

Fact Sheet

IWPR #C458

August 2017

Black and Hispanic Women Lag in Recovering from the Recession

Unemployment among Young Women Before and After the Recession by Age, Race, and Ethnicity

The year 2017 marks a decade since the start of the Great Recession, which ran from December 2007 to June 2009.¹ According to the Bureau of Labor Statistics, persons are counted as unemployed only if they do not have a job, are actively looking for work, and are available for work.² The national unemployment rate in June 2017 was 4.4 percent, less than half the June 2009 rate of 9.5 percent.³ Although these rates seem to indicate that the labor force has largely recovered from the impact of the Great Recession,⁴ many American women are still struggling—young women in particular. This fact sheet examines how gender, race, and age together shape the unemployment experiences of young women and girls, aged 16-39, before and after the recession. Results show that the impact of the Recession differed considerably for women based on age, race, and ethnicity and by 2016, the last full calendar year for which data are available, many women and girls had not seen their unemployment rate fall below their 2007 rate.

Key Findings

- In 2016, the unemployment rate was higher than the pre-recession rate for all women (of all racial and ethnic groups) in each age group.
- Among all women and girls, unemployment rates have consistently been the highest for younger women, those aged 16-19. This is also the case for young women in each of the racial and ethnic groups shown in Figure 1 (see also Appendix Table 1).
- While women from each racial and ethnic group shown in Figure 1 experienced increased unemployment during and directly after the Great Recession, the rates for Black women and girls were particularly dire. Among women and girls in the labor force aged 16-19, more than one in four (25.3 percent) Black women and girls were unemployed in 2007; this increased to four in ten (40.5 percent) in 2010. By 2016, the unemployment rate among Black women and girls aged 16-19 had fallen to 22.8 percent, lower than their 2007 unemployment rate but almost ten (9.6) percentage points higher than the rate for their White female counterparts.
- Across all age groups, Black women's unemployment rates as of 2016 were higher than White women's unemployment rates at their peak in 2010.
- For most ages and years, Hispanic women have the 2nd highest unemployment rate after Black women.

- Asian women in the three oldest age groups (20–24, 25–34, 35–39) often had the lowest unemployment rates of any group shown in Figure 1 and Appendix Table 1.
- Many women and girls have not yet recovered from the impact of the Great Recession. In 2016, women in nine of the 16 age-race groups shown in Figure 1 have unemployment rates higher than their pre-recession levels.

Before the Recession

Generally, an unemployment rate lower than five percent is considered a sign of the overall health of the labor market.⁵ In 2007, the unemployment rate for all women was relatively low at 4.5 percent (Appendix Table 1); however, as Figure 1 shows, the rate varied considerably among different groups of women.

Figure 1 shows that in 2007 women and girls aged 16-19 had the highest unemployment rates of any age group shown. All 16-19 year old women and girls had an unemployment rate of just under 14 percent (13.8 percent), almost twice the rate of the next older group of women (7.3 percent). Among 16-19 year old women and girls, Black women and girls were unemployed at more than twice the rate of White women and girls (25.3 percent and 12.1 percent, respectively), while Hispanic and Asian women and girls of the same ages had unemployment rates between them (16.1 and 14.7 percent).

