



The Employment Situation of Native Americans

University of Arizona NATIVE NATIONS INSTITUTE POLICY BRIEF

BRITNEE JOHNSTON
MIRIAM JORGENSEN
KYRA JAMES
STEPHEN CORNELL

Federal, state, and Tribal policies focused on full employment could have a significant effect on the lives and livelihoods of American Indians and Alaska Natives (collectively called Native Americans in this brief). While the overall employment rate for Native Americans has been trending upward over the last two decades, many working-age members of the population remain jobless. As a result, they do not realize the substantial individual, family, and community benefits their employment would generate. For example, if Native Americans of prime working-age (25 to 54 years old) were to achieve the same employment rate as prime-age workers nationally, they could bring an additional \$7 billion of annual earnings to their households and local economies.¹

This brief considers both recent changes in the employment situation of Native Americans and strategies for continued improvement.

ABOUT THE POPULATION AND DATA

Statistics in this report are drawn from two datasets:

- U.S. Bureau of Labor Statistics (BLS) Current Population Survey estimates for the self-identified single-race American Indian and Alaska Native population, which are the only Native American data available from the BLS website
- U.S. Census Bureau American Community Survey (ACS) 5-year estimates, 2018-2022,² for the self-identified single- and multi-race American Indian and Alaska Native population³

In this brief, we report overall averages calculated from the datasets while also acknowledging that each Tribal nation is unique, with employment, unemployment, and nonparticipation rates higher or lower than the associated averages. Tribal-nation specific rates can be found on Tribal government websites or at data.census.gov.

1 | This estimate uses employment and income data from the U.S. Census Bureau ACS 5-year estimates for 2018-2022 and is calculated as the number of Native Americans that would need to be employed to match the national average employment rate for all prime-age workers (174,677 individuals) multiplied by the median income of Native American prime-age workers (\$40,188).

2 | Ruggles, S., Flood, S., Sobek, M., Backman, D., Chen, A., Cooper, G., Richards, S. Rodgers, R. & Schouweiler, M. IPUMS USA: Version 15.0 [dataset]. Minneapolis, MN: IPUMS, 2024. <https://doi.org/10.18128/D010.V15.0>

3 | The Native American population is not strictly a "racial" population; many Native Americans are also citizens of Native nations, which the United States recognizes as sovereigns with rights of self-government. That being said, Census data provide the best information about the Native American population overall. The ACS analysis includes Native Americans who self-identify as one or more races, either Hispanic or Non-Hispanic, ages 25-54, residing anywhere in the United States, and not institutionalized (not residing in a correctional facility, for example). Because a large percentage of Native Americans identify as multiracial, scholars from the Brookings Institution suggest that the most accurate representation of the population is provided by statistics that include both individuals who self-identify as American Indian or Alaska Native only and those who self-identify as American Indian or Alaska Native in addition to other races. (See Maxim, R., Sanchez, G.R., & Huyser, K.R. (2023, March 30). Why the federal government needs to change how it collects data on Native Americans. *Brookings*. <https://www.brookings.edu/articles/why-the-federal-government-needs-to-change-how-it-collects-data-on-native-americans/>)

DEFINITIONS

Full Employment refers to the condition of having zero unemployment, which is attained when every working-age individual who wants a job has a job.

The **Employment Rate** is measured as the number of employed working-age individuals within a population divided by the total number of working-age individuals in that population.

The **Unemployment Rate** is measured as the number of working-age individuals within a population who are actively seeking work divided by the total number of working-age individuals in that population's labor force. Although they are not working, individuals seeking a job are considered part of the labor force.

The **Nonparticipation Rate** is measured as the number of working-age individuals in a population who are not looking for work divided by the total number of working-age individuals in that population.

Note: Because their denominators vary, the employment rate and the unemployment rate do not sum to 1.

KEY FINDINGS

Data from the BLS Current Population Survey show that over the last two decades, self-identified single-race Native Americans aged 16 and older have experienced a modest increase in their overall rate of employment and a steady decline in their overall rate of unemployment.

