



## **DISTRESSED LOUISIANA**

### **Recovery uneven as unemployment remains high among African Americans**

DOUGLAS HALL AND ALGERNON AUSTIN

Much of the economic news coverage of unemployment focuses on national trends. The United States, however, is a large country with a diverse population, and national unemployment data mask some significant disparities in the unemployment rates of different states and different races. Some groups of people can have remarkably different unemployment rates depending on their state's labor market.<sup>1</sup>

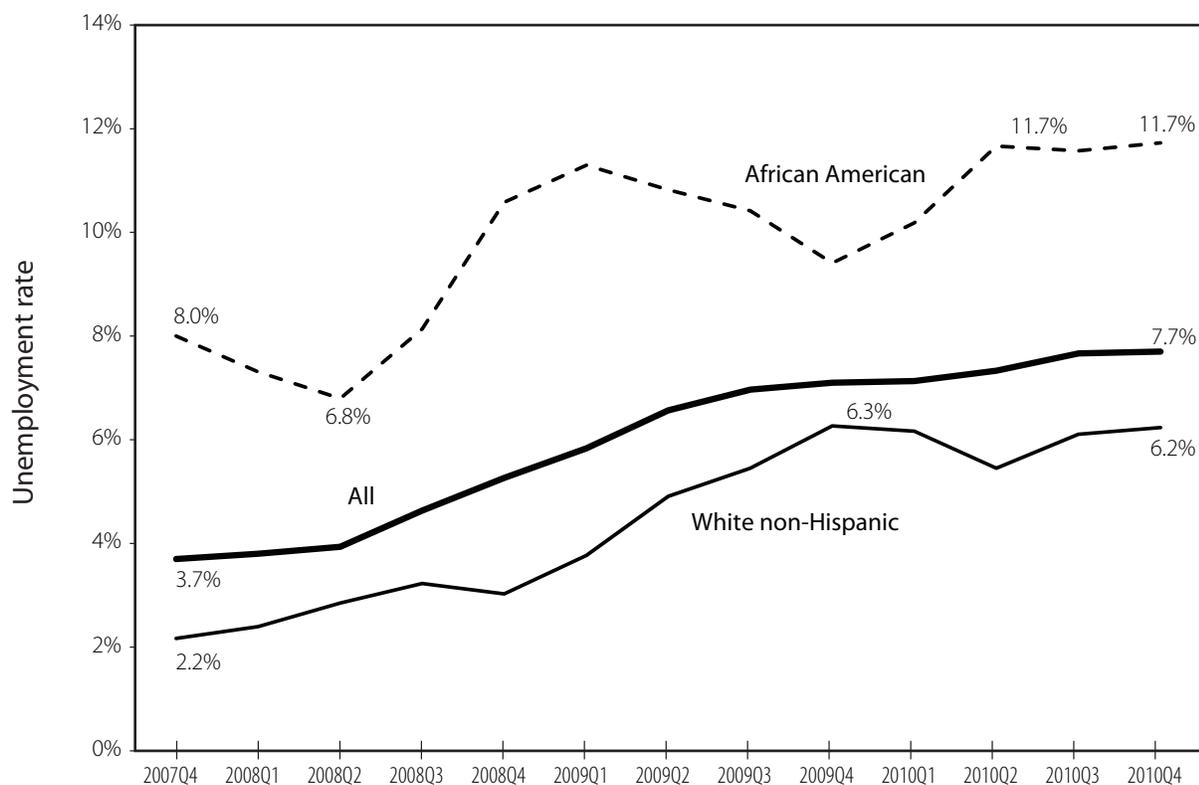
African American Louisianans continue to experience unemployment rates that are significantly higher than unemployment rates for whites in their state, but also lower, on average, than for African Americans across the country. The average African American unemployment rate in Louisiana was 11.3% in 2010, the third lowest African American unemployment rate among the 22 states that have large enough African American sample sizes to provide reliable measurements using U.S. Census Bureau data.<sup>2</sup> For Louisianans of all races, the impact of the recession on employment continues, with overall unemployment rates in the fourth quarter of 2010 more than double the rates for the fourth quarter of 2007.<sup>3</sup>

These findings highlight the continuing economic uncertainty confronting Louisianans. While all demographic groups are struggling in today's labor market, the pain of joblessness in Louisiana is most severe among African American workers.

The African American unemployment rate is especially troubling given the large share (32%) of Louisianans who are African American (the third largest share among all states). The percent of the state's population that is African American has not changed since the 2000 Census, compared with a 1.4% increase in the overall population, a 2% decrease in the non-Hispanic white population (to 60%), and a 79% increase in the Hispanic population (which is still only 4% of the state's population).<sup>4</sup>

FIGURE A

Unemployment in Louisiana, by race, 2007Q4-2010Q4



Source: EPI analysis of U.S. Census Bureau's Current Population Survey, and Bureau of Labor Statistics' Local Area Unemployment Statistics.

**White non-Hispanic unemployment in Louisiana**

As seen in **Figure A**, unemployment in Louisiana differs significantly by race. Louisiana's non-Hispanic white unemployment rate peaked at 6.3% in the fourth quarter of 2009 and dipped slightly before returning to 6.2% in the fourth quarter of 2010. **Figure B** shows annual average unemployment rates by race in 2010. The average non-Hispanic white unemployment rate in Louisiana was 6.0%, which was significantly lower than the average national non-Hispanic white unemployment rate of 8.0%. In other words, the non-Hispanic white unemployment rate in Louisiana was 25% lower than the national average in 2010. In fact, Louisiana had the ninth-lowest average non-Hispanic white unemployment rate among all states in 2010.

