

## The American Dream on Hold

### Economic Challenges in the African American Community

During Black History Month, the nation celebrates the many important achievements of African Americans. African Americans have made significant social and economic progress since the passage of the Civil Rights Act of 1964. However, by the most important measures of economic well-being, they continue to lag far behind white Americans.

#### Unemployment

African Americans suffered disproportionately from the Great Recession. At its worst, black unemployment reached 16.8 percent.

The current unemployment rate for black Americans is **8.8 percent, more than double** the 4.3 percent rate for white Americans (*see Figure*).

About **forty percent** of unemployed African Americans have been searching for work for more than six months.

**One in four** (25.2 percent) blacks between the ages of 16 and 19 are unemployed, compared with **one in seven** white (14.4 percent) teens.

#### Income

The median income of African American households is \$35,400—**nearly \$25,000 less** than the median income of white households (\$60,300).

The median annual salary of an African American worker is **about 20 percent less** than the median salary of a white worker (\$28,400 vs. \$35,800).

#### Wealth

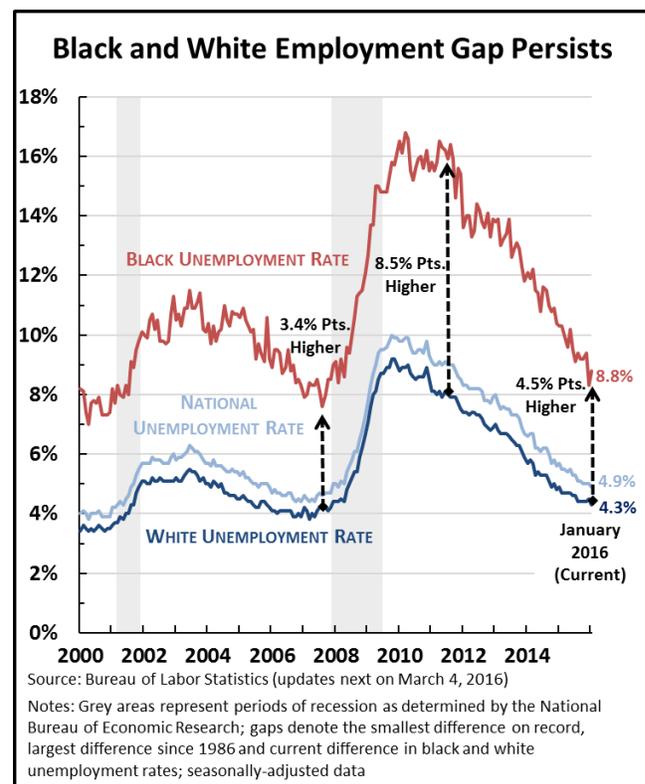
The median net worth of white households is **13 times greater** than the level for black households (\$142,000 vs. \$11,000).

#### Poverty

**More than one in four** African Americans live in poverty (26.2 percent)—**more than double** the rate for whites (12.7 percent).

#### Education

Among those at least 25 years old, whites are **significantly more likely** than African Americans to have a Bachelor's degree or higher (about 36 percent vs. 22 percent). **Nearly 41 percent** of whites ages 25 to 29 have a Bachelor's degree or higher compared to **about 22 percent** of blacks in that age bracket.



## Unemployment Rate by State

In 2015, virtually every state had an African American unemployment rate that was higher than the overall national unemployment rate. Moreover, in no state was the black unemployment rate lower than the white unemployment rate. The states with the highest African American unemployment rates in 2015 were: Iowa (14.5 percent), Nevada and Connecticut (13.0 percent each), the District of Columbia (12.9 percent) and Minnesota (12.5 percent).

