



Full Employment for All:

The Social and Economic Benefits of Race and Gender Equity in Employment

Prepared by PolicyLink and the USC Program for Environmental and Regional Equity
August 2015

How much stronger could the economy be if everyone who wanted a job could find one—regardless of race, ethnicity, or gender? To inform the Fed Up campaign, PolicyLink and the Program for Environmental and Regional Equity (PERE) estimated the potential economic gains of full employment for all. The following 13 fact sheets illustrate what the United States economy—and the economies of the metropolitan regions where each Federal Reserve office is located—could look like with true full employment for all.

For additional information about Fed Up: The National Campaign for a Strong Economy, visit <http://whatrecovery.org/>.

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Full Employment for All

United States

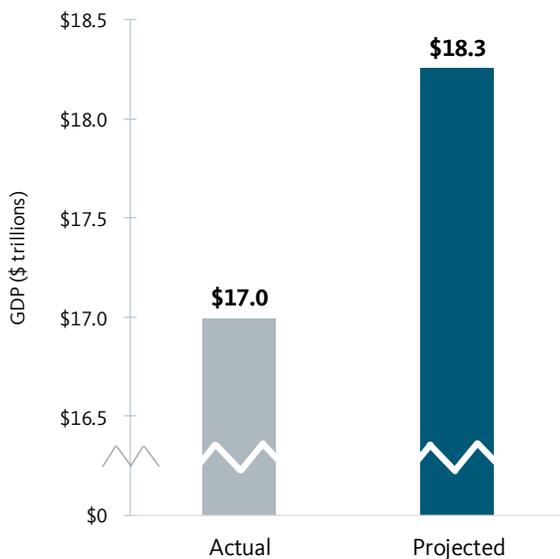


Full employment for all is when everyone who wants a job can find one—including Blacks, Latinos, and other workers of color who experience persistently high unemployment. As America undergoes a demographic shift in which people of color will be the majority by 2044, our failure to ensure all residents can fully participate as workers, entrepreneurs, and leaders will place our entire economy at risk. The Federal Reserve plays a central role in determining whether we reach full employment for all. By keeping interest rates low, the Fed can promote continued job creation that leads to tighter labor markets, higher wages, less discrimination, and better job opportunities for groups being left behind.

This fact sheet presents the potential economic benefits of a “full employment for all” economy: one in which every community, regardless of race or gender, is at no more than **4 percent unemployment** with labor force participation rates of at least **75 percent** for men and **60 percent** for women, with all rates adjusted for age to reflect the different age structures of racial/ethnic and gender groups.

If there were full employment for all in 2015...

The national economy would be \$1.3 trillion stronger



14.3 million more workers would be employed

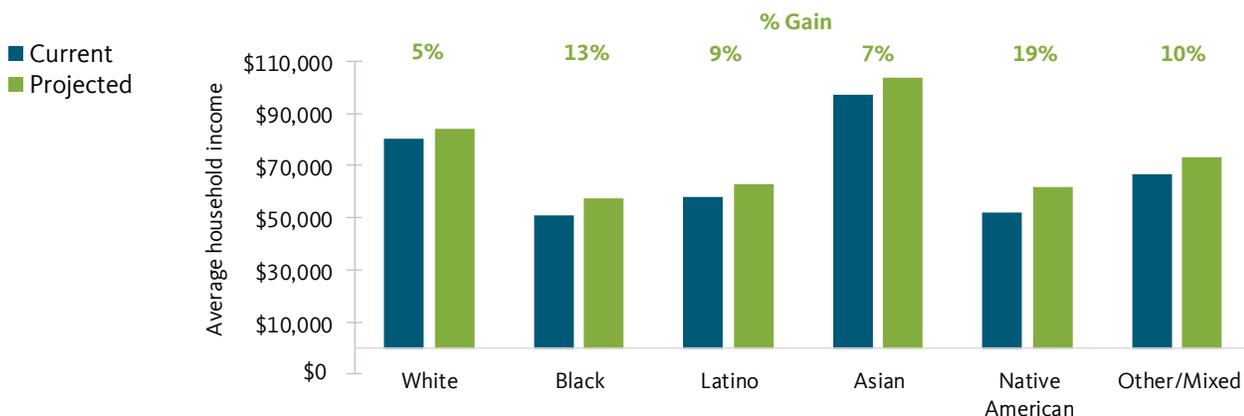


9.3 million fewer Americans would be living in poverty

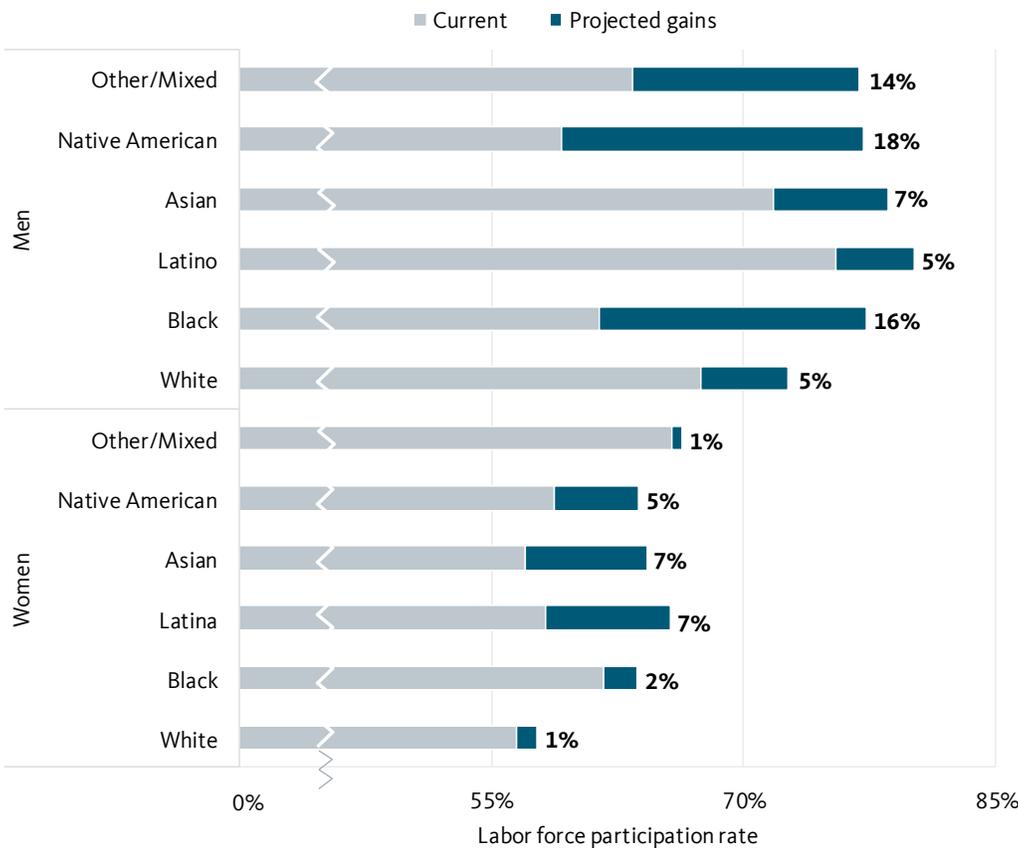
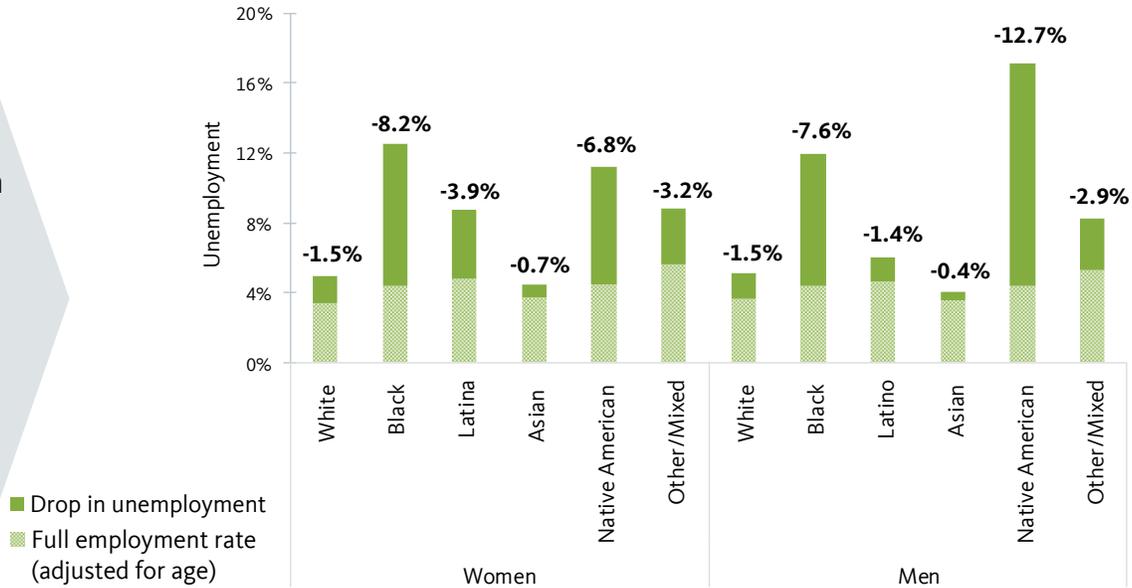


