State of American Indian/Alaska Native Children and Families, Part 2:

Economic Conditions

NICWA
National Indian Child Welfare Association
Protecting Our Children • Preserving Our Culture

Social determinants of health, including economic conditions, are critical to consider when examining the well-being of American Indian/Alaska Native (AI/AN) children and families. Data available on social determinants of health for AI/AN communities at the national level are limited. Economic data that recently became available are reviewed here.

A family's income determines whether a child's basic needs can be met. Until recently, data related to unemployment, income, and poverty for AI/AN children and families were not as readily available as data for other races. For example, the U.S. Census Bureau's Income and Poverty (Shrider et al., 2021) report for 2020 excluded AI/AN people. However, the U.S. Bureau of Labor Statistics (BLS) began providing detailed data on AI/ANs' labor market characteristics in early 2022. In addition, data collected by the Census Bureau through the American Community Survey (ACS) also provides economic indicator information about AI/ANs.

Unemployment & Earnings

According to BLS (2022), the unemployment rate for AI/ANs was 7.9% in December 2021, considerably higher than the rate (3.9%) for the total population. The graph in Figure 1 shows that unemployment rates for AI/ANs have consistently been higher than the total population during most quarters/years since 2003.

Data indicate AI/AN workers were hit particularly hard during the initial months of the COVID-19 pandemic. The peak unemployment rate for AI/ANs was 28.6% in April 2020; this was considerably higher than the previous peak rate (18.4%). While all workers experienced a spike in joblessness during that time, the AI/AN rate was nearly double the seasonally adjusted rate of 14.7% for the total population. Prior to the COVID-19 pandemic, the highest unemployment rates had occurred in July 2009 and January 2011 (18.3% and 18.4%, respectively), after the U.S. had moved out of a recession. The lowest unemployment rate for AI/ANs occurred in August 2018, when it was 4.3%(BLS, 2022).

According to BLS (2022), the spike in unemployment for AI/ANs in the spring of 2020 reflects, in part, a very sharp increase in the unemployment rate among workers in

service occupations. AI/ANs are more likely to work in this sector than the overall labor force. By contrast, the unemployment rate rose less sharply at the start of the COVID-19 pandemic for management, professional, and related occupations; AI/ANs are less likely to work in these sectors as compared with the overall labor force (BLS, 2022). Allard and Brundage (2019), pooling multiple years of data from the monthly Current Population Survey, found only 25% of AI/AN workers had jobs in management, professional, and related occupations in 2016–2018 compared to 40% of the overall population. They also found 25% of AI/ANs worked in service occupations compared to 18% of the total population. (It should be noted that Allard and Brundage's [2019] analyses included only those identifying as AI/AN Alone.)
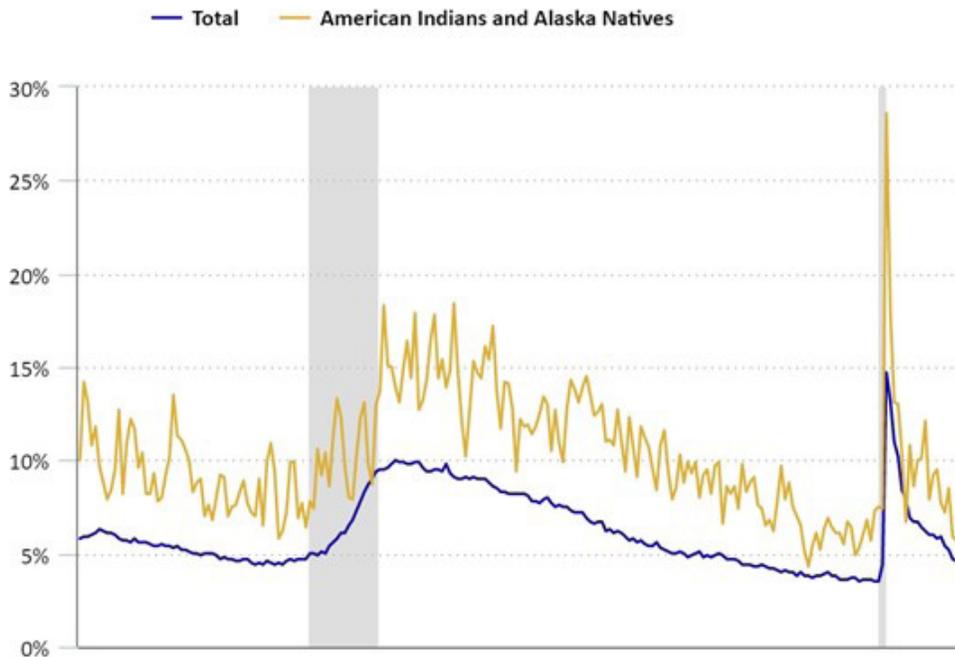
Even when working full-time, AI/ANs earn less than the population as a whole. Allard and Brundage (2019) found that among full-time wage and salary workers in 2016–18, 26% of AI/ANs earned less than $500 per week, compared with 17% for the total population. At the higher end of the earnings spectrum, 19% of AI/ANs earned $1,200 or more per week, compared to 32% of the population overall. Akee (2021) looked at the median earnings of AI/ANs employed full-time (40 hours per week or more) over a longer time span—from 1988–2019. Akee's (2021) analysis showed that while earnings of AI/AN and White workers (adjusted to 2019 dollars) both increased between 1988 and 2019, a wage gap between AI/AN and White full-time workers persisted over time.

