

Unemployment of black and Hispanic workers remains high relative to white workers

In 16 states and the District of Columbia, the African American unemployment rate is at least twice the rate of white unemployment

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In the third quarter of 2017, African American workers had the highest unemployment rate nationally, at 7.5 percent, followed by Hispanic (4.9 percent), Asian (3.7 percent), and white workers (3.5 percent).¹

This report provides a state-by-state breakdown of unemployment rates by race and ethnicity and racial/ethnic unemployment rate gaps for the third quarter of 2017. It shows that while there have been state-by-state improvements in prospects for black and Hispanic workers, their unemployment rates remain high relative to those of white workers. Following are some key highlights of the report:

- While the African American unemployment rate is at or below its pre-recession level in 16 states (of the 22 states and the District of Columbia for which these data are available), in 16 states and the District of Columbia, African American unemployment rates exceed white unemployment rates by a ratio of 2-to-1 or higher.
- The District of Columbia has a black–white unemployment rate ratio of 8.5-to-1, while Indiana and Delaware have the highest ratios among states (3.3-to-1 and 3.1-to-1, respectively).
- The highest African American unemployment rate is in the District of Columbia (13.7 percent), followed by Illinois (10.1 percent). The highest Hispanic state unemployment rate is in Massachusetts (8.8 percent). In contrast, the highest white state unemployment rate is 5.0 percent, in Kentucky.
- While the Hispanic unemployment rate is at or below its pre-recession level in 12 states (of the 16 states for which these data are available), Washington is the only state where the Hispanic unemployment rate is lower than the white rate.

- In two states and the District of Columbia, Hispanic unemployment rates exceed white unemployment rates by a ratio of 2-to-1 or higher (District of Columbia, 3.5-to-1; Massachusetts, 2.7-to-1, and Wyoming, 2.4-to-1).

Background

In September 2017, the national unemployment rate was 4.2 percent, a slight decrease from 4.4 percent at the end of the second quarter of 2017.² State unemployment rates in September ranged from a low of 2.4 percent in North Dakota to 7.2 percent in Alaska.³ According to a previous EPI analysis of unemployment by state, from June to September 2017, 25 states saw their unemployment rates decline, 17 states and the District of Columbia saw unemployment rates rise, and eight states saw no change.⁴

State unemployment rates, by race and ethnicity

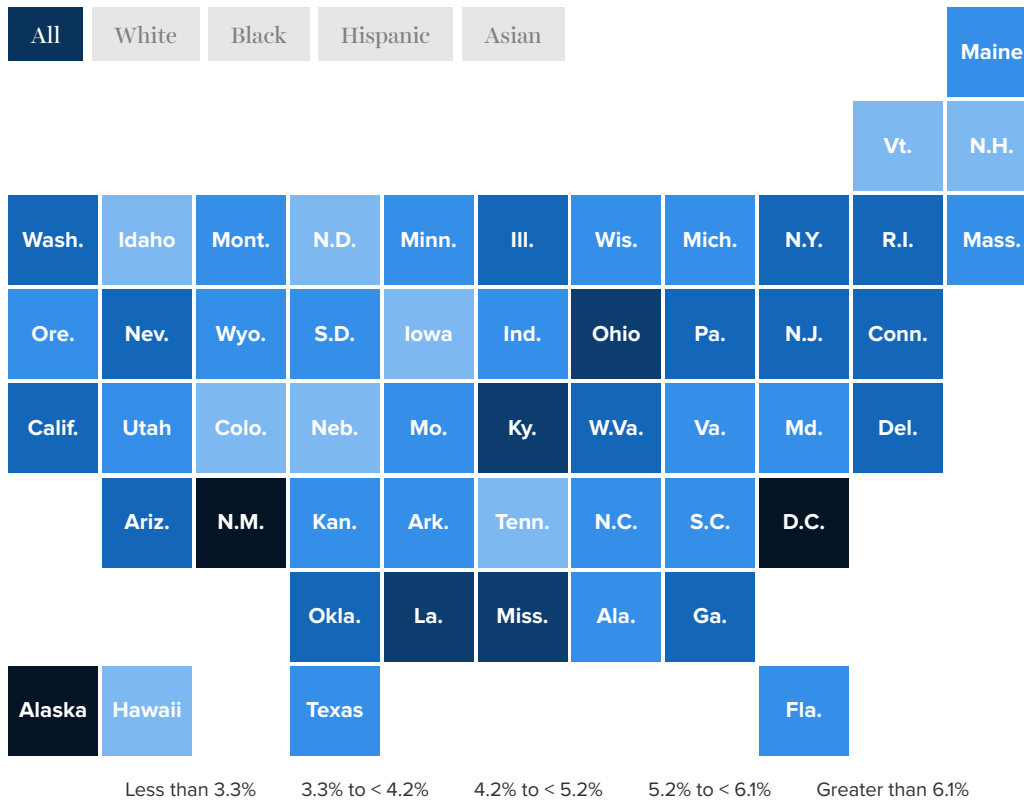
EPI analyzes state unemployment rates by race and ethnicity, and racial/ethnic unemployment rate gaps, on a quarterly basis to generate a sample size large enough to create reliable estimates of unemployment rates by race and ethnicity at the state level. We only report estimates for states for which the sample size of these subgroups is large enough to create an accurate estimate. For this reason, the number of states included in our map and data tables varies based on the analysis performed (unemployment rate, change in unemployment rate since the fourth quarter of 2007, and ratio of African American or Hispanic unemployment rate to white unemployment rate).

