



## UNEMPLOYMENT RATES ARE PROJECTED TO REMAIN HIGH FOR WHITES, LATINOS, AND AFRICAN AMERICANS THROUGHOUT 2013

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The unemployment forecast for 2013 is stagnation: For whites, Latinos, and African Americans, year-end 2013 unemployment projections show essentially no improvement from the high levels that prevailed at the end of 2012. However, this prognosis may prove overly optimistic, as poor policy choices by Congress could easily worsen the economic outlook (Hall 2012; Bivens and Fieldhouse 2013).

This issue brief examines the unemployment rates of whites, Latinos, and African Americans nationally and by state for the fourth quarter of 2012, and projects rates for the fourth quarter of 2013. For Hispanics and blacks, this

analysis is limited to states with sufficient sample size for reliable estimates.

Key findings include:

- In the fourth quarter of 2012, nationwide unemployment rates were 6.3 percent for whites, 9.8 percent for Hispanics, and 14.0 percent for blacks. These elevated rates are projected to remain essentially unchanged at the end of 2013.
- Unemployment rates for Hispanics are projected to decline significantly throughout 2013 in only three states—Connecticut, Rhode Island, and Georgia. Similarly, black unemployment rates are projected to

fall significantly in only three states—Illinois, New Jersey, and North Carolina. Black unemployment rates are projected to increase significantly in Alabama, Arkansas, Louisiana, Minnesota, and Tennessee. No states are currently projected to have significantly lower white unemployment rates by the end of 2013.

- In the fourth quarter of 2012, Nevada (9.3 percent), Rhode Island (9.0 percent), and New Jersey (8.6 percent) had the highest white unemployment rates.
- In each state, the white unemployment rate at the end of 2012 was either essentially equal to the overall state rate or significantly lower. This is projected to remain the case at the end of 2013.
- Northeastern states continue to have the highest Hispanic unemployment rates. In the fourth quarter of 2012, the Hispanic jobless rate was 18.2 percent in Rhode Island, 16.1 percent in Connecticut, and 13.3 percent in Pennsylvania.
- In 13 states, the Hispanic unemployment rate at the end of 2012 was significantly higher than the overall state rate. The highest black unemployment rates in the fourth quarter of 2012 were in Michigan (18.7 percent), New Jersey (17.8 percent), Illinois (17.6 percent), North Carolina (17.3 percent), and California (17.2 percent).
- In all states, the black unemployment rate significantly exceeded the overall state rate at the end of 2012. This is projected to remain the case at the end of 2013.

See the interactive map



## White unemployment rates by state

In the fourth quarter of 2012, Nevada (9.3 percent), Rhode Island (9.0 percent), and New Jersey (8.6 percent)

had the highest white unemployment rates (**Table 1**). The lowest white rates were in North Dakota (2.1 percent), Nebraska (2.9 percent), and the District of Columbia (2.9 percent).

The nationwide white unemployment rate at the end of 2012, 6.3 percent, remained higher than at the start of the recession in 2007 (Shierholz 2013). However, it remained lower than the overall national rate (7.8 percent). The picture is similar in each state; the white unemployment rate is either essentially equal to the overall state rate or significantly lower.

The biggest differences between the white unemployment rate and the overall rate were in the District of Columbia and Mississippi. In the District of Columbia, the white rate was 5.5 percentage points lower than the overall rate in the fourth quarter of 2012. In Mississippi, the gap was 3.3 percentage points.

By the end of 2013, we project little change in the white unemployment rate by state. Similarly, the nationwide white rate is projected to remain unchanged.

## Latino unemployment rates by state

Northeastern states continue to have the highest Hispanic unemployment rates among the states with sufficient sample size for reliable statistics, as shown in **Table 2**. The same northeastern states with the highest Hispanic unemployment rates in the fourth quarter of 2012—Rhode Island (18.2 percent), Connecticut (16.1 percent), and Pennsylvania (13.3 percent)—had the highest Hispanic unemployment rates in the third quarter of 2011 (Austin 2012a). In the fourth quarter of 2012, Nevada ranked fourth, with a Hispanic unemployment rate of 13.1 percent.

