



ONGOING JOBLESSNESS IN NORTH CAROLINA

Unemployment rate for African Americans fourth in nation, more than double the state's white rate

BY MARY GABLE AND DOUGLAS HALL

Five years after the beginning of the Great Recession, high unemployment rates are still taking a toll on families. In North Carolina, where the overall unemployment rate was 9.2 percent in the fourth quarter of 2012 (compared with a national average of 7.8 percent), African American families continue to bear the brunt of that economic pain.

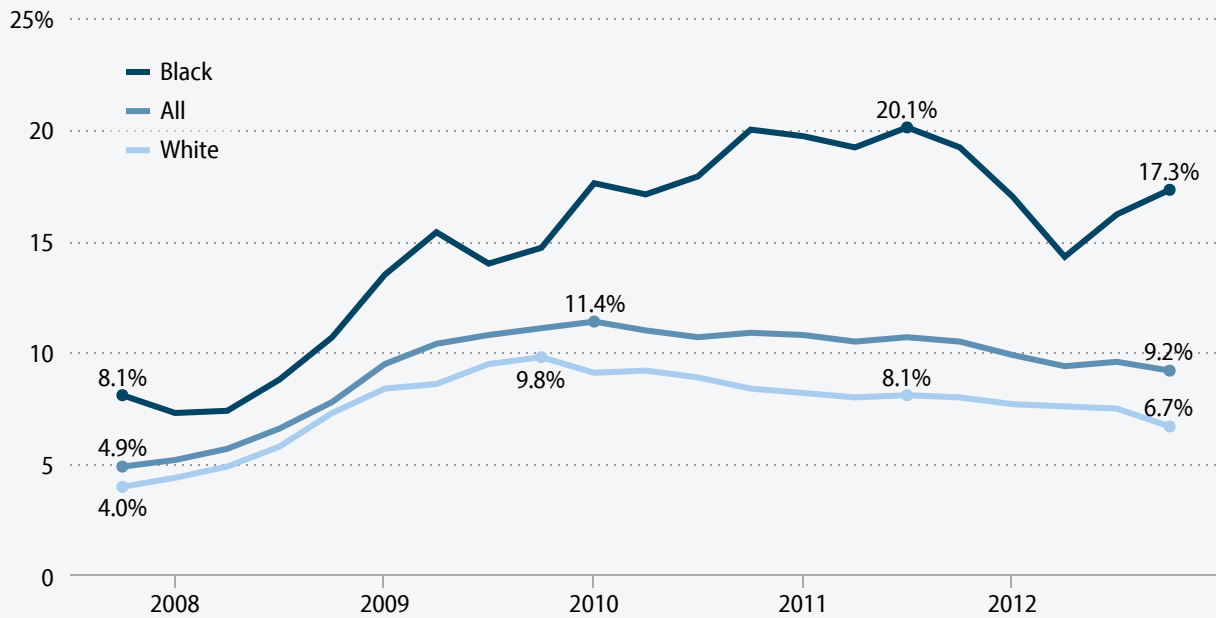
This research brief supplements a recent report by the Economic Policy Institute's Algernon Austin, *Unemployment Rates Are Projected to Remain High for Whites, Latinos, and African Americans throughout 2013*, which documents national trends in unemployment (Austin 2013). Drawing on federal Current Population Survey (CPS) data, this paper focuses on unemployment in North Carolina. It highlights the racial disparities that have prevailed

throughout the recession (defined here as including the official recession from December 2007 through June 2009 and the weak and ongoing recovery through the fourth quarter of 2012):

- The unemployment rate of African Americans in North Carolina is 17.3 percent, more than two and a half times that of whites (6.7 percent), and has been close to or more than twice the white rate for much of the last three years.
- Of the 24 states with large enough African American populations to track with quarterly CPS unemployment data, North Carolina has the fourth-highest African American unemployment rate.

FIGURE A **INTERACTIVE**

Unemployment rate in North Carolina, all and by race and ethnicity, 2007Q4–2012Q4



Note: Data are quarterly, beginning with 2007 Q4 and ending with 2012 Q4. Races and ethnicities are presented in mutually exclusive categories, i.e., white refers to non-Hispanic whites and black refers to non-Hispanic blacks.