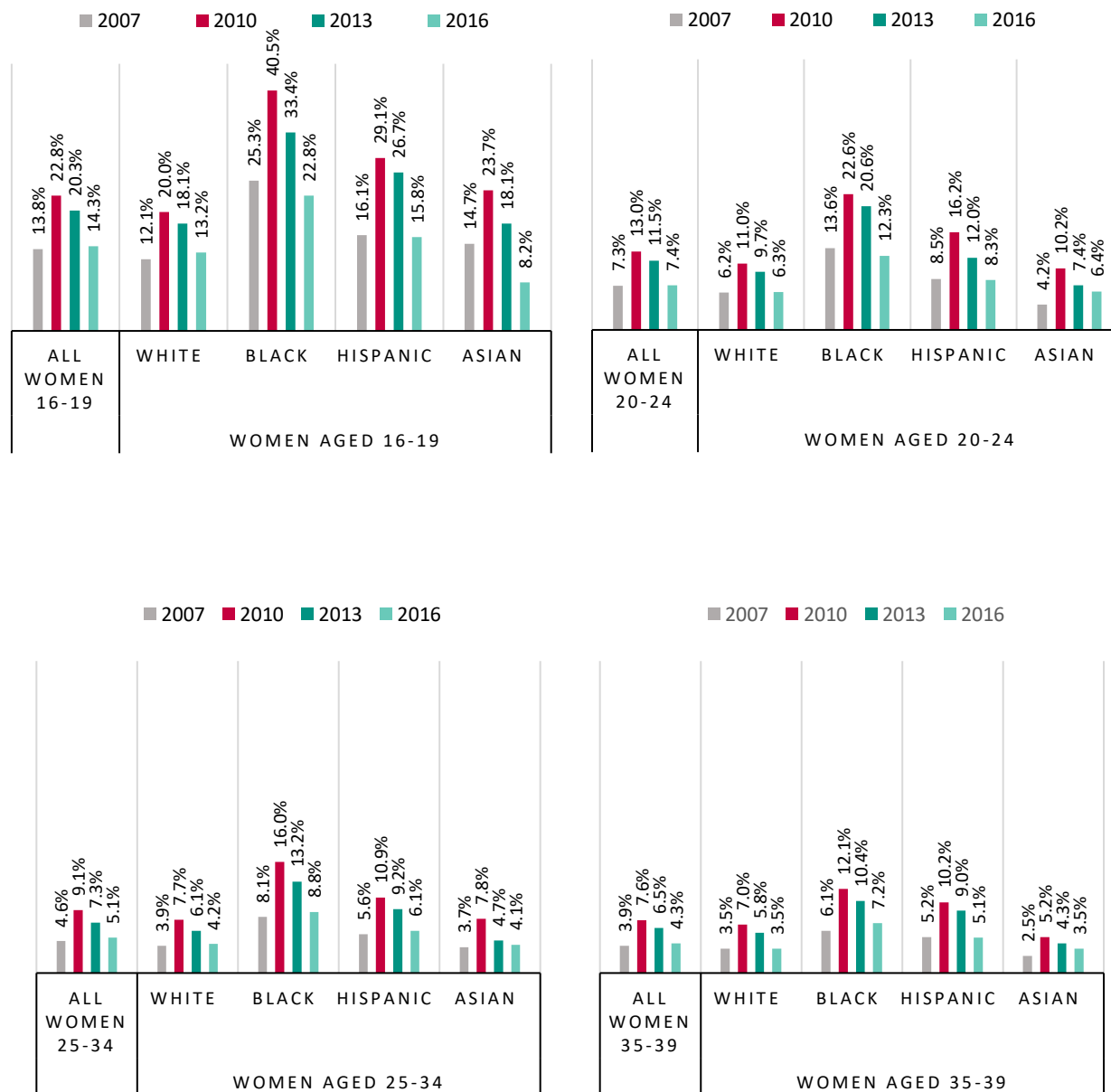
While high unemployment rates among those aged 16-19 can be explained in part by the fact that these are relatively unskilled and inexperienced young women and girls who are just entering the labor force—many won't yet have graduated from high school and some will not graduate at all⁶—poor labor market conditions, even before the recession, made young workers particularly vulnerable. Race and ethnicity further marginalize many of these young workers in the labor market. Kroeger et al. (2016) show that even among college graduates, Black and Hispanic workers have higher rates of unemployment than do their White counterparts.⁷

For all women aged 25-34 in 2007, the unemployment rate was 4.6 percent, one-third the rate of the youngest women and girls. Women aged 35–39, the oldest age group shown here, had an unemployment rate less than one-third as high as the youngest women and girls (3.9 percent). Across all age groups, however, Black women and girls have the highest unemployment rate. White women and girls have the lowest unemployment rate for the 16-19 year old age group, while Asian women have the lowest unemployment rate in the remaining three age groups.

During the Recession

Appendix Table 1 shows that between 2007 and 2009 there were substantial increases in unemployment for all groups of women, especially for the youngest women and girls aged 16-19 whose collective unemployment rate rose 6.9 percentage points—6.3 percentage points for White women and girls, 8.1 and 9.7 percentage points for Black and Hispanic women and girls, respectively, and more than eleven percentage points (11.1) for Asian women and girls. Among women and girls aged 16-19 in 2009, only White women and girls had an unemployment rate below 20 percent (18.4 percent compared with 33.4 percent, 25.8 percent, and 25.8 percent for Black, Hispanic, and Asian women, respectively).