The graph in Figure 2 from Akee (2021) shows the median full-time earnings of American Indian and Alaska Native workers compared to White workers, in real 2019 dollars, from 1988–2019. The graph includes the median full-time earnings of White and AI/AN workers overall (solid lines), but also includes the median full-time earnings of Whites and AI/ANs living in non-metropolitan areas. Akee (2021) reported non-metropolitan area incomes to offer a proxy for AI/ANs residing in reservation locations to be compared to Whites (also living in non-metro areas). As the graph illustrates, both groups of AI/ANs (living in all locations and those living just in rural areas) experienced persistent wage gaps with White peers. While all groups experienced wage gains overall since 1988, levels of disparity between groups stayed relatively constant over the last two decades (with the exception of a handful of isolated years with smaller gaps for residents of non-metro areas).

Figure 1

Unemployment Rates for American Indians and Alaska Natives and for the Total Population, January 2003 to December 2021

Unemployment rates for American Indians and Alaska Natives and for the total population, January 2003 to December 2021

Note: Shaded areas represent recessions as determined by the National Bureau of Economic Research. Monthly data for AI/ANs (yellow) are not seasonally adjusted; the total unemployment rate (blue) is seasonally adjusted. For a comparison of the AI/AN and total population unemployment rates (with a stable AI/AN trendline), see annual unemployment rates 2003–2018 in Figure A1 in the Appendix. Adapted from *Unemployment Rate for American Indians and Alaska Natives at 7.9 Percent in December 2021* by Bureau of Labor Statistics, 2022.