\$261 billion more in tax revenue to strengthen our social safety net

Native Americans and Blacks would experience the largest increases in average household income



Native American and Black men and women would experience the largest drops in unemployment



Labor force participation rates would increase the most for Native American, Black, and Other/Mixed race men and Latina and Asian women

Source: PolicyLink/PERE analysis of 2009-2013 ACS microdata from the Integrated Public Use Microdata Series (IPUMS) and GDP data from Bureau of Economic Analysis. Find the full methodology at <http://nationalequityatlas.org/reports/reports-analyses>.

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Full Employment for All

Boston Metro Area (Federal Reserve District 1)

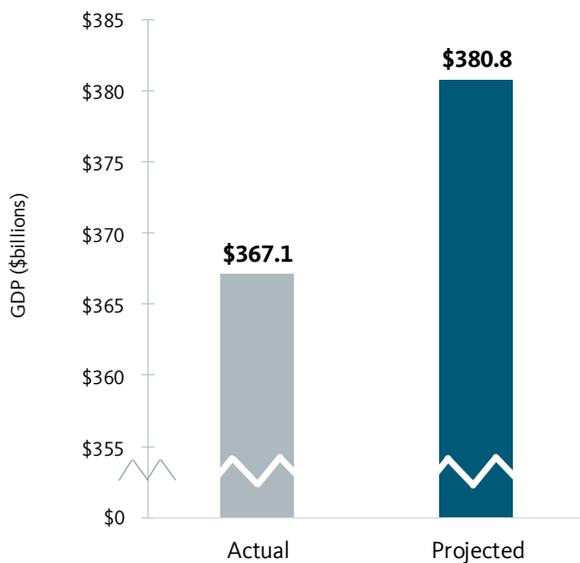


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If there were full employment for all in 2015...

Boston's economy would be \$13.7 billion stronger



122,500 more workers would be employed

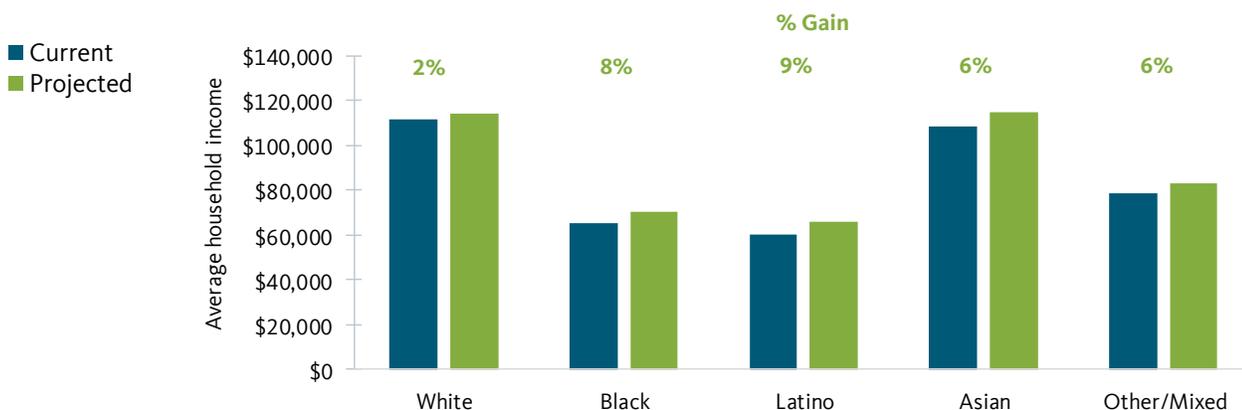


72,500 fewer residents would be living in poverty

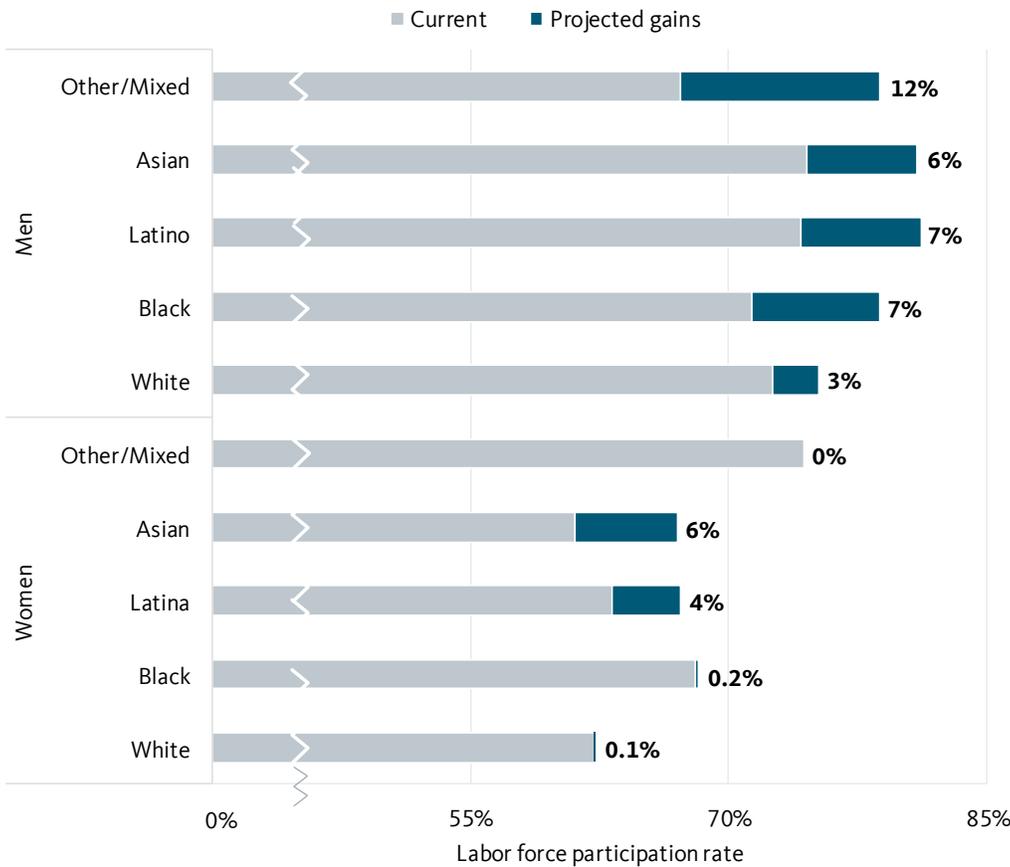
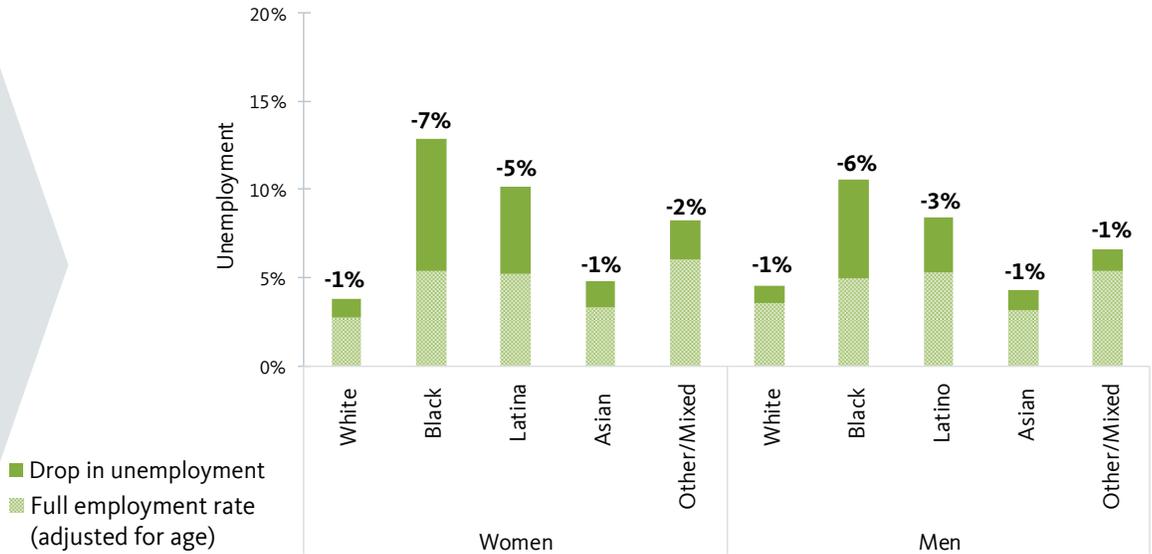


