

BEYOND THE HEADLINES

At a Glance: Jobs, Workers & the Economy

JUNE 2012 | FOCUS: U.S.

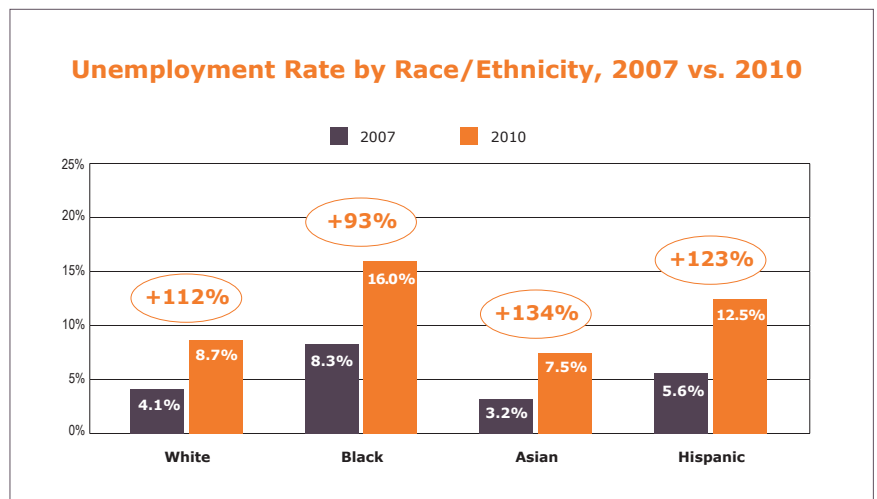
Taking Stock of the Recession's Impact by Race/Ethnicity

The **Great Recession** officially ended in June 2009, lasting 18 months. While nearly everyone has experienced the labor market impact of the Recession and its wake, certain segments of the U.S. population have felt the effects more acutely. This edition of Seattle Jobs Initiative's *Beyond the Headlines* examines how different racial/ethnic groups have fared in the labor market in terms of four factors: rates of unemployment, length of unemployment, median income, and employer-sponsored health insurance coverage.

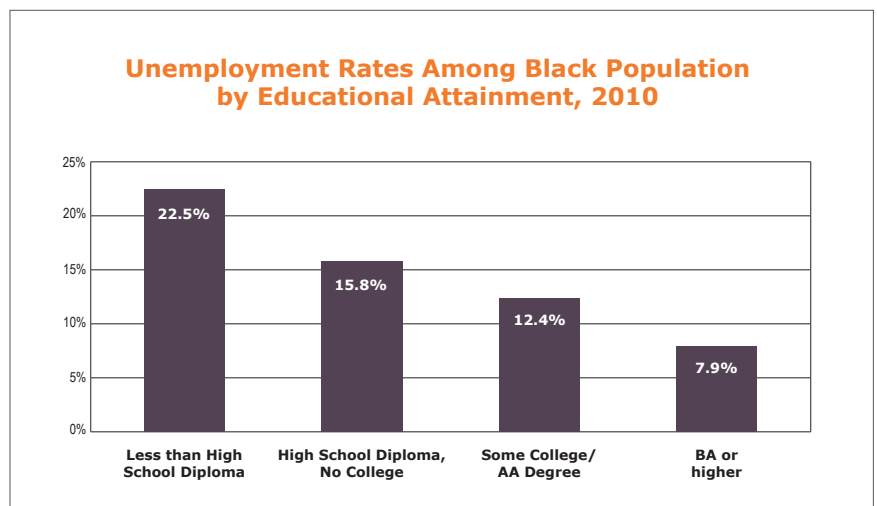
Rates of Unemployment

The chart to the right (above) shows unemployment rates by race/ethnicity in the year prior to the Recession (2007) compared to the first full calendar year after the end of the Recession (2010). Nearly all groups saw their unemployment rates more than double from 2007 to 2010. While the Black population experienced a slightly lesser increase in unemployment, this group had by far the highest rate of unemployment both pre- and post-Recession. The 2010 Black unemployment rate of 16.0% is nearly 3.5 times the overall U.S. unemployment rate of 4.6% in 2007.

