

# Discussion of Racial Disparities in Unemployment During the COVID-19 Pandemic and Recovery

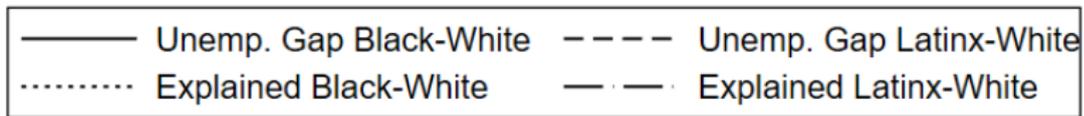
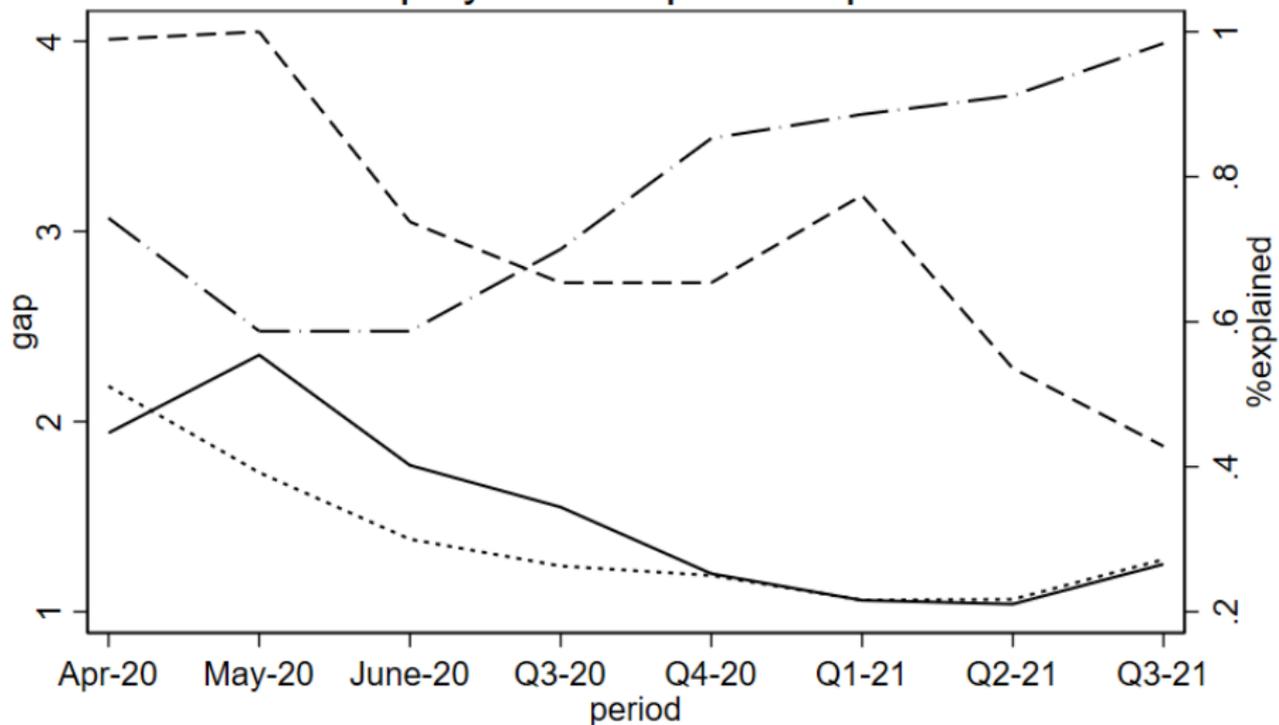
Robert Fairlie, Kenneth Couch, and Huanan Xu