\$2.6 billion more in tax revenue to strengthen the social safety net

Latinos and Blacks would experience the largest increases in average household income



Black and Latino men and women would experience the largest drops in unemployment



Labor force participation rates would increase the most for Other/Mixed race, Black, and Latino men, and Asian women

Source: PolicyLink/PERE analysis of 2009-2013 ACS microdata from the Integrated Public Use Microdata Series (IPUMS) and GDP data from Bureau of Economic Analysis. Find the full methodology at <http://nationalequityatlas.org/reports/reports-analyses>.

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Full Employment for All

New York Metro Area (Federal Reserve District 2)

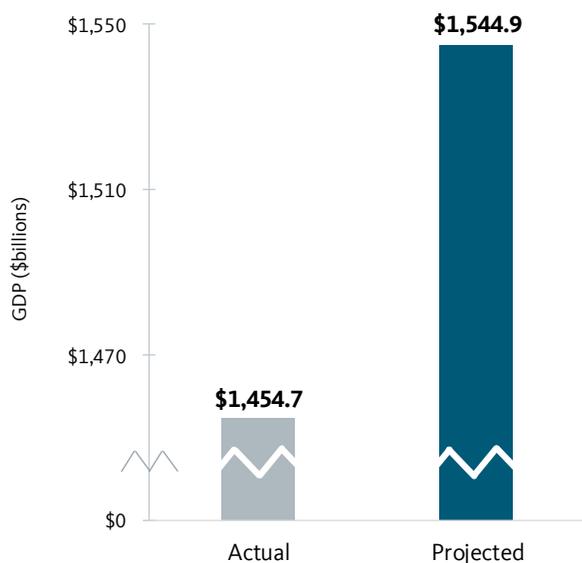


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If there were full employment for all in 2015...

New York’s regional economy would be \$90.2 billion stronger



939,600 more workers would be employed

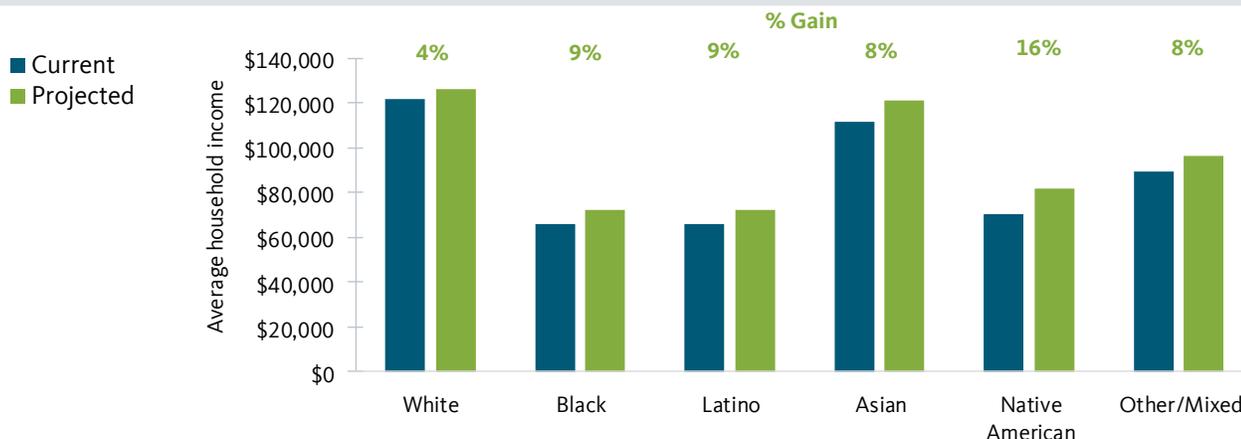


552,300 fewer New Yorkers would be living in poverty

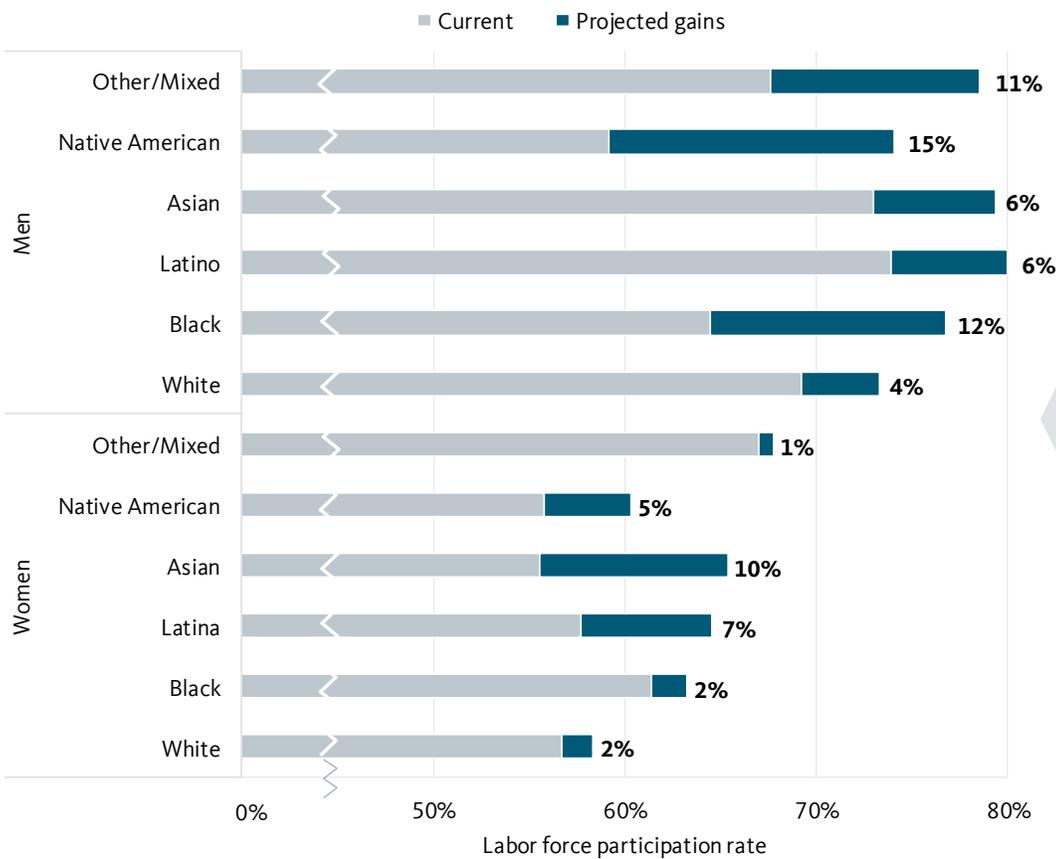
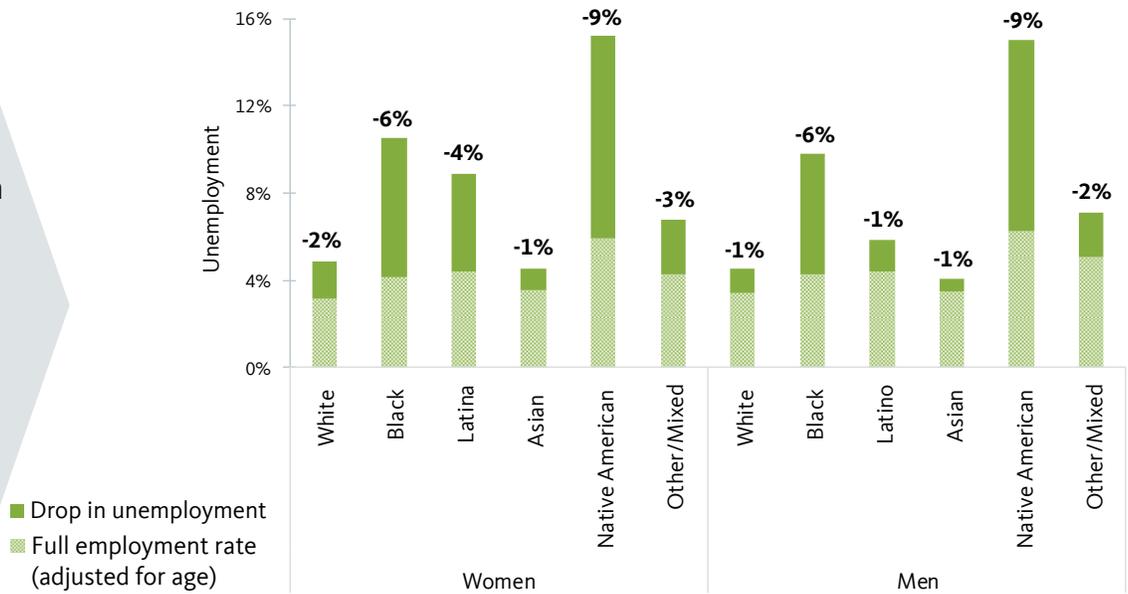


