

State unemployment rates by race and ethnicity at the end of 2016 show progress but not yet full recovery

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In December 2016, the national unemployment rate was 4.7 percent, down from 4.9 percent at the beginning of the year. In the fourth quarter of 2016, 35 states saw their unemployment rates decrease. During this period, unemployment rates ranged from a high of 7.5 percent in New Mexico to a low of 2.6 percent in South Dakota. Nationally, African Americans had the highest unemployment rate, at 8.2 percent, followed by Hispanics (5.7 percent), whites (3.9 percent), and Asians (3.7 percent).

State unemployment rates, by race and ethnicity

The following is an overview of racial and ethnic unemployment rates and unemployment rate gaps by state for the fourth quarter of 2016. We provide this analysis on a quarterly basis in order to generate a sample size large enough to create reliable estimates of unemployment rates by race at the state level. We report estimates only for states where the sample size of these subgroups is large enough to create an accurate estimate.

Trends among whites

In the fourth quarter of 2016, the white unemployment rate was lowest in South Dakota (1.5 percent) and highest in West Virginia (5.3 percent), as shown in the interactive map of state unemployment rates by race and ethnicity. South Dakota has had the lowest white unemployment rate for six quarters in a row, while West Virginia has had the highest white unemployment rate for seven consecutive quarters.

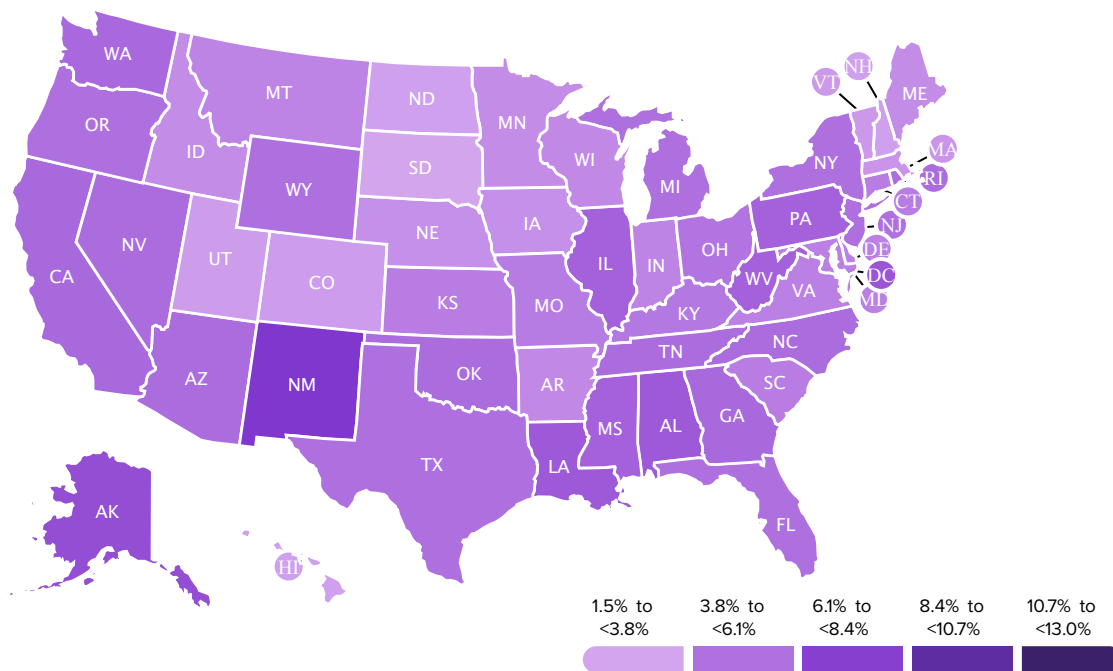
As shown in **Table 1**, which displays changes in state unemployment rates by race and ethnicity from the fourth quarter of 2007 to the fourth quarter of 2016, Louisiana's white unemployment rate remained most elevated above its pre-recession level: 1.9 percentage points higher than it was in the fourth quarter of 2007. The white unemployment rate was at or below its pre-recession level in 29 states, up from 25 states in the third quarter of 2016. In another 13

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State unemployment rates, by race/ethnicity and overall, 2016Q4



Note: The map reports unemployment rates only for state subgroups with sample sizes large enough to create accurate estimates.