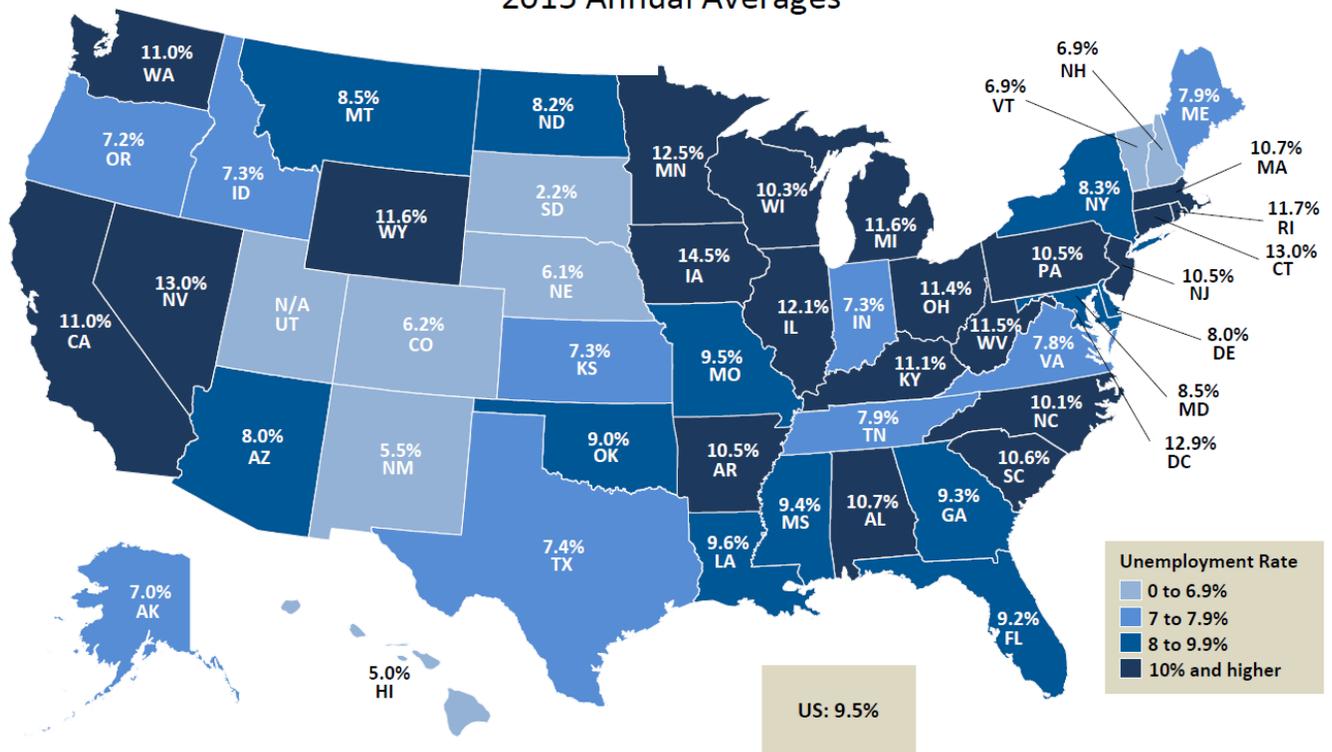
South Dakota (2.2 percent) had the lowest African American unemployment rate in 2015, followed by Hawaii (5.0 percent), New Mexico (5.5 percent), Nebraska (6.1 percent) and Colorado (6.2 percent).

## Median Household Income

Median household income was greater in white households than in African American households in every state and the District of Columbia in 2014 (the most recent year data is available). In dollar terms, the largest difference was in the District of Columbia, where median income for white households was \$76,400 higher than median income for black households, followed by North Dakota (\$38,500 higher), Minnesota (\$37,800 higher), New Jersey (\$35,800 higher) and Connecticut (\$34,000 higher).

Vermont (\$3,700 higher), Hawaii (\$3,900 higher), West Virginia (\$11,600 higher), Arizona (\$15,300 higher) and New Mexico (\$15,600 higher) were the states with the smallest differences in median income between African American households and white households.

