

UNEMPLOYMENT DISPROPORTIONATELY IMPACTS AFRICAN AMERICANS

KEY ECONOMIC STATISTICS

UNEMPLOYMENT RATE
9.7%
 February 2010

RETAIL SALES
+0.3%
 February 2010

INDUSTRIAL PRODUCTION
101.0 +0.1%

CAPACITY UTILIZATION
72.7 +0.2 pts
 February 2010

HOUSEHOLD NET WORTH
+1.3%
 Q4 2009

NEW HOUSING STARTS
575,000 -5.9%
 February 2010

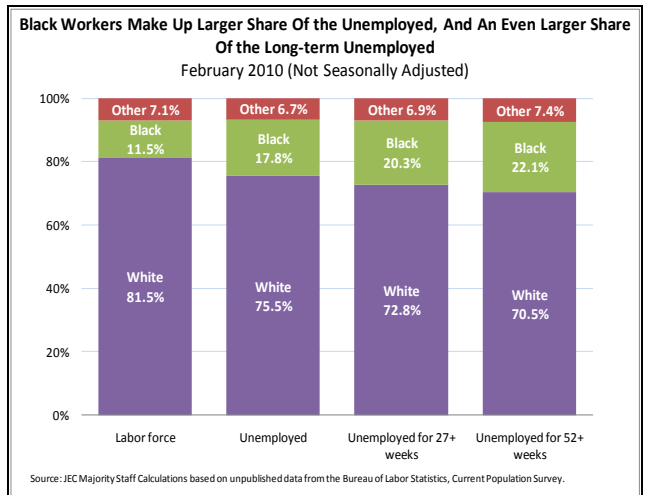
TRADE DEFICIT
-\$2.6 bn -6.5%
 January 2010

INITIAL JOBLESS CLAIMS
 4-WEEK AVG
475,500 +5,000
 Week Ending March 6, 2010

Recession has intensified unemployment crisis among African American workers. While black or African American workers have historically faced rates of unemployment and long-term unemployment higher than the overall rate, weak labor market conditions in the African American community were exacerbated during the Great Recession. In February 2010, the unemployment rate for African Americans 16 and older was 15.8 percent, 6.1 percentage points higher than the overall unemployment rate.

No group has been insulated from unemployment. The recession has affected African American workers of all genders, ages, and education levels. African American men have been especially hit during this recession, with nearly 1 in 5 (19.0 percent) facing unemployment. African American female heads of household, who bear the sole financial responsibility for their families, have an unemployment rate of 15.0 percent as of February 2010. With respect to education, having at least a college degree has usually been an effective shield against unemployment; however African Americans with a 4-year college degree have an unemployment rate of 8.2 percent, almost double the unemployment rate for white workers (4.5 percent) with a similar level of education.

African Americans are over represented among the long-term unemployed. Although African American workers make up 11.5 percent of the total civilian labor force, they are overrepresented among the unemployed and made up 17.8 percent of the total number of unemployed workers as of February 2010. When one examines the composition of long-term unemployed workers, however, the picture is even more troubling. African Americans make up one-fifth of long-term unemployed workers, which means they have been jobless for 27 or more weeks. In addition, they account for 22.1 percent of workers who have been unemployed for 52 or more weeks—nearly double their share of the labor force.



Underemployment is also higher among African American community. Although the unemployment rate is the most common measure of the state of the labor market, a broader measure, the U-6 rate includes the underemployed. It takes into account people who are marginally attached—those not included in the labor force who want a job, are available to work, and have looked for a job at some point in the past twelve months (but not the past four weeks)—and workers who are part-time for economic reasons, those that have part-time jobs but would like full-time work. African Americans have had a U-6 rate significantly higher than the overall population, which can be attributed to higher shares of marginally attached and unemployed workers in the African American community. In February 2008, the U-6 rate for African Americans was 14.4 percent, compared to the overall rate of 9.5 percent. By February 2010, the U-6 rate for African Americans rose to 24.9 percent, while the overall U-6 rate rose to 17.9 percent. Thus, the U-6 rate for African Americans, which had already been high at the beginning of the recession, rose more than the overall U-6 rate during this time period. For more information see the full report, *Understanding The Economy: Long-Term Unemployment in the African American Community*.

THIS WEEK

Wednesday, March 17
 Producer Price Index
 February 2010

Thursday, March 18
 Initial Weekly Claims
 Week Ending March 13, 2010

Consumer Price Index
 February 2010