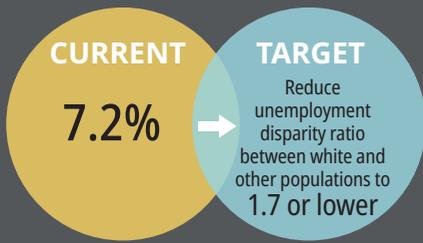


## HEALTH INDICATOR 2: UNEMPLOYMENT RATE

### DESIRED RESULT: INCREASE ECONOMIC SECURITY



#### DEFINITION

Percent of population aged 16 and older who are unemployed but seeking work

#### DETAILS

Data based on 5-year average

#### NC UNEMPLOYMENT RATE (2013-17)

State overall: 7.2%;

*Disparity ratios:*

Black/white – 2.1

American Indian/white – 1.8

#### 2030 TARGET

Reduce the unemployment disparity ratio between white and other populations to 1.7 or lower

#### RANGE AMONG NC COUNTIES

3.5 – 13.4%

#### RANK AMONG STATES (2017)

Not Available

#### DATA SOURCE

American Community Survey

#### STATE PLANS WITH SIMILAR INDICATORS

Not applicable

#### Rationale for Selection:

*Employment opportunities are vital to providing income and, for many, health insurance. While the state's unemployment rate is at an all-time low overall, there are still communities and populations that face challenges finding employment opportunities*

#### Context

As of 2018, North Carolina's unemployment rate has reached an all-time low of 3.9%. However, this figure masks significant disparities in access to economic opportunity as specific segments of the population face much higher rates, particularly rural residents and residents of color.

Though unemployment is not an orthodox measure of health, economic well-being is inextricably linked to health outcomes. Without the necessary savings to cushion against sudden unemployment, the lost source of income can push people into poverty. Loss of income poses clear financial barriers to accessing resources that protect and improve health. Furthermore, because employer insurance is the most common form of coverage, insuring 56% of the population, job loss can also mean a rise in the uninsured population.<sup>28</sup>

Beyond the financial strain, unemployment is correlated with adverse health outcomes related to stress. Treated as a stress-inducing event, the experience of unemployment increases vulnerability to stroke, heart attack, heart disease, and arthritis. Those laid off are more likely to have fair or poor health, have higher admissions to hospitals, and have a greater need for medical attention and medication.<sup>30</sup> For mental health issues such as distress, depression, anxiety, psychosomatic symptoms, subjective well-being, and self-esteem, one study found unemployed individuals were twice as likely to experience these problems compared to those who were employed.<sup>31</sup> Unemployment can also lead to increased unhealthy behaviors such as alcohol and tobacco consumption, poor diet, and less exercise which further exacerbates poor health and is compounded by limited income/resources to address illnesses.<sup>32</sup>

#### Disparities

Rural North Carolinians face higher levels of unemployment and poverty and earn less than urban residents.<sup>33</sup> In some rural counties the unemployment rate is twice that of well-off metropolitan areas.<sup>33</sup>

Racial and ethnic disparities also exist, with unemployment rates for African Americans and American Indians nearly twice that of white populations (11.7%, 10.3%, and 5.7%, respectively, 2013-2017 average) and Hispanic populations also facing higher rates of unemployment (7.1%) as compared to the white population.<sup>26</sup> African Americans are also disproportionately represented in economically distressed rural areas. In 2018, unemployment in rural areas of the state was at 11.4% for African Americans and 5.9% for whites.<sup>33</sup>

People who have been incarcerated face very high rates of unemployment, with one analysis finding that 27% of this population is unemployed.<sup>34</sup> Contributing factors include limited numbers of reentry programs, employment and housing discrimination, and lack of qualifications and training for jobs earning a livable wage.

*“Though unemployment is not an orthodox measure of health, economic well-being is inextricably linked to health outcomes. Without the necessary savings to cushion against sudden unemployment, the lost source of income can push people into poverty.”*

