



DIFFERENT RACE, DIFFERENT RECESSION

American Indian Unemployment in 2010

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There are two very different experiences of the recession in some regions of the country. While Alaska and the Northern Plains states have had some of the lowest unemployment rates for whites since the start of the recession, these regions have had among the highest rates of joblessness for American Indians.¹

This Issue Brief documents these extreme regional employment disparities as well as the smaller but still significant ones between American Indians and whites from the first half of 2007 to the first half of 2010. It presents American Indian and white unemployment rates and employment-to-population ratios nationally and broken down by region.

The key findings are:

- From the first half of 2007 to the first half of 2010, the American Indian unemployment rate nationally increased 7.7 percentage points to 15.2%. This increase was 1.6 times the size of the white increase.
- By the first half of 2010, the unemployment rate for Alaska Natives jumped 6.3 percentage points to 21.3%—the highest regional unemployment rate for American Indians.
- Since the start of the recession, American Indians in the Midwest (see **Table 1** for the states within each region) experienced the greatest increase in unemployment, growing by 10.3 percentage points to 19.3%.
- By the first half of this year, slightly more than half—51.5%—of American Indians nationally were working, down from 58.3% in the first half of 2007.
- In the first half of this year, only 44% of American Indians in the Northern Plains were working, the worst employment rate for Native Americans regionally.
- The employment situation is the worst for American Indians in some of the same regions where it is best for whites: Alaska and the Northern Plains.

