

Issue Brief № 45

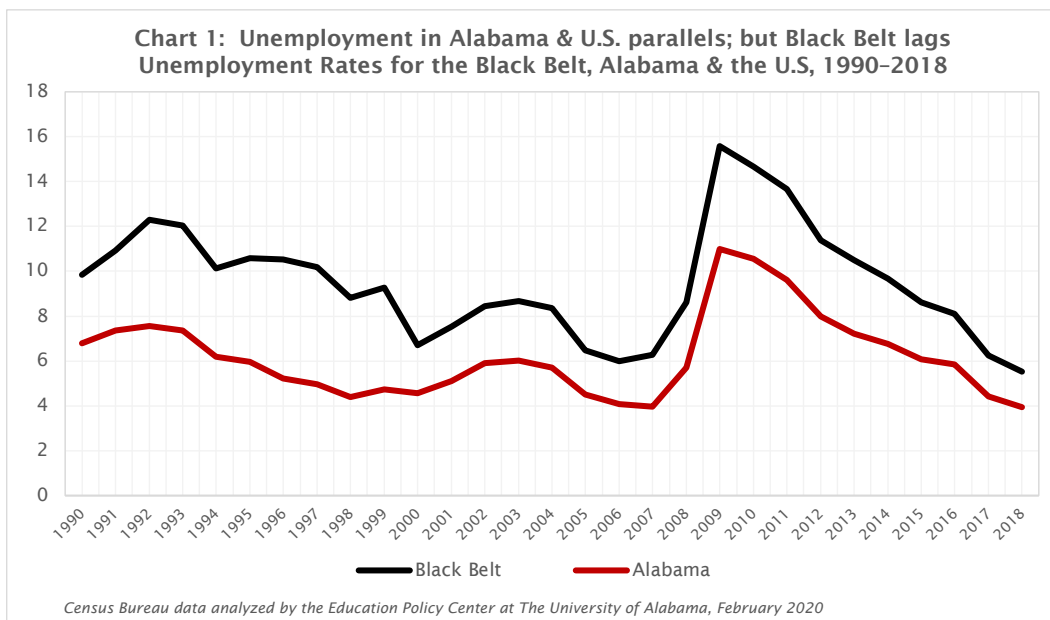
Persistent Unemployment in the Black Belt

By Hunter D. Whann, Noel E. Keeney,
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The unemployment rate is one of the most prominent ways economists, policy-makers, and everyday Americans gauge the health of the economy. The U.S. Bureau of Labor Statistics defines it as “the number of unemployed people as a percentage of the labor force.”¹ Analysis of the unemployment rate alone does not offer a complete picture of an economy, however. The Education Policy Center’s next issue brief will focus on the Labor Force Participation Rate. In this brief, persistent unemployment in the Black Belt, relative to the rest of Alabama and the nation, is examined.

The Black Belt alongside the rest of Alabama

Chart 1 shows that the Black Belt’s unemployment rate closely parallels that of Alabama, but is often two, three, or even four percentage points higher—and this does not include discouraged workers.