The chart to the right (below) looks more deeply at the unemployed Black population, demonstrating the correlation of educational attainment



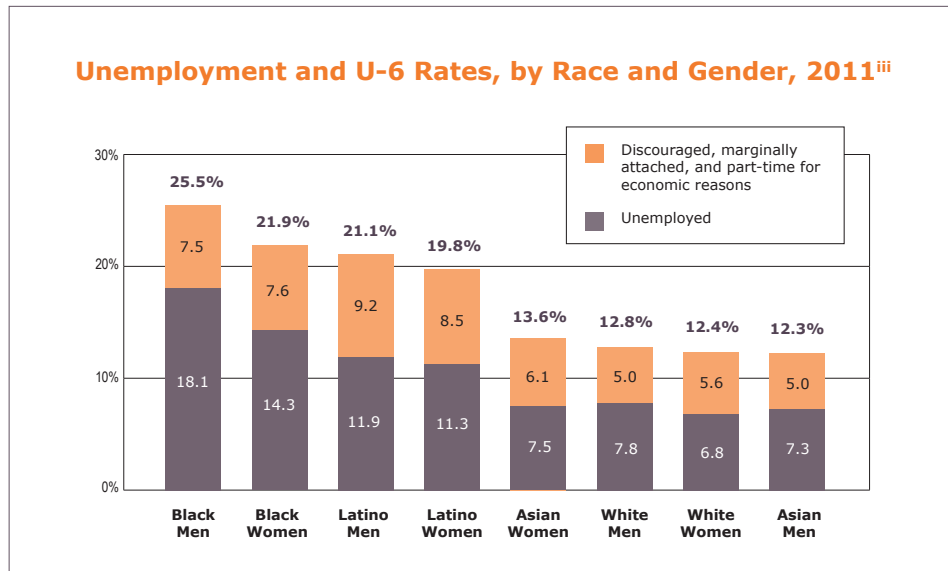
Source: U.S. Census Bureau, Statistical Abstract of the United States: 2012 ⁱ



Source: U.S. Census Bureau, Statistical Abstract of the United States: 2012 ⁱⁱ

and unemployment. The chart also shows, however, that even highly-educated Blacks face comparatively high unemployment rates. For example, White B.A.+ holders had only a 4.3% unemployment rate in 2010.

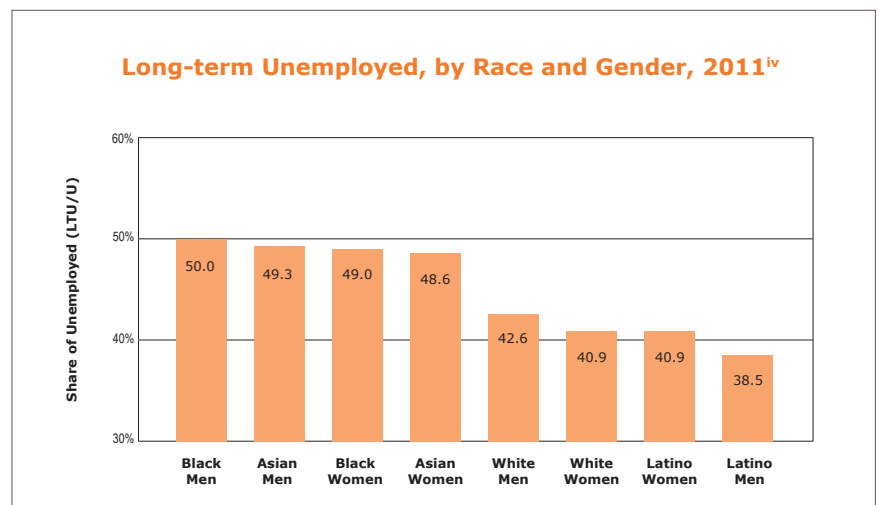
The following chart, reproduced from research authored by the Center for Economic and Policy Research (CEPR), enhances the picture of unemployment among various population groups another year removed from the end of the Recession (2011). By race and gender, it depicts both the standard unemployment rates as well as the broader U-6 rates (a combination of the unemployed *plus* the discouraged, marginally attached, and employed part-time for economic reasons). As shown, **Black men and women and Latino men and women have both the highest standard and U-6 unemployment rates.**



Long-Term Unemployment

The Recession has had a major impact on the average duration of unemployment for all workers: it nearly doubled from **16.8 weeks** pre-Recession (2007) to **33 weeks** post-Recession (2010).