That Connecticut and Pennsylvania still have among the highest Latino unemployment rates continues to be surprising. For all races, Nevada, California, and New Jersey

TABLE 1

Unemployment rates, white and all workers, by state (fourth quarter 2012 and projected fourth quarter 2013)

FOURTH QUARTER, 2012				FOURTH QUARTER, 2013 (PROJECTED)			
Rank	State	White	All	Rank	State	White	All
1	Nevada	9.3%	10.8%	1	Nevada	9.3%	10.9%
2	Rhode Island	9.0	10.3	2	Rhode Island	8.6	9.7
3	New Jersey	8.6	9.7	3	Michigan	8.4	9.6
4	Oregon	7.8	8.5	4	Oregon	8.3	8.9
4	Kentucky	7.8	8.2	5	Washington	8.0	8.1
4	California	7.8	9.9	6	New Jersey	7.8	8.9
7	Connecticut	7.6	8.8	7	Kentucky	7.6	8.0
8	West Virginia	7.5	7.4	8	California	7.3	9.4
8	Michigan	7.5	9.0	9	Illinois	7.2	8.2
10	Washington	7.4	7.8	10	Tennessee	7.0	8.1
11	Tennessee	7.2	7.8	10	North Carolina	7.0	9.0
12	Illinois	7.0	8.7	10	Idaho	7.0	7.0
12	New York	7.0	8.4	10	South Carolina	7.0	9.2
14	Maine	6.9	7.3	14	Indiana	6.9	8.0
15	Indiana	6.8	8.1	15	Georgia	6.8	8.6
15	Idaho	6.8	6.8	15	New York	6.8	8.0
17	North Carolina	6.7	9.2	15	Arizona	6.8	8.1
17	Pennsylvania	6.7	7.9	15	Mississippi	6.8	9.5
19	Arizona	6.6	7.9	19	Maine	6.7	7.2
20	Colorado	6.5	7.7	19	Pennsylvania	6.7	7.9
21	Florida	6.4	8.2	19	West Virginia	6.7	6.7
21	Massachusetts	6.4	6.6	22	Alaska	6.6	7.4
23	Georgia	6.3	8.6	22	Florida	6.6	8.2
24	South Carolina	6.1	8.4	24	Connecticut	6.5	7.7
25	Missouri	6.0	6.8	25	Montana	6.3	7.3
26	Arkansas	5.7	7.1	25	Ohio	6.3	7.4
26	Alabama	5.7	7.6	27	New Mexico	6.2	7.6
26	Alaska	5.7	6.8	27	Missouri	6.2	7.1
29	Delaware	5.6	6.8	29	Colorado	6.1	7.3
30	Wisconsin	5.5	6.7	30	Arkansas	5.9	7.3
30	Ohio	5.5	6.8	30	Massachusetts	5.9	6.4
32	New Hampshire	5.4	5.7	30	Delaware	5.9	6.7

TABLE 1 (CONTINUED)

FOURTH QUARTER, 2012				FOURTH QUARTER, 2013 (PROJECTED)			
Rank	State	White	All	Rank	State	White	All
32	Mississippi	5.4	8.7	33	Alabama	5.5	7.6
34	Maryland	5.1	6.6	34	Wyoming	5.3	6.2
34	Montana	5.1	5.8	35	Wisconsin	5.2	6.3
34	Vermont	5.1	5.3	35	Kansas	5.2	5.8
37	Minnesota	5.0	5.7	37	Utah	5.1	5.7
38	Kansas	4.9	5.5	37	Maryland	5.1	6.8
39	New Mexico	4.7	6.3	39	New Hampshire	5.0	5.1
39	Wyoming	4.7	5.1	40	Virginia	4.9	5.8
41	Iowa	4.6	5.0	41	Oklahoma	4.8	5.5
42	Utah	4.5	5.2	41	Minnesota	4.8	5.7
43	Virginia	4.3	5.6	43	Iowa	4.7	5.2
43	Texas	4.3	6.3	43	Vermont	4.7	5.0
43	Louisiana	4.3	6.0	43	Texas	4.7	6.8
46	Oklahoma	4.2	5.2	46	Hawaii	4.5	5.3
47	South Dakota	3.4	4.4	47	Louisiana	4.3	7.0
47	Hawaii	3.4	5.3	48	South Dakota	3.3	4.1
49	District of Columbia	2.9	8.4	49	Nebraska	3.2	3.9
49	Nebraska	2.9	3.7	50	District of Columbia	2.5	8.4
51	North Dakota	2.1	3.1	51	North Dakota	2.4	3.1
	United States	6.3	7.8		United States	6.3	7.7

**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 2012 projections from Moody's Economy.com

each has higher unemployment rates than Connecticut and Pennsylvania. Nevada, California, and New Jersey each also has a larger Latino population share (Pew Hispanic Center 2012). Since the Hispanic unemployment rate is typically higher than the overall rate, one would expect Nevada, California, and New Jersey to have higher Hispanic unemployment rates than Connecticut and Pennsylvania, but this is not the case.