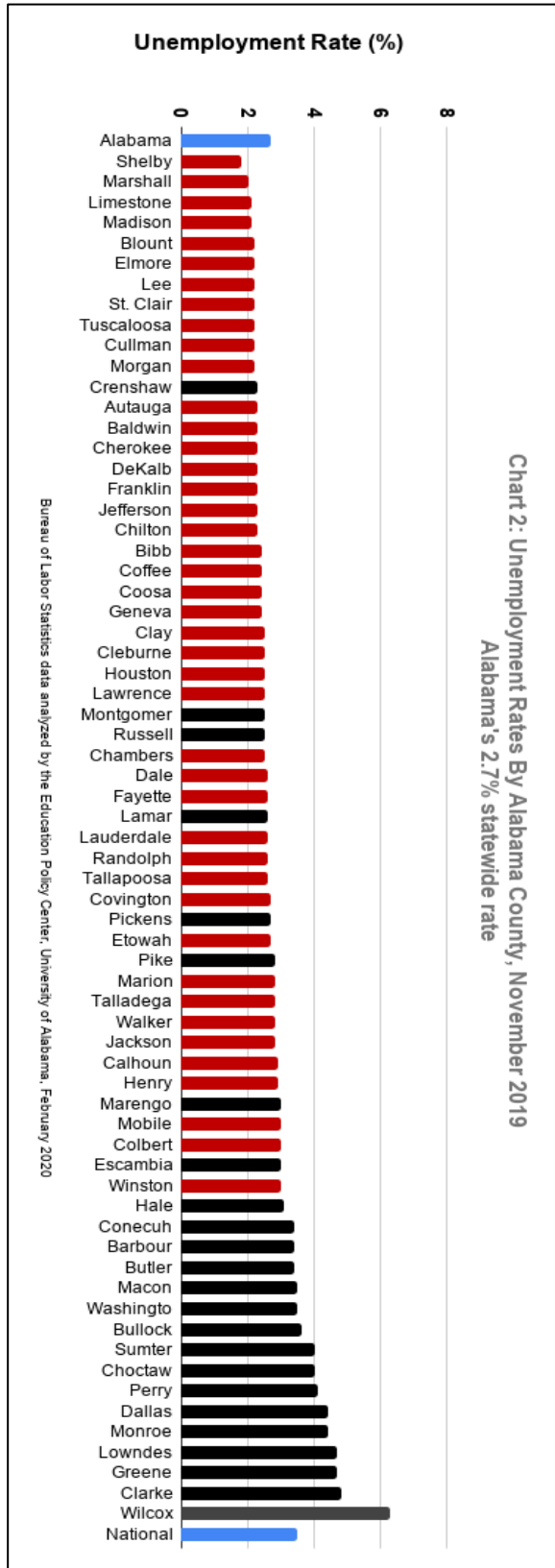


Chart 2: Unemployment Rates By Alabama County, November 2019
Alabama's 2.7% statewide rate

Chart 2, left, shows the November 2019 unemployment rates of Alabama Counties. Black Belt Counties are marked in black. **The 18 Alabama counties with the highest unemployment rates were all in the Black Belt.** The three counties with the highest unemployment rates—Wilcox, Clarke, and Greene counties, at 6.9%, 5.9%, and 5.8%, respectively—were all in the Black Belt, and had unemployment rates double the statewide rate of 2.7%.²

While every county in Alabama saw improved unemployment rates in 2019 compared to 2018, Black Belt counties had a very different and higher starting point, as Chart 3 (on the following page) shows. Nationally, Alabama saw the largest percentage decline in its unemployment rate among all fifty states from November 2018 to November 2019 (-1.2% compared to -0.4%). The Alabama statewide unemployment rate of 2.7% rate was tenth lowest in the United States.³ This sparkling performance has not fully extended to the Black Belt region, however.

