

Economic Indicators

State unemployment by race and ethnicity

As the national unemployment rate continues to fall, Black and Hispanic unemployment rates remain high relative to white unemployment rates. State-level unemployment disparities fell but persist. Claims of a “labor shortage” must take these unemployment disparities into consideration.

Key numbers • 2021 Q3

D.C. Jurisdiction with the highest Black unemployment rate (11.7%)

N.Y. State with the highest Hispanic & AAPI unemployment rates (10.7% & 7.9%)

Hawaii State with the highest white unemployment rate (7.1%)

U.S. Nationwide Black unemployment rate (7.1%)

2021 Q3 • Updated November 2021

Racial disparities in unemployment rates persist, despite claims of a ‘labor shortage’

By Kyle K. Moore

EPI analyzes state unemployment rates by race and ethnicity, and racial/ethnic unemployment rate gaps, on a quarterly basis to generate a sample size large enough to create reliable estimates of unemployment rates by race and ethnicity at the state level. We report estimates only for states for which the sample size of these subgroups is large enough to create an accurate estimate. For this reason, the number of states included in our maps and data tables varies based on the analysis performed. The following analysis contains data on the third quarter of 2021.

Third-quarter state unemployment rates, trends, and ratios

In the third quarter of 2021 much of the conversation around the labor market centered on the so-called “labor shortage”—whether it existed at all, what caused it, and to what extent it meant workers were finally gaining some measure of bargaining power.¹ As the national unemployment rate continued to slowly decline, anecdotal reporting from employers seemed to suggest that workers as a whole were unwilling stay on the job and that replacement workers were scarce. This narrative is difficult to square with the reality of persistent racial disparities in unemployment rates.

While the onset of the Delta variant of COVID-19, combined with a growing intolerance among workers for low pay and poor working conditions, lowered the appeal of many kinds of jobs through 2021Q3, the fact remains that Black and brown workers were still less likely than their white counterparts to find work when searching for it. Black workers were 65% more likely than white workers to be unemployed in 2021Q3, while Hispanic workers were 52% more likely. A better set of questions to ask may be these: What are employers doing to retain and attract workers? And are they recruiting equally across groups?

INTERACTIVE MAP

State unemployment rates, by race/ethnicity and overall, 2021Q3

All White Black Hispanic AAPI

Maine

Vt.

N.H.

Wash.

Idaho

Mont.

N.D.

Minn.

Ill.

Wis.

Mich.

N.Y.

R.I.

Mass.

Ore.

Nev.

Wyo.

S.D.

Iowa

Ind.

Ohio

Pa.

N.J.

Conn.

Calif.

Utah

Colo.

Neb.

Mo.

Ky.

W.Va.

Va.

Md.

Del.

Ariz.

N.M.

Kan.

Ark.

Tenn.

N.C.

S.C.

D.C.

Okla.

La.

Miss.

Ala.

Ga.

Alaska

Hawaii

Texas

Fla.

Less than 5.6%

5.6% to < 7.1%

7.1% to < 8.7%

8.7% to < 10.2%

Greater than 10.2%

Washington D.C.

Black: 11.7%

All: 6.6%

White: 2.9%

Hispanic: NA

AAPI: NA

Notes: AAPI stands for Asian American/Pacific Islander. The map reports unemployment rates only for state subgroups with sample sizes large enough to create accurate estimates.

Source: EPI analysis of Bureau of Labor Statistics Local Area Unemployment Statistics (LAUS) data and Current Population Survey (CPS) data.

Third-quarter trends among Black workers

Among the 14 states (including D.C.) with a large enough sample size for measurement, Black unemployment was highest in the District of Columbia in the third quarter of 2021, with an unemployment rate of 11.7%—a decrease from the previous quarter’s rate of 13.8%. Only three states still had unemployment rates greater than 10%—D.C. (11.7%), Illinois (10.8%), and California (10.4%). Six of the 14 states with available data now have unemployment rates either less than or within one percentage point of their pre-pandemic (2020Q1) rate.

