureau of Labor Statistics include Hispanics in the white and black categories. As a result, the white unemployment rate from the Bureau of Labor Statistics is pulled upward by the higher rate for white Hispanics.
2. Robert VanGiezen and Albert E. Schwenk, "Compensation from before World War I through the Great Depression," *Compensation and Working Conditions*, Fall 2001.

QUARTERLY UNEMPLOYMENT RATES BY STATE, RACE, AND SEX

2007 Q4
Start of recession

State	ALL	WHITE	BLACK	HISPANIC	MALE	FEMALE
USA	4.8%	4.0%	8.6%	5.9%	4.7%	4.9%
Alaska	6.3%	4.5%	NA	NA	6.6%	5.9%
Alabama	3.7%	3.0%	5.3%	NA	4.3%	2.9%
Arkansas	5.0%	4.4%	NA	NA	5.1%	4.9%
Arizona	4.2%	3.3%	NA	5.8%	3.8%	4.7%
California	5.8%	4.6%	9.8%	7.0%	5.8%	5.8%
Colorado	4.1%	3.5%	NA	5.2%	3.8%	4.3%
Connecticut	4.9%	3.5%	NA	8.3%	4.8%	4.9%
District of Columbia	5.7%	1.7%	10.0%	NA	4.7%	6.7%
Delaware	3.7%	3.0%	5.1%	NA	3.6%	3.9%
Florida	4.7%	3.9%	6.3%	5.7%	4.7%	4.6%
Georgia	4.9%	3.2%	8.0%	NA	4.8%	5.1%
Hawaii	2.9%	3.8%	NA	NA	2.9%	3.0%
Iowa	3.8%	3.5%	NA	NA	3.7%	3.9%
Idaho	3.4%	3.2%	NA	NA	3.5%	3.4%
Illinois	5.5%	4.4%	12.3%	5.7%	5.7%	5.2%
Indiana	4.6%	4.1%	NA	NA	5.0%	4.1%
Kansas	4.0%	3.5%	NA	NA	3.8%	4.3%
Kentucky	5.4%	5.0%	NA	NA	5.2%	5.7%
Louisiana	3.7%	2.2%	8.0%	NA	3.6%	3.8%
Massachusetts	4.5%	4.5%	NA	NA	4.3%	4.7%
Maryland	3.6%	2.9%	5.8%	2.1%	3.2%	4.1%
Maine	4.7%	4.6%	NA	NA	4.6%	4.9%
Michigan	7.3%	6.1%	15.5%	NA	6.6%	8.1%
Minnesota	4.7%	4.1%	NA	NA	4.6%	4.8%
Missouri	5.3%	4.4%	NA	NA	5.3%	5.4%
Mississippi	6.2%	3.8%	10.9%	NA	5.1%	7.4%
Montana	3.7%	3.3%	NA	NA	3.6%	3.8%
North Carolina	5.0%	4.0%	8.2%	NA	4.4%	5.6%
North Dakota	3.1%	2.0%	NA	NA	3.0%	3.1%
Nebraska	3.0%	2.6%	NA	NA	3.2%	2.8%
New Hampshire	3.4%	3.4%	NA	NA	3.3%	3.6%
New Jersey	4.4%	3.8%	8.2%	5.0%	4.5%	4.3%
New Mexico	3.6%	3.0%	NA	4.2%	3.3%	3.9%
Nevada	5.1%	4.4%	NA	6.7%	5.5%	4.6%
New York	4.6%	3.6%	7.6%	6.7%	4.5%	4.7%
Ohio	5.7%	4.6%	13.7%	NA	6.0%	5.5%
Oklahoma	3.8%	3.0%	NA	NA	3.4%	4.2%
Oregon	5.3%	5.3%	NA	NA	4.7%	6.0%
Pennsylvania	4.5%	4.0%	6.9%	NA	5.1%	3.9%
Rhode Island	5.8%	5.2%	NA	NA	5.8%	5.8%
South Carolina	5.7%	3.7%	11.1%	NA	5.4%	6.1%
South Dakota	2.7%	2.0%	NA	NA	2.9%	2.5%
Tennessee	5.3%	4.4%	NA	NA	5.3%	5.3%
Texas	4.4%	3.5%	8.1%	4.6%	4.1%	4.8%
Utah	2.9%	2.5%	NA	NA	2.9%	3.0%
Virginia	3.3%	2.9%	5.1%	NA	3.6%	2.9%
Vermont	4.0%	4.0%	NA	NA	4.4%	3.7%
Washington	4.6%	4.7%	NA	NA	4.5%	4.7%
Wisconsin	4.5%	4.0%	NA	NA	4.7%	4.4%
West Virginia	4.4%	4.3%	NA	NA	4.3%	4.5%
Wyoming	2.8%	2.5%	NA	NA	2.5%	3.1%

Source: EPI estimates using BLS LAUS and CPS data.