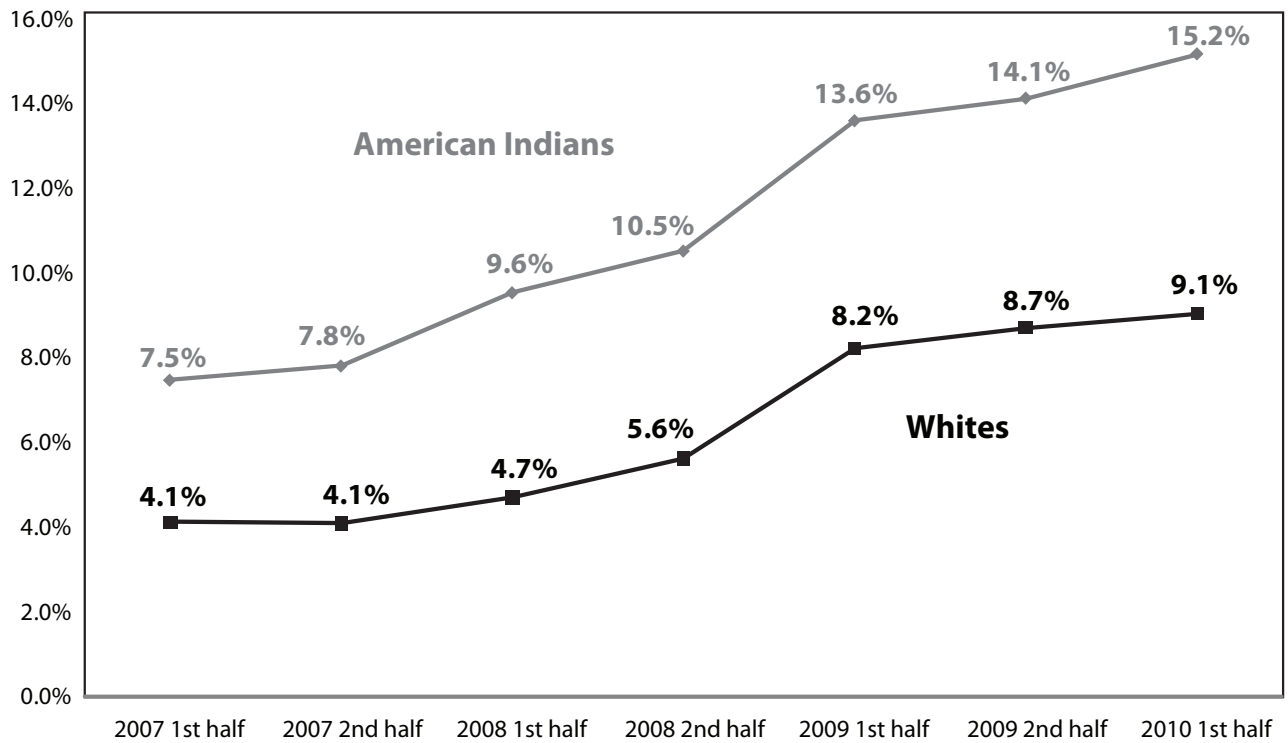
TABLE 1

States by region

Region	States
<i>Alaska</i>	Alaska
<i>Midwest</i>	Arkansas, Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Ohio, and Wisconsin
<i>Northern Plains</i>	Idaho, Montana, Nebraska, North Dakota, South Dakota, and Wyoming
<i>Northeast</i>	Connecticut, Delaware, the District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont
<i>Southern Plains</i>	Kansas, Oklahoma, and Texas
<i>Southeast</i>	Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia
<i>Southwest</i>	Arizona, Colorado, Nevada, New Mexico, and Utah
<i>West</i>	California, Hawaii, Oregon, and Washington

FIGURE A

American Indian and white unemployment rates, 2007-2010
(not seasonally adjusted)



SOURCE: : Author's analysis of CPS data.

Unemployment rates

From the first half of 2007 to the first half of 2010, the American Indian unemployment rate increased 7.7 percentage points to 15.2% (**Figure A**). This increase was 1.6 times the white increase of 4.9 percentage points. The white unemployment rate rose to 9.1%. Thus, in the first half of 2010, the American Indian unemployment rate was 6.1 percentage points higher than the white rate.

While Alaska Natives did not show a significant increase in unemployment from 2007 to 2009, by the first half of 2010 their unemployment rate jumped 6.3 percentage points to 21.3%—the highest unemployment rate by region for American Indians (**Table 2**). The small sample size for this region, however, means that this estimate has a relatively large margin of error.

TABLE 2

American Indian and white unemployment rates, by region, 2007-10 (not seasonally adjusted)

	2007 (1st half)	2007 (2nd half)	2008 (1st half)	2008 (2nd half)	2009 (1st half)	2009 (2nd half)	2010 (1st half)	Change from 2007 (1st half) to 2010 (1st half)
American Indian								
<i>Alaska</i>	15.1%	14.8%	14.6%	15.9%	15.0%	16.0%	21.3%	6.2%
<i>Midwest</i>	9.0	8.8	12.6	11.5	16.5	18.0	19.3	10.3
<i>Northern Plains</i>	9.6	11.1	9.4	13.0	15.7	12.8	16.4	6.8
<i>Northeast</i>	7.4	7.7	11.5	10.5	12.7	9.8	14.4	7.0
<i>Southern Plains</i>	7.6	6.5	6.5	6.6	8.9	9.3	12.0	4.4
<i>Southeast</i>	5.1	7.4	12.9	8.6	10.9	13.3	13.1	8.0
<i>Southwest</i>	7.2	9.2	5.9	8.9	12.4	16.6	14.4	7.2
<i>West</i>	7.1	6.4	9.2	14.4	18.7	16.8	16.8	9.7
White								
<i>Alaska</i>	5.3%	4.7%	5.7%	4.9%	7.4%	6.6%	6.9%	1.6%
<i>Midwest</i>	4.8	4.5	5.2	5.7	8.9	8.9	9.4	4.6
<i>Northern Plains</i>	3.0	2.6	3.4	3.9	5.7	5.7	6.3	3.3
<i>Northeast</i>	4.1	3.9	4.5	5.0	7.2	7.7	8.1	4.0
<i>Southern Plains</i>	3.9	3.7	3.5	4.6	5.9	7.5	7.1	3.2
<i>Southeast</i>	3.4	3.8	4.3	5.7	8.4	8.6	8.8	5.4
<i>Southwest</i>	3.3	3.6	4.3	5.6	7.9	8.8	9.9	6.6
<i>West</i>	4.9	5.2	6.0	7.3	10.5	11.2	11.6	6.7

SOURCE: Author's analysis of CPS data.

From the first half of 2007 to the first half of 2010, the American Indians in the Midwest region experienced the greatest increase in unemployment. The American Indian unemployment rate in this region grew by 10.3 percentage points to 19.3%. Whites in the Midwest region, however, only saw an unemployment rate increase of 4.6 percentage points, raising their unemployment rate to 9.4%.

The third highest unemployment rate regionally for American Indians in the first half of 2010 was in the West region. In that region, the Native American unemployment rate was 16.8%. This rate is a decline from 18.7% in the

first half of 2009. Compared to the Native American unemployment rate in the first half of 2007, the 2010 level is up 9.7 percentage points, the second largest American Indian increase over the period. Whites saw their largest increase in unemployment in the West region, jumping 6.7 percentage points to 11.6%.