Source: EPI analysis of Bureau of Labor Statistics Local Area Unemployment Statistics (LAUS) data and Current Population Survey (CPS) data

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states, the white unemployment rate was within 0.5 percentage point of its pre-recession level.

Trends among African Americans

During the fourth quarter of 2016, African American unemployment was lowest in Delaware (4.9 percent) and highest in the District of Columbia (13.0 percent). During each quarter of 2016, the black unemployment rate in the District of Columbia was above 12 percent. For the other three quarters of 2016, the highest black unemployment rate was in Illinois (in the fourth quarter, it dropped to 11.3 percent, down 2.9 percentage points from the third quarter). Eighteen states had African American unemployment rates below 10 percent in the fourth quarter of 2016; in 13 of these states, the rate was lower than the fourth-quarter national average for African Americans (8.2 percent).

As shown in **Table 2**, which displays the black–white and Hispanic–white unemployment rate ratios in the fourth quarter of 2016, Delaware’s black–white unemployment rate gap was the smallest in the country. In that state, black unemployment was 1.4 times the white rate, down from 2.3 times the white rate during the previous quarter. Delaware also had

Table 1

**Change in state unemployment rates by race and ethnicity,
2007Q4–2016Q4 (percentage points)**

State	White	Black	Hispanic	Asian
USA	-0.1	-0.4	-0.2	0.2
<i>Alabama</i>	1.1	2.7	NA	NA
<i>Alaska</i>	0.3	NA	NA	NA
<i>Arizona</i>	0.4	NA	1.5	NA
<i>Arkansas</i>	-1.2	-2.3	NA	NA
<i>California</i>	-0.4	-1.2	-0.7	-1.0
<i>Colorado</i>	-0.6	NA	-2.0	NA
<i>Connecticut</i>	-0.1	NA	-2.1	NA
<i>Delaware</i>	0.7	0.0	NA	NA
<i>District of Columbia</i>	0.2	3.2	NA	NA
<i>Florida</i>	0.4	1.2	-1.1	NA
<i>Georgia</i>	0.6	0.0	-2.8	NA
<i>Hawaii</i>	-2.2	NA	NA	0.1
<i>Idaho</i>	0.6	NA	NA	NA
<i>Illinois</i>	0.1	-1.0	0.5	-1.3
<i>Indiana</i>	-0.7	-3.1	NA	NA
<i>Iowa</i>	-0.3	NA	NA	NA
<i>Kansas</i>	-0.5	NA	NA	NA
<i>Kentucky</i>	-0.6	NA	NA	NA
<i>Louisiana</i>	1.9	1.6	NA	NA
<i>Maine</i>	-1.6	NA	NA	NA
<i>Maryland</i>	0.3	0.3	NA	NA
<i>Massachusetts</i>	-1.9	NA	NA	NA
<i>Michigan</i>	-2.0	-5.6	NA	NA
<i>Minnesota</i>	-1.4	NA	NA	NA
<i>Mississippi</i>	0.5	-2.9	NA	NA
<i>Missouri</i>	-1.1	-1.8	NA	NA
<i>Montana</i>	-0.1	NA	NA	NA
<i>Nebraska</i>	-0.3	NA	NA	NA
<i>Nevada</i>	-0.9	NA	-1.9	3.7
<i>New Hampshire</i>	-0.7	NA	NA	NA

Table 1
(cont.)

