

# Unemployment rates and race

## Five-year and historical data show trends by category, area

By NEAL FRIED

High unemployment is one major consequence of COVID-19 in the nation and Alaska. The state's unemployment rate rose from record lows and near-record lows during January, February, and March to doubling by April. July's rate was 11.6 percent, up from 6.2 percent last July.

Detailed statistics for various demographic groups are released nationally each month, but most states are too small to get that level of detail so frequently. Alaska has to wait for the annual release from the U.S. Census Bureau's American Community Survey, and even that is based on a five-year average. (For more on the ACS, see the sidebar on the next page.)

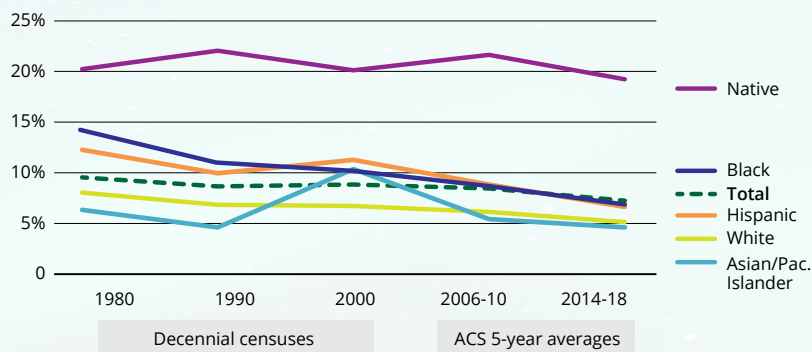
That means it's far too early to see how the pandemic has affected unemployment by race and ethnicity in the state. However, Alaska's demographic statistics over the last few years and the recent national figures give us a sense of what to watch for.

What's certain is that rates jumped among all racial categories nationwide in recent months. Black Americans' rate increased from 6.3 percent in July 2019 to 15.0 percent this July. For Asians, the rate rose from 3.0 percent to 12.2 percent, and for whites, from 3.6 percent to 9.4 percent. The nation doesn't produce monthly unemployment rates for Native Americans and Alaska Natives, who represent the second-largest racial group in Alaska.

### Statewide unemployment rate patterns by race

Alaska Natives have significantly higher

### Historical jobless rates by race in Alaska



**Notes:** Categories cover only those who reported a single race. The Alaska Native category includes Native Americans. Hispanic ethnicity can be of any race.

**Source:** U.S. Census Bureau

unemployment rates than the other racial and ethnic categories, which all occupy a narrow band of rates. (See the graph above.)

That gap has become larger over the decades as rates for other races have declined while Alaska Native unemployment has held fairly steady. In 1980, the rate for Natives was 20.3 percent, which is not far from the 19.3 percent reported in the most recent ACS.

However, in 1980, the rate among Alaska Natives was around double the overall rate, and over the most recent five-year period, it was nearly three times higher.

### Rates for Alaska Natives are high in most areas

The table on the next page gives unemployment rates by area for Alaska Natives and whites, who are Alaska's two largest racial groups. Details by area for the other races are scarce because of small

# White, Native unemployment rates by area, five-year average

Area	Total	Native	White
Alaska	7.4%	19.3%	5.3%
Aleutians East Borough	3.5%	8.1%	2.5%
Aleutians West Census Area	2.0%	6.2%	1.5%
Anchorage, Municipality	5.6%	13.0%	4.4%
Bethel Census Area	18.3%	22.9%	1.6%
Bristol Bay Borough	8.1%	17.0%	3.5%
Denali Borough	3.0%	-	1.7%
Dillingham Census Area	11.9%	18.2%	1.9%
Fairbanks North Star Borough	7.0%	20.2%	4.9%
Haines Borough	3.7%	-	3.7%
Hoonah-Angoon Census Area	10.9%	21.0%	6.2%
Juneau, City and Borough	5.8%	20.2%	3.6%
Kenai Peninsula Borough	7.8%	19.4%	7.0%
Ketchikan Gateway Borough	6.6%	15.9%	4.5%
Kodiak Island Borough	5.2%	12.8%	4.3%
Kusilvak Census Area	28.9%	32.9%	-
Lake and Peninsula Borough	15.7%	23.4%	2.6%
Matanuska-Susitna Borough	9.5%	17.0%	8.7%
Nome Census Area	16.7%	23.8%	2.7%
North Slope Borough	9.0%	20.5%	1.7%
Northwest Arctic Borough	18.7%	25.4%	2.5%
Petersburg Borough	4.3%	11.9%	3.0%
Prince of Wales-Hyder CA	12.1%	19.6%	7.1%
Sitka, City and Borough	4.4%	7.6%	2.9%
Skagway, Municipality	6.8%	-	7.1%
Southeast Fairbanks Census Area	10.2%	-	6.9%
Valdez-Cordova Census Area	6.6%	12.6%	6.4%
Wrangell, City and Borough	5.6%	-	5.0%
Yakutat, City and Borough	6.1%	13.1%	4.4%
Yukon-Koyukuk Census Area	18.8%	24.7%	6.5%

**Notes:** Covers only those who reported a single race. The Alaska Native category includes Native Americans. A dash means that due to sample size, the area's margin of error was too high to be usable.