Figure 1. Women’s Unemployment Rates by Age and Race/Ethnicity, 2007-2016



Notes: Hispanic women may be of any race.

Source: IWPR compilation of data from the United States Department of Commerce, Bureau of Labor Statistics, CPS Tables Annual Averages. Table 3 “Employment status of the civilian noninstitutional population by age, sex, and race.” <<https://www.bls.gov/cps/tables.htm#empstat>> (accessed 07/06/2017). IWPR compilation of data from the United States Department of Commerce, Bureau of Labor Statistics, CPS Tables Annual Averages. Table 4 “Employment status of the Hispanic or Latino population by age and sex.” <<https://www.bls.gov/cps/tables.htm#empstat>> (accessed 07/06/2017).

Among women aged 20 to 24, only Black women’s unemployment rate increased more than it had for the 16–19 year old counterparts between 2007 and 2009—they saw an increase of 8.6 percentage points, compared with 8.1 percentage points for their younger counterparts. The percentage point increases in the unemployment rates for all other groups of women in Appendix Table 1 were smaller. For women aged 25-34 and 35-39, Black and Hispanic women had the largest increases in unemployment (five percentage points or more), while White and Asian women had smaller increases.

After the Recession

Included in Appendix Table 1 are data for 2007 (representing pre-recession unemployment rates), 2009 (the year the recession officially ended), 2010 (beginning six months after the official end of the recession in June 2009 and the year unemployment rates were generally highest), 2013 (when unemployment rates were falling), and 2016 (the last full year data are available). The unemployment rate for all women aged 16 and older almost doubled between 2007 and 2010—increasing from 4.5 percent to 8.6 percent. Appendix Table 1 shows that for all groups of women, unemployment rose between 2007 and 2009, and for many it continued to rise beyond the official end of the recession through 2010. Most of these increases between 2009 and 2010 were small, of less than two percentage points. Only three groups of women saw larger increases—Black (7.1 percentage points) and Hispanic (3.3 percentage points) women and girls aged 16 to 19, and Black women aged 25 to 34 (2.2 percentage points). These increases left 16-19 year old Black and Hispanic women’s unemployment rates at 40.5 and 29.1 percent in 2010, compared with 22.8 percent for all women, 20.0 percent for White women, and 23.7 percent for Asian women. Only Asian women—in three of the four age groups—experienced a decline in their unemployment rates between 2009 and 2010. These declines were relatively small, 2.1 percentage points or less.

Recovering from the Recession

From 2013 to 2016, the unemployment rate for all women fell by 2.3 percentage points, from 7.1 to 4.8 percent. The youngest women, aged 16–19, experienced the largest decline of all age groups, with unemployment falling six percentage points from 20.3 percent to 14.3 percent. Declines were also large for those with the highest unemployment rates before the recession. Unemployment for Black women and girls aged 16–19 fell 10.6 percentage points, from 33.4 percent to 22.8 percent. For Hispanic women, unemployment dropped 10.9 percentage points, from 26.7 to 15.8 percent, and for Asian women it fell 9.9 percentage points, from 18.1 to 8.2 percent. The decline for White women was smaller, at 4.9 percentage points, falling from 18.1 to 13.2 percent.

Despite the declines in unemployment for women in all age and racial and ethnic groups between 2013 and 2016, nine of the 16 age-race groups shown in Figure 1 had unemployment rates in 2016 that were higher than their 2007 levels. The 2016 unemployment rate was higher than the pre-recession rate for all women collectively in each age group—all 16–19 year old women and girls had an unemployment rate of 13.8 percent in 2007 but a rate of 14.3 percent in 2016. Unemployment rates were higher in 2016 than in 2007 for many subgroups of women, particularly for women aged 25 to 34 in each of the racial and ethnic groups shown in Figure 1.

Within each age group, those who are Black and Hispanic continue to have the highest unemployment rates in 2016. Across each age group shown in Figure 1, Black women’s unemployment rates are higher in 2016 than White women’s unemployment rates were at their peak in 2010. By the second quarter of

2017 (April through June), after 8 years of recovery, women in all large racial and ethnic groups, except for Asian women, had unemployment rates slightly lower than at the start of the recession in 2007.