\$18 billion more in tax revenue to strengthen the social safety net

Native Americans, Latinos, and Blacks would experience the largest increases in average household income



Native American and Black men and women would experience the largest drops in unemployment



Labor force participation rates would increase the most for Native American, Black, and Other/Mixed race men and Asian and Latina women

Source: PolicyLink/PERE analysis of 2009-2013 ACS microdata from the Integrated Public Use Microdata Series (IPUMS) and GDP data from Bureau of Economic Analysis. Find the full methodology at <http://nationalequityatlas.org/reports/reports-analyses>.

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Full Employment for All

Philadelphia Metro Area (Federal Reserve District 3)

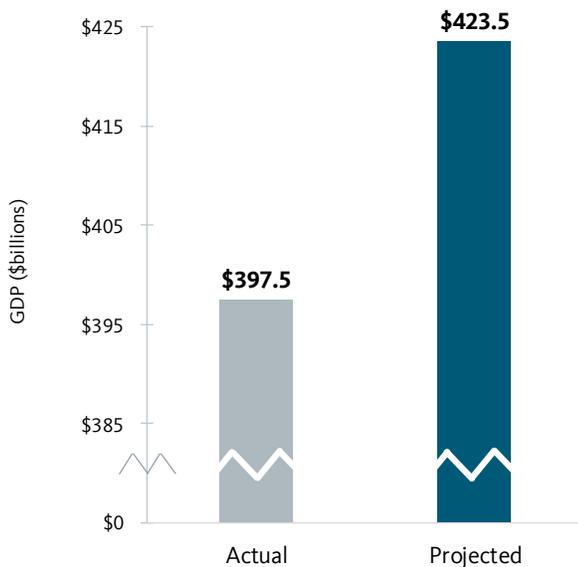


Full employment for all is when everyone who wants a job can find one—including Blacks, Latinos, and other workers of color who experience persistently high unemployment. As America undergoes a demographic shift in which people of color will be the majority by 2044, our failure to ensure all residents can fully participate as workers, entrepreneurs, and leaders will place our entire economy at risk. The Federal Reserve plays a central role in determining whether we reach full employment for all. By keeping interest rates low, the Fed can promote continued job creation that leads to tighter labor markets, higher wages, less discrimination, and better job opportunities for groups being left behind.

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If there were full employment for all in 2015...

Philadelphia’s economy would be \$26 billion stronger



288,400 more workers would be employed

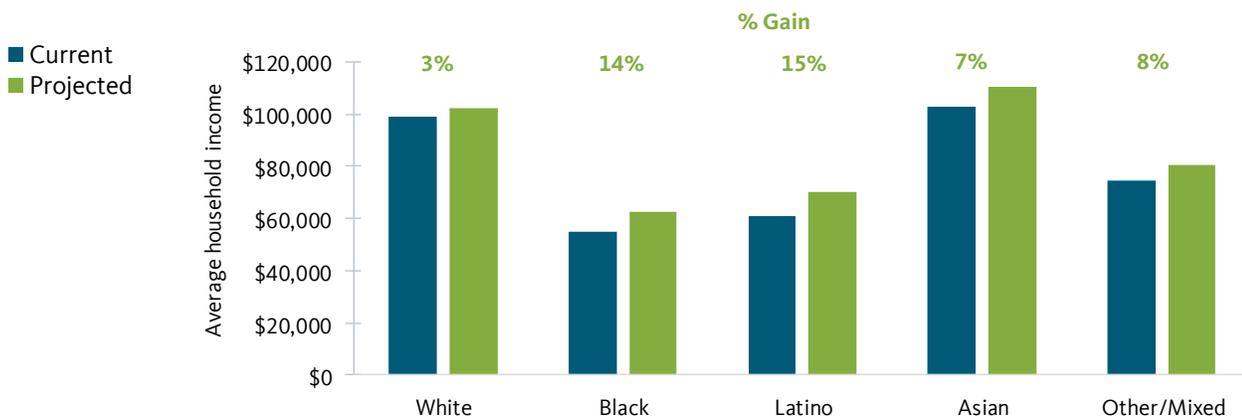


184,100 fewer Philadelphians would be living in poverty

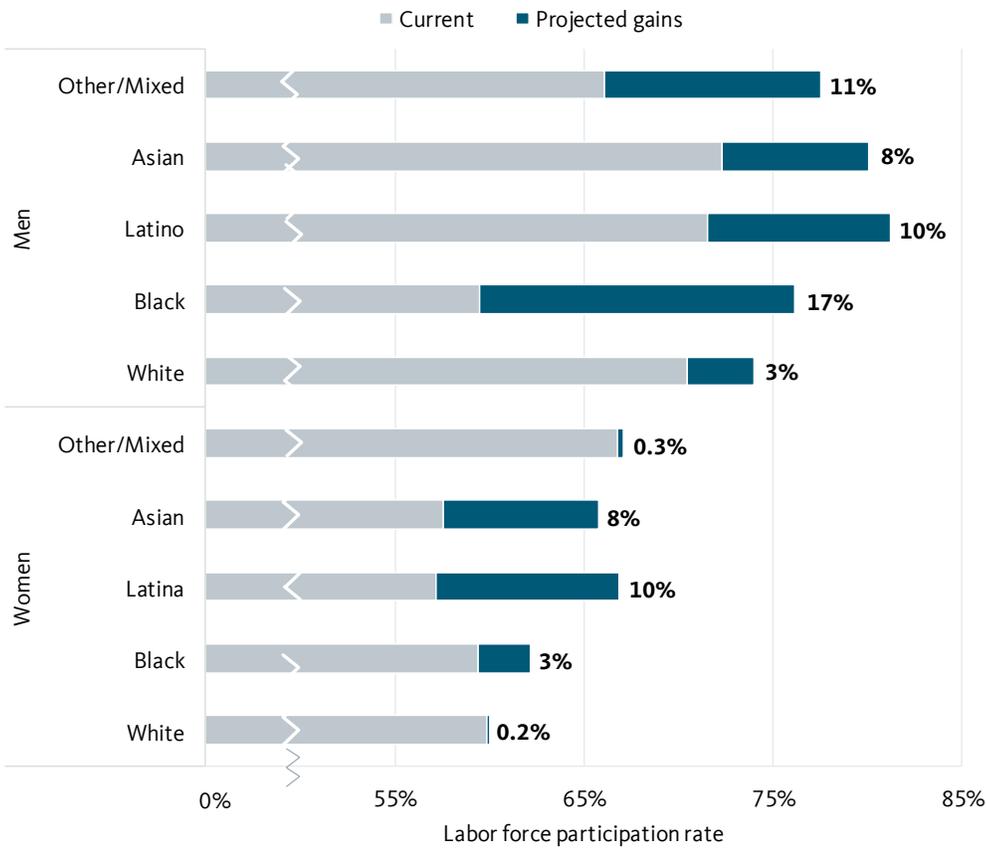


\$5 billion more in tax revenue to strengthen the social safety net

Latinos and Blacks would experience the largest increases in average household income



Black men and women and Latinas would experience the largest drops in unemployment



Labor force participation rates would increase the most for Black and Other/Mixed race men and Latino men and women

Source: PolicyLink/PERE analysis of 2009-2013 ACS microdata from the Integrated Public Use Microdata Series (IPUMS) and GDP data from Bureau of Economic Analysis. Find the full methodology at <http://nationalequityatlas.org/reports/reports-analyses>.

