



ONGOING JOBLESSNESS IN MICHIGAN

Unemployment rate for African Americans tops in nation, more than double the state's white rate

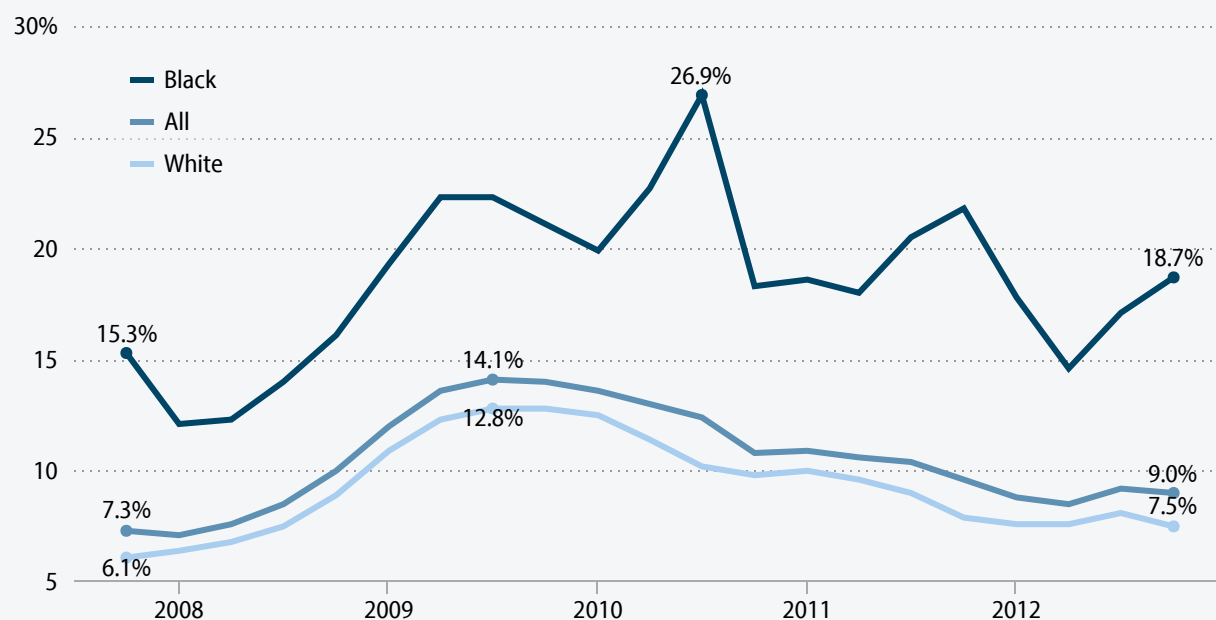
BY MARY GABLE AND DOUGLAS HALL

Five years after the beginning of the Great Recession, high unemployment rates are still taking a toll on families. In Michigan, where the overall unemployment rate was 9.0 percent in the fourth quarter of 2012 (compared with a national average of 7.8 percent), African American families continue to bear the brunt of that economic pain.

This research brief supplements a recent report by the Economic Policy Institute's Algernon Austin, *Unemployment Rates Are Projected to Remain High for Whites, Latinos, and African Americans throughout 2013*, which documents national trends in unemployment (Austin 2013). Drawing on federal Current Population Survey (CPS) data, this brief focuses on Michigan, highlighting the racial disparities that have prevailed throughout the recession

(defined here as including the official recession from December 2007 through June 2009 and the weak and ongoing recovery through the fourth quarter of 2012):

- The unemployment rate of blacks in Michigan is 18.7 percent, about two and a half times that of whites (7.5 percent), and has been for much of the last five years.
- Of the 24 states with large enough African American populations to track with quarterly CPS unemployment data, Michigan has the highest African American unemployment rate.
- In Michigan, three groups—all workers, white workers, and African American workers—have higher

FIGURE A **INTERACTIVE****Unemployment rate in Michigan, all and by race, 2007Q4–2012Q4**

Note: Data are quarterly, beginning with 2007 Q4 and ending with 2012 Q4. Races and ethnicities are presented in mutually exclusive categories, i.e., white refers to non-Hispanic whites and black refers to non-Hispanic blacks.

Source: Authors' analysis of Bureau of Labor Statistics Local Area Unemployment Statistics and basic monthly Current Population Survey microdata

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unemployment rates than the national rate for the same group.