**Source:** U.S. Census Bureau, American Community Survey 2014 to 2018

sample sizes. Only Anchorage shows much detail for all racial and ethnic groups, and its patterns are similar to the statewide numbers on the previous page.

While it's important to remember that margins of error in the American Community Survey can be relatively high even for the larger racial groups and areas, the data show some clear patterns.

Unemployment rates for Alaska Natives exceeded 20 percent in 10 of the 24 areas with available data, with the highest reported at 32.9 percent in the Kusilvak Census Area in western Alaska.

In 2019, Kusilvak had a population of 8,180 spread over 13 communities with populations ranging from 1,239 in Hooper Bay to 116 in Pitkas Point.

## About the data

We calculate labor force statistics each month for the state, six regions, and 29 boroughs and census areas, but sample sizes are too small in Alaska and most states to generate data for demographic groups every month. Those statistics are available annually from the U.S. Census Bureau's American Community Survey.

As its name implies, the ACS is sample-based – and when populations are smaller than 20,000, a five-year sample is necessary to produce results. In 2019, 24 of Alaska's 29 borough equivalents fit this description.

Even with five years' worth of data, the sample can still be too small to produce reliable statistics for some race categories and areas. This is reflected in the ACS's accompanying margins of error, which tend to be high for Alaska. The smallest places have the highest margins of error, and some are so high they aren't reliable enough to be usable for some demographic groups.

Despite these limitations, the available data do shed light on some broad patterns in Alaska's labor market.

Kusilvak has the lowest per capita income in Alaska and the highest rate of poverty.

Job scarcity is one reason rates are so high in Native majority areas, which are all rural. The reason for the focus on Kusilvak, despite it being one of the smaller census areas, is it's a good proxy for remote or "village" Alaska. That's because data for other boroughs and census areas are often distorted by a large regional center or city.

An example is Bethel, which has a population of 6,259. The Bethel Census Area has 33 other communities with populations between 15 and 814, and those communities probably more closely represent Kusilvak's economic and demographic profiles than Bethel's.

Although unemployment among Alaska Natives is lower in urban areas, those areas' rates are also relatively high. The Native unemployment rate was 13.0 percent in Anchorage over the most recent five-year period, in contrast to 19.3 percent statewide. While that was much lower than in the smallest areas, it was still more than double Anchorage's overall rate of 5.6 percent.

## Labor force participation rates by race show similar patterns

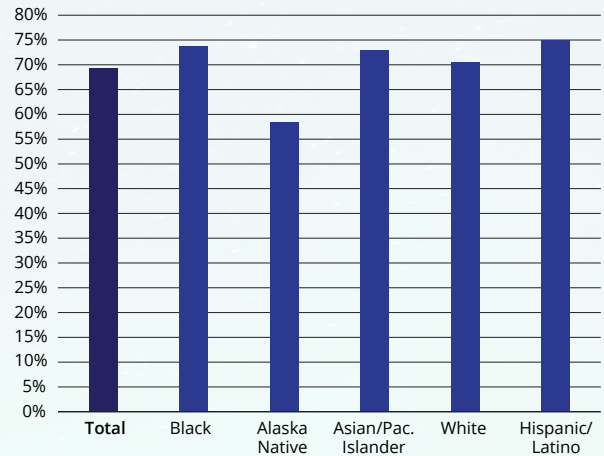
The lack of available jobs in majority Native areas is also reflected in the labor force participation rate, which is the percentage of the working-age population — those 16 and older — who are either working or looking for work.

Labor force participation is perhaps a better employment indicator for the Native population than the unemployment rate, which only covers those who are actively seeking paid employment. In small, remote communities, many people aren't looking for a job because they know there's little chance of finding one.

Similar to the unemployment rates, the 58 percent labor force participation rate among Alaska Natives was much lower than the 70-plus percent rates for other groups, but Natives participated at higher rates in urban areas such as Sitka, Anchorage, and Juneau: places with more jobs.

These numbers don't capture the unpaid work that's often necessary for village life, such as subsistence and family care. They also don't show qualitative changes in the types of jobs Alaska Natives hold compared to previous decades. Job opportunities have improved over the past three decades with the advent and growth of Native corporations, health care nonprofits, and other

## Alaska labor force participation



**Notes:** The labor force participation rate reflects the employed plus the unemployed, ages 16-plus. Categories cover only those who reported a single race. The Alaska Native category includes Native Americans. Hispanic/Latino ethnicity can be of any race.

**Source:** U.S. Census Bureau, American Community Survey 2014 to 2018

Native-based organizations.

What these data clearly show, however, is that employment barriers persist for a substantial part of Alaska's Native population.

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