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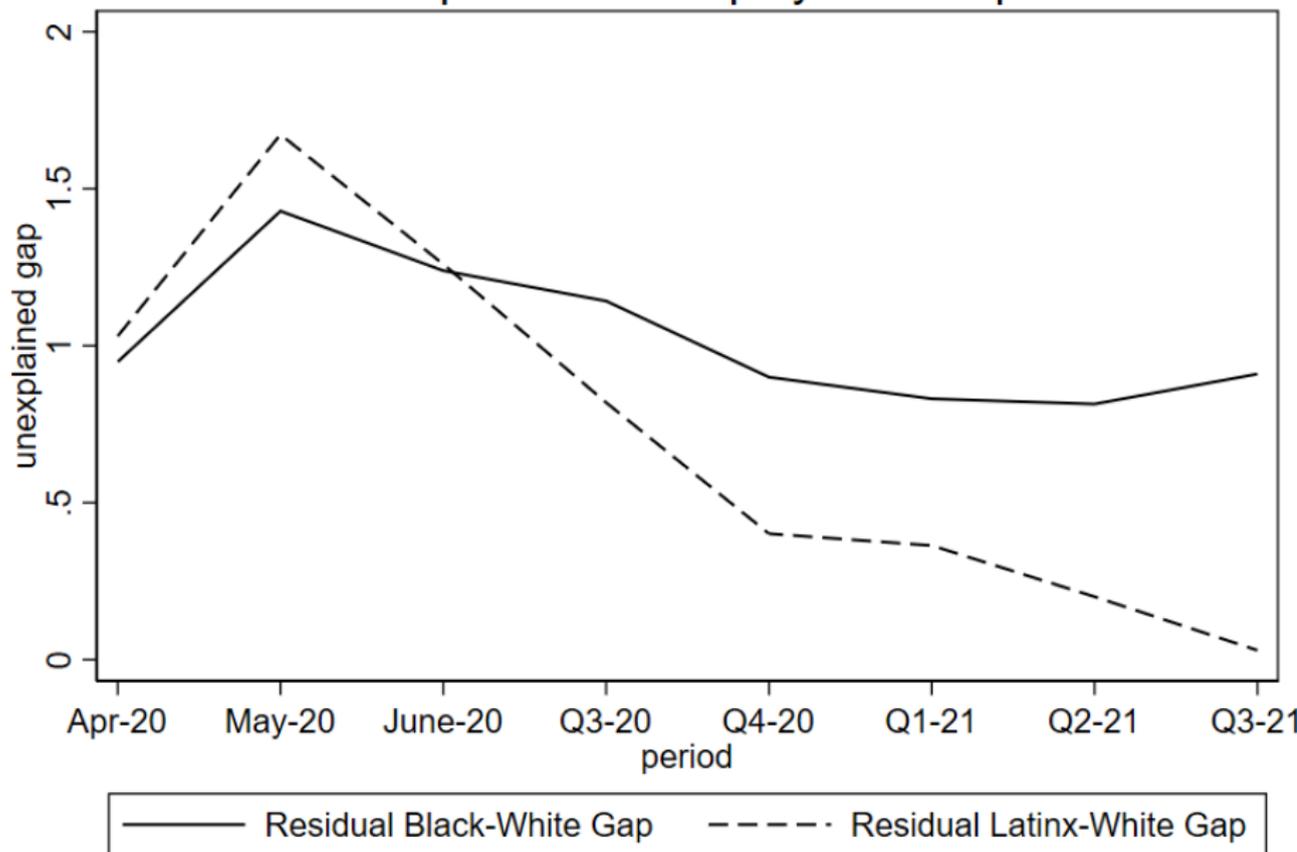
Boston University