The data in Figure 2 are for workers employed full time. When all workers are included (part time and full time), earnings disparities between AI/AN and White workers 1988–2019 follow a similar pattern of persistent, relatively stable levels of disparity, although wage gains were not as consistent and appear smaller for workers overall than for those working full time. The picture in non-metropolitan areas, however, shows that for all AI/AN workers, the trend since the early 2000s has been one of rising disparity with Whites. Earnings for all AI/AN workers in non-metropolitan areas in 2019 were only a few thousand dollars greater than earnings in 1988. Earnings for all non-metropolitan White workers in 2019 were closer to $10,000 dollars greater than their 1988 earnings (Akee, 2021).
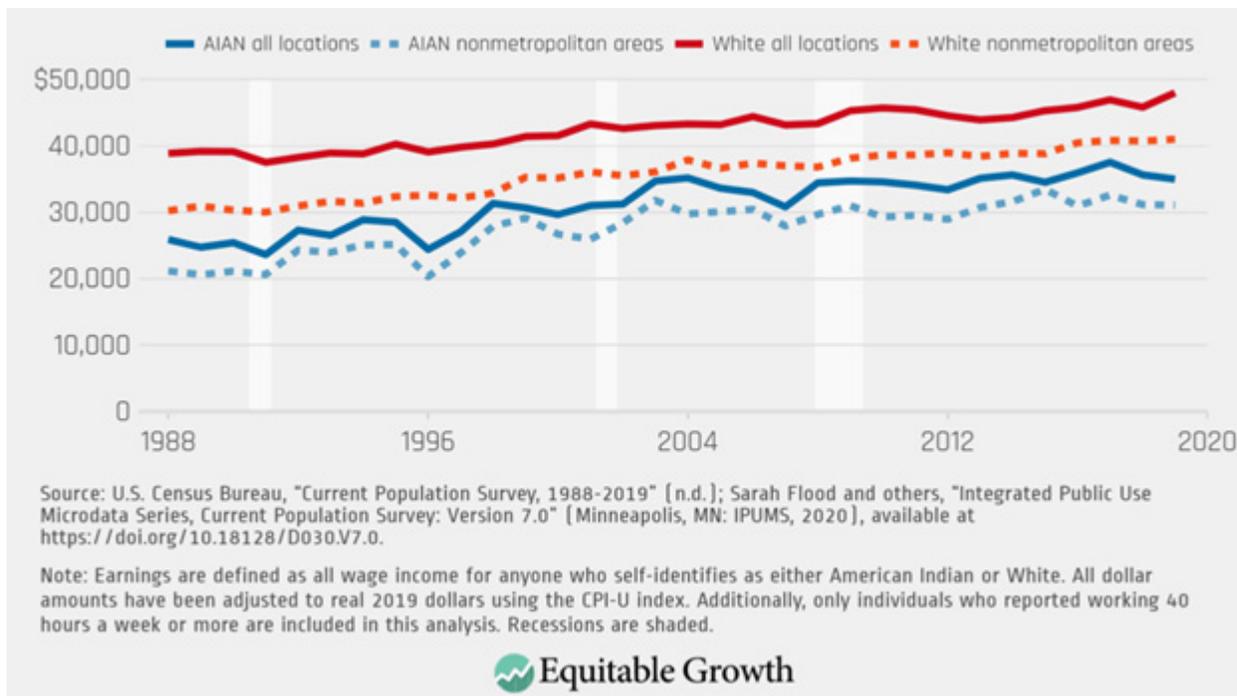
Family Earnings

The data discussed above are for all workers. This section will focus on family incomes; specifically, median family

incomes of AI/AN families with children in 2019. For 2019, at the national level, the median income of AI/AN families with children was $48,000, about half the median income of White families with children ($95,700). Nationally, AI/ANs have the lowest median family income of any racial or ethnic group except Black persons (with $43,900) (Children's Defense Fund, 2021).

It is important to note there are geographic differences with regard to the median incomes of families with children. In 2019, the state with the highest median income for AI/AN families was California ($64,700). There were 11 states where AI/AN families had median incomes below the national average; South Dakota had the lowest reported in the U.S. ($27,300). However, because the cost of living can be highly variable from state to state, it is important to consider relative differences between groups within a state (Children's Defense Fund, 2021).

Figure 2

Median Full-Time Earnings of American Indian and Alaska Native Workers Compared to White Workers in Real 2019 Dollars, 1988–2019

Source: U.S. Census Bureau, "Current Population Survey, 1988-2019" (n.d.); Sarah Flood and others, "Integrated Public Use Microdata Series, Current Population Survey: Version 7.0" (Minneapolis, MN: IPUMS, 2020), available at https://doi.org/10.18128/D030.V7.0.

Note: Earnings are defined as all wage income for anyone who self-identifies as either American Indian or White. All dollar amounts have been adjusted to real 2019 dollars using the CPI-U index. Additionally, only individuals who reported working 40 hours a week or more are included in this analysis. Recessions are shaded.

Equitable Growth

Note: Earnings are defined as all wage income for anyone who self-identifies as either American Indian or White. All dollar amounts have been adjusted to real 2019 dollars using the CPI-U index. Additionally, only individuals who reported working 40 hours a week or more are included in this analysis. Recessions are shaded. Adapted from "Sovereignty and Improved Economic Outcomes for American Indians: Building on the Gains Made Since 1990," by R. Akee, 2021, *Boosting Wages for U.S. Workers in the New Economy*.

The following table shows the median family income for AI/AN, White, and all children for states with AI/AN family income data reported for 2019. (For some states, sample sizes were too small to produce reliable estimates for AI/ANs or other groups; in these cases, data were not reported.)

In each state shown in Table 1, the AI/AN median family income was lower than both the median family income of White families and of all families (Total) in 2019. In 11 states, including Alaska, Arizona, Utah and Washington, the AI/AN median family income was the lowest of any racial/ethnic group reported in the state. (The yellow cells in the median family income column for AI/AN families identify these states in the table.)