Employment-to-population ratios

To be counted as unemployed, one has to be actively looking for work at the time of being surveyed. Groups, like American Indians, who experience long spells of unemployment or who have an especially difficult time finding work, are more likely to drop out of the labor force by not actively looking for work. As a result, it is useful to examine the employment-to-population ratio or the employment rate for these groups. The employment rate simply identifies what portion of the working-age population is employed. All individuals without jobs are counted as not working whether or not they are actively looking for work at the time of the survey.

From the 2007 to 2010, the American Indian employment-to-population ratio has been lower than the white ratio (Table 3). In the first half of 2007, it was 5.2 percentage points lower. By the first half of 2010, the gap had grown to 7.8 percentage points. Both groups have experienced declines in employment, but American Indians experienced larger declines. By the first half of this year, slightly more than half—51.5%—of American Indians were working, down from 58.3% in the first half of 2007.

TABLE 3

American Indian and white employment-to-population ratios, 2007-10 (not seasonally adjusted)

	2007 (1st half)	2007 (2nd half)	2008 (1st half)	2008 (2nd half)	2009 (1st half)	2009 (2nd half)	2010 (1st half)	Change from 2007 (1st half) to 2010 (1st half)
American Indian	58.3%	58.2%	57.5%	57.0%	53.0%	52.1%	51.5%	-6.8%
White	63.5	63.7	63.0	62.7	60.6	59.9	59.3	-4.2
Percentage-point difference	-5.2%	-5.6%	-5.5%	-5.7%	-7.6%	-7.9%	-7.8%	

SOURCE: Author's analysis of CPS data.

On average, the American Indian population is younger than the white population (U.S. Census Bureau 2007). All else being equal, a younger population should have a higher employment-to-population ratio than an older population. Older adults are more likely to have disabilities that prevent them from working, and substantial numbers of adults over 54 years old retire out of the labor force. Thus, the younger Native American population *should* have a larger share of workers than the older white population. The “true” American Indian/white employment rate disparity is likely greater than the observed gap.

By region, in the first half of this year, only 44% of American Indians in the Northern Plains were working, the lowest *employment* rate in any region (Table 4). Examining *unemployment*, American Indians in the Northern Plains region had the fourth worst rate in the first half of this year. But by the employment-to-population ratio, the Northern Plains Indians were the worst off. These findings suggest that rather than being counted as unemployed, many Native Americans in this region are no longer actively looking for work. The employment-to-population ratio, therefore, reveals this high level of hidden “unemployment” in the Northern Plains region.

TABLE 4

American Indian and white employment-to-population ratios, by region, 2007-10
(not seasonally adjusted)

	2007 (1st half)	2007 (2nd half)	2008 (1st half)	2008 (2nd half)	2009 (1st half)	2009 (2nd half)	2010 (1st half)	Change from 2007 (1st half) to 2010 (1st half)
American Indian								
<i>Alaska</i>	49.2%	54.4%	54.6%	53.2%	54.3%	52.2%	46.6%	-2.5%
<i>Midwest</i>	57.4	61.4	58.0	60.3	55.6	52.6	51.9	-5.4
<i>Northern Plains</i>	57.6	59.2	54.8	53.5	46.1	46.3	44.0	-13.6
<i>Northeast</i>	58.0	59.5	58.3	60.5	57.6	56.1	57.1	-0.9
<i>Southern Plains</i>	61.3	57.7	59.4	61.1	58.0	57.8	54.9	-6.5
<i>Southeast</i>	53.5	57.3	53.2	57.3	54.6	54.9	51.4	-2.1
<i>Southwest</i>	57.0	52.3	56.0	51.6	45.0	44.3	46.7	-10.3
<i>West</i>	61.3	60.8	60.4	54.2	51.4	49.7	52.2	-9.1
White								
<i>Alaska</i>	67.3%	69.1%	67.9%	69.3%	66.9%	67.2%	66.2%	-1.0%
<i>Midwest</i>	64.7	65.2	64.4	63.7	61.4	61.2	60.4	-4.4
<i>Northern Plains</i>	69.5	69.5	68.7	68.5	66.0	65.9	65.2	-4.4
<i>Northeast</i>	62.9	63.4	62.7	63.1	61.4	61.0	60.0	-2.9
<i>Southern Plains</i>	63.4	63.5	63.7	63.1	62.2	61.4	61.3	-2.1
<i>Southeast</i>	62.0	61.8	61.0	60.3	57.8	57.1	56.9	-5.1
<i>Southwest</i>	65.6	66.3	65.0	64.9	62.4	61.2	59.9	-5.7
<i>West</i>	63.1	62.9	62.1	62.0	59.4	58.4	57.9	-5.2

SOURCE: Author's analysis of CPS data.