October 4, 2021

# Unemployment Gap & %Explained



# Unexplained Unemployment Gaps



**Table 1. Unemployment Rates by Race around Shelter-in-Place Regulations**

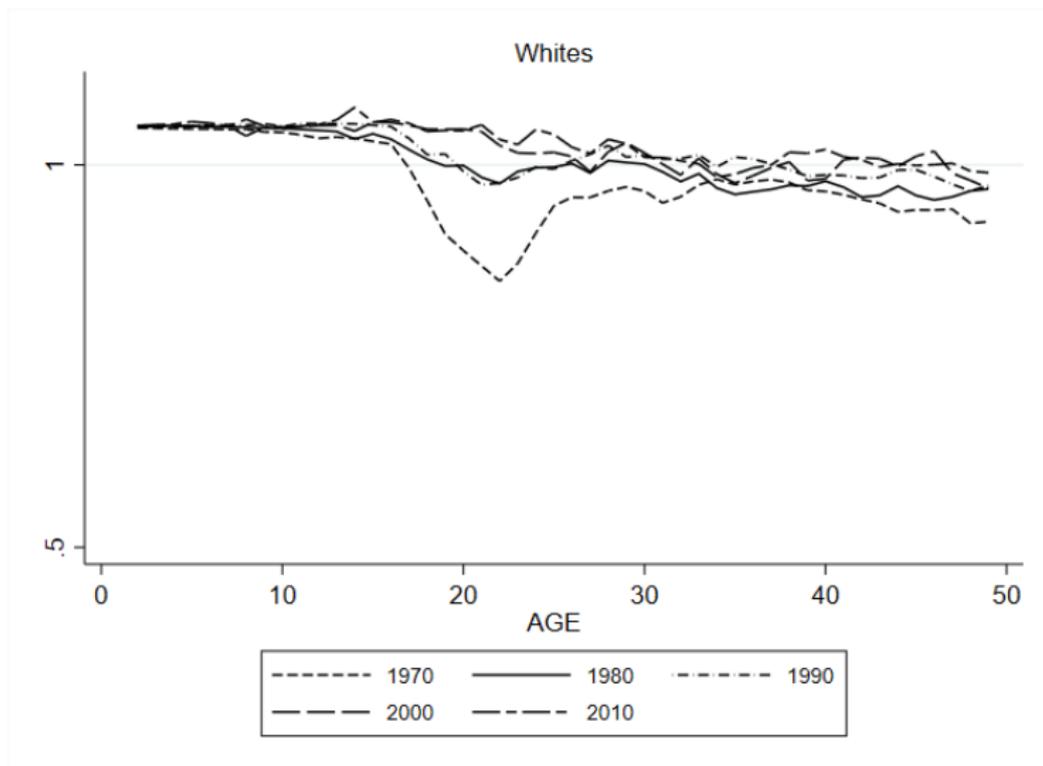
	White	Black-White		Latinx-White		Asian-White	
		Black	Gap	Latinx	Gap	Asian	Gap
<b>Panel A. Unemployment Rate</b>							
Jul-Aug 2021	4.50%	9.10%	2.02	6.40%	1.42	5.10%	1.13
Apr-Jun 2021	4.60%	9.40%	2.04	7.10%	1.54	6.00%	1.30
Jan-Mar 2021	5.20%	10.00%	1.92	8.80%	1.69	6.20%	1.19
Oct-Dec 2020	5.10%	9.80%	1.92	8.30%	1.63	6.80%	1.33
Jul-Sep 2020	7.00%	13.00%	1.86	11.00%	1.57	10.40%	1.49
Jun-20	9.20%	15.10%	1.64	14.40%	1.57	13.50%	1.47
May-20	10.70%	16.70%	1.56	17.60%	1.64	14.30%	1.34
Apr-20	12.80%	16.60%	1.30	18.20%	1.42	13.70%	1.07
Mar-20	3.60%	7.20%	2.00	6.30%	1.75	4.00%	1.11
Feb-20	3.10%	6.40%	2.06	4.70%	1.52	2.60%	0.84
Jan-20	3.10%	6.80%	2.19	5.10%	1.65	3.20%	1.03
Jan 2017 - Dec 2019	3.30%	6.80%	2.06	4.60%	1.39	3.20%	0.97
Dec 2007 - June 2009 (GR)	5.60%	11.40%	2.04	8.70%	1.55	5.10%	0.91

**Table 1R. Unemployment Rates by Race around Shelter-in-Place Regulations**

	White	Black-White		Latinx-White		Asian-White	
		Black	Ratio	Latinx	Ratio	Asian	Ratio
<b>Panel B. Unemployment Rate Upper-Bound Measure</b>							
Jul-Aug 2021	8.30%	15.10%	1.82	11.00%	1.33	9.80%	1.18
Apr-Jun 2021	8.40%	15.70%	1.87	12.00%	1.43	11.60%	1.38
Jan-Mar 2021	9.20%	16.30%	1.77	14.00%	1.52	11.40%	1.24
Oct-Dec 2020	8.90%	16.50%	1.85	13.10%	1.47	11.60%	1.30
Jul-Sep 2020	11.50%	20.40%	1.77	16.50%	1.43	15.20%	1.32
Jun-20	14.70%	23.20%	1.58	20.80%	1.41	20.60%	1.40
May-20	18.00%	26.60%	1.48	26.00%	1.44	25.30%	1.41
Apr-20	21.30%	29.80%	1.40	29.50%	1.38	25.60%	1.20
Feb-20	5.90%	11.00%	1.86	7.80%	1.32	5.70%	0.97
Jan 2017 - Dec 2019	6.30%	11.50%	1.83	8.20%	1.30	6.50%	1.03
Dec 2007 - June 2009 (GR)	8.80%	16.50%	1.88	12.40%	1.41	8.50%	0.97