Virginia (3.8 percent), Maryland (5.2 percent), and Nebraska (6.7 percent) had the lowest Latino unemployment rates in the fourth quarter of 2012. In 13 states, the His-

panic unemployment rate at the end of 2012 was significantly higher than the overall state rate. The national Hispanic unemployment rate at the end of 2013 is projected to be 9.7 percent—about the same as at the end of 2012 (9.8 percent). Rhode Island, Connecticut, and Georgia are expected to experience significant declines in the Hispanic unemployment rate over the year, while the rates in Massachusetts, Nevada and New Mexico are projected to increase slightly.

Note: Given the likely margins of error in the state-race estimates and in the projection estimates, we have decided

TABLE 2

### Unemployment rates, Hispanic and all workers, by state (fourth quarter 2012 and projected fourth quarter 2013)

FOURTH QUARTER, 2012				FOURTH QUARTER, 2013 (PROJECTED)			
Rank	State	Hispanic	All	Rank	State	Hispanic	All
1	<i>Rhode Island</i>	18.2%	10.3%	1	<i>Rhode Island</i>	15.6%	9.7%
2	<i>Connecticut</i>	16.1	8.8	2	<i>Nevada</i>	14.8	10.9
3	<i>Pennsylvania</i>	13.3	7.9	3	<i>Connecticut</i>	13.9	7.7
4	<i>Nevada</i>	13.1	10.8	4	<i>Pennsylvania</i>	13.5	7.9
5	<i>Colorado</i>	12.5	7.7	5	<i>California</i>	11.3	9.4
6	<i>California</i>	11.9	9.9	6	<i>Colorado</i>	11.1	7.3
7	<i>Georgia</i>	11.3	8.6	7	<i>Washington</i>	10.7	8.1
8	<i>Washington</i>	11.0	7.8	8	<i>Massachusetts</i>	10.5	6.4
9	<i>New York</i>	10.6	8.4	9	<i>New Jersey</i>	10.2	8.9
10	<i>Arizona</i>	10.5	7.9	10	<i>New York</i>	10.1	8.0
10	<i>New Jersey</i>	10.5	9.7	10	<i>Arizona</i>	10.1	8.1
12	<i>Illinois</i>	9.7	8.7	12	<i>New Mexico</i>	9.8	7.6
13	<i>Florida</i>	9.2	8.2	13	<i>Florida</i>	9.4	8.2
14	<i>Massachusetts</i>	9.0	6.6	14	<i>Georgia</i>	9.2	8.6
15	<i>New Mexico</i>	8.2	6.3	14	<i>Illinois</i>	9.2	8.2
16	<i>Idaho</i>	8.1	6.8	16	<i>North Carolina</i>	8.2	9.0
17	<i>District of Columbia</i>	7.5	8.4	17	<i>Texas</i>	7.9	6.8
18	<i>Utah</i>	7.4	5.2	18	<i>District of Columbia</i>	7.2	8.4
18	<i>North Carolina</i>	7.4	9.2	19	<i>Utah</i>	7.0	5.7
20	<i>Texas</i>	7.0	6.3	20	<i>Idaho</i>	6.3	7.0
21	<i>Nebraska</i>	6.7	3.7	21	<i>Maryland</i>	6.2	6.8
22	<i>Maryland</i>	5.2	6.6	22	<i>Nebraska</i>	5.6	3.9
23	<i>Virginia</i>	3.8	5.6	23	<i>Virginia</i>	3.4	5.8
	<i>United States</i>	9.8	7.8		<i>United States</i>	9.7	7.7

**Note:** States are ranked by highest to lowest Hispanic 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 2012 projections from Moody's Economy.com

to focus on unemployment rate changes of 2 percent or more when discussing changes in unemployment rates (see Methodology section for details).

## African American unemployment rates by state

Michigan (18.7 percent), New Jersey (17.8 percent), Illinois (17.6 percent), North Carolina (17.3 percent),

and California (17.2 percent) had the highest black unemployment rates in the fourth quarter of 2012 (among states with sufficient sample size for reliable statistics), as shown in **Table 3**. Louisiana (9.5 percent), Delaware (9.9 percent), and Maryland (10.3 percent) had the lowest black unemployment rates. The black unemployment rate in Louisiana (9.5 percent) was essentially equivalent to the highest white rate of 9.3 percent in Nevada.