White unemployment

Michigan's white workers were hit hard by the recession. For a total of eleven quarters or nearly three straight years (from the first quarter of 2009 through the third quarter of 2011), the white (non-Hispanic) unemployment rate was 9.0 percent or greater. The only state with a longer stretch of white unemployment above this threshold is Nevada, with 17 quarters—over four years (Nevada's white unemployment rate for the fourth quarter of 2012

was 9.3 percent). As seen in **Figure A**, Michigan's white unemployment rate has declined steadily—though slowly—since peaking at 12.8 percent in the third and fourth quarters of 2009. In the fourth quarter of 2012, Michigan's white unemployment rate of 7.5 percent was ninth highest in the nation.

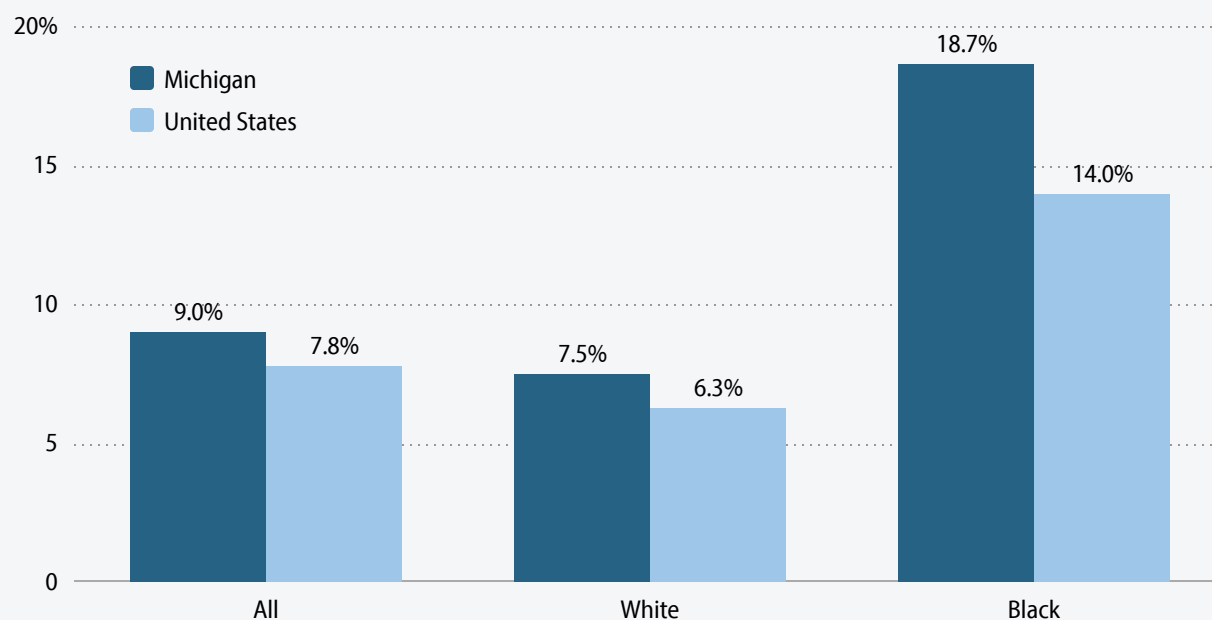
African American unemployment

African American unemployment rates in Michigan throughout the recession have been devastatingly high, hovering between 18 to 22 percent for most of the last three years, and peaking at 26.9 percent in the third

A note about EPI's interactive figures: All of the figures in this paper are available in an interactive format on epi.org. With an interactive figure, users can obtain specific data points by hovering a cursor over a line or bar, view the entire figure as a data table, and copy figure data into Excel.

FIGURE B **INTERACTIVE**

Unemployment rate, Michigan compared with U.S., by race, 4th quarter 2012



Note: Races and ethnicities are presented in mutually exclusive categories, i.e., white refers to non-Hispanic whites and black refers to non-Hispanic blacks.

Source: Authors' analysis of Bureau of Labor Statistics Local Area Unemployment Statistics and basic monthly Current Population Survey microdata

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quarter of 2010. Even after apparently turning the corner late in 2010 through mid-2011 with significant declines, the black unemployment rate shot up again in late 2011 before dipping and then increased again in the last two quarters of 2012, reaching 18.7 percent in the fourth quarter of 2012. As shown in **Figure B**, the black unemployment rate in Michigan was 4.7 percentage points higher than the national black unemployment rate of 14.0 percent. **Figure C** shows that among states with large enough black populations to measure unemployment, Michigan has the highest black unemployment rate.