In four states (Minnesota, South Dakota, Wisconsin, and North Dakota), the median family income of White families was approximately three times higher than that of AI/AN families. The disparity was greatest in Minnesota, where the median family income of White families was $108,600, while the median income was $34,000 for AI/AN families. In nine states, the median family income for White families was approximately double that of AI/AN families. These states include Nebraska and Colorado, where the median White family incomes were $90,000 and $110,200 (respectively), while AI/AN family incomes were $34,400 and $56,600 (respectively). In four additional states, including Alaska ($99,200 for White; $53,300 for AI/AN) and Florida ($85,800 for White; $49,400 for AI/AN), the median family income of Whites was nearly two times the income of AI/AN families.

In Table 1, for states where the median family income of AI/AN families was a third to just over half that of White families in 2019, the income of White families is shaded to highlight the disparity. The darkest cells indicate the greatest disparity with AI/ANs (states where White median family incomes were three times those of AI/AN families). The lightest color cells indicate states where White median family incomes are nearly double those of AI/ANs (1.7–1.8 times higher), and the mid-range colored cells indicate White family incomes were approximately double those of AI/AN families. The median family income in the state overall (All) (Total) is provided as an additional point of comparison.

Table 1

Median Family Income Among Households with Children: 2019

	AI/AN	White	All
Alaska	53,300	99,200	83,700
Arizona	42,300	92,400	70,200
California	64,700	123,500	85,300
Colorado	56,600	110,200	92,500
Florida	49,400	85,800	65,800
Illinois	63,600	107,400	86,600
Louisiana	53,100	84,500	61,300
Michigan	45,400	83,800	73,700
Minnesota	34,000	108,600	97,200
Montana	33,300	76,500	71,600
Nebraska	34,400	90,000	80,300
Nevada	61,100	89,100	69,300
New Mexico	32,500	78,400	53,400
New York	55,500	110,100	83,600
North Carolina	39,600	88,400	68,900
North Dakota	33,600	97,700	87,600
Oklahoma	54,000	76,000	62,200
Oregon	60,500	89,100	81,200
South Dakota	27,300	83,000	75,100
Texas	61,900	106,400	72,100
Utah	51,300	94,700	87,300
Washington	41,600	101,900	91,500
Wisconsin	31,700	92,600	82,000
United States	**48,000**	**95,700**	**78,00**

Note. The racial category White excludes children of Hispanic ethnicity, while AI/AN includes children of Hispanic ethnicity. Adapted from *The State of America's Children: 2021,* 2021, by Children's Defense Fund, and *Median Family Income Among Households with Children by Race and Ethnicity, 2019,* 2020, by Annie E. Casey KIDS COUNT Data Center.

Poverty

Income data collected by the Census Bureau through the American Community Survey (ACS) indicates one in four AI/AN children (25%) lived in poverty in 2019. This data is for American Indian/Alaska Native Alone or in Combination with any other race. The data for American Indian/Alaska Native Alone shows child poverty at 29%, or almost one in three AI/AN children. By comparison, only 16% of all children lived in poverty in 2019 (and 8% of White Alone children) (U.S. Census Bureau, 2020).