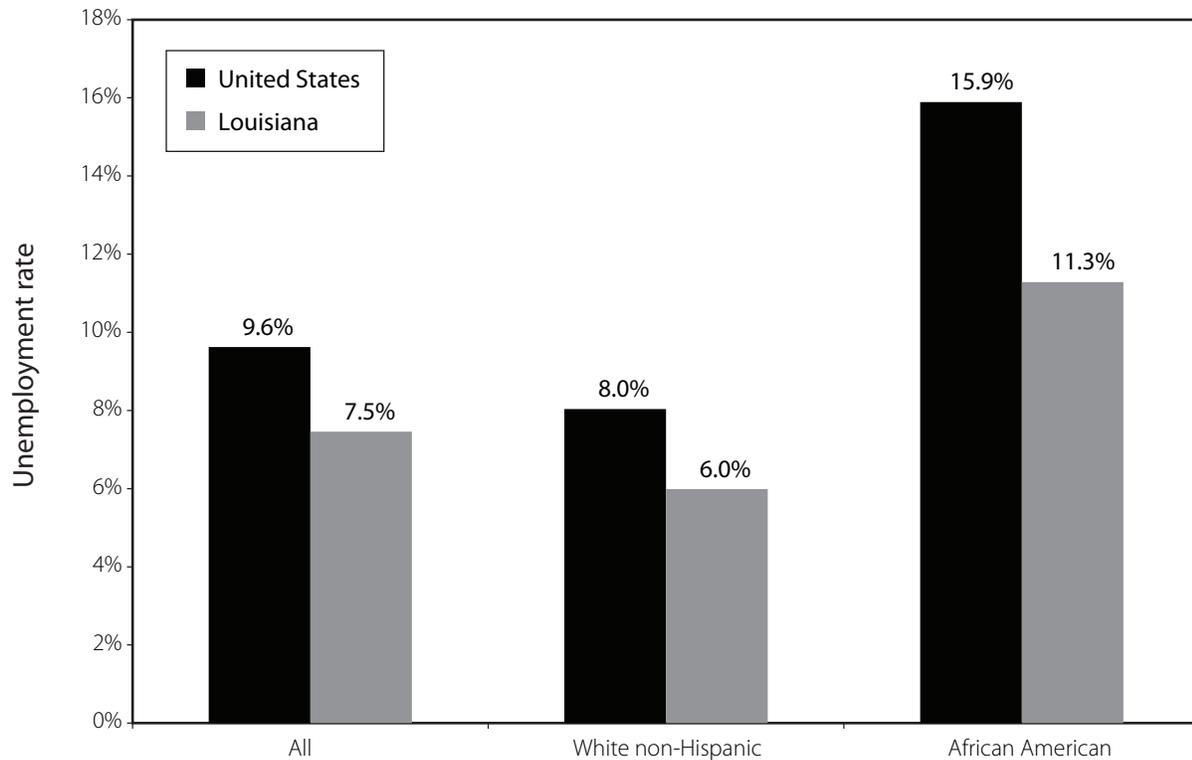
**African American unemployment in Louisiana**

The African American unemployment rate in Louisiana rose from 8.0% at the Great Recession's start to a high of 11.7% in the second quarter of 2010 (a rate that persisted through the fourth quarter of 2010). Even at its low point of 6.8%, it was half a percentage point higher than the eventual peak unemployment rate for white workers (6.3%).

As with Louisiana's average non-Hispanic white unemployment rate in 2010, the state's average African American unemployment rate of 11.3% was less than the national rate of 15.9% in 2010. In other words, the unemployment rate for African Americans in Louisiana was 29% lower than the rate for African Americans across the country.

FIGURE B

**Unemployment in Louisiana compared with United States,  
by race, 2010 average**



Source: EPI analysis of U.S. Census Bureau's Current Population Survey, and Bureau of Labor Statistics' Local Area Unemployment Statistics.

**Conclusion**

The Louisiana economy has a long way to go to achieve a solid recovery. With the eighth highest proportion of families living below the federal poverty level among all states<sup>5</sup>, and still reeling from the devastating impacts of Hurricane Katrina and the more recent BP oil disaster, Louisiana is economically very vulnerable. The state's African American workforce has disproportionately felt the pain and uncertainty of the Great Recession. Ensuring a recovery that allows Louisianans of all races to prosper will challenge policymakers. With state coffers in Louisiana (as elsewhere) depleted, there is a continued need for strong and direct job creation efforts by the federal government.

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## Endnotes

1. This paper builds on a national report by Algernon Austin, director of the Race, Ethnicity, and the Economy program at the Economic Policy Institute. See Algernon Austin, 2011, *Distressed States: Unemployment rate near 20% for some groups* (Economic Policy Institute), <http://www.epi.org/publications/entry/ib299/>.
2. *Distressed States* refers to 23 African American sample populations, but the figure includes the District of Columbia, which is not included in this paper's reference to 22 states.
3. Findings are from an EPI analysis of U.S. Census Bureau Current Population Survey data and Bureau of Labor Statistics Local Area Unemployment Statistics data.
4. See *New York Times*, "Mapping the 2010 Census," <http://projects.nytimes.com/census/2010/map?ref=us>, and U.S. Census Bureau, 2010 Census, Table P2: Hispanic or Latino, and Not Hispanic or Latino by Race. The Asian population grew 28% over the last decade but still represents only 2% of the state population.
5. Findings from U.S. Census Bureau, American Community Survey, 2009, Table B17026: Ratio of Income to Poverty Level of Families in the Past 12 Months.