



FACT SHEET: BLACK HISTORY MONTH

JOINT ECONOMIC COMMITTEE

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SENATOR ROBERT P. CASEY, JR., CHAIRMAN

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An Update on the Economic Well-Being of the African American Community

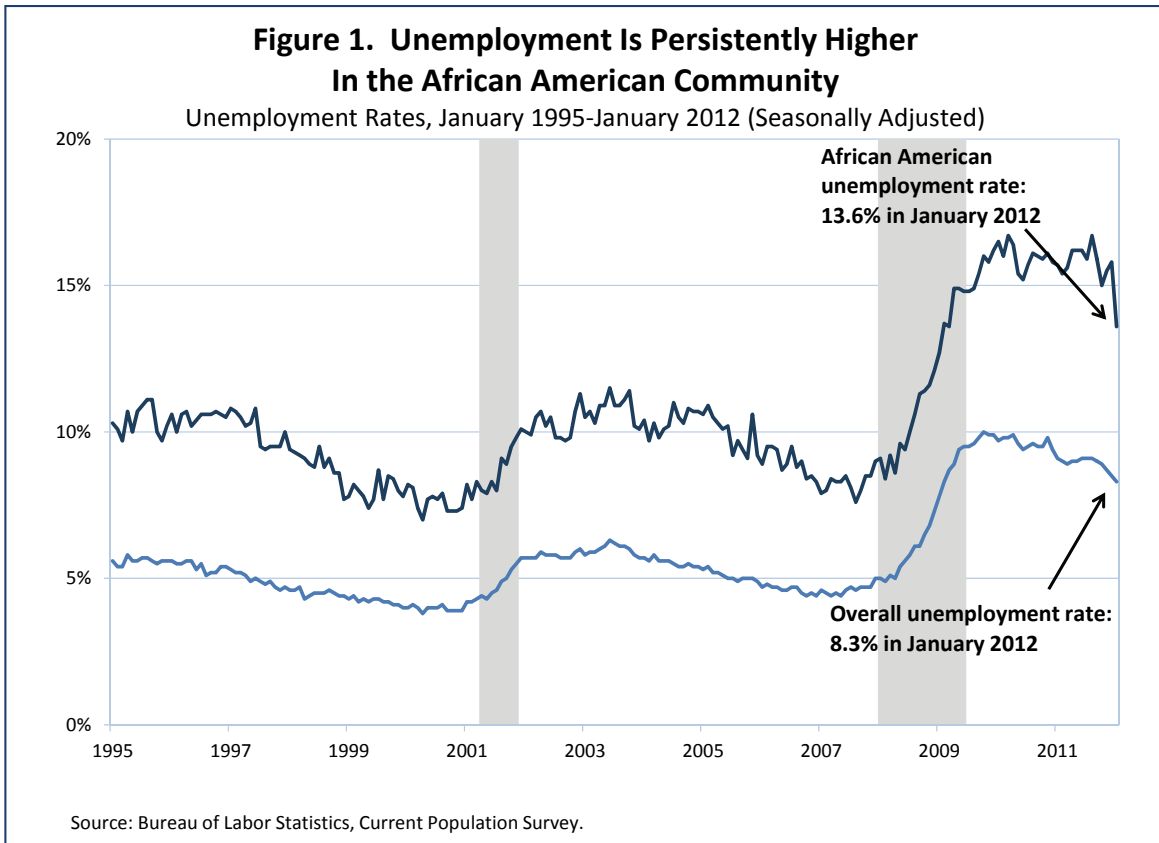
The latest employment report from the Bureau of Labor Statistics (BLS) showed that the unemployment rate for African American workers fell in January to the lowest level in nearly three years. The unexpected drop was welcome news for the African American community, whose struggles in the labor market predate the recent recession. Consistent with historical trends, the African American population entered the Great Recession with an unemployment rate well above the national average, and though the recession hit every segment of the U.S. population, the damage to the African American community was particularly severe. The unemployment rate among African American workers reached 16.7 percent at its peak—one out of every six workers who wanted a job could not find one. Their unemployment rate stayed above 15 percent for more than two years, and remained there even as the overall U.S. unemployment rate dropped. Although the unemployment rate for African American workers remains significantly higher than it was when the recession began, the decline in January to 13.6 percent may signal future improvement in the community's employment situation.