## African American Unemployment Rates Across States 2015 Annual Averages



Source: JEC Democratic staff tabulations of data from the Current Population Survey  
 Note: 'NA' data omitted due to low sample size

## Current Measures of Economic Well-Being for the Black Population by State

State/DC	Black Share of State Population	Unemployment Rate		Median Household Income		Poverty Rate*	
		2015		2014		2014	
		Black	White	Black	White	Black	White
Alabama	26.0%	10.7%	4.2%	\$28,600	\$50,100	31.1%	13.5%
Alaska	4.4%	7.0% †	5.2%	\$47,200	\$80,700	31.7%	6.8%
Arizona	5.3%	8.0%	4.2%	\$40,100	\$55,300	25.4%	11.4%
Arkansas	14.9%	10.5%	4.1%	\$27,700	\$45,500	33.2%	14.5%
California	7.1%	11.0%	4.7%	\$42,500	\$73,000	25.4%	10.5%
Colorado	4.6%	6.2%	3.4%	\$41,800	\$67,400	21.9%	8.7%
Connecticut	11.3%	13.0%	3.9%	\$45,000	\$79,000	20.8%	6.1%
Delaware	21.5%	8.0%	4.1%	\$45,300	\$65,400	19.9%	8.9%
District of Columbia	48.4%	12.9%	2.6%	\$40,700	\$117,100	25.9%	6.9%
Florida	15.9%	9.2%	4.2%	\$34,600	\$52,300	26.9%	11.5%
Georgia	31.4%	9.3%	4.0%	\$36,500	\$57,600	27.0%	11.9%
Hawaii	2.5%	5.0% †	4.4%	\$66,300	\$70,300	12.2%	9.9%
Idaho	1.1%	7.3% †	3.9%	\$30,200	\$49,500	30.4%	12.6%
Illinois	14.4%	12.1%	4.5%	\$33,400	\$64,300	30.6%	9.3%
Indiana	9.2%	7.3%	4.4%	\$30,100	\$52,100	32.0%	11.9%
Iowa	3.4%	14.5%	3.1%	\$28,900	\$55,200	34.4%	10.5%
Kansas	6.6%	7.3%	4.2%	\$32,100	\$56,000	25.0%	10.5%
Kentucky	7.8%	11.1%	4.7%	\$26,700	\$45,200	32.4%	17.3%
Louisiana	31.3%	9.6%	4.6%	\$27,700	\$54,900	33.7%	12.3%
Maine	1.7%	7.9% †	4.1%	\$16,800	\$50,000	46.4%	13.1%
Maryland	31.1%	8.5%	3.3%	\$59,300	\$82,800	14.6%	6.9%
Massachusetts	8.8%	10.7%	3.9%	\$42,100	\$75,600	21.8%	7.6%