Source: Authors' analysis of Bureau of Labor Statistics Local Area Unemployment Statistics and basic monthly Current Population Survey microdata

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- In North Carolina, three groups—all workers, white workers, and African American workers—have higher unemployment rates than the national rate for the same group.
- Although the unemployment rate of Hispanic workers in North Carolina has remained markedly lower than that of African American workers, at 7.4 percent in the fourth quarter of 2012, it is still higher than that of North Carolina's white workers (6.7 percent).

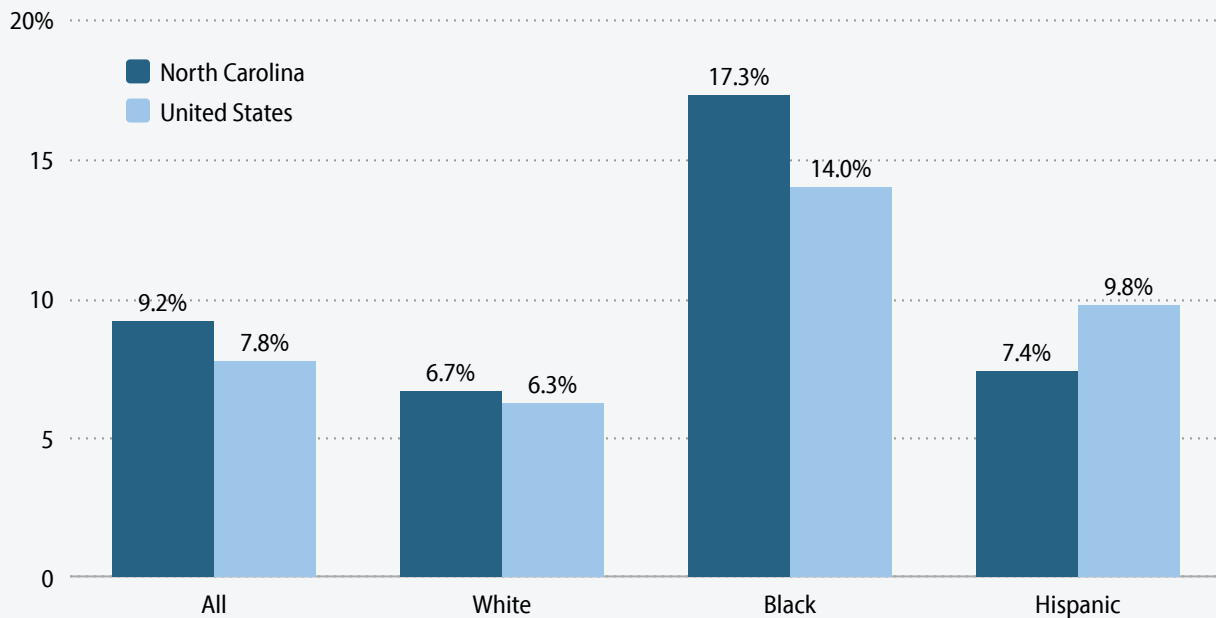
The jobs context in North Carolina

Several factors have exacerbated the effects of the recession on working families in North Carolina. Federal and state budget cuts have disproportionately affected African American and Hispanic workers in the state. Also, because African American workers have historically been overrepresented in public-sector employment, state and local public-sector job losses have hit them the hardest (Cooper, Gable, and Austin 2012). The recession also compounded harmful employment trends decades in the making. Many black and Hispanic workers live and work

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FIGURE B **INTERACTIVE**

Unemployment rate, North Carolina compared with U.S., by race and ethnicity, 4th quarter 2012



Note: Races and ethnicities are presented in mutually exclusive categories, i.e., white refers to non-Hispanic whites, black refers to non-Hispanic blacks, and Hispanic refers to Hispanics of any race.