- ◇ Four years after the most recent business cycle peak,⁴ the employment-to-population ratio among single-race Native Americans aged 16 and older increased by 2.1 percentage points (from 54.2% in February 2020 to 56.3% in February 2024). As of July 2024, the monthly employment rate for Native Americans over the preceding 12 months ranged between 53.3% and 58.7%.
- ◇ Approximately 1.68 million single-race Native Americans aged 16 and older were employed in February 2020

compared to 1.79 million in February 2024. This 6.4% increase indicates that the number of employed individuals grew at a faster pace than the single-race Native American population overall (a 2.4% increase within the same timeframe).

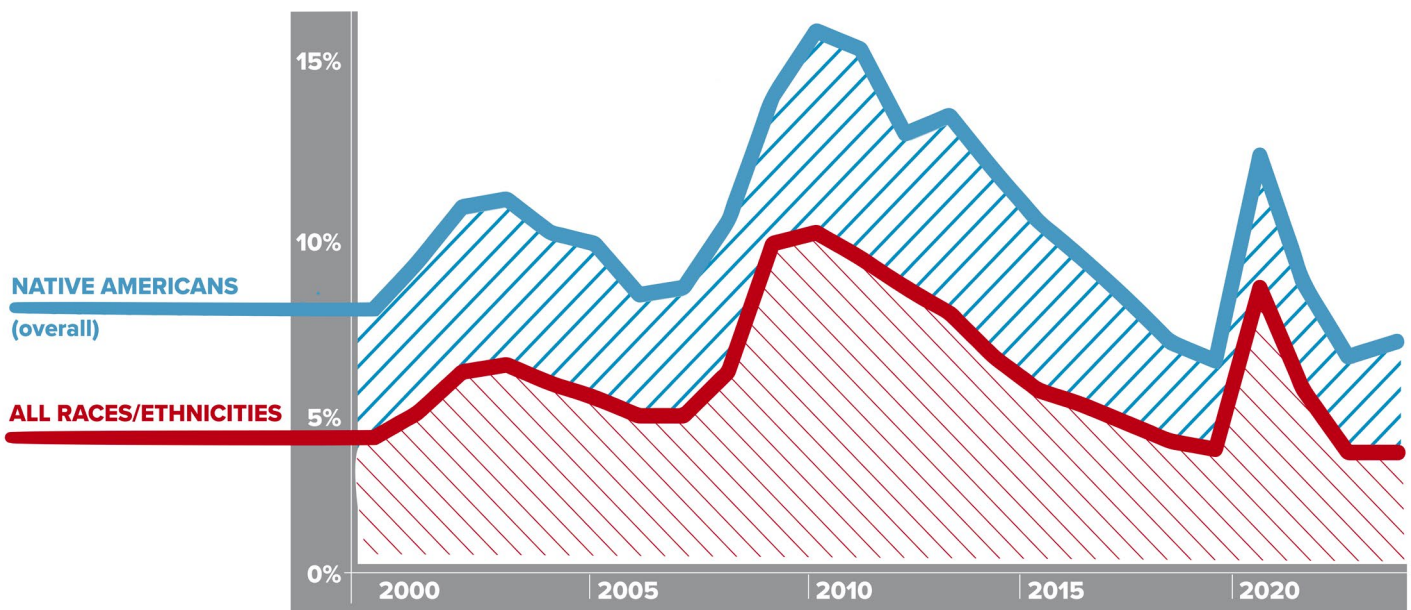
- ◇ Over the last two decades, the unemployment rate for single-race Native Americans has decreased at each of the last three business cycle peaks: it measured 9.5% in March 2001, 7.8% in December 2007, and 7.5% in February 2020. Since the most recent business cycle peak, Native Americans experienced their highest unemployment rate in April 2020 (28.6%), during the global COVID-19 pandemic, and their lowest unemployment rate (3.9%) in July 2022 and again in March 2024. As shown in Figure 1, Native American unemployment has generally echoed U.S. unemployment patterns.

Despite these positive trends, data from the ACS describing job market outcomes for the prime-working age population indicate that Native Americans of one or more races continue to face significant employment challenges.