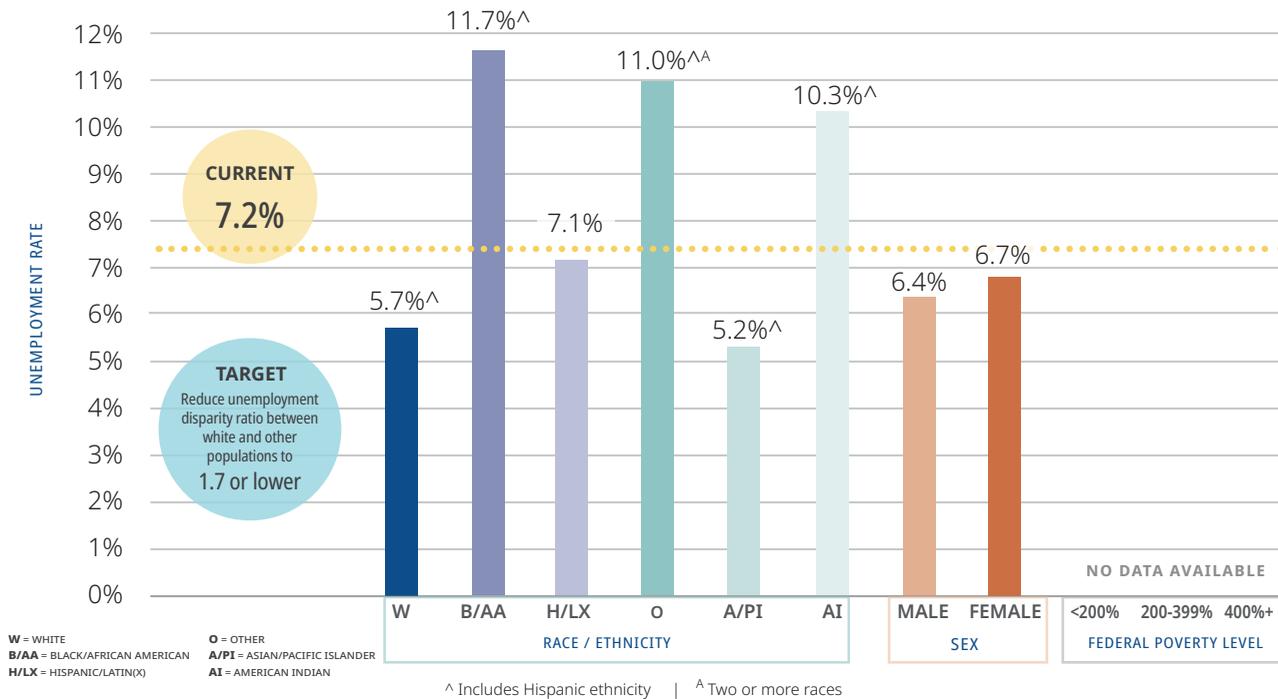
<sup>H</sup> This is largely due to seasonal employment patterns in agricultural industries. Unemployment is least severe in October hovering around 5% but spikes in December and January. This is true for all counties with high unemployment.

## HEALTH INDICATOR 2: UNEMPLOYMENT RATE

### DESIRED RESULT: INCREASE ECONOMIC SECURITY

FIGURE 6

Unemployment across populations in North Carolina and distance to 2030 target



### 2030 Target and Potential for Change

The state unemployment rate has been falling for nearly a decade and is likely near the lowest rate possible without negative consequences to other economic factors (e.g., inflation). While the overall unemployment rate has been at an historically low level, the disparities seen across geography and race/ethnicity in the state are concerning and are the primary reason the HNC 2030 group selected this health indicator. To set the target for 2030, the group looked at averages across counties in the state and other states and disparities among different racial and ethnic groups. Setting a target to lower or maintain the unemployment rate was identified as an unrealistic goal due to the greater economic climate in the country. Therefore, the group focused on the racial/ethnic

disparities in the state and selected a target for 2030 of reducing the disparity ratio<sup>I</sup> between white and other populations to a maximum of 1.7. The current disparity ratio between African Americans and whites in North Carolina is 2.1 and for American Indians it is 1.8.<sup>J</sup> This goal is relevant at both the state and county levels.

Overall unemployment rate between counties will continue to be an important factor to address in coming years, particularly in rural areas. The HNC 2030 target of reducing disparities among racial/ethnic groups can encourage even those counties with the lowest unemployment rates to look more deeply at the rates across populations in the county.

### Levers for Change

- Increase workforce development efforts targeted to reach those who need it most
- Increase percentage of jobs that pay a living wage
- Improve personal finance credit scores and access to financial capital
- Expand transit options in rural and low-income communities, and increase access to affordable personal vehicles
- Increase access to affordable childcare
- Improve educational outcomes and increase participation in post-secondary education
- Support economic opportunities that provide full-time employment and grow local businesses
- Support "fair-chance" hiring policies

<sup>I</sup> A disparity ratio is determined by dividing a rate or percentage for one group by the rate or percentage for another group. Ratios above 1.0 indicate disparities between the two groups. For example, an unemployment disparity ratio of 1.5 would indicate that a group is 1.5 times more likely to be unemployed than the comparison group.

<sup>J</sup> Calculations based on 5-year unemployment averages from the American Community Survey.