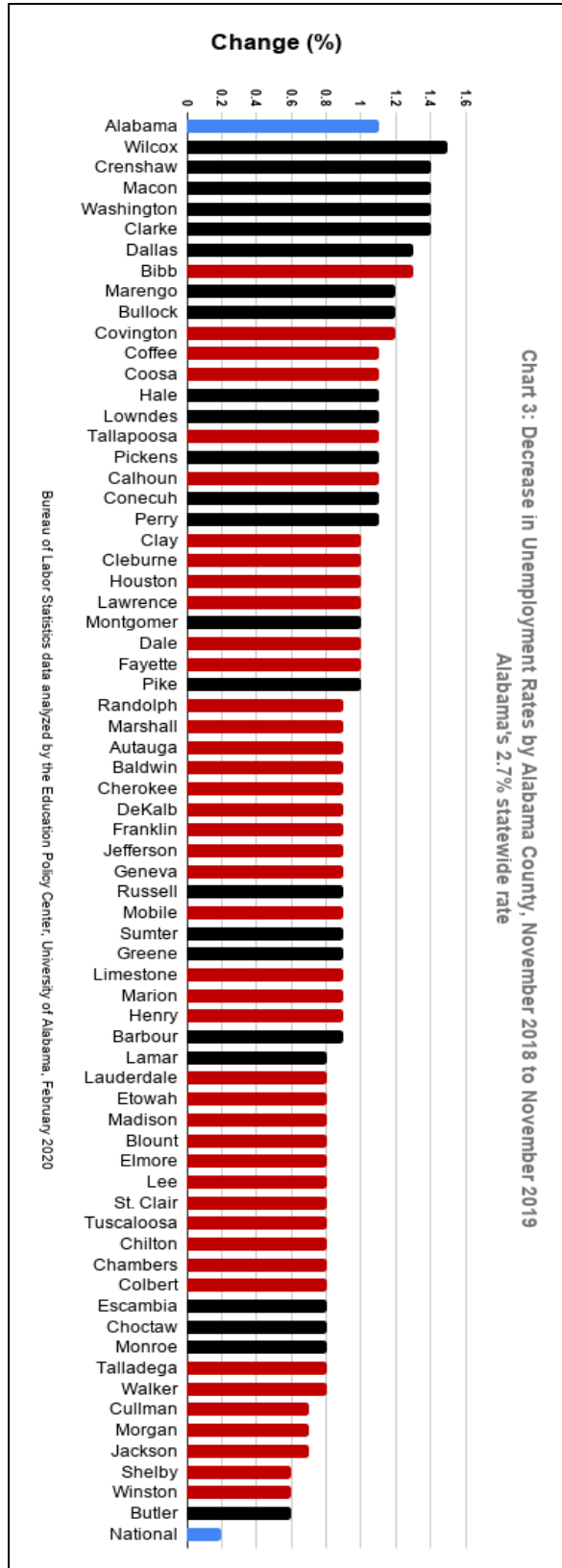
Assistance from the State

Governor Kay Ivey has awarded over \$1 million in grants to spur

job growth in the Black Belt in this year alone. On August 27, \$750,000 was awarded to the Sumter County Commission to improve infrastructure.⁴ “This project,” Ivey announced, “will produce much needed jobs in Sumter County and throughout much of Alabama’s Black Belt region.”⁵ This follows a \$600,000 grant earlier this year to improve the Port of Epes “to attract industry and improve commerce.”⁶ These grants are a welcome, concerted effort from the state of Alabama to assist the Black Belt region’s economic development.

The Impact of COVID-19 on Unemployment in Alabama & the Black Belt

So much of the country’s economy—indeed the world’s—is reeling from the coronavirus pandemic and related lockdown measures. Following a period of extended low unemployment across the country, and historically low unemployment in Alabama, unemployment rose to over 14% nationally.⁷ As Chart 1 showed, there has existed a considerable chasm between the Black Belt and Alabama as a whole in terms of unemployment.