- ◇ From 2018 to 2022, the average employment rate was 78.3% for Native American men, 68.8% for Native American women, and 73.5% for the group overall.
- ◇ **If, over the same period, Native Americans had been employed at a rate equal to the national average for all prime-age workers (80.2%), the group's total annual earnings would have increased by \$7 billion.** By implication, federal, state, and Tribal policies and programs focused on job creation for Native Americans could have a substantial impact on Native American households and local economies.

Figure 1. Average Annual U.S. Unemployment Rates: Native Americans and All Races/Ethnicities, 2000-2023

Percent of unemployed individuals (16 years and older) in the labor force
 Source: U.S. Bureau of Labor Statistics, 2000-2023



4 | U.S. business cycle expansions and contractions. (2023, March 14). NBER. <https://nber.org/research/data/us-business-cycle-expansions-and-contractions>

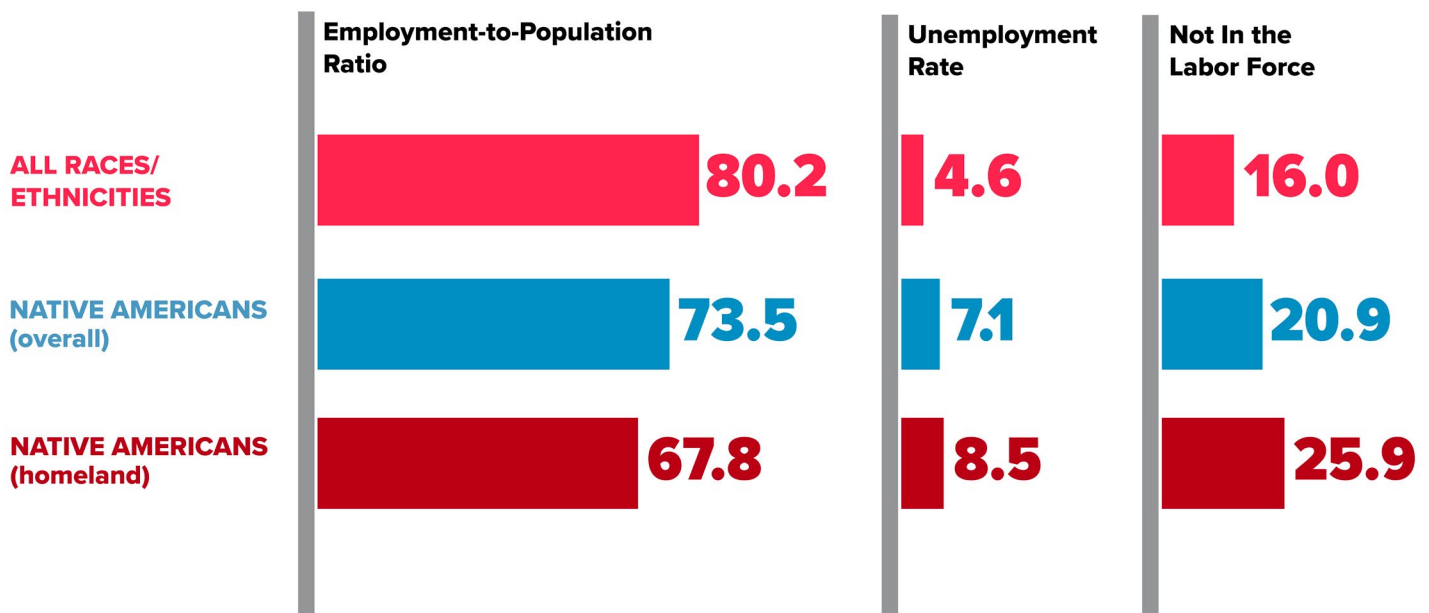
- ◇ Over the period 2018 to 2022, the unemployment rate among Native Americans was 7.1%. The unemployment rate for Native American men (7.2%) was similar to that for Native American women (7.0%).
- ◇ When residential status is taken into account, the unemployment rate among Native Americans living in or near a Tribal homeland⁵ was 8.5%. The unemployment rate was higher for Native American men (9.3%) than for women (7.7%) living in or near a Tribal homeland.
- ◇ From 2018 to 2022, Native Americans had a rate of nonparticipation in the labor force of 20.9%. Native American women’s nonparticipation rate (26.1%) was higher than men’s

(15.6%). Reasons for this difference may include limited local jobs, cultural expectations for family care, feeling discouraged and a lack of reliable transportation and childcare services.