Trends among white workers

In the third quarter of 2017, the white unemployment rate was lowest in the District of Columbia (1.6 percent) and highest in Kentucky (5.0 percent), as shown in the interactive map and underlying data table, which present state unemployment rates by race and ethnicity. Among states, South Dakota had the lowest unemployment rate for white workers (1.8 percent) for the ninth consecutive quarter.

Table 1 displays changes in state unemployment rates by race and ethnicity from the fourth quarter of 2007 to the third quarter of 2017. The white unemployment rate remained most elevated above its pre-recession level in Louisiana: 1.0 percentage point higher than in the fourth quarter of 2007. The white unemployment rate is at or below its pre-recession level in 36 states and the District of Columbia. The largest declines in white unemployment since the end of 2007 have occurred in Michigan (down 2.9 percentage points), Hawaii (down 2.1 percentage points), Oregon (down 1.9 percentage points), Arkansas (down 1.5 percentage points), and Tennessee (down 1.5 percentage points). The white unemployment rate is above but within 0.5 percentage points of its pre-recession level in nine states.

State unemployment rates, by race/ethnicity and overall, 2017Q3



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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Trends among African American workers

African American unemployment rate estimates are available for 23 states and the District of Columbia. During the third quarter of 2017, among states, the African American unemployment rate was lowest in Tennessee (4.0 percent) and highest in Illinois (10.1 percent); in the District of Columbia, it was 13.7 percent. The District of Columbia also had the highest black unemployment rate during the previous three quarters.

In the third quarter of 2017, of the 23 states with African American unemployment rate estimates, all but one state had black unemployment rates below 10 percent; in 13 of these states, the rate was at or below the third quarter national average for African American workers (7.5 percent).

As shown in **Table 2**, which displays the black–white and Hispanic–white unemployment rate ratios in the third quarter of 2017, Missouri and Tennessee had the smallest black–white rate gaps of the 23 states and the District of Columbia. In those states, black

Table 1

Change in state unemployment rates by race and ethnicity from 2007Q4 to 2017Q3 (percentage points)

State	White	Black	Hispanic	Asian
USA	-0.5	-1.1	-1.0	0.2
<i>Alabama</i>	-0.6	1.1	NA	NA
<i>Alaska</i>	0.3	NA	NA	NA
<i>Arizona</i>	0.0	NA	0.5	NA
<i>Arkansas</i>	-1.5	-3.8	NA	NA
<i>California</i>	-0.3	-2.1	-1.5	-0.9
<i>Colorado</i>	-1.4	NA	-2.4	NA
<i>Connecticut</i>	0.7	NA	-0.5	NA
<i>Delaware</i>	0.3	5.0	NA	NA
<i>District of Columbia</i>	-0.1	3.8	NA	NA
<i>Florida</i>	-0.7	0.2	-1.8	NA
<i>Georgia</i>	-0.1	-0.4	-3.9	NA
<i>Hawaii</i>	-2.1	NA	NA	-0.2
<i>Idaho</i>	-0.2	NA	NA	NA
<i>Illinois</i>	-0.3	-2.2	-1.4	2.2
<i>Indiana</i>	-1.4	-2.1	NA	NA
<i>Iowa</i>	-0.6	NA	NA	NA
<i>Kansas</i>	-0.7	NA	NA	NA
<i>Kentucky</i>	0.0	NA	NA	NA
<i>Louisiana</i>	1.0	0.8	NA	NA
<i>Maine</i>	-1.2	NA	NA	NA
<i>Maryland</i>	0.3	-0.7	NA	NA
<i>Massachusetts</i>	-1.3	NA	NA	NA
<i>Michigan</i>	-2.9	-6.5	NA	NA
<i>Minnesota</i>	-1.0	NA	NA	NA
<i>Mississippi</i>	0.1	-2.6	NA	NA
<i>Missouri</i>	-0.9	-7.1	NA	NA
<i>Montana</i>	-0.8	NA	NA	NA
<i>Nebraska</i>	-0.4	NA	NA	NA
<i>Nevada</i>	0.1	NA	-1.6	-0.2
<i>New Hampshire</i>	-1.4	NA	NA	NA