Michigan	14.2%	11.6%	4.3%	\$29,700	\$53,500	33.0%	12.3%
Minnesota	5.9%	12.5%	2.9%	\$27,000	\$64,800	37.5%	8.3%
Mississippi	36.3%	9.4%	4.7%	\$27,300	\$48,800	34.3%	13.1%
Missouri	11.6%	9.5%	4.4%	\$31,600	\$51,400	28.1%	12.9%
Montana	0.8%	8.5%	3.7%	\$23,900	\$48,000	N/A	13.1%
Nebraska	4.5%	6.1%	2.4%	\$30,800	\$56,000	31.7%	9.5%
Nevada	8.7%	13.0%	5.3%	\$36,200	\$56,500	25.6%	11.2%
New Hampshire	1.5%	6.9% †	3.5%	\$47,700	\$67,300	15.5%	8.5%
New Jersey	14.7%	10.5%	4.7%	\$46,300	\$82,200	19.7%	6.4%
New Mexico	3.6%	5.5% †	4.9%	\$37,800	\$53,400	21.8%	13.4%
New York	17.6%	8.3%	4.1%	\$40,900	\$68,300	23.2%	10.4%
North Carolina	22.4%	10.1%	4.6%	\$33,000	\$52,800	26.5%	11.6%
North Dakota	2.0%	8.2%	2.4%	\$23,300	\$61,900	33.1%	8.6%
Ohio	12.6%	11.4%	4.0%	\$26,700	\$52,800	34.7%	12.2%
Oklahoma	7.5%	9.0%	3.6%	\$30,000	\$51,500	29.9%	12.9%
Oregon	2.6%	7.2% †	5.5%	\$30,900	\$52,900	38.3%	13.9%
Pennsylvania	12.0%	10.5%	4.3%	\$32,300	\$57,500	29.5%	9.7%
Rhode Island	8.0%	11.7%	4.9%	\$35,800	\$61,400	20.6%	10.3%
South Carolina	26.8%	10.6%	3.9%	\$30,300	\$52,400	28.8%	11.9%
South Dakota	1.9%	2.2% †	2.0%	\$37,200	\$53,200	26.9%	9.5%
Tennessee	16.5%	7.9%	5.2%	\$31,100	\$48,200	30.9%	14.3%
Texas	12.7%	7.4%	3.4%	\$39,300	\$65,800	23.2%	9.3%
Utah	1.4%	N/A	3.2%	\$41,600	\$64,000	22.7%	9.0%
Vermont	1.2%	6.9% †	3.6%	\$50,900	\$54,600	32.5%	11.6%
Virginia	19.6%	7.8%	3.4%	\$43,800	\$70,900	21.2%	8.8%
Washington	4.7%	11.0%	5.2%	\$43,300	\$63,500	24.7%	10.5%
West Virginia	3.9%	11.5%	6.9%	\$30,000	\$41,700	31.6%	17.4%
Wisconsin	6.4%	10.3%	3.9%	\$26,100	\$56,100	37.7%	9.6%
Wyoming	1.3%	11.6%	3.8%	N/A	\$60,400	N/A	8.7%