State	White	Black	Hispanic	Asian
<i>New Jersey</i>	0.1	-1.2	-0.2	4.0
<i>New Mexico</i>	1.8	NA	2.7	NA
<i>New York</i>	0.4	-1.2	-0.6	0.4
<i>North Carolina</i>	0.0	-0.5	-0.8	NA
<i>North Dakota</i>	0.0	NA	NA	NA
<i>Ohio</i>	-0.6	-4.3	NA	NA
<i>Oklahoma</i>	1.4	NA	NA	NA
<i>Oregon</i>	-0.6	NA	NA	NA
<i>Pennsylvania</i>	0.3	3.3	NA	NA
<i>Rhode Island</i>	-1.0	NA	-1.5	NA
<i>South Carolina</i>	-0.3	-4.0	NA	NA
<i>South Dakota</i>	-0.4	NA	NA	NA
<i>Tennessee</i>	-0.4	0.0	NA	NA
<i>Texas</i>	0.1	0.1	0.8	1.4
<i>Utah</i>	0.4	NA	-0.8	NA
<i>Vermont</i>	-1.0	NA	NA	NA
<i>Virginia</i>	0.1	1.3	-0.1	NA
<i>Washington</i>	-0.2	NA	1.8	-0.3
<i>West Virginia</i>	0.6	NA	NA	NA
<i>Wisconsin</i>	-0.7	NA	NA	NA
<i>Wyoming</i>	1.8	NA	NA	NA

Note: The table reports data only for state subgroups with sample sizes large enough to create accurate estimates.

Source: EPI analysis of Bureau of Labor Statistics Local Area Unemployment Statistics (LAUS) data and Current Population Survey (CPS) data

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the smallest black–white unemployment rate ratio at the beginning of 2016 (1.3). As in the previous quarter, the largest gap was in the District of Columbia, where the black unemployment rate was 6.9 times the white rate. The next highest unemployment ratios were in Massachusetts (2.6) and Illinois (2.5).

The black unemployment rate in the fourth quarter of 2016 was at or below its pre-recession level in 16 states: Arkansas, California, Delaware, Georgia, Illinois, Indiana, Michigan, Missouri, Mississippi, New Jersey, New York, North Carolina, Ohio, South Carolina, and Tennessee. While this is three more states than in the previous quarter, it is important to put this “recovery” in context: All of these states except Delaware had black unemployment rates of at least 8.0 percent at the end of 2007. Of the states where black unemployment was at or below pre-recession levels, Arkansas, Delaware, Mississippi,

Table 2

Black–white and Hispanic–white state unemployment rate ratios, 2016Q4

State	Black–white ratio	Hispanic–white ratio
USA	2.1	1.5
<i>Alabama</i>	1.9	NA
<i>Alaska</i>	NA	NA
<i>Arizona</i>	NA	2.0
<i>Arkansas</i>	1.9	NA
<i>California</i>	2.0	1.5
<i>Colorado</i>	NA	1.1
<i>Connecticut</i>	NA	1.8
<i>Delaware</i>	1.4	NA
<i>District of Columbia</i>	6.9	2.0
<i>Florida</i>	1.7	1.1
<i>Georgia</i>	2.1	1.1
<i>Hawaii</i>	NA	NA
<i>Idaho</i>	NA	1.0
<i>Illinois</i>	2.5	1.4
<i>Indiana</i>	2.3	NA
<i>Iowa</i>	NA	NA
<i>Kansas</i>	NA	2.4
<i>Kentucky</i>	NA	NA
<i>Louisiana</i>	2.4	NA
<i>Maine</i>	NA	NA
<i>Maryland</i>	1.9	NA
<i>Massachusetts</i>	2.6	1.7
<i>Michigan</i>	2.4	NA
<i>Minnesota</i>	NA	NA
<i>Mississippi</i>	1.8	NA
<i>Missouri</i>	3.0	NA
<i>Montana</i>	NA	NA
<i>Nebraska</i>	NA	NA
<i>Nevada</i>	NA	1.4
<i>New Hampshire</i>	NA	NA

Table 2
(cont.)