Georgia had the lowest Black unemployment rate among the states with available data in 2021Q3, at 4.1%, while Maryland had the lowest Black–white unemployment ratio at 1.3. D.C. maintained the highest Black–white unemployment ratio, at 4.0, though that ratio has continued to fall as the recovery continues.

Nationwide, the average Black unemployment rate in 2021Q3 fell to 7.1% from 2021Q2’s 9.2%. While this drop is significant, 7.1% is the same rate as the highest state unemployment rate for white workers this quarter (Hawaii’s white unemployment rate was 7.1%). The Black–white unemployment ratio was lower than in the previous quarter however, at 1.6 for 2021Q3 versus 2021Q2’s 2.0.

TABLE 1

Change in state unemployment rates by race and ethnicity from 2020Q1 to 2021Q3 (percentage points)

State	All	White	Black	Hispanic	AAPI
<i>United States</i>	1.3	1.3	0.9	1.7	2.4
<i>Alabama</i>	0.5	-0.1	1.5	NA	NA
<i>Alaska</i>	1.4	1.7	NA	NA	NA
<i>Arizona</i>	1.3	1.6	NA	2.1	NA
<i>Arkansas</i>	0.4	0.3	NA	NA	NA
<i>California</i>	3.2	3.1	4.2	2.9	4.2
<i>Colorado</i>	2.5	1.8	NA	NA	NA
<i>Connecticut</i>	3.4	3.6	NA	NA	NA
<i>Delaware</i>	0.9	1.6	NA	NA	NA
<i>Washington D.C.</i>	1.6	1.1	1.3	NA	NA
<i>Florida</i>	1.2	1.0	-1.4	2.6	NA
<i>Georgia</i>	0.0	0.7	-1.4	NA	NA
<i>Hawaii</i>	4.9	4.6	NA	NA	5.3
<i>Idaho</i>	0.3	0.1	NA	NA	NA
<i>Illinois</i>	3.4	2.9	4.2	4.5	NA
<i>Indiana</i>	0.8	0.6	NA	NA	NA
<i>Iowa</i>	1.2	1.5	NA	NA	NA
<i>Kansas</i>	0.7	0.6	NA	NA	NA
<i>Kentucky</i>	0.2	0.2	NA	NA	NA
<i>Louisiana</i>	1.0	1.4	0.0	NA	NA
<i>Maine</i>	1.8	2.1	NA	NA	NA
<i>Maryland</i>	2.5	2.7	0.7	NA	NA
<i>Massachusetts</i>	2.3	1.5	NA	4.8	NA
<i>Michigan</i>	1.0	1.0	NA	NA	NA
<i>Minnesota</i>	0.5	0.1	NA	NA	NA
<i>Mississippi</i>	0.2	1.6	-2.5	NA	NA
<i>Missouri</i>	0.4	0.5	NA	NA	NA
<i>Montana</i>	-0.3	-0.2	NA	NA	NA
<i>Nebraska</i>	-0.8	-0.5	NA	NA	NA
<i>Nevada</i>	3.0	2.0	NA	3.9	NA
<i>New Hampshire</i>	0.3	0.2	NA	NA	NA
<i>New Jersey</i>	3.5	3.5	NA	5.1	3.1