† Estimate for blacks is not statistically different from estimate for whites.

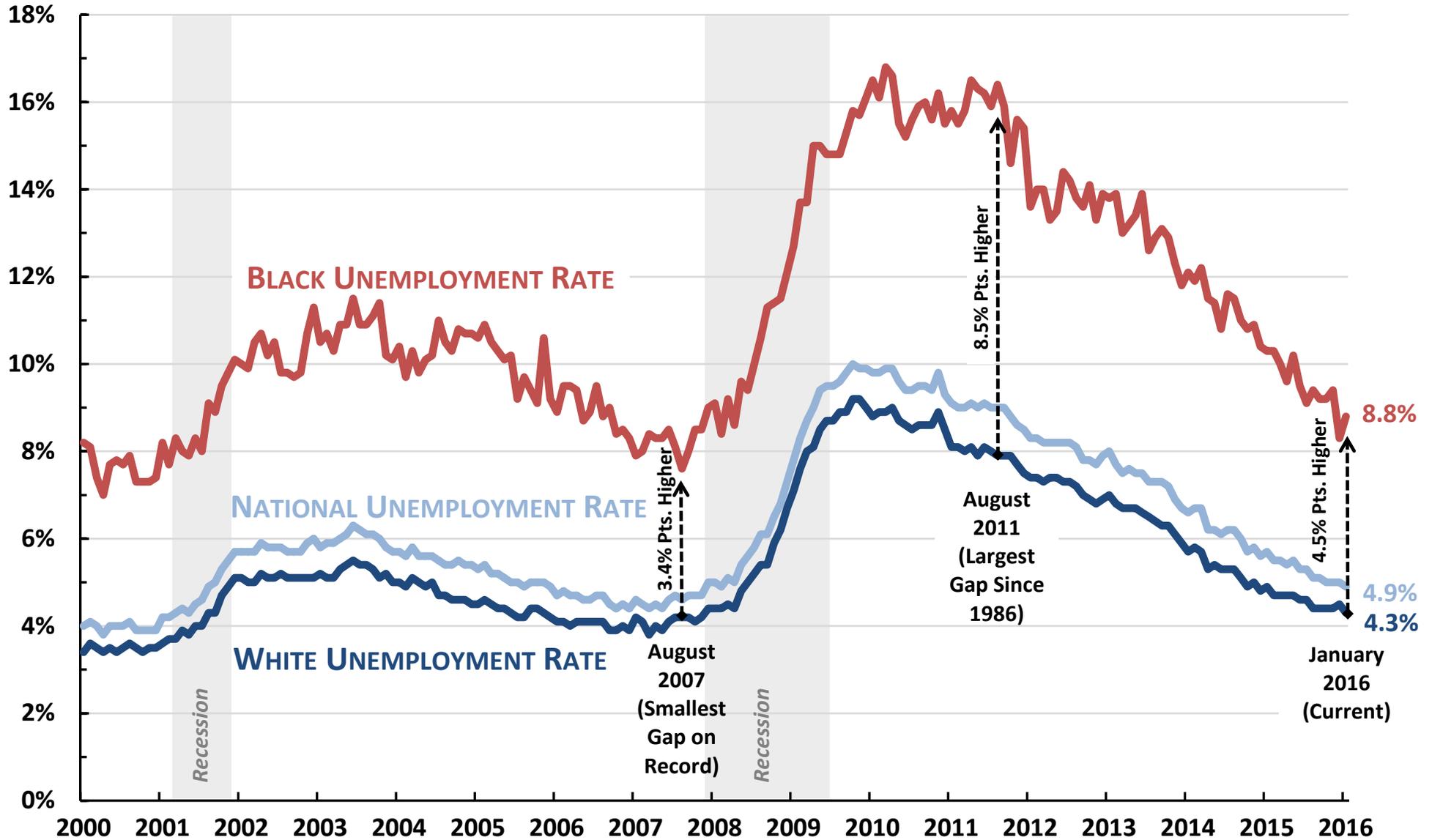
N/A' data omitted due to low sample size.

\* The poverty rate was derived using the American Community Survey, which gives a higher estimate (15.5 percent for the entire population in 2014) than the official poverty rate (14.8 percent), which uses the Current Population Survey.

Source: JEC Democratic staff tabulations of data from the Current Population Survey (2015 annual averages for population and unemployment rates) and the American Community Survey using American FactFinder (2014 for household income and poverty rates).

Notes: For State Population and unemployment rate, "Black" refers to anyone who identifies as "black" or "African American," alone or in combination with other races. For household income and poverty rates, "Black" refers to anyone who identifies as "black" or "African American," not in combination with any other race. White refers to non-Hispanic white, not in combination with any other race. Household income data are rounded to nearest hundred dollars.

