

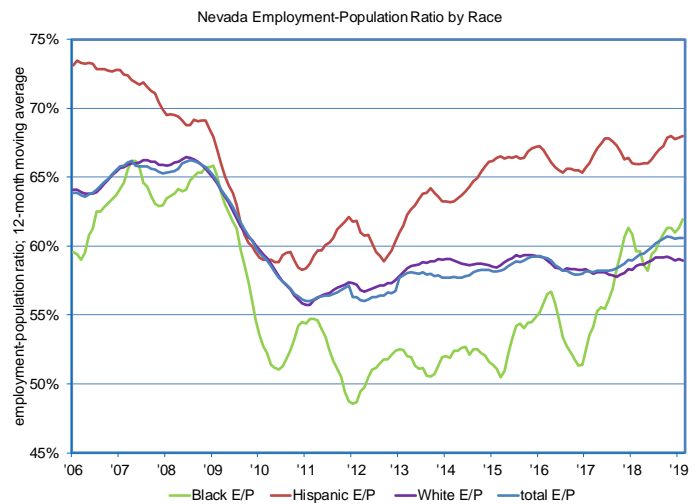
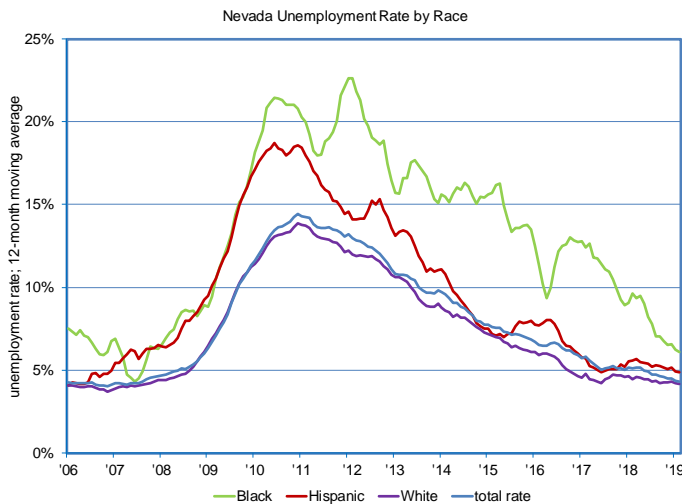
Research Notes



Unemployment Rate and Employment - Population Ratio by Race
Dionny McDonnell, Economist

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Unemployment Rate Across Race Groups Trending Down and Returning to Average Levels; Employment-Population Ratio Across Race Groups Trending Up but Still Below Average Levels



- The monthly Current Population Survey (CPS), sponsored by the Census Bureau and the Bureau of Labor Statistics, allows us to analyze the labor market performance by race groups using the unemployment rate and the employment-population ratio. These figures are available from 2005 to present. The unemployment rate is the number unemployed (people who are jobless, actively seeking work and available to take a job) as a percentage of the civilian noninstitutional labor force 16 years old and older. The labor force includes both unemployed and employed people. The employment-population ratio is the proportion of the civilian noninstitutional population¹ 16 years old and older that is employed. This research note attempts to explain how these two measures interact. Nevada's CPS sample is very small, therefore there is a lot of volatility in the estimates. To remove some of this volatility, a 12-month moving average was used in the calculations.
- As of March 2019, the overall unemployment rate² in the Silver State is 4.1% down from 4.2% in March 2006. During this period the labor force stands at 1.5 million, up from 1.2 million. The growth in the labor force reflects an increase in both unemployment and employment, however the employment increase was higher than the unemployment's, therefore the unemployment rate declined. The employment-population ratio indicates the portion of the population that is employed. In March 2019 the employment-population ratio for all Nevadans is 60.6%, down from 63.7% in March 2006. Over this period population increased to 2.4 million, up from 1.8 million. During this period, the population growth exceeds the employment growth, therefore the employment-population ratio decreased.

Continued on next page

¹ Civilian noninstitutional population are people 16 years old and older who are not confined to institutions, such as nursing homes and prisons, and who are not on active duty in the Armed Forces.
² It should be noted that utilizing information solely from the CPS results in a slightly different total unemployment rate than what is officially reported. The State's official rate incorporates information regarding job trends and unemployment insurance claims activity into the calculation, in addition to CPS results.

Research Notes



- In March 2019 the unemployment rate for Blacks is 5.9%, down from 6.8% in March 2006. The labor force is 140,800, up from 80,800. The growth in the labor force reflects an increase in both unemployment and employment, the increase in unemployment was lower than the employment's, therefore the unemployment rate decreased. Over time, the Black unemployment rate is trending down and returning to average levels. On the other hand, the Black employment-population ratio is 61.7%, up from 59%. The Black population is 214,700 which is up from 127,150. The increase in employment exceeded the increase in population reflecting an increase in the employment-population ratio. Over time, the employment-population ratio is trending up, but is still below average levels.
- In March 2019 the Hispanic unemployment rate is 4.8%, up from 4.2% in March 2006. The labor force is 447,600, up from 258,530. The growth in the labor force reflects an increase in both unemployment and employment. However, the increase in employment did not compensate the increase in unemployment, therefore the unemployment rate increased. Over time, the Hispanic unemployment rate is trending down returning to average levels. During the same period, the Hispanic employment-population ratio is 68.1%, down from 73.3%. The Hispanic population is 626,400 which is up from 337,950. The population growth exceeded the employment growth reflecting a declined in the employment-population ratio. Over time, the employment-population ratio is trending up but is still below historical levels.
- The White's unemployment rate in March 2019 is four percent unchanged from March 2006, the labor force is over one million. The growth in the labor force reflects an increase in both unemployment and employment, the increase in employment compensated the increase in unemployment, therefore the rate was unchanged. Over time, the unemployment rate is trending down returning to average levels. During the same period, the employment-population ratio for Whites is 59.1%, down from 64.4%. The White population is 1.7 million, up from 1.5 million. The population growth exceeded the employment growth reflecting a declined in the employment-population ratio. Over time, the employment-population ratio is trending up, but is still below average levels.
- The labor market performance in the Silver State has improved over time for Blacks, Hispanics and Whites. This is reflected in a declining unemployment rate in all groups reaching historical levels and an increasing employment-population ratio that is still below averaged levels.

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