Conclusion

Michigan's recovery from the depths of the Great Recession has been impressive at times, spurred in particular by the successful bailout of the auto sector (*New York Times* 2012). Yet despite significant reductions in overall unem-

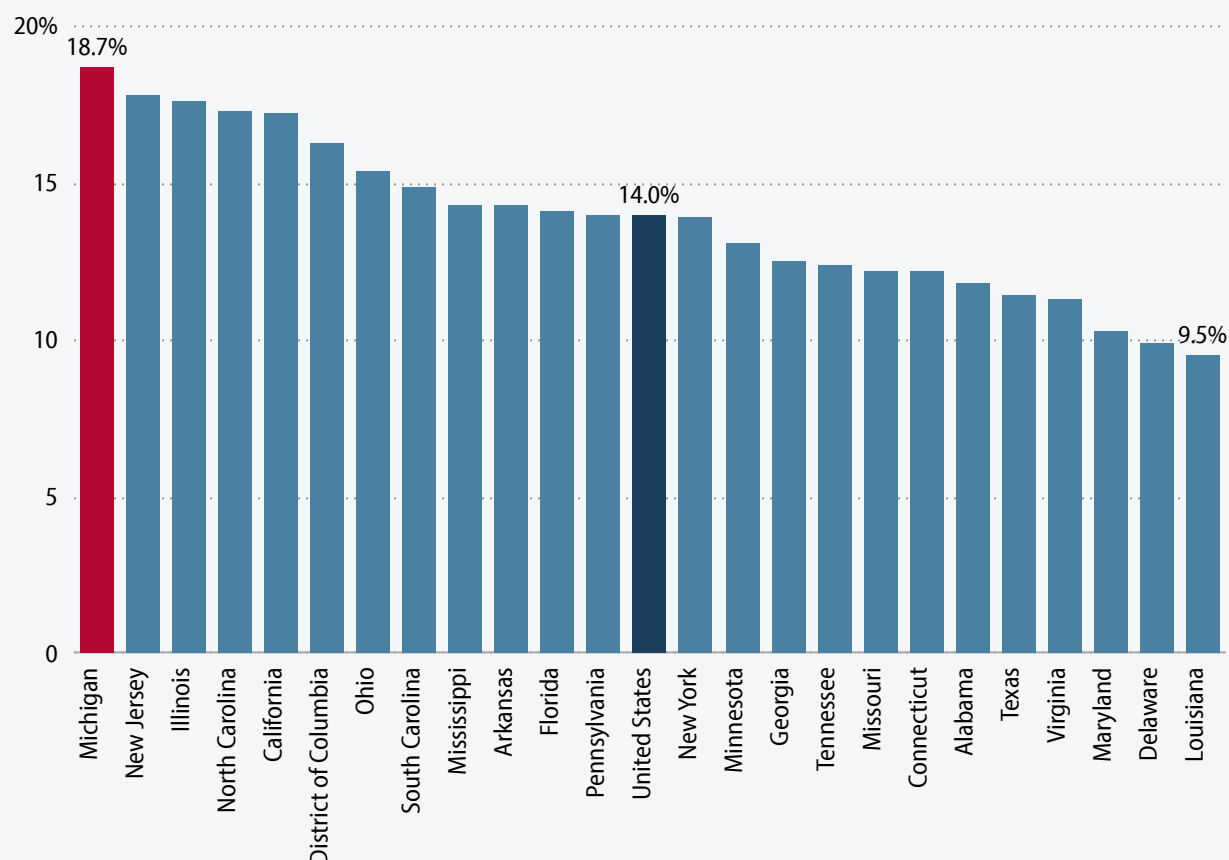
ployment, nearly one in five African American workers continues to be unemployed. Others have stopped looking for work and have fallen out of the labor force altogether, adding to the human cost of an economic collapse and slow economic recovery that has taken a much greater toll on African Americans than whites. The devastating impact on Michigan workers of all races demands strong federal job-creation efforts, as highlighted in *From Freefall to Stagnation: Five Years After the Start of the Great Recession, Extraordinary Policy Measures are Still Needed, but are Not Forthcoming*, by EPI's Josh Bivens, Andrew Fieldhouse, and Heidi Shierholz (February 2013).

Methodology note

Races and ethnicities are presented in mutually exclusive categories, i.e., white refers to non-Hispanic whites and black refers to non-Hispanic blacks. The Bureau of Labor Statistics publishes national annual white, black, and His-

FIGURE C **INTERACTIVE**

Black unemployment rate in Michigan compared with 23 other states and U.S., 4th quarter 2012



Note: Black refers to non-Hispanic blacks. This figure includes the 24 states (a total which includes the District of Columbia) with black populations large enough to measure the unemployment rate with Current Population Survey microdata.

Source: Authors' analysis of Bureau of Labor Statistics Local Area Unemployment Statistics and basic monthly Current Population Survey microdata

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panic unemployment rates; however, its estimates are not based upon mutually exclusive categories and thus will differ slightly from the figures published in this paper.

About the authors

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