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Full Employment for All

Cleveland Metro Area (Federal Reserve District 4)



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If there were full employment for all in 2015...

Cleveland’s economy would be \$8.3 billion stronger



94,700 more workers would be employed

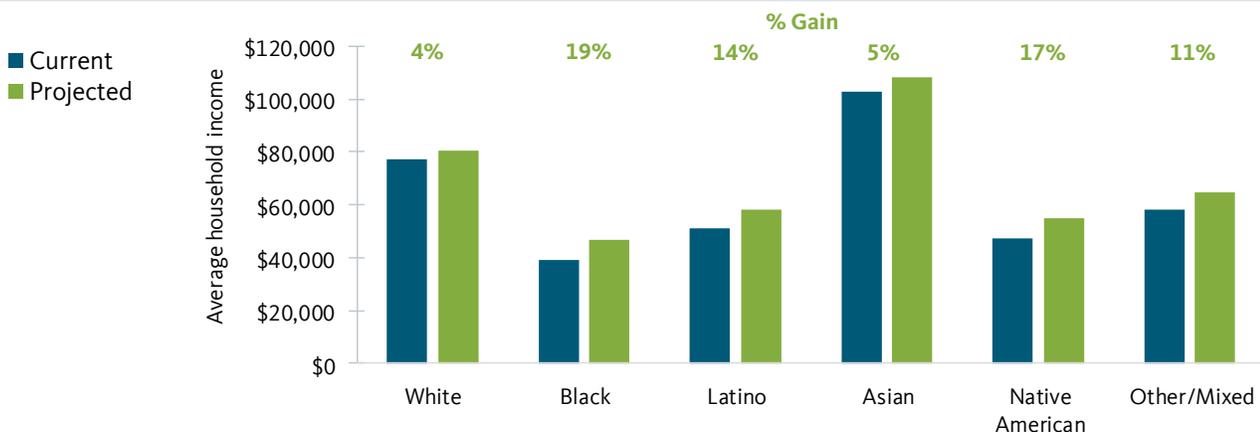


61,500 fewer residents would be living in poverty

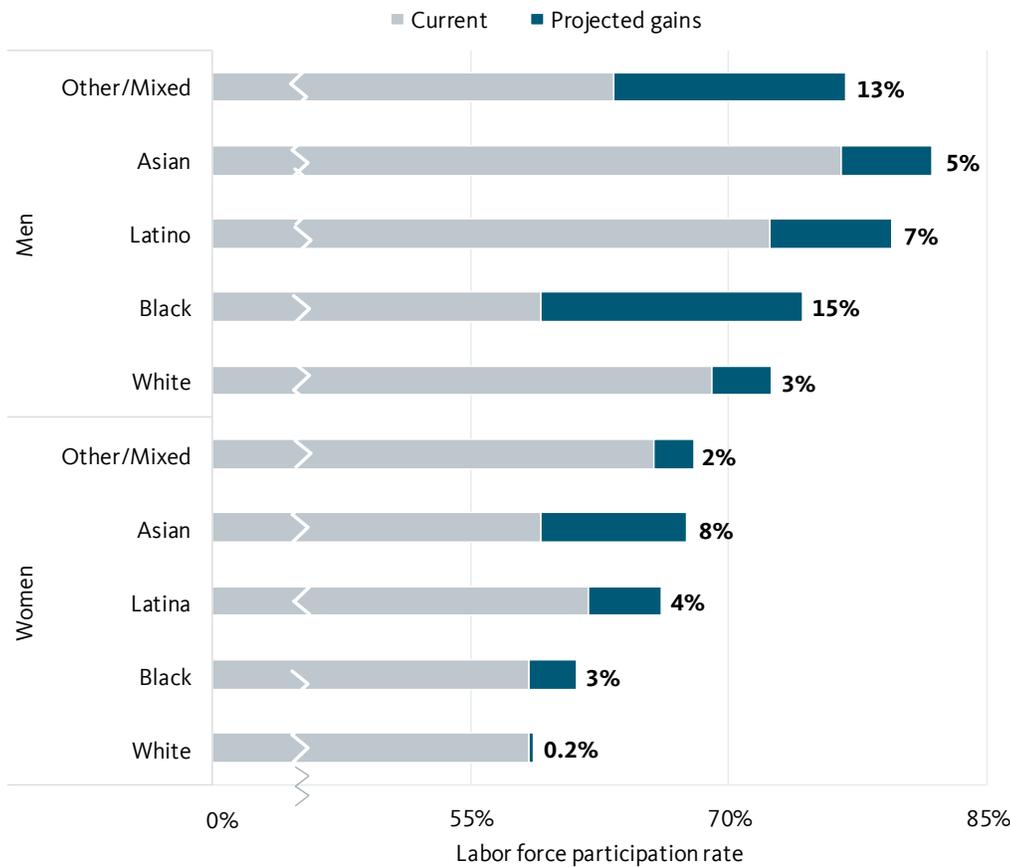
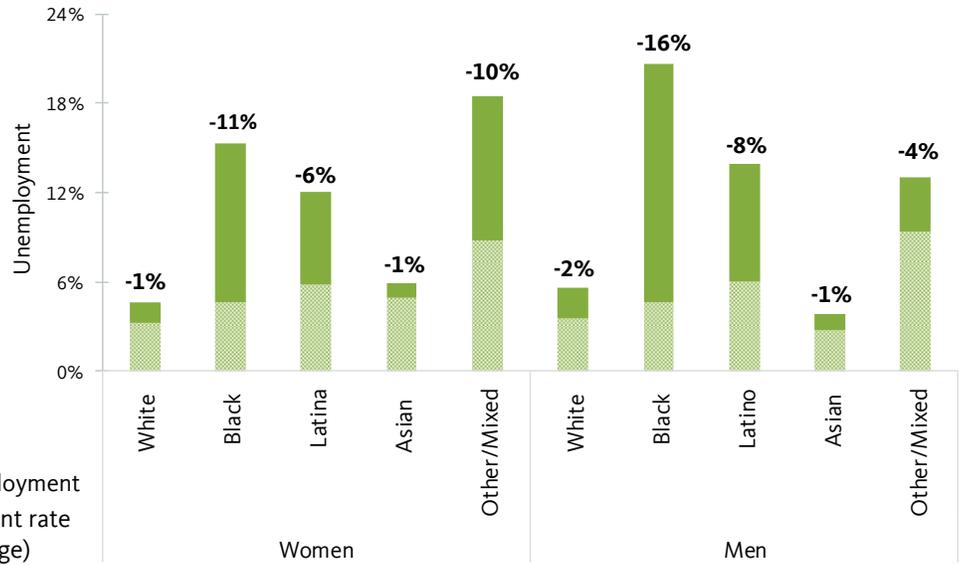


\$1.6 billion more in tax revenue to strengthen the social safety net

Blacks, Native Americans, and Latinos would experience the largest increases in average household income



Black and Latino men and Black and Other/Mixed race women would experience the largest drops in unemployment



Labor force participation rates would increase the most for Black and Other/Mixed race men, and Asian women

Source: PolicyLink/PERE analysis of 2009-2013 ACS microdata from the Integrated Public Use Microdata Series (IPUMS) and GDP data from Bureau of Economic Analysis. Find the full methodology at <http://nationalequityatlas.org/reports/reports-analyses>.

