



FACT SHEET: BLACK HISTORY MONTH

JOINT ECONOMIC COMMITTEE
SENATOR ROBERT P. CASEY, JR., VICE CHAIRMAN DESIGNATE

UNITED STATES CONGRESS

Black History Month February 2013

An Update on the Economic Well-Being of the Black Community

The black community continues to regain the economic ground it lost during the Great Recession and its aftermath. The improvement of the national economy has strengthened the labor market, and many black workers now face expanded employment prospects. However, while the overall economic trends show positive signs, the black community still faces unique challenges, including disproportionately high unemployment rates.

High unemployment has long been a problem in the black community, and even before the recent recession, black workers were twice as likely to be unemployed as white workers. Over the past two years, the unemployment rate for black workers has fallen from its post-recession peak of 16.8 percent, but was stuck above 13 percent for all of 2012, despite a steady decline in the national unemployment rate. With a jobless rate of 13.8 percent in January 2013, black workers are more likely to be unemployed than workers of other races and ethnicities. However, within the black community, unemployment rates have been falling for workers with higher levels of education. The unemployment rate for black workers with an associate degree is 8.5 percent, and the rate for black workers with at least a bachelor's degree is 5.1 percent.

Among the unemployed, black workers account for a disproportionate share of those who have been out of work for a prolonged period of time. While black workers make up roughly 12 percent of the population 16 years and over, they make up 25 percent of workers who have been unemployed for more than 99 weeks. As the national unemployment and long-term unemployment rates fall, it is crucial that black workers advance along with other groups to ensure that the unemployment gap does not widen further, especially among the long-term unemployed.

Congress can help ensure that the economic situation of black workers and their families continues to improve by supporting programs that provide assistance to those who are struggling to make ends meet and examining new approaches to alleviating unemployment and poverty. Legislators can also act to support minority business owners who create jobs and spur economic growth. By protecting workers and their families and promoting business growth, Congress will further strengthen the economic well-being of the black community.

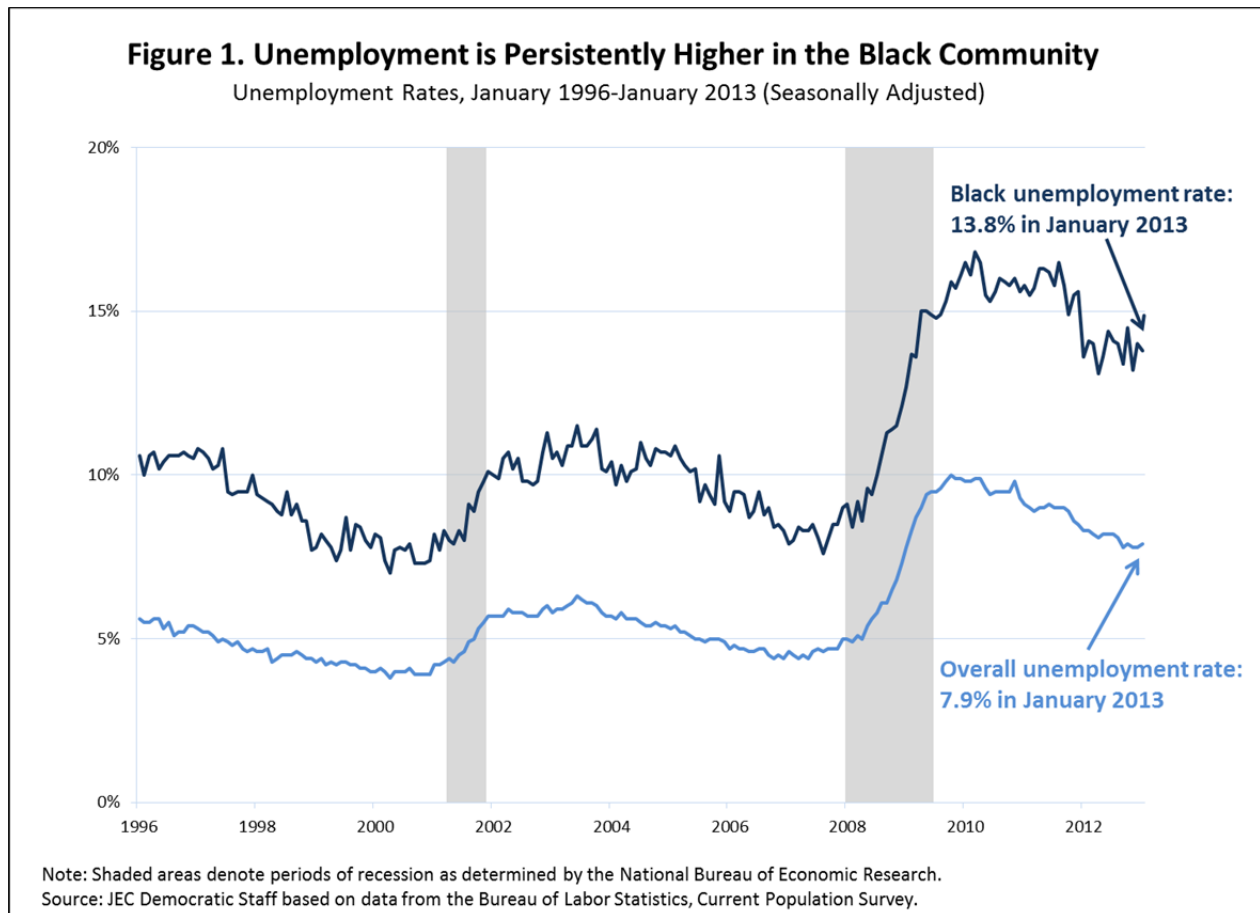
The following data provide an update on the economic status of the black community:

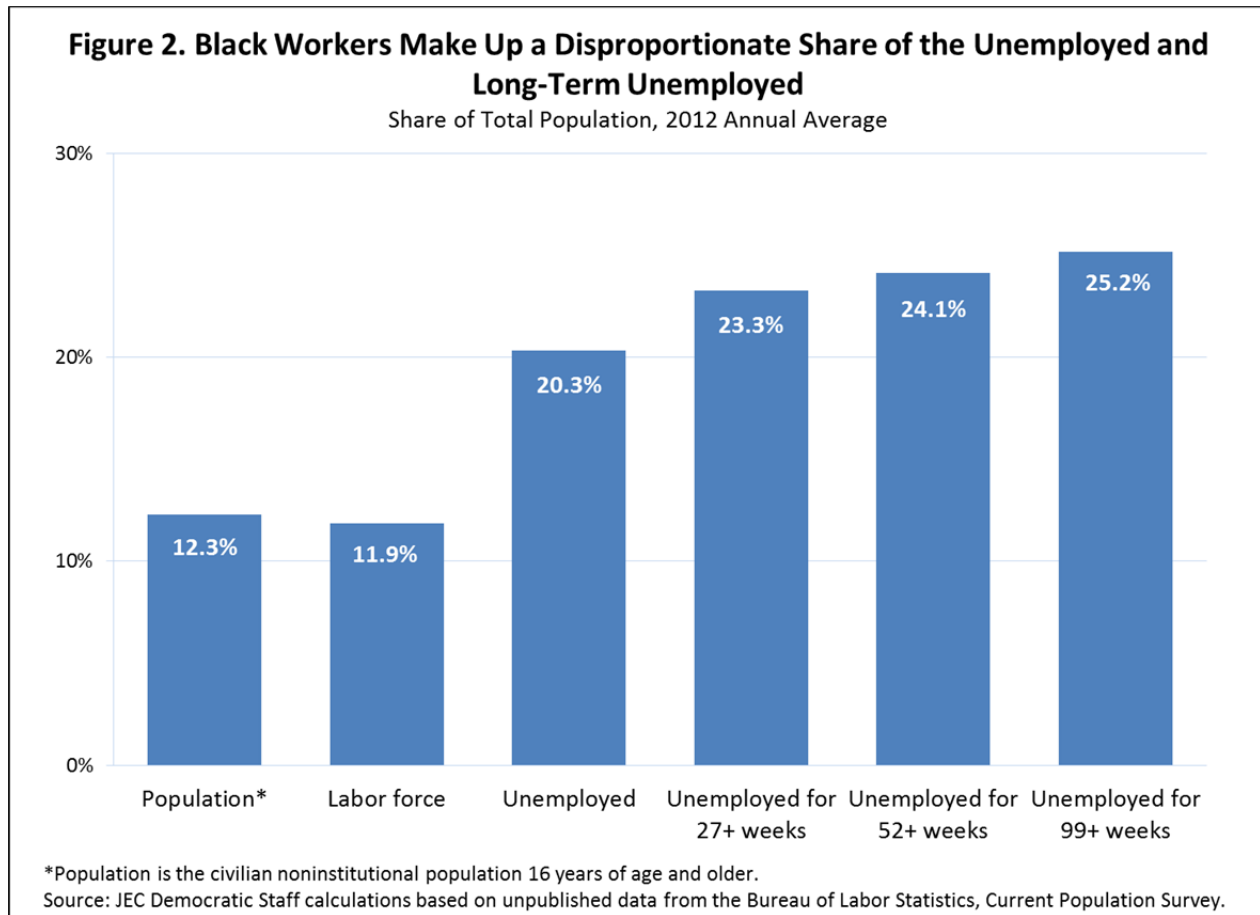
Employment

- The unemployment rate for the black community was 13.8 percent in January 2013, signaling a 0.2 percentage point drop from December 2012. (**See Figure 1.**)

FACT SHEET: BLACK HISTORY MONTH

- Though the number of black workers looking for employment has fallen by nearly 300,000 since 2011, there are still almost 2.6 million black workers who want a job but cannot find one.
- Black workers are under-represented in the labor force, making up 12.3 percent of the population 16 and older in 2012, but only 11.9 percent of the labor force. **(See Figure 2.)**
- Black workers also make up a disproportionately large share of the unemployed and long-term unemployed. In 2012, they accounted for about 20 percent of the total unemployed population, 23 percent of those unemployed for more than six months, and 25 percent of those unemployed for 99 or more weeks.
- The typical unemployment spell lasts roughly six months (21.3 weeks in January 2013, not seasonally adjusted) for a black worker, compared to four months (16 weeks) for all workers.