The high rate of unemployment, particularly long-term unemployment, in the African American community means that many of these workers will face significant hurdles to securing employment when hiring picks up. Declining incomes and high rates of poverty make it difficult for families to get the food they need and access basic services, such as housing and child care. Additional actions are needed to help these workers find employment, move out of poverty, and regain their economic footing. Cuts to programs that provide support for those who are out of work and struggling to make ends meet will cause disproportionate harm within the African American community.

The following data provide an update on the economic well-being of the African American community:

Employment

- The unemployment rate for the African American community climbed steadily as job losses mounted, passing 15 percent in September 2009. It remained above 15 percent until January 2012. **(See Figure 1.)**
- At 13.6 percent, the unemployment rate for African American workers is the lowest since March 2009, but still nearly 2.5 million African American workers want a job but cannot find one.
- African Americans are under-represented in the labor force, making up 12.3 percent of the population 16 and older, but only 11.8 percent of the labor force.



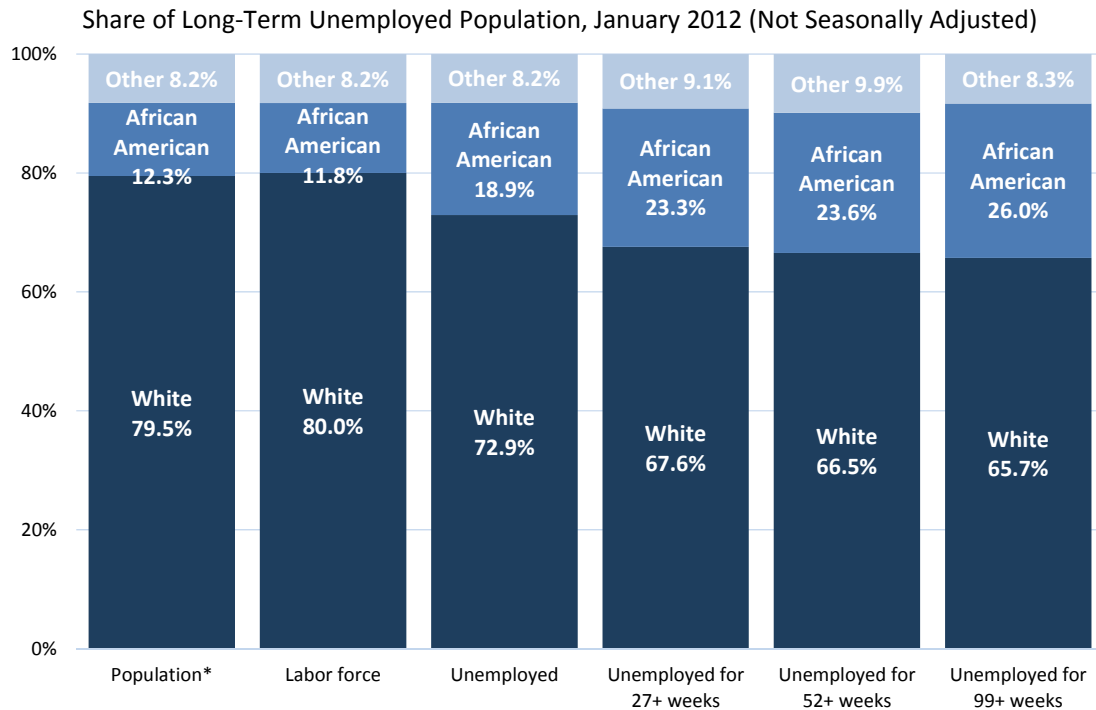
- African Americans also make up a disproportionately large share of the unemployed and long-term unemployed. They account for roughly 19 percent of the total unemployed population, 23 percent of those unemployed for more than six months, and 26 percent of those unemployed for 99 or more weeks. **(See Figure 2.)**
- The typical unemployment spell lasts roughly seven months (28.4 weeks) for a African American worker, compared to less than five months (19.2 weeks) for all workers.