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Full Employment for All

Richmond Metro Area (Federal Reserve District 5)

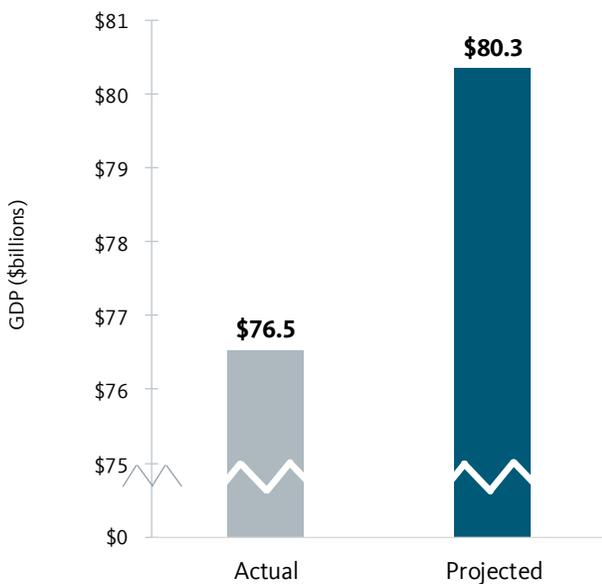


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If there were full employment for all in 2015...

Richmond’s economy would be \$3.8 billion stronger



46,900 more workers would be employed

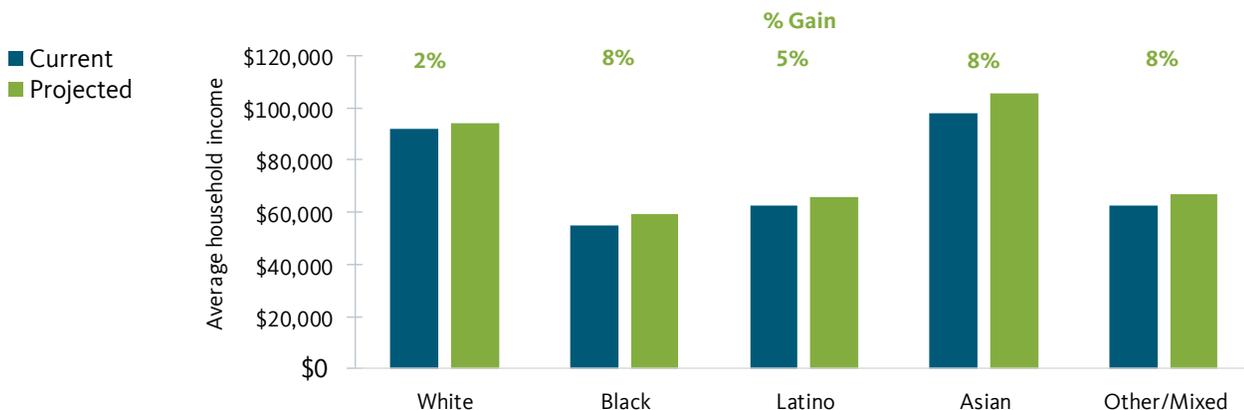


24,600 fewer residents would be living in poverty

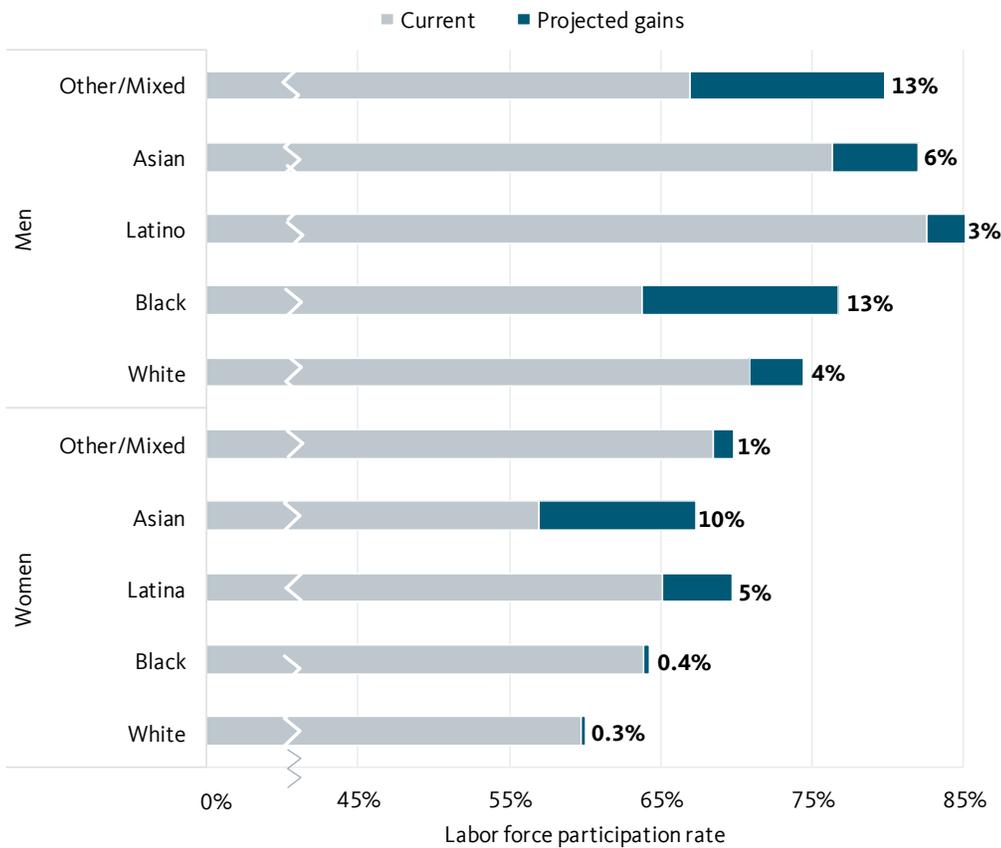


\$696 million more in tax revenue to strengthen the social safety net

Blacks, Asians, and people with Other/Mixed race backgrounds would experience the largest increases in average household income



Black men and women and Other/Mixed race men would experience the largest drops in unemployment



Labor force participation rates would increase the most for Black and Other/Mixed race men and Asian women

Source: PolicyLink/PERE analysis of 2009-2013 ACS microdata from the Integrated Public Use Microdata Series (IPUMS) and GDP data from Bureau of Economic Analysis. Find the full methodology at <http://nationalequityatlas.org/reports/reports-analyses>.

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Full Employment for All

Atlanta Metro Area (Federal Reserve District 6)

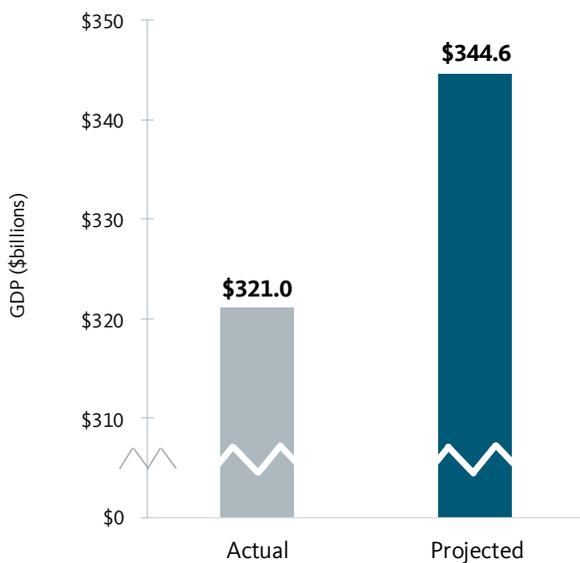


Full employment for all is when everyone who wants a job can find one—including Blacks, Latinos, and other workers of color who experience persistently high unemployment. As America undergoes a demographic shift in which people of color will be the majority by 2044, our failure to ensure all residents can fully participate as workers, entrepreneurs, and leaders will place our entire economy at risk. The Federal Reserve plays a central role in determining whether we reach full employment for all. By keeping interest rates low, the Fed can promote continued job creation that leads to tighter labor markets, higher wages, less discrimination, and better job opportunities for groups being left behind.