The drop in employment was also largest in the Northern Plains region. The employment rate declined 13.6 percentage points in this region from the first half of 2007. The second largest decline was seen in the Southwest region, where the American Indian employment rate declined 10.3 percentage points to 46.7%. Alaska had the third worst employment rate, 46.6%, but it only experienced a 2.5 percentage point decline. Even during the relative “good times” of early 2007, less than half (49.2%) of Alaska Natives were working. The highest American Indian employment rates were found in the Northeast (57.1%) and Southern Plains (54.9%) regions.

Regional disparities between American Indians and whites

The employment situation is the worst for American Indians in some of the same regions where it is best for whites. For whites in the first half of this year, Alaska and the Northern Plains regions had lower than average unemployment rates. While the rate for whites nationally was 9.1%, it was 6.9% in Alaska and 6.3% in the Northern Plains. American Indians in these regions were among the worst off. While the unemployment rate for American Indians nationally in the first half of this year was 15.2%, it was 21.3% in Alaska and 16.4% in the Northern Plains.

In the first half of this year, these two regions also had disparities of approximately 20 percentage points in the employment-to-population ratio between American Indians and whites (Table 5). In Alaska, the very large employment

TABLE 5

Percentage-point gap in the American Indian-white employment-to-population ratios, by region, 2007 and 10

	2007 (1st half)	2010 (1st half)	Percentage-point change
<i>Alaska</i>	-18.1%	-19.6%	-1.5%
<i>Midwest</i>	-7.4	-8.4	-1.0
<i>Northern Plains</i>	-11.9	-21.1	-9.2
<i>Northeast</i>	-4.9	-2.9	1.9
<i>Southern Plains</i>	-2.1	-6.4	-4.3
<i>Southeast</i>	-8.5	-5.5	3.0
<i>Southwest</i>	-8.6	-13.2	-4.6
<i>West</i>	-1.9	-5.7	-3.9

SOURCE: Author's analysis of CPS data.

rate disparity has been present from the start of the recession. In the Northern Plains region, there was a sizeable 11.9 percentage-point disparity in the first half of 2007, and that grew into a 21.1 percentage-point gap by the first half of this year.

Unlike Alaska and the Northern Plains, whites in the Southwest have been hit hard by the recession. Nonetheless, the disparity in the employment-to-population ratio between whites and American Indians has grown substantially since the start of the recession. In the first half of 2007, the gap was 8.6 percentage points, but by the first half of this year it had grown to a 13.2 percentage-point gap.

Conclusion

Although the Great Recession is technically over, when looking at the American Indian employment situation, there is little sign of recovery. Nationally, Native American unemployment continues to rise, and employment continues to decline.

We find some of the largest disparities in employment between American Indians and whites in Alaska, the Northern Plains, and the Southwest. These are also the regions of the country where the ratio of the Native-to-non-Native population is among the highest (U.S. Census Bureau 2007). These facts raise the possibility that the problem of low employment rates among American Indians may be at least partially due to larger social and economic conflicts between the two groups.

Appendix: How These Unemployment Estimates Differ from the Bureau of Indian Affairs Labor Force Report

The unemployment rate and employment-to-population ratio estimates in this Issue Brief are based on a different sample and methodology from those that appear in the Bureau of Indian Affairs (BIA) *American Indian Population and Labor Force Report*. The statistics from these different reports, therefore, should not be compared. The BIA *Labor Force Report* is based on the American Indian and Alaska Native population that lives on or near a reservation and is eligible for BIA-funded services. This population is only about one-third of the total American Indian and Alaska Native population. This report uses the total American Indian and Alaska Native population, including bi-racial individuals, to generate the statistics for this analysis. Additionally, the Current Population Survey (the data source for the analysis in this report) only counts as unemployed those individuals who are actively looking for work. The BIA *Labor Force Report* does not state that it has this restriction.

Endnotes

1. In this Issue Brief, “American Indian” and “Native American” are defined to include bi-racial individuals who indicate that one of their racial identities is “American Indian or Alaskan Native.”

References

U.S. Census Bureau. 2007. *The American Community—American Indians and Alaskan Natives: 2004*. Washington D.C.: U.S. Department of Commerce.