Conclusion

This fact sheet documents important differences in the likelihood of facing unemployment for women of different ages and racial and ethnic backgrounds. Persistently high rates of youth unemployment, particularly the rates observed for the youngest Black and Hispanic women and girls aged 16–19 and 20–24, put their futures in jeopardy. Prolonged unemployment in the years following high school or college graduation means not only the loss of wages but also the loss of opportunities to gain work experience, develop occupational skills, and cultivate a professional network. These young women are not growing their pension or savings or building a work history for Social Security, and will experience a reduction in their lifetime earnings.^{8,9}

Workers aged 25–34 and 35–39 have much lower unemployment rates; however, unemployment rates for Black and Hispanic women in these age groups still exceed five percent in 2016—Black women’s unemployment rates for these age groups are 8.8 and 7.2 percent, respectively, while Hispanic women’s unemployment rates are 6.1 and 5.1 percent. White women’s unemployment rates are below five percent in 2016, 4.2 percent and 3.5 percent, respectively.

For these reasons and others—including the negative consequences this has for the overall economy—it is imperative that we put in place policies that will reduce unemployment for young women (and men) as they try to get a foothold in the labor market. This should include enforcing anti-discrimination laws, improving career and technical education, and increasing access to community colleges and four-year colleges and universities. To ensure community colleges are providing the training that employers are seeking, public policy can be used to create incentives for employers, state and local government, and community colleges to form partnerships that ensure the college curriculum teaches in-demand skills and that students have opportunities for high-quality internships and apprenticeships with employers. It will also be important to raise high school graduation rates which will require, at a minimum, the elimination of the use of expulsion and suspension in primary and secondary schools while increasing students access to resources and supportive services.

Appendix Table 1. Women's Unemployment Rates by Age and Race/Ethnicity, 2007-2016.

		2007		2009		2010		2013		2016	
Race/ Ethnicity		Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number
All Women and Girls Aged 16 +		4.5	3,196	8.1	5,811	8.6	6,199	7.1	5,146	4.8	3,564
Women and Girls 16-19	All	13.8	478	20.7	654	22.8	665	20.3	581	14.3	413
	White	12.1	344	18.4	482	20.0	480	18.1	411	13.2	293
	Black	25.3	106	33.4	127	40.5	137	33.4	124	22.8	86
	Hispanic	16.1	79	25.8	125	29.1	131	26.7	139	15.8	88
	Asian	14.7	11	25.8	13	23.7	17	18.1	15	8.2	7
Women 20-24	All	7.3	520	12.3	878	13.0	931	11.5	854	7.4	545
	White	6.2	350	10.4	587	11.0	619	9.7	543	6.3	347
	Black	13.6	135	22.2	223	22.6	245	20.6	235	12.3	143
	Hispanic	8.5	92	15.7	174	16.2	186	12.0	170	8.3	127
	Asian	4.2	11	11.3	26	10.2	24	7.4	24	6.4	22
Women 25-34	All	4.6	688	8.6	1,296	9.1	1,392	7.3	1,123	5.1	832
	White	3.9	448	7.6	881	7.7	906	6.1	707	4.2	504
	Black	8.1	181	13.8	311	16.0	369	13.2	305	8.8	226
	Hispanic	5.6	134	10.9	260	10.9	267	9.2	244	6.1	176
	Asian	3.7	30	6.6	51	7.8	62	4.7	46	4.1	44
Women 35-39	All	3.9	304	7.6	581	7.6	561	6.5	467	4.3	330
	White	3.5	210	7.0	409	7.0	392	5.8	311	3.5	200
	Black	6.1	70	11.1	123	12.1	131	10.4	113	7.2	85
	Hispanic	5.2	58	10.2	122	10.2	120	9.0	118	5.1	70
	Asian	2.5	11	6.9	33	5.2	25	4.3	22	3.5	19

Note: Hispanic women may be any race. Values for all women include racial and age groups not shown separately.