By implication, the policies and programs that could have a measurable impact on Native American employment rates are likely to vary by location and population composition. What works for Native Americans in urban areas may not be as impactful for those living in Tribal lands; what works for Native men may not work for Native women; and what works in Native nations with strong Tribal enterprises may be less useful in nations where citizen entrepreneurship is the norm. In sum, policies and programs must reflect jobseekers’ opportunities and challenges.

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Figure 2. National Employment-Related Averages for Prime-Age Workers, 2018-2022
 Percent of 25- to 54-year-olds employed, unemployed, and not participating in the labor force
 Source: U.S. Census Bureau, ACS 5-Year Estimates, 2018–2022.









⁵ | As it is used here, the term “Tribal homeland” refers to a Public Use Microdata Area (PUMA) that includes any Census block designated as an American Indian, Alaska Native, or Native Hawaiian homeland area.




POLICY IMPLICATIONS

Although there have been recent improvements in Native Americans' overall levels of employment, persistent unemployment and nonparticipation in the labor force are ongoing concerns. Full employment would have potentially transformative effects for both Indigenous and non-Indigenous economies, but achieving that goal will require policy initiatives at all levels of government.

FEDERAL, STATE, AND LOCAL GOVERNMENTS CAN

-  Create a subsidized employment program for Native Americans similar to the Civilian Conservation Corps (which operated during the Great Depression). The program could focus on the substantial infrastructural needs of communities living on Tribal lands, on wrap-around services for Indigenous populations wherever they might be, or on skills development and job experience for Native youth.
-  Support hiring and retention of Native Americans by providing anti-discrimination training for managers and employees everywhere, which can help reduce microaggressions and improve the sense of belonging in the workplace.
-  Encourage remote-eligible job development so as to increase employment opportunities for Native Americans in rural areas.
-  Work directly with Tribal governments to explore community-specific sustainable business opportunities for Tribally owned and operated enterprises and for Native citizen entrepreneurs, as a means of growing both Tribal and regional economies.
-  Support sustainable business opportunities and subsidized employment programs in Native communities with complementary institutional investments in (for example) secured transaction codes, tax codes, and effective Tribal court systems.
-  Consider citizens, enrolled members, and descendants when developing eligibility criteria for employment programs so as to expand participation among all those who are affiliated with Tribal nations.

NATIVE NATION GOVERNMENTS CAN

-  Support Native American employment by continuing Native nation-building efforts, explicitly identifying sustainable job creation as a community aspiration, focusing policy and financial resources on it, and developing the governmental institutions that can serve as a foundation for sustained economic activity.
-  Seek opportunities to create jobs both within the Tribal government and in the economy more generally. For example, consider expanding subsidized employment administered by Tribal Temporary Assistance for Needy Families (TANF) programs; because wages are covered through the Tribal TANF program, employers have an incentive to develop jobs and hire Tribal TANF participants.⁶
-  Emphasize the role of jobs in Native nation building and the fact that employed individuals not only are better able to support themselves and their families but also are better able to contribute to the community's prospects and wellbeing.

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SUGGESTED CITATION

Johnston, B., Jorgensen, M., James, K., & Cornell, S. (2024). *The Employment Situation of Native Americans* [Policy Brief]. Native Nations Institute, Udall Center for Studies in Public Policy, University of Arizona.

6 | Glosser, A., & Ellis, E. (2018). Tribal Solutions: Subsidized Employment Programs Serving American Indians and Alaska Natives. (OPRE Report 2018-94). Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services. <https://www.acf.hhs.gov/opre/report/tribal-solutions-subsidized-employment-programs-serving-american-indians-and-alaska>