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QUARTERLY UNEMPLOYMENT RATES BY STATE, RACE, AND SEX

2009 Q2
Most recent data

State	ALL	WHITE	BLACK	HISPANIC	MALE	FEMALE
USA	9.3%	7.8%	14.7%	12.2%	10.7%	7.7%
Alaska	8.2%	7.4%	NA	NA	9.6%	6.6%
Alabama	9.6%	6.8%	17.4%	NA	9.7%	9.6%
Arkansas	6.9%	6.1%	NA	NA	7.7%	6.0%
Arizona	8.2%	6.6%	NA	10.6%	10.4%	5.4%
California	11.4%	8.6%	15.3%	15.7%	12.8%	9.8%
Colorado	7.5%	6.7%	NA	10.4%	8.5%	6.3%
Connecticut	8.0%	6.9%	NA	13.3%	8.8%	7.1%
District of Columbia	10.5%	4.2%	16.8%	NA	10.6%	10.3%
Delaware	8.0%	6.3%	11.7%	NA	9.7%	6.2%
Florida	10.2%	9.0%	14.6%	11.6%	12.1%	8.1%
Georgia	9.6%	7.5%	13.4%	NA	10.3%	8.9%
Hawaii	7.2%	6.0%	NA	NA	8.3%	6.0%
Iowa	5.7%	5.3%	NA	NA	7.0%	4.2%
Idaho	7.7%	7.3%	NA	NA	9.8%	5.3%
Illinois	9.9%	8.9%	16.2%	9.9%	11.8%	7.8%
Indiana	10.4%	8.9%	NA	NA	12.7%	7.8%
Kansas	6.8%	5.4%	NA	NA	8.0%	5.6%
Kentucky	10.5%	9.9%	NA	NA	10.5%	10.5%
Louisiana	6.5%	4.6%	11.6%	NA	8.3%	4.5%
Massachusetts	8.3%	7.1%	NA	NA	9.8%	6.6%
Maryland	7.1%	6.5%	8.1%	8.1%	8.1%	6.1%
Maine	8.2%	7.9%	NA	NA	9.8%	6.6%
Michigan	14.1%	12.9%	22.8%	NA	17.2%	10.6%
Minnesota	8.2%	7.6%	NA	NA	10.2%	5.9%
Missouri	8.8%	8.3%	NA	NA	10.7%	6.8%
Mississippi	9.3%	6.7%	13.2%	NA	10.9%	7.5%
Montana	6.2%	5.8%	NA	NA	7.2%	5.1%
North Carolina	10.9%	9.1%	16.7%	NA	12.7%	9.0%
North Dakota	4.2%	3.1%	NA	NA	5.1%	3.1%
Nebraska	4.8%	4.2%	NA	NA	4.9%	4.7%
New Hampshire	6.5%	6.5%	NA	NA	7.5%	5.5%
New Jersey	8.8%	7.2%	13.6%	11.5%	9.7%	7.7%
New Mexico	6.4%	4.4%	NA	9.0%	7.2%	5.4%
Nevada	11.3%	9.7%	NA	16.4%	12.6%	9.6%
New York	8.2%	6.4%	15.1%	9.7%	9.4%	6.8%
Ohio	10.7%	9.4%	18.9%	NA	12.6%	8.6%
Oklahoma	6.3%	4.3%	NA	NA	7.8%	4.6%
Oregon	12.1%	10.9%	NA	NA	13.9%	10.0%
Pennsylvania	8.1%	7.3%	12.6%	NA	9.5%	6.7%
Rhode Island	11.9%	10.1%	NA	NA	14.0%	9.5%
South Carolina	11.8%	9.8%	17.3%	NA	12.7%	11.0%
South Dakota	5.0%	4.1%	NA	NA	5.9%	4.0%
Tennessee	10.5%	9.4%	NA	NA	11.7%	9.1%
Texas	7.1%	5.3%	11.8%	8.1%	7.5%	6.6%
Utah	5.4%	4.5%	NA	NA	6.3%	4.3%
Virginia	7.0%	5.5%	11.3%	NA	8.2%	5.8%
Vermont	7.3%	7.1%	NA	NA	8.3%	6.2%
Washington	9.1%	8.9%	NA	NA	10.8%	7.3%
Wisconsin	8.8%	7.2%	NA	NA	10.8%	6.7%
West Virginia	8.4%	8.3%	NA	NA	10.5%	5.8%
Wyoming	5.1%	4.5%	NA	NA	6.6%	3.3%

Source: EPI estimates using BLS LAUS and CPS data.