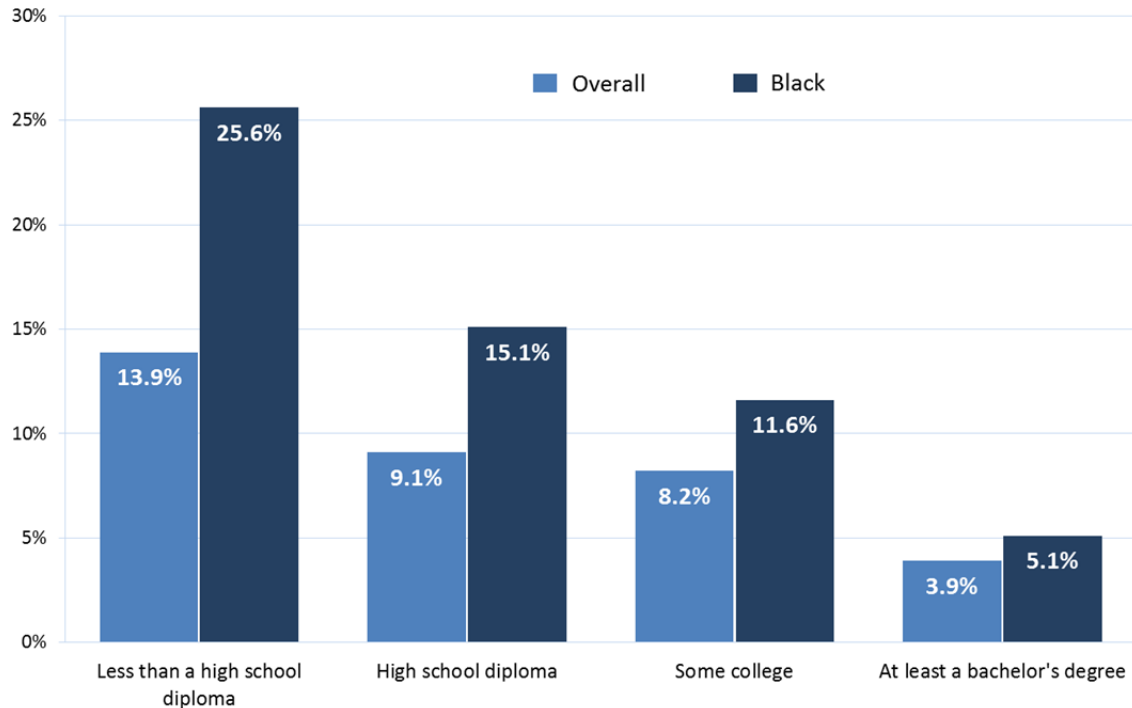


Education

- Roughly 18.6 million black Americans aged 16 and older are labor force participants, either working or actively seeking employment. 2.8 million of these workers are between the ages of 16 and 24, and 3.1 million are 55 years of age or older.
- Only 7.1 percent of black workers in the labor force (25 and older) do not have a high school diploma, while 22.3 percent have at least a bachelor's degree.
- Education generally reduces the likelihood of unemployment. For black workers, the unemployment rate was 25.6 percent for those without a high school diploma, compared with 15.1 percent for those with only a high school diploma, and 5.1 percent for those with at least a bachelor's degree. (See Figure 3.)
- However, black workers are more likely to be unemployed than the overall population across all levels of educational attainment. While the unemployment rate for black workers without a high school diploma was 25.6 percent last month, the overall unemployment rate for those without a high school diploma was 13.9 percent. Likewise, 5.1 percent of black workers with at least a bachelor's degree were unemployed – a rate nearly a third higher than the overall unemployment rate for those with a 4-year college degree.

Figure 3. Education Reduces Unemployment for Black Workers, But Disparities Remain

Unemployment Rates, January 2013 (Not Seasonally Adjusted)



Source: JEC Democratic Staff calculations based on data from the Bureau of Labor Statistics, Current Population Survey.

Minority Business Owners

- According to the most recently published data, the number of black-owned firms increased by 61 percent between 2002 and 2007 to 1.9 million firms.
- Over the same time period, employment at these firms increased by 21 percent to 910,000 workers. This rate was much higher than the growth rate of employment at non-minority-owned businesses, which declined by 1 percent over the same period.
- While black adult Americans represented about 12 percent of the U.S. population in 2007, black-owned firms only accounted for 7 percent of all firms. To have reached proportional representation of business ownership, there would have needed to be over 1.3 million additional firms.

Note: Employment and education calculations based on published and unpublished data from the Bureau of Labor Statistics, Current Population Survey (CPS). CPS race category includes workers who identify as black or African-American. Minority business data from the U.S. Department of Commerce, Minority Business Development Agency (based on U.S. Census Bureau, 2007 Survey of Business Owners, June 2011).