State	All	White	Black	Hispanic	AAPI
<i>New Mexico</i>	2.0	2.4	NA	2.3	NA
<i>New York</i>	3.5	2.5	3.9	5.2	5.8
<i>North Carolina</i>	0.6	1.1	0.6	NA	NA
<i>North Dakota</i>	1.4	1.3	NA	NA	NA
<i>Ohio</i>	0.7	1.1	NA	NA	NA
<i>Oklahoma</i>	0.1	0.2	NA	NA	NA
<i>Oregon</i>	1.5	0.9	NA	NA	NA
<i>Pennsylvania</i>	1.4	1.5	NA	NA	NA
<i>Rhode Island</i>	1.6	1.6	NA	NA	NA
<i>South Carolina</i>	1.4	1.3	2.2	NA	NA
<i>South Dakota</i>	0.0	0.5	NA	NA	NA
<i>Tennessee</i>	0.7	1.3	NA	NA	NA
<i>Texas</i>	1.8	1.2	3.5	1.9	2.0
<i>Utah</i>	0.0	0.0	NA	0.5	NA
<i>Vermont</i>	0.4	0.2	NA	NA	NA
<i>Virginia</i>	1.5	1.2	1.3	NA	NA
<i>Washington</i>	0.6	1.1	NA	-2.4	NA
<i>West Virginia</i>	-0.3	0.0	NA	NA	NA
<i>Wisconsin</i>	0.6	0.9	NA	NA	NA
<i>Wyoming</i>	0.1	0.8	NA	NA	NA

Notes: AAPI stands for Asian American/Pacific Islander. The table reports data only for state subgroups with sample sizes large enough to create accurate estimates.

Source: EPI analysis of Bureau of Labor Statistics Local Area Unemployment Statistics (LAUS) data and Current Population Survey (CPS) data.

TABLE 2

Black–white and Hispanic–white state unemployment rate ratios, 2021Q3

State	Black–white ratio	Hispanic–white ratio
<i>United States</i>	1.6	1.5
<i>Alabama</i>	1.8	NA
<i>Alaska</i>	NA	NA
<i>Arizona</i>	NA	1.2
<i>Arkansas</i>	NA	NA
<i>California</i>	1.6	1.3
<i>Colorado</i>	NA	NA
<i>Connecticut</i>	NA	NA
<i>Delaware</i>	NA	NA
<i>Washington D.C.</i>	4.0	NA
<i>Florida</i>	1.5	1.4
<i>Georgia</i>	1.4	NA
<i>Hawaii</i>	NA	NA
<i>Idaho</i>	NA	NA
<i>Illinois</i>	1.9	1.6
<i>Indiana</i>	NA	NA
<i>Iowa</i>	NA	NA
<i>Kansas</i>	NA	NA
<i>Kentucky</i>	NA	NA
<i>Louisiana</i>	1.9	NA
<i>Maine</i>	NA	NA
<i>Maryland</i>	1.3	NA
<i>Massachusetts</i>	NA	2.1
<i>Michigan</i>	NA	NA
<i>Minnesota</i>	NA	NA
<i>Mississippi</i>	1.4	NA
<i>Missouri</i>	NA	NA
<i>Montana</i>	NA	NA
<i>Nebraska</i>	NA	NA
<i>Nevada</i>	NA	1.4
<i>New Hampshire</i>	NA	NA
<i>New Jersey</i>	NA	1.6
<i>New Mexico</i>	NA	1.2

<i>New York</i>	1.5	1.8
<i>North Carolina</i>	1.6	NA
<i>North Dakota</i>	NA	NA
<i>Ohio</i>	NA	NA
<i>Oklahoma</i>	NA	NA
<i>Oregon</i>	NA	NA
<i>Pennsylvania</i>	NA	NA
<i>Rhode Island</i>	NA	NA
<i>South Carolina</i>	1.8	NA
<i>South Dakota</i>	NA	NA
<i>Tennessee</i>	NA	NA
<i>Texas</i>	2.2	1.7
<i>Utah</i>	NA	1.2
<i>Vermont</i>	NA	NA
<i>Virginia</i>	1.6	NA
<i>Washington</i>	NA	1.0
<i>West Virginia</i>	NA	NA
<i>Wisconsin</i>	NA	NA
<i>Wyoming</i>	NA	NA

Note: The table reports data only for state subgroups with sample sizes large enough to create accurate estimates.

Source: EPI analysis of Bureau of Labor Statistics Local Area Unemployment Statistics (LAUS) data and Current Population Survey (CPS) data.