The percentages reported above are national averages. Children's Defense Fund (2021) reported 2019 poverty data by race/ethnicity for each state for 2019. These data indicate that the states with the greatest number of AI/AN children living in poverty (in rank order from highest) in 2019 were: Arizona (n=33,257), New Mexico, Oklahoma, California, South Dakota, North Carolina, and Alaska. In each of these seven states, more than 10,000 AI/AN children live in households below the poverty threshold. However, the percentage of the AI/AN child population that is in economically low-income families in these states ranges from 50.9% in South Dakota to 22.8% in Oklahoma (See Appendix, Table A1) (Children's Defense Fund, 2021).
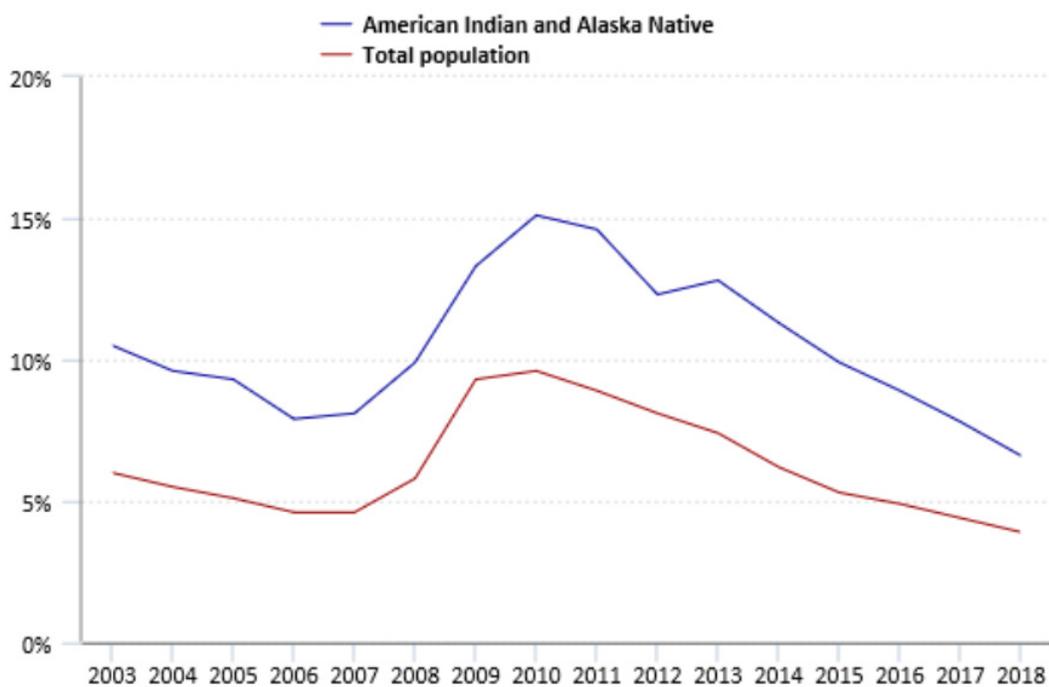
The states with the greatest share of the AI/AN child population living in poverty in 2019 (in rank order from highest) were: Connecticut, South Dakota, Tennessee, Iowa, Idaho, Mississippi, New Mexico, and Wisconsin. In these eight states, approximately 40% of the AI/AN child population lives in a household with income below the poverty threshold. In South Dakota, Connecticut, and Tennessee, approximately one in two AI/AN children were poor in 2019. At least one in three AI/AN children were poor in an additional 14 U.S. states. Altogether, at least one in four AI/AN children (25%) is poor in half of U.S. states. In none of the states shown in the table (Appendix, Table A1) did the percent of the White child population living in poverty exceed 16.4% (Children's Defense Fund, 2021).

In some Native communities, the poverty rate has stayed above 40% for most of the past 30 years (Akee, 2019; Akee & Simeonova, 2017). While economic conditions for many AI/AN families remain difficult, conditions vary across communities. In addition, according to Akee (2019), current poverty measures do not account for important aspects of the social and economic interactions of AI/AN community members (especially around activities such as hunting, fishing, and other subsistence activities). Thus, poverty statistics may not accurately depict the general welfare of AI/AN families or children. The resources of some families and even whole communities may be understated by these figures. In addition, reduction in poverty among AI/ANs (particularly the on-reservation population) since 1990 shows that increasing opportunities to exercise tribal sovereignty (self-governance over tribal lands and resources) over the past 30 years resulted in economic growth of many communities (Akee, 2021).

Appendix

Figure A1

Unemployment Rate, Annual Averages, 2003—18

Figure 1. Unemployment rate, annual averages, 2003–18

— American Indian and Alaska Native
— Total population

Note: Adapted from "American Indians and Alaska Natives in the U.S. Labor Force," 2019, by M. D. Allard and V. Brundage Jr., *Monthly Labor Review 142*(1).