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QUARTERLY UNEMPLOYMENT RATES BY STATE, RACE, AND SEX

2010 Q2
Projected peak in unemployment

State	ALL	WHITE	BLACK	HISPANIC	MALE	FEMALE
USA	10.1%	8.6%	16.0%	13.3%	11.6%	8.4%
Alaska	11.2%	10.1%	NA	NA	13.1%	9.0%
Alabama	10.8%	7.6%	19.6%	NA	10.8%	10.8%
Arkansas	9.3%	8.3%	NA	NA	10.4%	8.1%
Arizona	10.7%	8.7%	NA	13.9%	13.7%	7.1%
California	13.0%	9.8%	17.5%	17.9%	14.6%	11.1%
Colorado	9.2%	8.2%	NA	12.8%	10.4%	7.8%
Connecticut	9.0%	7.8%	NA	15.0%	10.0%	8.0%
District of Columbia	11.0%	4.4%	17.6%	NA	11.2%	10.9%
Delaware	8.9%	6.9%	13.0%	NA	10.7%	6.9%
Florida	11.8%	10.4%	16.9%	13.4%	14.0%	9.4%
Georgia	11.0%	8.6%	15.3%	NA	11.7%	10.1%
Hawaii	8.3%	6.9%	NA	NA	9.5%	6.8%
Iowa	6.2%	5.8%	NA	NA	7.7%	4.6%
Idaho	8.7%	8.2%	NA	NA	11.0%	6.0%
Illinois	11.4%	10.2%	18.6%	11.4%	13.5%	8.9%
Indiana	11.4%	9.8%	NA	NA	13.9%	8.6%
Kansas	8.6%	6.8%	NA	NA	10.0%	7.0%
Kentucky	11.7%	11.1%	NA	NA	11.7%	11.8%
Louisiana	8.2%	5.7%	14.6%	NA	10.4%	5.6%
Massachusetts	9.7%	8.3%	NA	NA	11.5%	7.7%
Maryland	7.7%	7.0%	8.9%	8.9%	8.8%	6.6%
Maine	9.9%	9.5%	NA	NA	11.7%	7.9%
Michigan	15.4%	14.0%	24.9%	NA	18.8%	11.6%
Minnesota	8.6%	7.9%	NA	NA	10.7%	6.2%
Missouri	10.6%	10.0%	NA	NA	12.9%	8.2%
Mississippi	12.6%	9.1%	17.9%	NA	14.8%	10.2%
Montana	7.6%	7.1%	NA	NA	8.8%	6.2%
North Carolina	12.1%	10.0%	18.5%	NA	14.0%	10.0%
North Dakota	5.6%	4.1%	NA	NA	6.8%	4.2%
Nebraska	5.9%	5.2%	NA	NA	6.0%	5.7%
New Hampshire	7.3%	7.3%	NA	NA	8.4%	6.2%
New Jersey	10.2%	8.4%	15.8%	13.3%	11.3%	9.0%
New Mexico	8.1%	5.6%	NA	11.4%	9.2%	6.9%
Nevada	12.2%	10.5%	NA	17.8%	13.7%	10.4%
New York	10.1%	7.8%	18.6%	11.9%	11.6%	8.4%
Ohio	11.8%	10.4%	20.7%	NA	13.9%	9.5%
Oklahoma	7.3%	5.0%	NA	NA	9.0%	5.3%
Oregon	13.4%	12.1%	NA	NA	15.4%	11.1%
Pennsylvania	9.7%	8.7%	15.1%	NA	11.3%	8.0%
Rhode Island	12.7%	10.8%	NA	NA	15.0%	10.2%
South Carolina	13.0%	10.8%	19.1%	NA	14.0%	12.1%
South Dakota	5.9%	4.9%	NA	NA	7.0%	4.8%
Tennessee	10.6%	9.4%	NA	NA	11.8%	9.2%
Texas	8.2%	6.1%	13.6%	9.4%	8.6%	7.6%
Utah	6.9%	5.7%	NA	NA	8.0%	5.5%
Virginia	8.1%	6.3%	13.1%	NA	9.5%	6.6%
Vermont	8.8%	8.6%	NA	NA	10.1%	7.5%
Washington	11.1%	10.9%	NA	NA	13.1%	8.8%
Wisconsin	9.7%	7.9%	NA	NA	11.9%	7.3%
West Virginia	8.4%	8.3%	NA	NA	10.5%	5.8%
Wyoming	6.0%	5.3%	NA	NA	7.8%	3.8%

Source: EPI estimates using BLS LAUS and CPS data, and projections by Moody's Economy.

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