

High Unemployment Means Native Americans Are Still Waiting for an Economic Recovery

The Great Recession has kept the American Indian unemployment rate above 10 percent for five years. The American Indian unemployment situation is particularly bad in the Midwest, Northern Plains, and Southwest. If policymakers make wise investments in infrastructure, it could greatly improve the jobs picture for American Indians as well as for all other Americans.

This issue brief presents unemployment rate estimates for American Indians nationally and by region. It uses data from the Bureau of Labor Statistics' Current Population Survey, the source of the "official" national unemployment rate statistics. In this issue brief, the terms "American Indian," "Native American," and "Native" refer to individuals identifying as American Indian or Alaska Native alone or in combination with other racial categories. The white and American Indian categories both include Hispanics. Different definitions of these categories would yield different unemployment rate estimates.

In the first half of 2013:

- The American Indian unemployment rate was 11.3 percent. American Indians have endured five years of unemployment rates over 10 percent.
- American Indians had the highest unemployment rates in the Midwest (16.8 percent), Northern Plains (15.0 percent), and Southwest (15.0 percent).
- The highest ratio of American Indian to white unemployment rates was 3.3-to-1, in the Northern Plains. The lowest ratios were in the Northeast (1.2-to-1) and Southern Plains (1.2-to-1).

National unemployment rates

Four years after the technical end of the Great Recession, American Indians are still experiencing unemployment rates in the double digits. The unemployment rate for whites peaked in the single digits, at 9.1 percent, in the first half of 2010. Three years later, the American Indian unemployment rate was still much higher than this peak. In the first half of 2013, the American Indian unemployment rate was 11.3 percent. American Indians have endured five years of unemployment rates over 10 percent.

In the first half of 2013, American Indians had the highest unemployment rates in the Midwest (16.8 percent), Northern Plains (15.0 percent), and Southwest (15.0 percent)

regions (Table 2). The lowest rates were in the Southern Plains (6.8 percent) and the Northeast (8.3 percent).

Although the Northern Plains had a high Native American unemployment rate, it also had the lowest white unemployment rate (4.6 percent), giving the Northern Plains the highest American Indian-to-white unemployment-rate ratio (3.3-to-1). The lowest ratios were in the Northeast (1.2) and Southern Plains (1.2) where the American Indian unemployment rate was only about 1 percentage point higher than the white rate.

American Indian and white unemployment rates and American Indian-to-white unemployment rate ratio by region, 1st half 2013

	American Indian	White	American Indian-to-White Ratio
<i>Alaska</i>	11.7%	5.5%	2.1
<i>Midwest</i>	16.8%	7.0%	2.4
<i>Northern Plains</i>	15.0%	4.6%	3.3
<i>Northeast</i>	8.3%	7.1%	1.2
<i>Southern Plains</i>	6.8%	5.7%	1.2
<i>Southeast</i>	11.5%	6.4%	1.8
<i>Southwest</i>	15.0%	6.9%	2.2
<i>West</i>	10.8%	8.5%	1.3

Note: "American Indian" refers to individuals identifying as American Indian or Alaska Native alone or in combination with some other racial category. Both American Indian and white data include Hispanics.

Source: EPI analysis of basic monthly Current Population Survey microdata

T A B L E 2

Table 3 allows us to examine whether regions have returned to the unemployment rates they had just before the start of the Great Recession. The most positive picture is in Alaska. In the first half of 2007, American Indians in Alaska had a very high unemployment rate, 15.1 percent. This was the highest rate for American Indians of all the regions at the time. In the first half of 2013, the American Indian unemployment rate in Alaska had fallen to 11.7 percent—not the highest rate for American Indians of all the regions.

Change in American Indian and white unemployment rates from the first half of 2007 to the first half of 2013

	2007 1st Half	2013 1st Half	Percentage-point change
American Indian			
<i>Alaska</i>	15.1%	11.7%	-3.4
<i>Midwest</i>	9.0%	16.8%	7.8
<i>Northern Plains</i>	9.6%	15.0%	5.4
<i>Northeast</i>	7.4%	8.3%	0.9
<i>Southern Plains</i>	7.6%	6.8%	-0.8
<i>Southeast</i>	5.1%	11.5%	6.4
<i>Southwest</i>	7.2%	15.0%	7.7
<i>West</i>	7.1%	10.8%	3.7
White			
<i>Alaska</i>	5.3%	5.5%	0.2
<i>Midwest</i>	4.8%	7.0%	2.1
<i>Northern Plains</i>	3.0%	4.6%	1.6
<i>Northeast</i>	4.1%	7.1%	3.0
<i>Southern Plains</i>	3.9%	5.7%	1.9
<i>Southeast</i>	3.4%	6.4%	3.0
<i>Southwest</i>	3.3%	6.9%	3.7
<i>West</i>	4.9%	8.5%	3.6

Note: "American Indian" refers to individuals identifying as American Indian or Alaska Native alone or in combination with some other racial category. Both American Indian and white data include Hispanics.

Source: EPI analysis of basic monthly Current Population Survey microdata

In the Southern Plains and the Northeast, the unemployment rates of American Indians as of the first half of 2013 are fairly close to where they were in the first half of 2007. Compared with the first half of 2007, the American Indian unemployment rate is down 0.8 percentage points in the Southern Plains and up 0.9 percentage points in the Northeast.

The largest increases in the American Indian unemployment rate from 2007 to 2013 are in the Midwest, where the American Indian unemployment rate is up 7.8 percentage points, and in the Southwest, where it is up 7.7 percentage points.

Conclusion

American Indians have endured very high levels of unemployment in the wake of the Great Recession. The American Indian unemployment situation is worse than average in the Midwest, Northern Plains, and Southwest regions.

One way to begin to address this problem is with infrastructure investments. The country as a whole has great infrastructure needs (ASCE 2013), and the needs are even greater in Indian Country (National Congress of American Indians 2007). Infrastructure investments can create millions of jobs (for example, see Pollack 2011). Today, the costs of these projects are relatively low (Pollack 2012). Wisely done programs can also target some job creation to high-unemployment American Indian communities (Austin 2011).