Table A1

Number and Percent of AI/AN Children Living in Poverty, Percent of White Children by State: 2019

	AI/AN children living in Poverty (n=)	% of AI/AN child population in poperty	% of White child population living in Poverty
Alabama	917	20.5	13.20
Alaska	10,318	28.0	6.7
Arizona	33,257	36.4	9.4
Arkansas	151	5.8	16.4
California	16,576	23.6	7.4
Colorado	3,337	26.8	6.1
Connecticut	1,487	52.2	4.9
Florida	2,661	22.2	10.9
Georgia	3,633	34.2	9.5
Idaho	2,423	42.7	11.1
Illinois	1,188	13.7	8.9
Indiana	806	22.7	11.1
Iowa	1,167	44.3	10.1
Kansas	1,572	37.6	9.4
Louisiana	1,141	14.3	15.0
Maine	327	17.1	13.2
Maryland	489	13.6	5.6
Massachusetts	896	28.9	5.7
Michigan	4,487	35.6	11.9
Minnesota	5,792	37.1	6.0
Mississippi	1,499	40.5	14.1
Missouri	1,755	34.8	13.8
Montana	8,308	37.2	11.5
Nebraska	1,713	26.9	7.0
Nevada	2,542	24.3	10.7
New Jersey	760	18.4	5.8
New Mexico	21,269	40.1	14.2
New York	3,799	28.7	12.2
North Carolina	11,394	37.3	10.5
North Dakota	4,523	33.0	5.9
Ohio	1,742	32.2	12.7
Oklahoma	20,465	22.8	14.1
Oregon	2,902	25.2	10.2
Pennslyvania	1,719	24.3	10.6
South Carolina	110	3.3	10.4
South Dakota	13,626	50.9	7.5
Tennessee	1,947	49.2	14.0
Texas	4,744	16.8	8.3
Utah	1,712	17.8	6.2
Virginia	163	3.5	8.4

Table A1 (continued)

Number and Percent of AI/AN Children Living in Poverty, Percent of White Children by State: 2019

Washington	6,370	24.5	8.8
Wisconsin	5,827	39.7	7.9
Wyoming	922	24.0	9.1

Note: Adapted from *The State of America's Children: 2021*, 2021, by Children's Defense Fund.

References

Akee, R. (2019, March 12). How does measuring poverty and welfare affect American Indian children? *Up Front.* Brookings Institution. https://www.brookings.edu/blog/up-front/2019/03/12/how-does-measuring-poverty-and-welfare-affect-american-indian-children/

Akee, R. (2021). Sovereignty and improved economic outcomes for American Indians: Building on the gains made since 1990. *Boosting Wages for U.S. Workers in the New Economy.* Washington Center for Equitable Growth. https://equitablegrowth.org/sovereignty-and-improved-economic-outcomes-for-american-indians-building-on-the-gains-made-since-1990/

Akee, R., & Simeonova, E. (2017). *Poverty and disadvantage among Native American children: How common are they and what has been done to address them.* The National Academies Press. https://nap.nationalacademies.org/resource/25246/Akee%20and%20Simeonova.pdf

Allard, M. D., & Brundage Jr., V. (2019). American Indians and Alaska Natives in the U.S. labor force. *Monthly Labor Review*, 142, 1. U.S. Bureau of Labor Statistics. https://doi.org/10.21916/mlr.2019.24

Annie E. Casey Foundation KIDS COUNT Data Center. (2020). *Median family income among households with children by race and ethnicity, 2019* [Data set]. https://datacenter.kidscount.org/data/tables/8782-median-family-income-among-households-with-children-by-race-and-ethnicity#detailed/

Bureau of Labor Statistics. (2022, January 26). Unemployment rate for American Indians and Alaska Natives at 7.9 percent in December 2021. *The Economics Daily.* U.S. Department of Labor. https://www.bls.gov/opub/ted/2022/unemployment-rate-for-american-indians-and-alaska-natives-at-7-9-percent-in-december-2021.htm

Children's Defense Fund (US). (2021). *The state of America's children: 2021*. Children's Defense Fund. https://www.childrensdefense.org/state-of-americas-children/

Shrider, E. A., Kollar, M., Chen, F. & Semega, J. (2021). *Income and poverty in the United States: 2020* (Current Population Reports, Report Number P60-273). U.S. Department of Commerce, Census Bureau. https://www.census.gov/library/publications/2021/demo/p60-273.html

U.S. Census Bureau. (2020). *2019 American Community Survey: ACS 1-year estimates. Selected population profiles, Table S0201; Detailed Tables, Table C17001A & Table C17001C; Data profiles, Table DP03* [Data set]. U.S. Department of Commerce. https://api.census.gov/data/2019/acs/acs1