State	Black–white ratio	Hispanic–white ratio
<i>New Jersey</i>	1.8	1.2
<i>New Mexico</i>	NA	1.4
<i>New York</i>	1.6	1.6
<i>North Carolina</i>	1.9	1.4
<i>North Dakota</i>	NA	NA
<i>Ohio</i>	2.4	NA
<i>Oklahoma</i>	NA	0.9
<i>Oregon</i>	NA	1.0
<i>Pennsylvania</i>	2.3	2.5
<i>Rhode Island</i>	NA	1.4
<i>South Carolina</i>	2.1	NA
<i>South Dakota</i>	NA	NA
<i>Tennessee</i>	2.3	NA
<i>Texas</i>	2.3	1.5
<i>Utah</i>	NA	1.0
<i>Vermont</i>	NA	NA
<i>Virginia</i>	2.1	1.1
<i>Washington</i>	NA	1.6
<i>West Virginia</i>	NA	NA
<i>Wisconsin</i>	NA	NA
<i>Wyoming</i>	NA	NA

Note: The table reports data only for state subgroups with sample sizes large enough to create accurate estimates.
Source: EPI analysis of Bureau of Labor Statistics Local Area Unemployment Statistics (LAUS) data and Current Population Survey (CPS) data

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New Jersey, New York, North Carolina, and South Carolina have black unemployment rates lower than the fourth-quarter 2016 national average for blacks (8.2 percent). The black unemployment rate remains most elevated above its pre-recession level in Pennsylvania and the District of Columbia (3.3 and 3.2 percentage points higher, respectively).

Trends among Hispanics

The Hispanic unemployment rate was highest in Pennsylvania (11.3 percent) and lowest in Utah (3.1 percent). Pennsylvania has had the highest Hispanic unemployment rate for two consecutive quarters, and was the only state in the fourth quarter of 2016 with a Hispanic

unemployment rate above 10 percent. Utah replaces Virginia as the state with the lowest Hispanic unemployment rate.

The Hispanic unemployment rate was below its pre-recession level in 12 states: California, Colorado, Connecticut, Florida, Georgia, Nevada, New Jersey, New York, North Carolina, Rhode Island, Utah, and Virginia. The Hispanic unemployment rate was within 0.5 percentage point of its pre-recession level in Illinois. In the fourth quarter of 2007, Colorado, Florida, New Jersey, Texas, Utah, and Virginia had Hispanic unemployment rates lower than the national average among Hispanics—a distinction they also held in the fourth quarter of 2016. In the first and fourth quarters of 2016, the Hispanic unemployment rate was most elevated above its pre-recession level in New Mexico (2.3 and 2.7 percentage points higher, respectively).

Oklahoma was the only state where the Hispanic unemployment rate was lower than the white unemployment rate (with a Hispanic–white unemployment rate ratio of 0.9). The largest gap was in Pennsylvania, where despite a 0.5 percentage point decline in the Hispanic unemployment rate since the previous quarter, it was still 2.5 times the white rate.

Trends among Asians

During the fourth quarter of 2016, the Asian unemployment rate was lowest in Illinois (2.2 percent) and highest in Nevada (6.7 percent). Nevada has had the highest Asian unemployment rate for two consecutive quarters and was one of only two states (the other being New Jersey) with an Asian unemployment rate above 6 percent. As in the previous quarter, the Asian unemployment rate was below pre-recession levels in California, Illinois, and Washington; in Hawaii, it was within 0.1 percentage point of its pre-recession level. The Asian unemployment rate was most elevated above its pre-recession level in New Jersey (4.0 percentage points higher).

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 6-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 6 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.

While this methodology allows us to calculate unemployment-rate estimates at the state level by race by quarter, it is less precise at the national level than simply using the CPS. Thus, the national-level estimates may differ from direct CPS estimates.

In many states, the sample size of these subgroups is not large enough to create an accurate estimate of their unemployment rate. We report data only for groups which had, on average, a sample size of at least 700 in the labor force for each 6-month period.