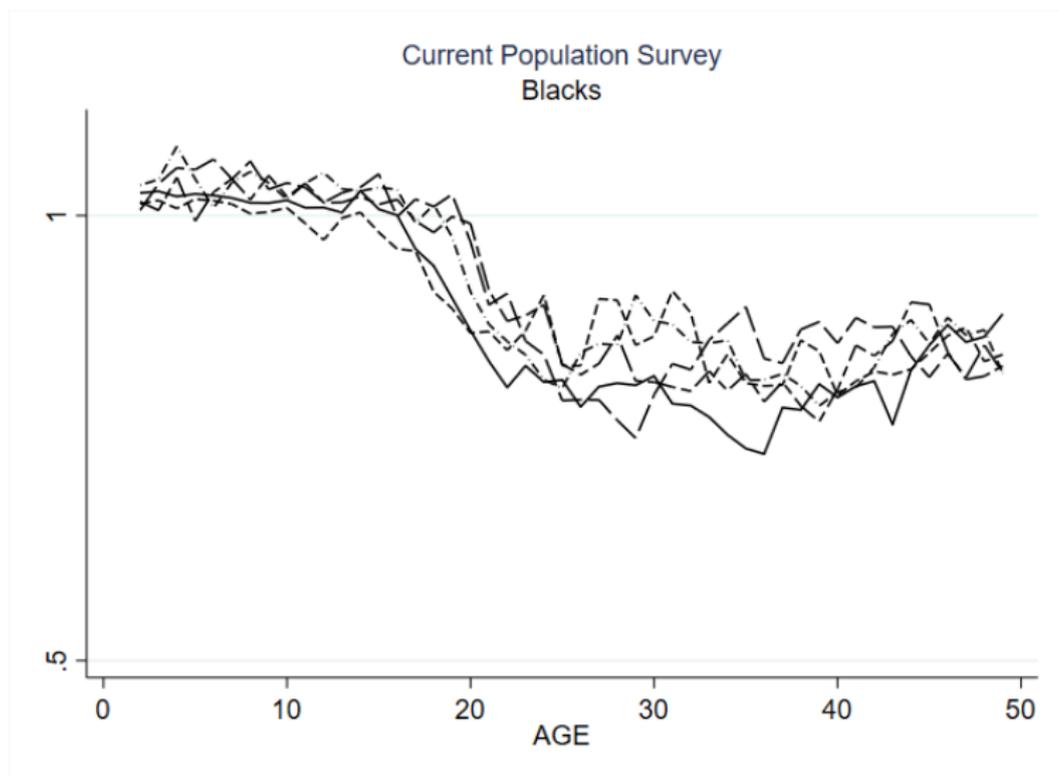
# Ratio of Men to Women in CPS: White People

Source: Ariella Kahn-Lang, "Missing Black Men? The Impact of Under-Reporting on Estimates of Black Male Labor Market Outcomes"



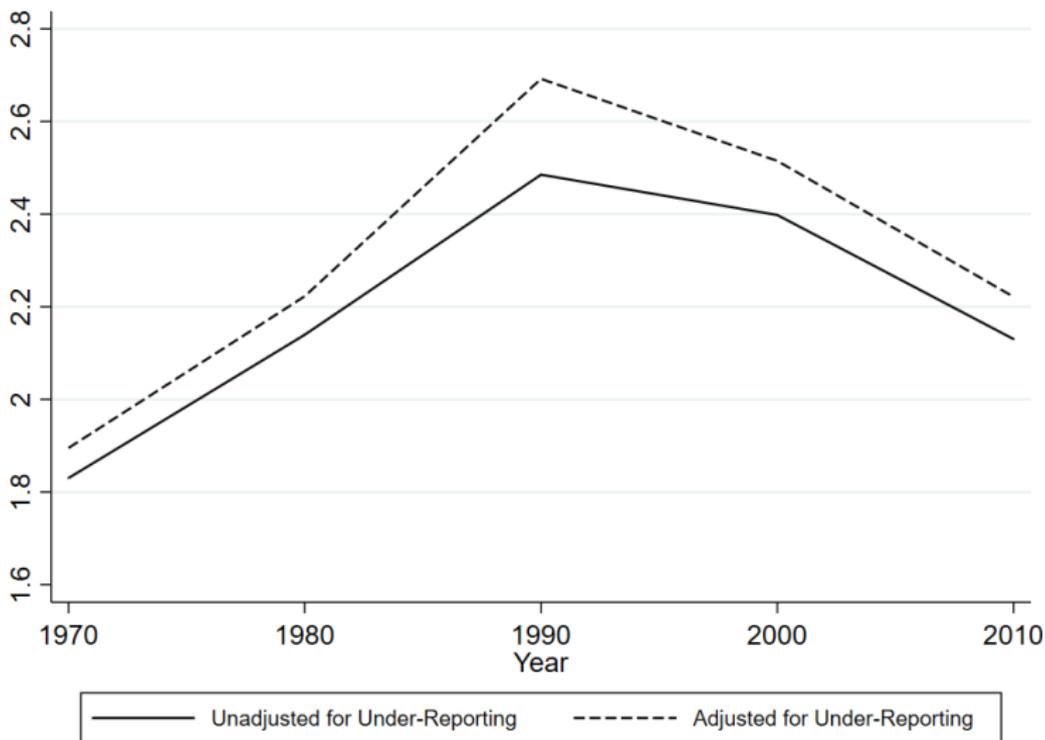
# Ratio of Men to Women in CPS: Black People