Third-quarter trends among Hispanic workers

Of the 12 states with available data, Hispanic unemployment was highest in New York, with 10.7% of Hispanic workers unemployed. This is down slightly from New York’s 2021Q2 Hispanic unemployment rate of 11.0%. New York was the only state to maintain a Hispanic unemployment rate above 10%. Utah and Washington state were the states with the lowest Hispanic unemployment rates among those with available data, with 2.8% and 4.7% Hispanic unemployment, respectively. Only Washington state and Utah had unemployment rates that were either less than or within one percentage point of their 2020Q1 rates.

Nationwide the Hispanic–white unemployment ratio was 1.5 (6.5% unemployment for Hispanic workers, 4.3% for white workers), an improvement from 2021Q2’s 1.7. Among the 12 available states, the Hispanic-white unemployment ratio was highest in Massachusetts, at 2.1—the only state in which Hispanic workers were twice as likely to be unemployed as white workers. Washington state saw a Hispanic-white unemployment ratio of 0.99 (rounded to 1.0 in **Table 2**), virtual parity.

Third-quarter trends among white workers

The white unemployment rate for 2021Q3 was highest in Hawaii, at 7.1%—ironically, the same rate as the national average for Black workers. There were no states in which the white unemployment rate exceeded 10%.

As of 2021Q3 the white unemployment rate was below 4% in 22 states (including D.C.). The unemployment rate was within one percentage point of its rate in 2020Q1 (prior to the pandemic) in 22 states. There were 10 states in which unemployment rates were below 3% for white workers. Nationwide the white unemployment rate for Q3 was 4.3%, a decline from 2021Q2's rate of 4.7%.

Third-quarter trends among Asian American/Pacific Islander (AAPI) workers

AAPI unemployment fell from 5.8% in 2021Q2 to 5.4% in 2021Q3. There were no states among the five with available data in which the AAPI unemployment rate exceeded 10%; New York had the highest AAPI unemployment rate at 7.9%. AAPI unemployment rates rose in Texas (4.5% to 5.1%) and New Jersey (4.4% to 7.5%), fell in New York (9.6% to 7.9%) and Hawaii (7.6% to 7.1%), and remained unchanged in California (at 7.4%).

Methodology

The unemployment rate estimates in this report are based on the Local Area Unemployment Statistics (LAUS) and the Current Population Survey (CPS) from the Bureau of Labor Statistics (BLS). The overall state unemployment rate is taken directly from the LAUS. CPS six-month ratios are applied to LAUS data to calculate the rates by race and ethnicity. For each state subgroup, we calculate the unemployment rate using the past six months of CPS data. We then find the ratio of this subgroup rate to the state unemployment rate using the same period of CPS data. This gives us an estimate of how the subgroup compares with the state overall.

While this methodology allows us to calculate unemployment-rate estimates at the state level by race and ethnicity by quarter, it is less precise at the national level than simply using the CPS. Thus, the national-level estimates may differ from direct CPS estimates.

In many states, the sample sizes of particular subgroups are not large enough to create accurate estimates of their unemployment rates. We report data only for groups that had, on average, a sample size of at least 700 in the labor force for each six-month period. Data collection for the BLS surveys used to produce this report was affected by the pandemic, in some cases limiting sample sizes such that some states that usually meet sample size thresholds no longer did so.²

Notes

1. See Heidi Shenevitz and Josh Divens, **Job and Wage Growth Do Not Point to an Economywide Labor Shortage**,” *Working Economics Blog* (Economic Policy Institute), June 25, 2021.

2. See Bureau of Labor Statistics, **“Effects of COVID-19 Pandemic on the Employment Situation News Release and Data”** (web page), for more details on how the pandemic has impacted data collection.

Read more:

- **State unemployment by race and ethnicity, 2021Q1Q2**
- **State unemployment by race and ethnicity, 2020Q3Q4**
- **State unemployment by race and ethnicity, 2020Q1Q2**
- **State unemployment by race and ethnicity, 2019Q4**