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If there were full employment for all in 2015...

Atlanta’s economy would be \$23.6 billion stronger



283,500 more workers would be employed

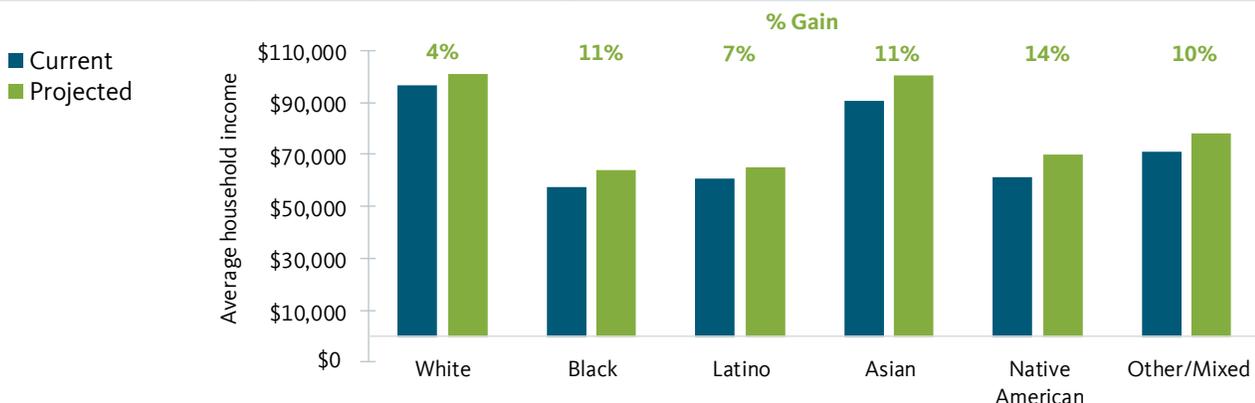


175,000 fewer residents would be living in poverty

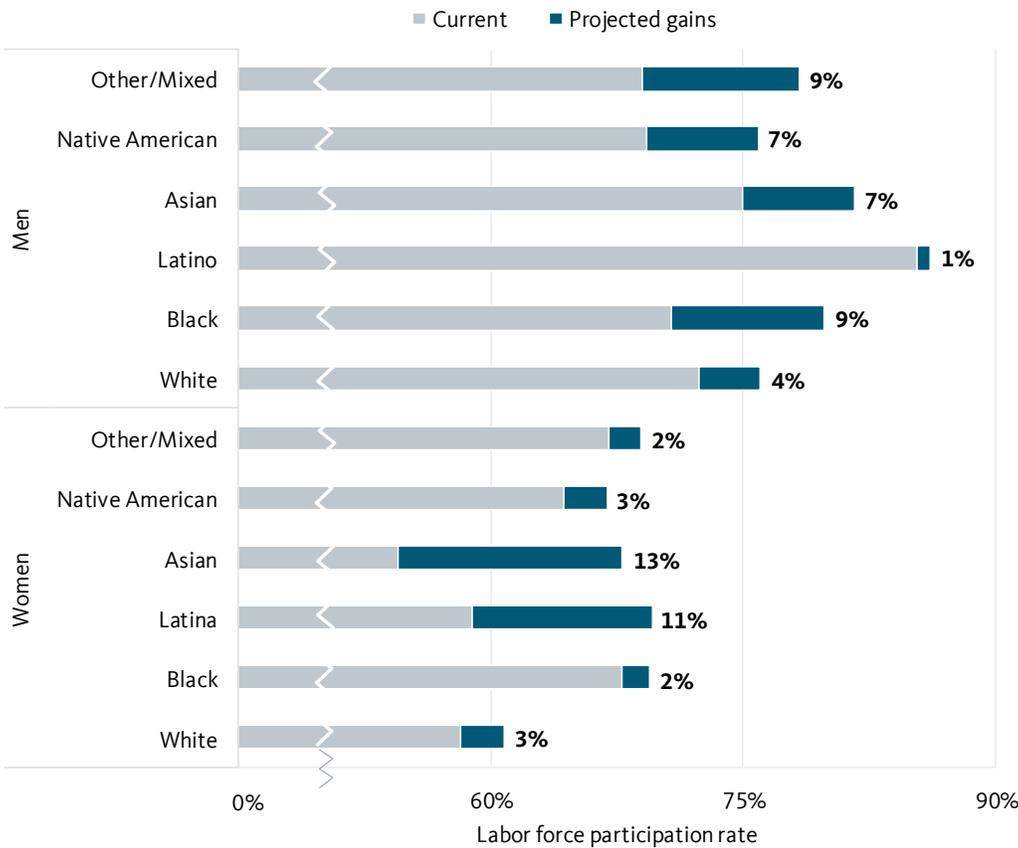
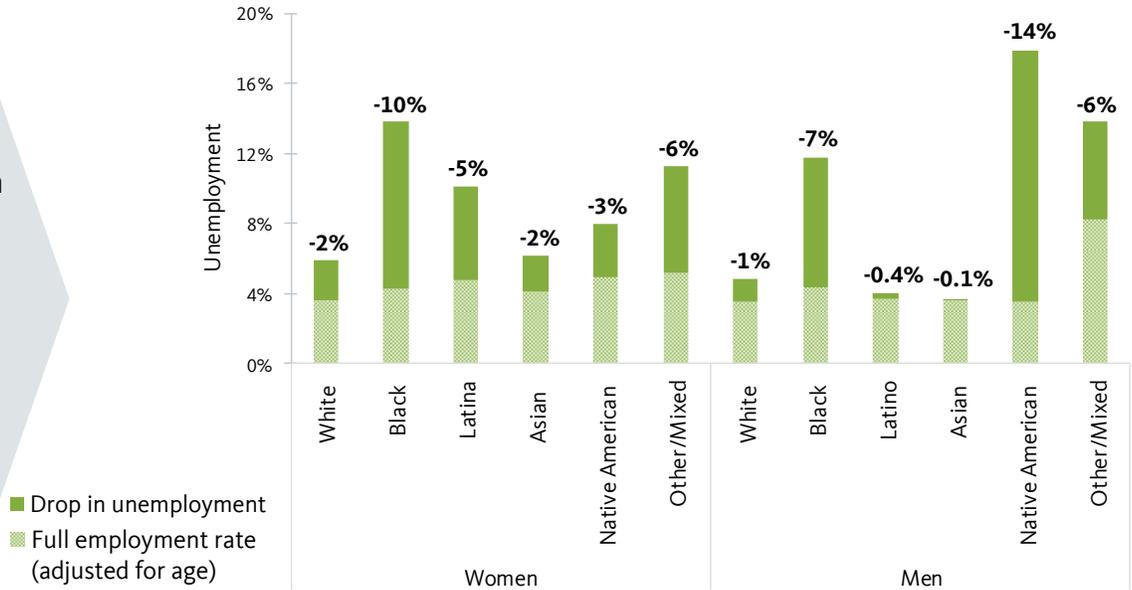


\$4.5 billion more in tax revenue to strengthen the social safety net

Native Americans, Asians, Blacks, and people of Other/Mixed race backgrounds would experience the largest increases in average household income



Native American men and Black men and women would experience the largest drops in unemployment



Labor force participation rates would increase the most for Asian and Latina women, and Black and Other/Mixed race men

Source: PolicyLink/PERE analysis of 2009-2013 ACS microdata from the Integrated Public Use Microdata Series (IPUMS) and GDP data from Bureau of Economic Analysis. Find the full methodology at <http://nationalequityatlas.org/reports/reports-analyses>.