Table 1
(cont.)

State	White	Black	Hispanic	Asian
<i>New Jersey</i>	-0.3	-1.0	-1.1	2.9
<i>New Mexico</i>	0.7	NA	2.1	NA
<i>New York</i>	0.1	-0.7	-1.0	0.9
<i>North Carolina</i>	-1.0	-1.3	-1.9	NA
<i>North Dakota</i>	-0.1	NA	NA	NA
<i>Ohio</i>	-0.1	-3.8	NA	NA
<i>Oklahoma</i>	0.6	NA	NA	NA
<i>Oregon</i>	-1.9	NA	NA	NA
<i>Pennsylvania</i>	0.1	0.4	NA	NA
<i>Rhode Island</i>	-1.4	NA	NA	NA
<i>South Carolina</i>	-1.1	-3.2	NA	NA
<i>South Dakota</i>	-0.2	NA	NA	NA
<i>Tennessee</i>	-1.5	-5.5	NA	NA
<i>Texas</i>	0.0	-1.3	0.0	-0.3
<i>Utah</i>	0.4	NA	0.7	NA
<i>Vermont</i>	-1.4	NA	NA	NA
<i>Virginia</i>	-0.1	0.5	1.2	NA
<i>Washington</i>	-0.4	NA	-3.4	1.7
<i>West Virginia</i>	0.2	NA	NA	NA
<i>Wisconsin</i>	-1.3	NA	NA	NA
<i>Wyoming</i>	0.9	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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unemployment was 1.3 times the white rate. In the third quarter of 2017, as in the previous four quarters, the largest gap was in the District of Columbia, where the black unemployment rate was 8.5 times the white rate. The next highest unemployment ratios were in Indiana (3.3-to-1), Delaware (3.1-to-1), and South Carolina (3.0-to-1).

The black unemployment rate in the third quarter of 2017 was at or below its pre-recession level in 16 states: Arkansas, California, Georgia, Illinois, Indiana, Maryland, Michigan, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, South Carolina, Tennessee, and Texas. (Data on the change in black unemployment over this period are available for 22 states and the District of Columbia). This is an increase from the 14 states that had reached this benchmark by the second quarter of 2017. However, with the exceptions of Texas and Maryland, all of these states had black unemployment rates of at

Table 2

Black–white and Hispanic–white state unemployment rate ratios, 2017Q3

State	Black–white ratio	Hispanic–white ratio
<i>USA</i>	2.1	1.4
<i>Alabama</i>	2.4	NA
<i>Alaska</i>	NA	NA
<i>Arizona</i>	NA	1.9
<i>Arkansas</i>	1.6	NA
<i>California</i>	1.8	1.3
<i>Colorado</i>	NA	1.3
<i>Connecticut</i>	NA	1.9
<i>Delaware</i>	3.1	NA
<i>District of Columbia</i>	8.5	3.5
<i>Florida</i>	2.0	1.2
<i>Georgia</i>	2.4	1.0
<i>Hawaii</i>	NA	NA
<i>Idaho</i>	NA	1.1
<i>Illinois</i>	2.5	1.1
<i>Indiana</i>	3.3	NA
<i>Iowa</i>	NA	NA
<i>Kansas</i>	NA	1.4
<i>Kentucky</i>	NA	NA
<i>Louisiana</i>	2.8	NA
<i>Maine</i>	NA	NA
<i>Maryland</i>	1.6	NA
<i>Massachusetts</i>	2.2	2.7
<i>Michigan</i>	2.8	NA
<i>Minnesota</i>	NA	NA
<i>Mississippi</i>	2.1	NA
<i>Missouri</i>	1.3	NA
<i>Montana</i>	NA	NA
<i>Nebraska</i>	NA	NA
<i>Nevada</i>	NA	1.1
<i>New Hampshire</i>	NA	NA

Table 2
(cont.)