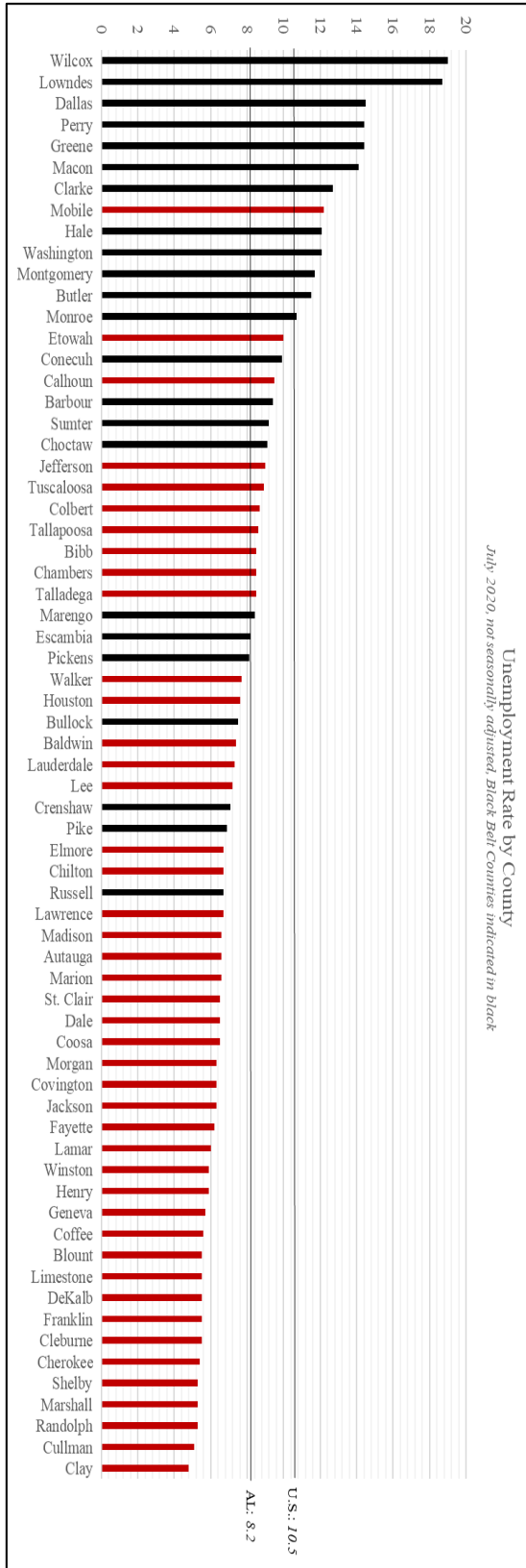


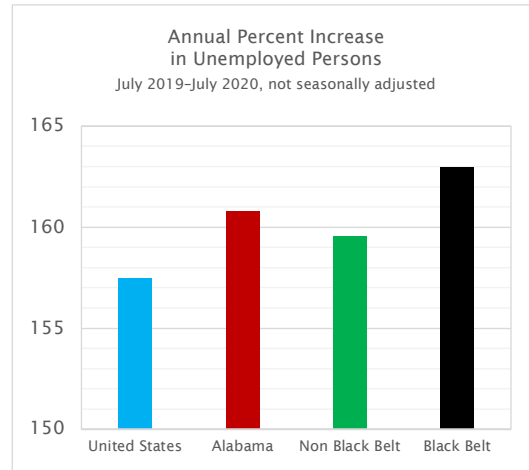
Chart 4 shows the June 2020 unemployment rates by county. **Nine of the 10 counties with the highest rate of unemployment are in the Black Belt**, while **17 of the 24 Black Belt counties are above the Alabama average of 8.2%**. These figures suggest a long recovery ahead for Alabama’s Black Belt—a region that, despite significant growth, was behind the rest of the state going into the pandemic recession.

Community Efforts

“Life can be tough even on a good day in the Black Belt,” the Associated Press reports, “where some of the poorest people in America are...their struggle has become even more difficult with unemployment intensifying and coronavirus infections raging.”⁸ In the face of such adversity, Black Belt residents are trying to rise to the task. The Black Belt Community Foundation is distributing 100,000 face masks as well as tips and resources to protect against COVID-19. West Alabama Food Bank workers have distributed an estimated 1.4 million pounds of food since mid-March. This comes in addition to more than \$4 million in federal assistance for agencies that serve Alabama’s Black Belt for “food, rent and medicine.”⁹

Conclusion

“The number of people seeking and receiving state unemployment benefits fell at the end of August,” Eric Morath of *The Wall Street Journal* writes, “signs of a slow improvement in a U.S. labor market still deeply damaged by the coronavirus pandemic.”¹⁰ The economic recovery from COVID-19 will take time, and it will take longer for some areas than others. Chart 5, on the next page, compares the increases in unemployment for the US, Alabama as a whole, non-Black Belt Alabama, and the Black Belt. It too suggests a long recovery for the region.



The Education Policy Center has released issue briefs on population decline¹¹ and public school enrollment decline¹² in the Black Belt. With this brief, the aspects related to *why* Alabamians are leaving the Black Belt are beginning to be explored. A future brief will examine labor force participation in the region to provide a fuller economic perspective. As this brief’s data demonstrate, the Black Belt has for decades experienced unemployment at higher rates than the rest of the state. Despite the stellar gains of recent years, the region’s counties remain some of the most unemployed. Efforts by the state of Alabama and Black Belt residents to assist and develop the region are promising, but there remains much room for progress.

THE EDUCATION POLICY CENTER AT THE UNIVERSITY OF ALABAMA

Established in 1924, the Education Policy Center is The University of Alabama's oldest center or institute. Through its ongoing nonpartisan research and programs, it seeks to assist the College of Education and the University to fulfill their mission to improve the quality of life for all Alabamians. The EPC promotes expanding access and success, strengthening equity, and advancing economic and community development with special emphasis on telling the story of the Deep South to policymakers in Alabama, the region and nation.

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