Source: Authors' analysis of Bureau of Labor Statistics Local Area Unemployment Statistics and basic monthly Current Population Survey microdata

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in North Carolina communities with declining industries. These communities have been slowest to recover, adding to the human cost for workers of all races. Moreover, while the impact of the recession has been relatively less harsh for white workers, the long-term decline in manufacturing has dealt a serious blow to workers—white, black, and Hispanic—statewide. North Carolina has the second highest rate of manufacturing job loss since 1995 (among all states for which Bureau of Labor Statistics Consumer Expenditure Survey data are available).

White unemployment

Though they escaped the prolonged, deep unemployment plaguing white workers in other states, North Carolina's white workers endured a year of unemployment rates above 9.0 percent (from 9.5 percent in the third quarter

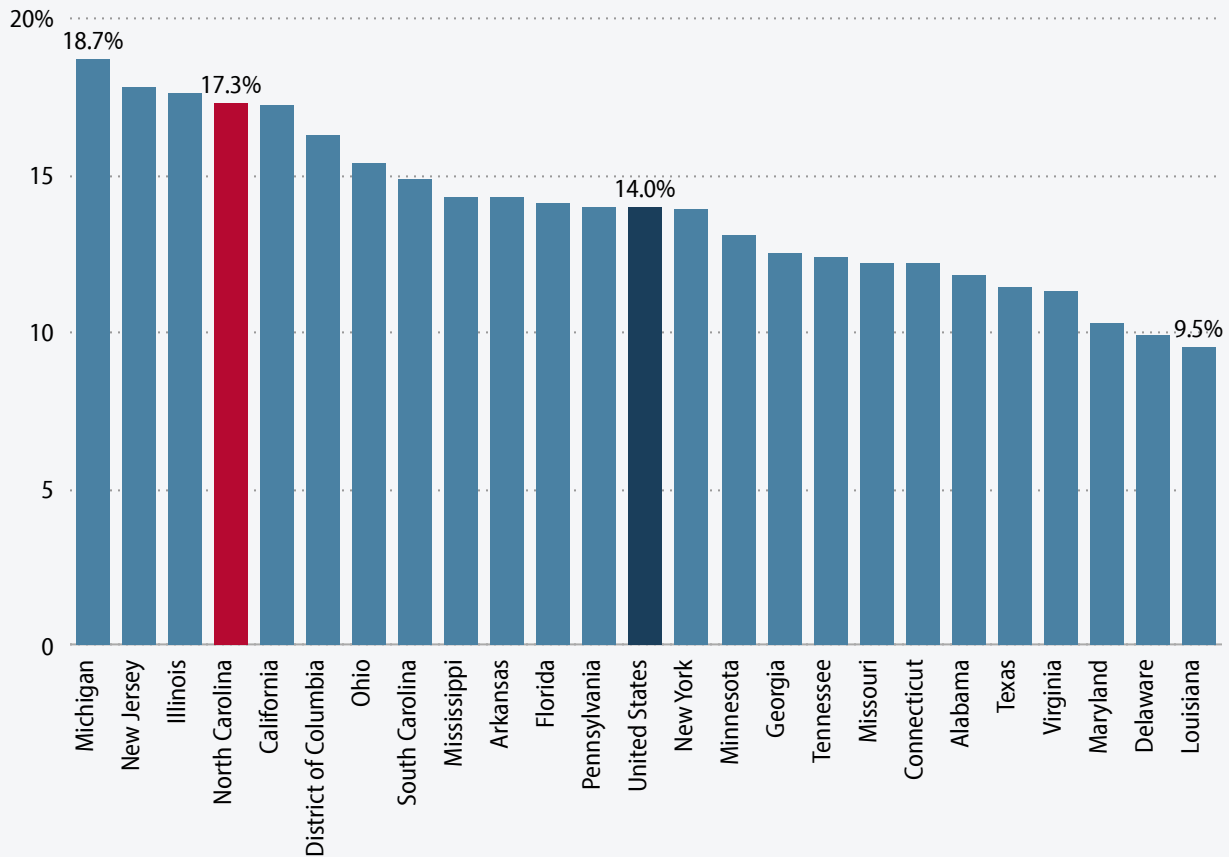
of 2009 to 9.2 percent in the second quarter of 2010), as seen in **Figure A**. North Carolina's white unemployment rate has declined steadily—though slowly—in the three years since it peaked at 9.8 percent in the fourth quarter of 2009. In the fourth quarter of 2012, North Carolina's white unemployment rate was 6.7 percent.