State	Black–white ratio	Hispanic–white ratio
<i>New Jersey</i>	2.0	1.1
<i>New Mexico</i>	NA	1.7
<i>New York</i>	1.9	1.6
<i>North Carolina</i>	2.3	1.5
<i>North Dakota</i>	NA	NA
<i>Ohio</i>	2.2	NA
<i>Oklahoma</i>	NA	1.1
<i>Oregon</i>	NA	1.4
<i>Pennsylvania</i>	1.7	1.7
<i>Rhode Island</i>	NA	NA
<i>South Carolina</i>	3.0	NA
<i>South Dakota</i>	NA	NA
<i>Tennessee</i>	1.3	NA
<i>Texas</i>	2.0	1.3
<i>Utah</i>	NA	1.6
<i>Vermont</i>	NA	NA
<i>Virginia</i>	2.0	1.7
<i>Washington</i>	NA	0.6
<i>West Virginia</i>	NA	NA
<i>Wisconsin</i>	NA	NA
<i>Wyoming</i>	NA	2.4

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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least 8.0 percent before the recession. Of the states in which black unemployment rates have recovered, eight have black unemployment rates higher than the third quarter national average for African Americans (7.5 percent): California, Georgia, Illinois, Indiana, Michigan, Mississippi, Ohio, and South Carolina. For the second consecutive quarter, the black unemployment rate remains most elevated above its pre-recession level in Delaware (5.0 percentage points higher).

Trends among Hispanic workers

Hispanic unemployment rate estimates are available for 23 states and the District of Columbia, and data on the change in Hispanic unemployment rates since the fourth

quarter of 2007 are available for 16 states. In the third quarter of 2017, the Hispanic unemployment rate was highest in Massachusetts (8.8 percent) and lowest in Washington (2.5 percent). Massachusetts and Wyoming were the only states with Hispanic unemployment rates above 8.0 percent in the third quarter.

The Hispanic unemployment rate is at or below its pre-recession level in 12 states: California, Colorado, Connecticut, Florida, Georgia, Illinois, Nevada, New Jersey, New York, North Carolina, Texas, and Washington. The Hispanic unemployment rate is above but within 1.0 percentage points of its pre-recession level in Arizona and Utah. For the second quarter in a row, the Hispanic unemployment rate was most elevated above its pre-recession level in New Mexico (2.1 percentage points).

Washington was the only state where the Hispanic unemployment rate was lower than the white unemployment rate (with a Hispanic–white unemployment rate ratio of 0.6-to-1). In Georgia, the Hispanic unemployment rate and white unemployment rate were exactly the same. The ratio of Hispanic unemployment to white unemployment was highest in the District of Columbia (3.5-to-1), followed by Massachusetts (2.7-to-1) and Wyoming (2.4-to-1).

Trends among Asian workers

Asian unemployment rate estimates are available for 11 states, and data on the change in Asian unemployment rates since the fourth quarter of 2007 are available for eight states. The Asian unemployment rate was lowest in Hawaii (2.3 percent); Massachusetts had held this distinction for the first two quarters of 2017. The highest Asian unemployment rate was in Illinois (5.6 percent). The Asian unemployment rate was at or below its pre-recession level in California, Hawaii, Nevada, and Texas. In two states, the Asian unemployment rate was more than 2 percentage points above its pre-recession level: Illinois and New Jersey (2.2 and 2.9 percentage points higher, respectively).

Methodology

The unemployment rate estimates in this report 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 with the state overall.

While this methodology allows us to calculate unemployment-rate estimates at the state level by race and ethnicity 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 sizes of particular subgroups are not large enough to create

accurate estimates of their unemployment rates. We report data only for groups that had, on average, a sample size of at least 700 in the labor force for each six-month period.

Endnotes

1. EPI analysis of Bureau of Labor Statistics Local Area Unemployment Statistics (LAUS) data and Current Population Survey (CPS) data.
2. “Labor Force Statistics from the Current Population Survey: Unemployment Rate,” Series Id. LNS14000000 [online data table], U.S. Bureau of Labor Statistics, August 28, 2017.
3. “[State Employment and Unemployment—September 2017](#),” U.S. Bureau of Labor Statistics, October 20, 2017.
4. “[Hurricane Irma Creates Outlier in State Unemployment and Jobs Data](#),” press release, Economic Policy Institute, October 20, 2017.