In all states, the black unemployment rate significantly exceeded the overall state rate at the end of 2012—and this is projected to remain the case at the end of 2013. (As noted in the discussion of Hispanic unemployment rates, we focus on unemployment rate changes of 2 percent or more given the likely margins of error in the state-race estimates and in the projection estimates.)

In Illinois, Michigan, New Jersey, North Carolina, and Ohio, the black unemployment rate was more than eight percentage points higher than the overall state rate in the fourth quarter of 2012. The smallest gaps were in Delaware (3.1 percentage points) and Connecticut (3.3 percentage points).

A national black unemployment rate of 13.5 percent is projected for the end of 2013, essentially unchanged from the 14.0 percent rate at the end of 2012. However, at the state level, significant reductions are expected in Illinois, New Jersey, and North Carolina. In contrast, black unemployment rates are expected to significantly increase in Alabama, Arkansas, Louisiana, Minnesota, and Tennessee by the end of the year.

## Conclusion

Three-and-a-half years into what should be a recovery from the Great Recession, whites, Latinos, and blacks are still experiencing an ongoing jobs crisis characterized by high levels of unemployment (Shierholz 2013). We need much stronger job creation; unfortunately, our leaders have gotten sidetracked by potentially harmful calls for

deficit reduction (Bivens and Fieldhouse 2013). Instead of reducing deficits, we should invest heavily in infrastructure improvements (Austin 2013, forthcoming), which create large numbers of jobs and stimulate the economy. Importantly, they also provide substantial numbers of jobs for Latinos and African Americans (Austin 2012b; 2012c). Policymakers need to focus on jobs now, and on deficits only after we have a strong economy.

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## 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.

While this methodology allows us to calculate unemployment-rate estimates at the state-level by race by

TABLE 3

### Unemployment rates, black and all workers, by state (fourth quarter 2012 and projected fourth quarter 2013)

FOURTH QUARTER, 2012				FOURTH QUARTER, 2013 (PROJECTED)			
Rank	State	Black	All	Rank	State	Black	All
1	Michigan	18.7%	9.0%	1	California	18.0%	9.4%
2	New Jersey	17.8	9.7	2	Michigan	17.7	9.6
3	Illinois	17.6	8.7	3	Arkansas	16.4	7.3
4	North Carolina	17.3	9.2	4	District of Columbia	16.3	8.4
5	California	17.2	9.9	5	Minnesota	16.0	5.7
6	District of Columbia	16.3	8.4	6	New Jersey	15.8	8.9
7	Ohio	15.4	6.8	7	South Carolina	15.4	9.2
8	South Carolina	14.9	8.4	8	Ohio	15.2	7.4
9	Mississippi	14.3	8.7	9	Tennessee	15.1	8.1
9	Arkansas	14.3	7.1	9	North Carolina	15.1	9.0
11	Florida	14.1	8.2	11	Mississippi	14.5	9.5
12	Pennsylvania	14.0	7.9	12	Pennsylvania	14.3	7.9
13	New York	13.9	8.4	13	Illinois	13.9	8.2
14	Minnesota	13.1	5.7	14	Alabama	13.8	7.6
15	Georgia	12.5	8.6	15	Florida	13.1	8.2
16	Tennessee	12.4	7.8	16	New York	12.5	8.0
17	Missouri	12.2	6.8	16	Georgia	12.5	8.6
17	Connecticut	12.2	8.8	18	Louisiana	12.0	7.0
19	Alabama	11.8	7.6	18	Missouri	12.0	7.1
20	Texas	11.4	6.3	20	Connecticut	11.6	7.7
21	Virginia	11.3	5.6	21	Texas	11.2	6.8
22	Maryland	10.3	6.6	22	Maryland	10.7	6.8
23	Delaware	9.9	6.8	23	Virginia	9.6	5.8
24	Louisiana	9.5	6.0	24	Delaware	9.3	6.7
	United States	14.0	7.8		United States	13.5	7.7

**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 2012 projections from Moody's Economy.com

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.

For our projections, we use the same method but modify it slightly. We find the subgroup state ratios from the most

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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.

Note that unemployment rate changes that would seem significant if we were reporting them nationally are not when reporting by race by state. As the sample size decreases, the margin of error increases. Projection data are also imprecise. For these reasons, in this paper, we have decided to focus only on unemployment rate changes of 2 percent or more.

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