The chart to the right – adapted from the same research by CEPR – illustrates by race and gender the percentage of unemployed persons who are considered **long-term unemployed** (out of work for more than six months). As shown, **Black men and women and Asian men and women have the highest rates of long-term unemployment.**



Median Household Income

Real median household income declined significantly (-6.4%) among all population groups from pre-Recession (2007) to the first full calendar year post-Recession (2010).

As depicted in the chart to the right, people of color have seen larger

decreases in income than Whites during this period. Black and Hispanic populations were particularly hard hit due to having substantially lower incomes to begin with than either Whites or Asians. While not shown in the data above, it is important to note that **median earnings for Black and Hispanic households are down even more – 14.6% and 10.1%, respectively – from their peaks in 2000.**

Real Median Household Income by Race/Ethnicity, 2007 vs. 2010^v

Race/Ethnicity	2007 Median Income	2010 Median Income	Percent Loss
White	\$57,738	\$54,620	-5.4%
Black	\$35,671	\$32,068	-10.1%
Asian	\$69,522	\$64,308	-7.5%
Hispanic	\$40,689	\$37,759	-7.2%

Employer-Sponsored Health Insurance Coverage

Employer-sponsored health insurance is a critical labor market benefit, but coverage has been dropping steadily every year since 2000. At that time, 65.1% of the U.S. population was covered by such insurance, whereas in 2010, this figure was only 55.3% (a decline of more than 15%).

It appears that the Great Recession may have increased this rate of decline. For example, from 2000 to 2007 (7 years), the coverage rate in the U.S. fell 8.1%; from 2007 (pre-Recession) to 2010 (post-Recession)(3 years), it fell another 7.5%.

The table to the right depicts the change in employer-sponsored health insurance coverage by race/ethnicity pre-Recession (2007) compared to the first full year post-Recession (2010).^{iv} As shown, Black and Hispanic groups have significantly lower rates of employer-sponsored health insurance coverage. Moreover, Blacks experienced almost twice the decrease in coverage between 2007 and 2010 as the other groups.

Percent Employer-Sponsored Health Insurance Coverage by Race/Ethnicity, 2007 vs 2010

Race/Ethnicity	2007	2010	Percent Change
White	61.5%	57.3%	-6.8%
Black	50.1%	43.5%	-13.2%
Asian	63.3%	59.1%	-6.6%
Hispanic	41.0%	38.2%	-6.8%

-
- i. See <http://www.census.gov/compendia/statab/2012/tables/12s0622.pdf>. Column on 2007-10 Increase based on author's analysis.
 - ii. See <http://www.census.gov/compendia/statab/2012/tables/12s0627/pdf>
 - iii. Schmitt, John and Jones, Janelle, *Long-term Hardship in the Labor Market*, Center for Economic and Policy Research, March 2012. Adapted from Current Population Survey.
 - iv. *Ibid.*
 - v. DeNavas-Walt, Carmen, Bernadette D. Proctor, and Jessica C. Smith, U.S. Census Bureau, Current Population Reports, P60-239, *Income, Poverty, and Health Insurance Coverage in the United States: 2010*, U.S. Government Printing Office, Washington, DC, 2011. Column on % Loss based on author's analysis.
 - vi. *Ibid.* Column on % Change based on author's analysis.

BEYOND THE HEADLINES: Policy & Labor Market Updates for Those Working to Help Low-Income and Low-Skill Individuals Advance through Education, Training & Living-Wage Jobs

About Seattle Jobs Initiative

Seattle Jobs Initiative creates opportunities for students, workers and business to succeed by helping education and job training programs meet the demands of a new economy. We find and apply solutions for people to gain the skills they need for good jobs that create prosperity for all in today's marketplace.

Supported by the City of Seattle Office of Economic Development

Contact Information

For questions or suggestions, please email David Kaz, SJI Director of Policy and Development at: dkaz@seattlejobsinit.com