Education

- Roughly 18 million African Americans are in the labor force, either working or actively seeking employment. 2.8 million are between the ages of 16 and 24, and 2.8 million are 55 years or older.
- Only 8.1 percent of African Americans in the labor force (25 and older) do not have a high school diploma, while 24 percent have at least a bachelor's degree.
- Education generally reduces the likelihood of unemployment. For African Americans, the unemployment rate was 21.7 percent for those without a high school diploma, compared with 14.6 percent for those with a only a high school diploma, and 6.6 percent for those with at least a bachelor's degree. **(See Figure 3.)**
- However, African Americans are more likely to be unemployed than the overall population across all levels of educational attainment. While the unemployment rate for African Americans without a high school diploma was 21.7 percent last month, the overall

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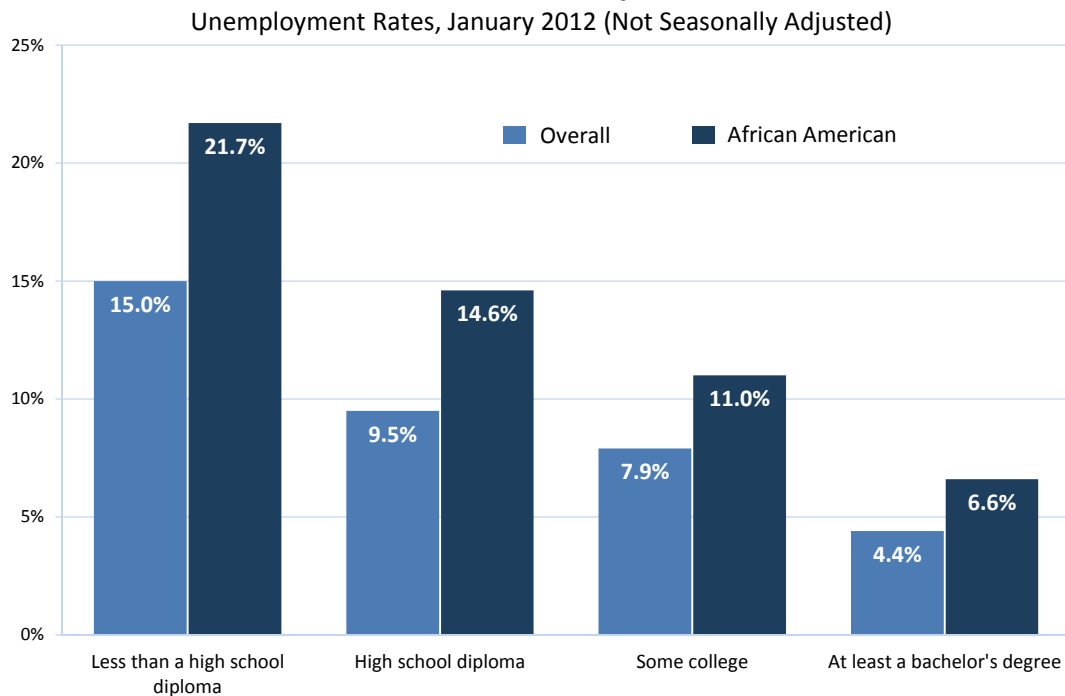
Figure 2. African American Workers Make Up Larger Share Of the Unemployed, And An Even Larger Share Of the Long-Term Unemployed



* Population is the civilian noninstitutional population 16 years and older.

Source: JEC Chairman's Staff based on unpublished data from the Bureau of Labor Statistics, Current Population Survey.

Figure 3. Education Reduces Unemployment for African Americans, But Disparities Remain



Source: JEC Chairman's Staff based on data from the Bureau of Labor Statistics, Current Population Survey.

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unemployment rate for those without a high school diploma was 15.0 percent. Likewise, 6.6 percent of African Americans with at least a bachelor's degree were unemployed, 50 percent higher than the overall unemployment rate for those with a 4-year college degree.

Household Income

- In 2010, median income of African American households was \$32,068, a decline of 3.2 percent from 2009.
- The last decade has seen a significant erosion of income for African American households; from 2000 to 2010, real median household income declined by 14.6 percent.
- Much of the income decline in the past decade resulted from the 2007-2009 recession. Since 2007, African American median household income has declined by 10.1 percent—the largest decline of all major racial and ethnic groups.

Poverty

- In 2010, the poverty rate among African Americans was 27.4 percent, up from 25.8 percent in 2009 and up from 24.5 percent at the start of the 2007-2009 recession.
- 10.7 million African Americans lived in poverty in 2010, including 4.4 million children.
- Many of those in poverty were living in female-headed households. The poverty rate among African Americans living in families headed by women was 41.0 percent in 2010.

Health Insurance Coverage

- In 2010, there were 8.5 million uninsured African Americans, while 33.1 million African Americans were covered by private and/or government health insurance plans.
- The proportion of African Americans with health insurance fell from 81.7 percent in 2007 to 79.5 percent in 2010.
- The decline in coverage over the 2007-2009 recession pushed the uninsured rate to 20.5 percent, meaning one-fifth of the African American population did not have coverage in 2010.