African American unemployment

African American unemployment rates in North Carolina throughout the recession have been devastatingly high. They hovered in the 17-to-20 percent range for three years (from the first quarter of 2010 to the first quarter of 2012), peaking at 20.1 percent in the third quarter of 2011. Even after apparently turning the corner with steady declines from late 2011 through mid 2012, the black unemployment rate rose again in the last two quar-

FIGURE C **INTERACTIVE**

Black unemployment rate in North Carolina compared with 23 other states and U.S., 4th quarter 2012



Note: Black refers to non-Hispanic blacks. This figure includes the 24 states (a total which includes the District of Columbia) with black populations large enough to measure the unemployment rate with Current Population Survey microdata.

Source: Authors' analysis of Bureau of Labor Statistics Local Area Unemployment Statistics and basic monthly Current Population Survey microdata

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ters of 2012, reaching 17.3 percent—3.3 percentage points higher than the national black unemployment rate of 14.0 percent (as seen in **Figure B**).

Although not shown in Figure A, the black-white gap in unemployment rates in North Carolina is among the largest in the nation. The figure shows that for much of the last two years, African American unemployment rates have been at least double white unemployment rates. The greatest disparity occurred at the peak of unemployment for black North Carolinians. In the third quarter of 2011, the black unemployment rate was 20.1 percent, about

two and a half times the 8.1 percent white unemployment rate. Disparities similar to North Carolina's have occurred nationwide for the past 50 years (Austin 2012). Several factors, including race, age (the white labor force is older), education, and geography, have likely played a role in the persistence of the black-white unemployment gap.

Figure C depicts the black unemployment rate in North Carolina compared with the black unemployment rate in each of the other 23 states for which the black population is large enough to measure the unemployment rate with CPS data. It shows that North Carolina has

the fourth-highest African American unemployment rate among these states.

Hispanic unemployment

Unemployment rates of Hispanic North Carolinians have not been nearly as high as those of African Americans in the state, although Hispanic unemployment is still slightly higher than white unemployment. The Hispanic unemployment rate in North Carolina was 7.4 percent in the fourth quarter of 2012, less than half that of black North Carolinians (17.3 percent) and 0.7 percentage points higher than that of white North Carolinians (6.7 percent). North Carolina's Hispanic unemployment rate is 2.4 percentage points lower than the national Hispanic unemployment rate of 9.8 percent (as seen in Figure B).

Conclusion

North Carolina's recovery from the depths of the Great Recession has been steady and slow. Yet despite significant reductions in overall unemployment, roughly one in six African American workers in the state continues to be unemployed. Others have stopped looking for work and have fallen out of the labor force altogether, adding to the human cost of an economic collapse and slow economic recovery that has taken a much greater toll on African Americans than whites. The devastating impact on North Carolina workers of all races demands strong federal job-creation efforts, as highlighted in *From Free-fall to Stagnation: Five Years after the Start of the Great Recession, Extraordinary Policy Measures Are Still Needed, but Are Not Forthcoming*, by EPI's Josh Bivens, Andrew Fieldhouse, and Heidi Shierholz (February 2013).

Methodology note

Races and ethnicities are presented in mutually exclusive categories, i.e., white refers to non-Hispanic whites, black refers to non-Hispanic blacks, and Hispanic refers to Hispanics of any race. The Bureau of Labor Statistics publishes national annual white, black, and Hispanic unemployment rates; however, its estimates are not based upon

mutually exclusive categories and thus will differ slightly from the figures published in this paper.

About the authors

Mary Gable joined the Economic Policy Institute in 2006. She coordinates activities of state and local organizations through the Economic Analysis and Research Network (EARN) and analyzes public policies affecting low-income people. She previously directed programs serving people in poverty nationwide and conducted an independent evaluation of New Jersey's welfare program. Her areas of interest include poverty, social services and welfare policy, child care, and low-wage work. She has a B.A. in political science from the University of Illinois at Urbana-Champaign, and an M.P.A. in social services and welfare policy and in gender and public policy from Columbia University.

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