# Black vs. White Unemployment

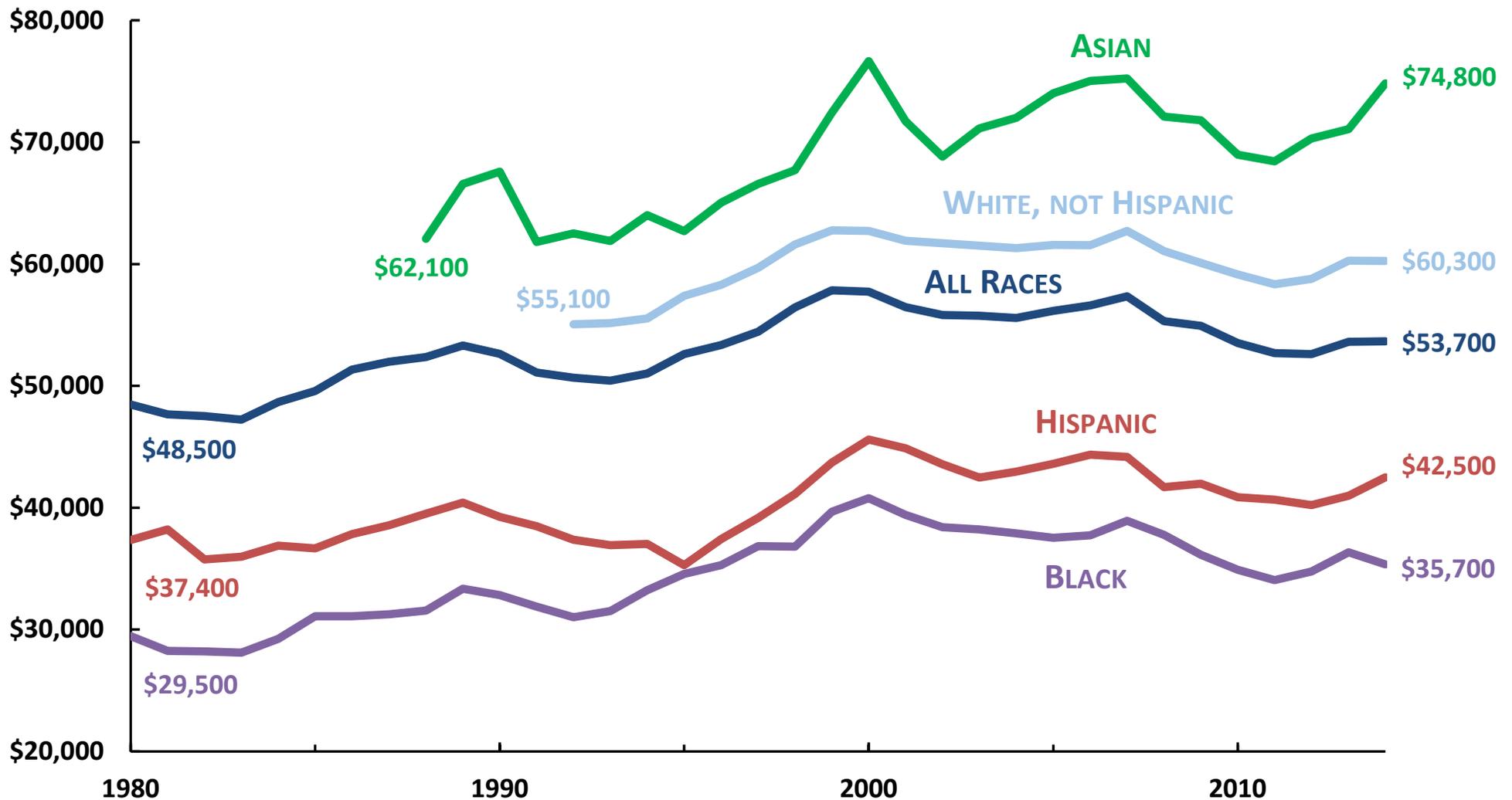


Source: Bureau of Labor Statistics (updates next on March 4, 2016)

Notes: Grey areas represent periods of recession as determined by the National Bureau of Economic Research; gaps denote the smallest difference on record, largest difference since 1986 and current difference in black and white unemployment rates; seasonally-adjusted data

# Median Household Income

2014 dollars, 1980 to 2014



Source: U.S. Census Bureau

Notes: "Asian" refers to "Asian Alone or in Combination" for 2002 to 2014 and "Asian and Pacific Islander" for 1988 to 2001; "White, not Hispanic" refers to "White Alone, not Hispanic" for 2002 to 2014 and "White, not Hispanic" for 1992 to 2001; "Hispanic" refers to "Hispanic (any race)"; "Black" refers to "Black Alone or in Combination" for 2002 to 2014 and "Black" for 1980 to 2001; income data labels rounded to nearest hundred dollars