Source: Ariella Kahn-Lang, "Missing Black Men? The Impact of Under-Reporting on Estimates of Labor Market Outcomes for Black Men"

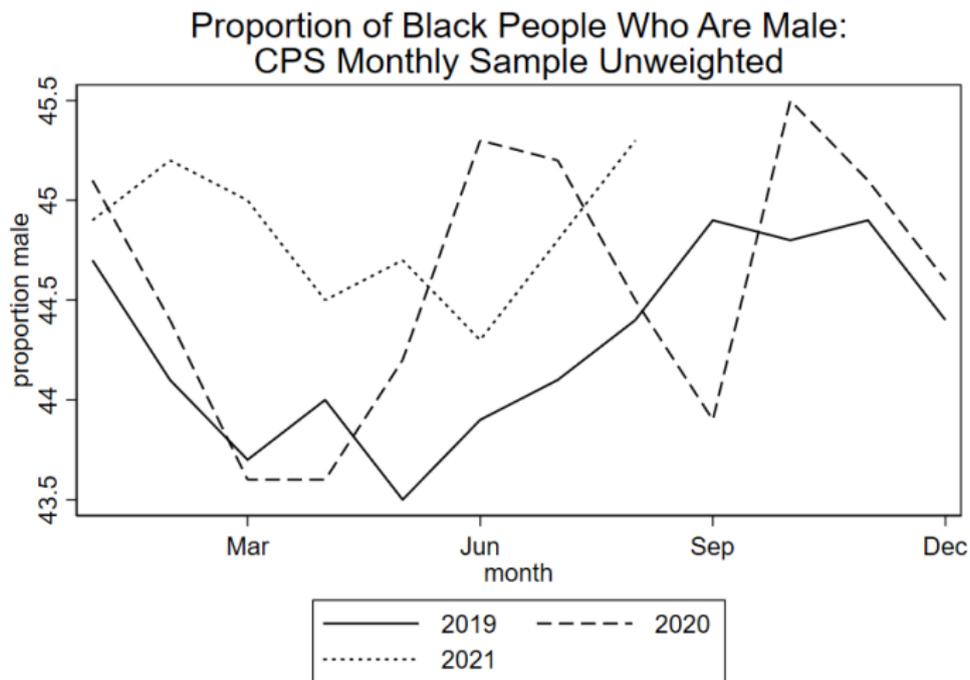


# Bias in Unemployment Gap

Source: Adrienne Sabety and Ariella Kahn-Lang, "Missing Black Men? The Impact of Under-Reporting on Estimates of Black Male Labor Market Outcomes"



# Covid Bias in Unemployment Gap?



# Why Is There A Black-White Unemployment Disparity?

Slower Exit from Unemployment



**Distribution of Unemployment Duration by Race: 2nd Quarter 2021**

	Total	White	Black	Asian	Latinx
Average	30.3	29.5	33.0	29.8	29.7
Median	20.2	19.6	22.0	21.8	20.5

# Why Is There A Black-White Unemployment Disparity?

## Faster Exit from Employment



Source: Cavounidis, Lang, and Weinstein, "The Boss is Watching: How Monitoring Decisions Hurt Black Workers"



# Discrimination as a System

Source: Kevin Lang and Ariella Kahn-Lang Spitzer, "How Bias and Discrimination Shape Outcomes," *Future of Children*, 30:1 (Spring 2020): 165-186.