Source: IWPR compilation of data from the United States Department of Commerce, Bureau of Labor Statistics, CPS Tables Annual Averages. Table 3 "Employment status of the civilian noninstitutional population by age, sex, and race" and Table 4 "Employment status of the Hispanic or Latino population by age and sex." (accessed 07/06/2017), <<https://www.bls.gov/cps/tables.htm#empstat>>

Notes

¹ National Bureau of Economic Research, “U.S. Business Cycle Expansions and Contraction,” <<http://www.nber.org/cycles.html>> (accessed June 19, 2017).

² Persons who are not looking for work, including those who are retired or full-time students, are not included as unemployed. United States Department of Commerce, Bureau of Labor Statistics, “How the Government Measures Unemployment,” <https://www.bls.gov/cps/cps_htgm.htm> (accessed August 14, 2017).

³ U.S. Department of Labor, Bureau of Labor Statistics, “Labor Force Statistics from the Current Population Survey,” <<https://data.bls.gov/timeseries/lms14000000>> (accessed July 26, 2017).

⁴ Institute for Women’s Policy Research, “Job Growth Slows in March and Most Gains go to Men: Unemployment Declined for Most Groups,” <<https://iwpr.org/publications/job-growth-slows-march-gains-go-men-unemployment-declined-groups/>> (accessed August 14, 2017); Diane W. Schanzenback, Ryan Nunn, Lauren Bauer, and Audrey Breitwieser, “The Closing of the Jobs Gap: A Decade of Recession and Recovery,” <<https://www.brookings.edu/research/the-closing-of-the-jobs-gap-a-decade-of-recession-and-recovery/>> (accessed August 14, 2017).

⁵ Scott A. Wolla, “Making Sense of Unemployment Data,” <<https://research.stlouisfed.org/publications/page1-econ/2016/02/01/making-sense-of-unemployment-data/>> (accessed June 19, 2017).

⁶ National Center for Education Statistics, “Status Dropout Rates,” <https://nces.ed.gov/programs/coe/indicator_coj.asp> (accessed August 14, 2017).

⁷ Teresa Kroeger, Tanyell Cooke, and Elise Gould, “The Class of 2016: The Labor Market Is Still far from Ideal for Young Graduates,” <<http://www.epi.org/publication/class-of-2016/>> (accessed June 19, 2017).

⁸ Martha Ross and Nicole Prchal Svajlenka, 2016. “Employment and Disconnection among Teens and Young Adults: The Role of Place, Race, and Education,” Brookings Institution (2016). <<https://www.brookings.edu/research/employment-and-disconnection-among-teens-and-young-adults-the-role-of-place-race-and-education/>> (accessed June 19, 2017).

⁹ This fact sheet does not address the duration of unemployment for women in any of the racial and ethnic groups; however, Bureau of Labor Statistics data show, for example, that in 2016 more than 30 percent of all unemployed Black women are unemployed for 27 weeks or more compared with 22.1 percent of White women. The average number of weeks unemployed for Black women was 30.4 weeks compared with 23.5 for White women. See: United States Department of Commerce, Bureau of Labor Statistics, CPS Tables Annual Averages. Table 31 “Unemployed persons by age, sex, race, Hispanic or Latino ethnicity, marital status, and duration of unemployment.” <<https://www.bls.gov/cps/cpsaat31.htm>> (accessed 08/03/2017).

This Fact Sheet was written by Chandra Childers, Ph.D., and Gladys McLean with support provided by the NoVo Foundation.

For more information on IWPR reports or membership, please call (202) 785-5100, email iwpr@iwpr.org, or visit www.iwpr.org.

The Institute for Women’s Policy Research conducts and communicates research to inspire public dialogue, shape policy, and improve the lives and opportunities of women of diverse backgrounds, circumstances, and experiences. We are the leading think tank in the United States applying quantitative and qualitative analysis of public policy through a gendered lens. IWPR advances women’s status through social science research, policy analysis, and public education. We develop new policy ideas, encourage enlightened public debate, and promote sound policy and program development. Our work also helps to change minds and improve the practices of institutions. IWPR operates on the principle that knowledge is power and that social science evidence based on strong data and analysis, compellingly presented and systematically disseminated, makes a difference in moving public policy. IWPR’s work is supported by foundation grants, government grants and contracts, donations from individuals, and contributions from organizations and corporations. IWPR is a 501 (c) (3) tax-exempt organization that also works in affiliation with the women’s studies and public policy programs at The George Washington University.