

## Despite a Strong Labor Market Recovery, American Indians and Alaska Natives Continue to Face Barriers to Full Economic Participation

American Indians and Alaska Natives (AIAN) have seen their employment rate and prospects in the labor market improve since the pandemic recession. In April 2020, the jobless rate for people identifying as American Indian or Alaskan Native was [nearly double](#) the overall unemployment rate. This was largely because Native workers were more likely to be employed in service jobs that were hit hardest by the pandemic and its economic effects. However, the ongoing [pro-worker recovery](#) has reduced the [jobless rate](#) for Native workers by more than 70% and has shrunk disparities in the labor market.

Recent federal investments have also helped expand economic opportunity and security in Native communities. The American Rescue Plan made the single [largest investment](#) in Native American communities in American history, including \$31 billion allocated to address the immediate economic impact and public health fallout of the coronavirus pandemic. The bipartisan [Infrastructure Investment and Jobs Act](#) also included \$11 billion for tribal entities to help address outstanding barriers to economic opportunity and security in tribal communities, while the [CHIPS and Science Act](#) provided funding to strengthen STEM education at tribal universities and colleges. And the [Inflation Reduction Act](#)'s \$700 million [investment](#) in tribal climate resilience and green energy will continue to spur job growth and lower energy costs in Native communities. The law will also lower healthcare costs and help [60,000](#) American Indians and Alaska Natives keep their health insurance.

Despite the strong labor market recovery, Native workers and families continue to face [structural barriers](#) that result in lower earnings, higher poverty rates and lower homeownership rates. The legacy of removal, forced assimilation and unkept obligations are reflected in the nature and magnitude of these economic disparities. More targeted investments and partnerships between the federal government and tribal governments will be required to continue to expand economic participation and opportunity for Native workers and families.

### *Native workers have benefitted from the strong labor market recovery, but disparities persist*

American Indian and Alaska Native workers were hit particularly hard by the pandemic and its economic impact. The unemployment rate for Native workers reached 17.2% at the height of the pandemic (see figure below). This peak in the AIAN unemployment rate was significantly higher than the overall jobless rate (12.9%) in the broader labor market, as Native workers were [more likely](#) to be in service occupations that were disproportionately affected by the pandemic.

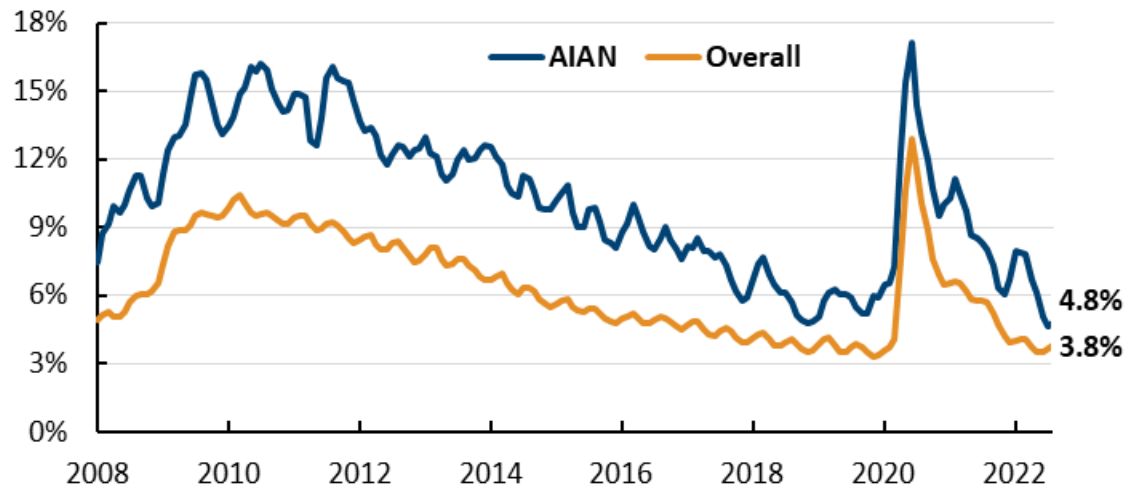
Thanks to significant investments in the [American Rescue Plan](#), which paved the way for the strong economic recovery, the unemployment rate for American Indian and Alaska Native workers neared a record low in August 2022 (see figure below). Since its peak in 2020, the

*Despite a Strong Labor Market Recovery, American Indians and Alaska Natives Continue to Face Barriers to Full Economic Participation*

jobless rate for Native workers has dropped by more than 70%. However, despite these gains, American Indians and Alaska Natives workers are still more likely to be unemployed than other workers in the labor force.

## **AIAN Unemployment Nears Record Low, but Disparities Persist**

Three month rolling average unemployment, January 2008-August 2022



Source: Center for Indian Country Development, Minneapolis Federal Reserve  
Note: Data are not seasonally adjusted. AIAN refers to the population identifying as American Indian or Alaska Native, alone or in combination.



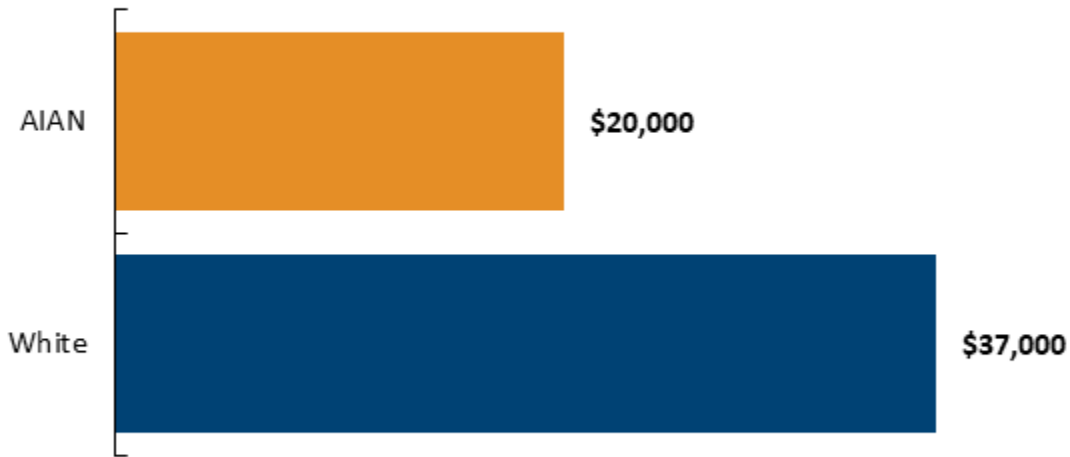
*The typical Native worker makes less per year than the typical white worker and is more likely to live below the poverty line*

American Indians and Alaska Natives are more likely to face economic insecurity than white Americans. Factors such as inequitable access to higher education and broader economic opportunities mean that Native Americans are more likely to have to work in low-paying jobs than other workers. For example, the median Native worker earns about \$20,000 per year, nearly half of a typical white worker's income (see figure below). American Indians and Alaska Natives also face the highest poverty rate of any racial or ethnic group in the United States: about 12% fall below the poverty line, compared to about 6% of white Americans. Across their lifetime, Native Americans are [more likely](#) to live in poverty than individuals of other minority groups. This cycle of intergenerational poverty limits economic growth and opportunity in tribal communities, which also harms the broader economy.

*Despite a Strong Labor Market Recovery, American Indians and Alaska Natives Continue to Face Barriers to Full Economic Participation*

## The Median AIAN Worker Still Earns 45% Less Than The Median White Worker

Median personal income by race and ethnicity, 2021



Source: JEC calculations based on Current Population Survey, Annual Social and Economic Supplement, March 2022

Note: AIAN refers to people who identify as American Indian or Alaska Native, alone or in combination. White refers to the non-Hispanic white population



### *American Indians and Alaska Natives are less likely to own their homes, contributing to broader wealth inequities*

American Indians and Alaska Natives own homes at rates considerably lower than their white peers. Notably, only about half of American Indians and Alaska Natives own their homes, compared to more than 3 in 4 white Americans (see figure below). Because the typical American household amasses most of its wealth via home equity, disparities in homeownership result in [broader wealth inequities](#). Lower homeownership rates among Native communities also limit the intergenerational transfer of wealth, which restricts opportunity and wealth-building opportunities for future generations.

American Indians and Alaska Natives also face costly [financial exclusion](#), which further restricts wealth accumulation. Native households are less likely than their white peers to [own a bank account](#) and are less likely apply for a loan out of fear of being turned down, both of which limit economic participation and increase financial insecurity.

## **American Indians and Alaskan Natives Are Less Likely to Own Their Home Than White Americans**

Homeownership rate by race and ethnicity, 2021



Source: JEC calculations based on Current Population Survey, Annual Social and Economic Supplement, March 2022

Note: AIAN refers to people who identify as American Indian or Alaska Native, alone or in combination. White refers to the non-Hispanic white population only.