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Full Employment for All

Chicago Metro Area (Federal Reserve District 7)

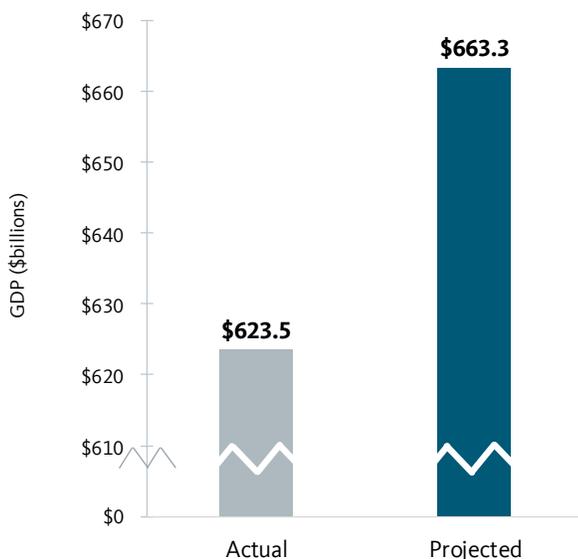


Full employment for all is when everyone who wants a job can find one—including Blacks, Latinos, and other workers of color who experience persistently high unemployment. As America undergoes a demographic shift in which people of color will be the majority by 2044, our failure to ensure all residents can fully participate as workers, entrepreneurs, and leaders will place our entire economy at risk. The Federal Reserve plays a central role in determining whether we reach full employment for all. By keeping interest rates low, the Fed can promote continued job creation that leads to tighter labor markets, higher wages, less discrimination, and better job opportunities for groups being left behind.

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If there were full employment for all in 2015...

Chicago’s economy would be \$39.8 billion stronger



420,500 more workers would be employed

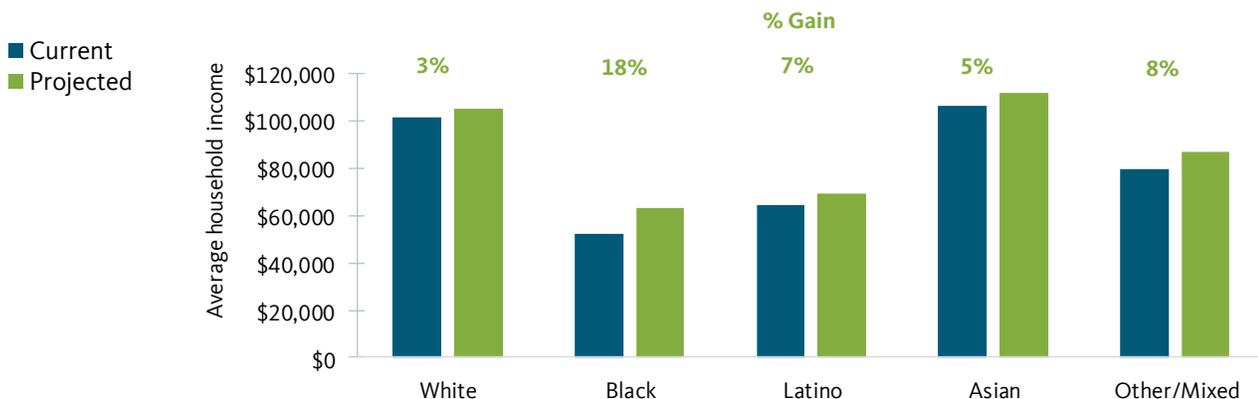


270,800 fewer residents would be living in poverty

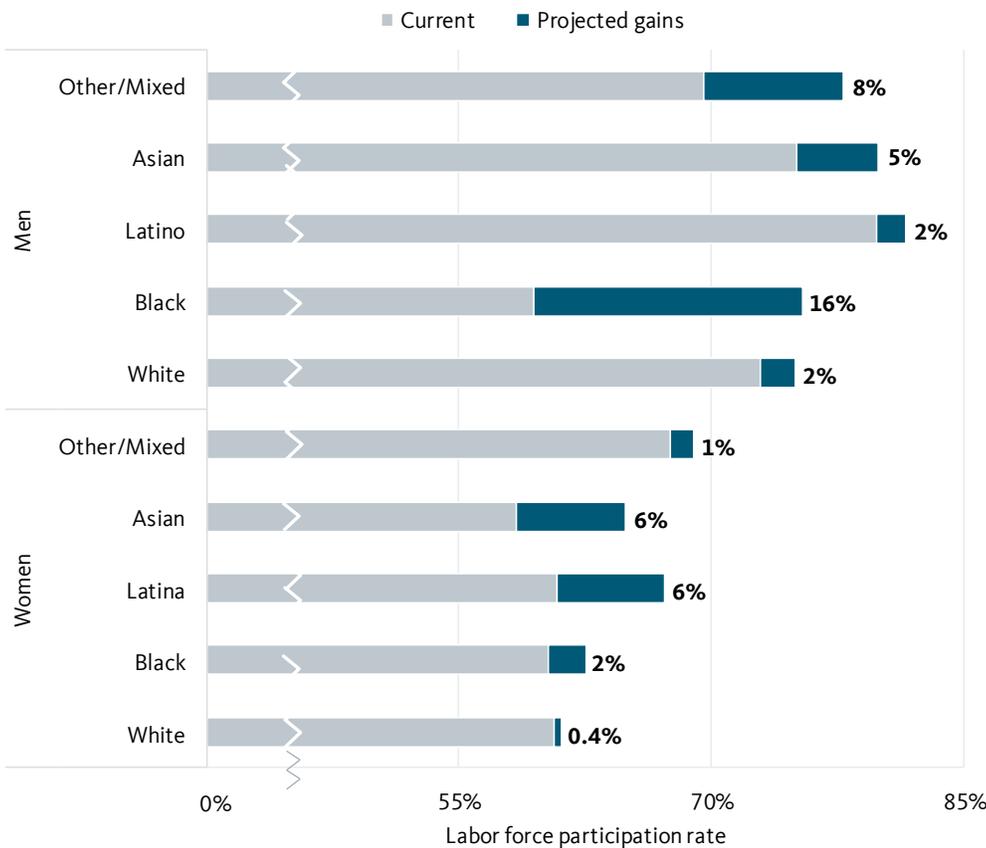
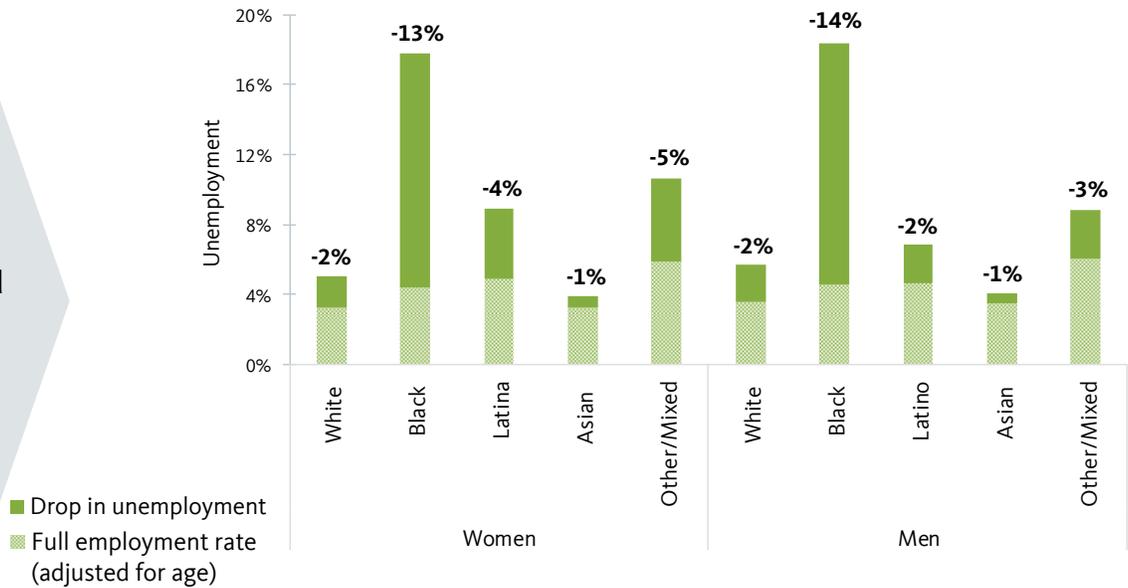


\$7.8 billion more in tax revenue to strengthen the social safety net

Blacks, Latinos, and people with Other/Mixed race backgrounds would experience the largest increases in average household income



Black men and women, Other/Mixed race women, and Latinas would experience the largest drops in unemployment



Labor force participation rates would increase the most for Black and Other/Mixed race men and Latina and Asian women

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Full Employment for All

St. Louis Area (Federal Reserve District 8)

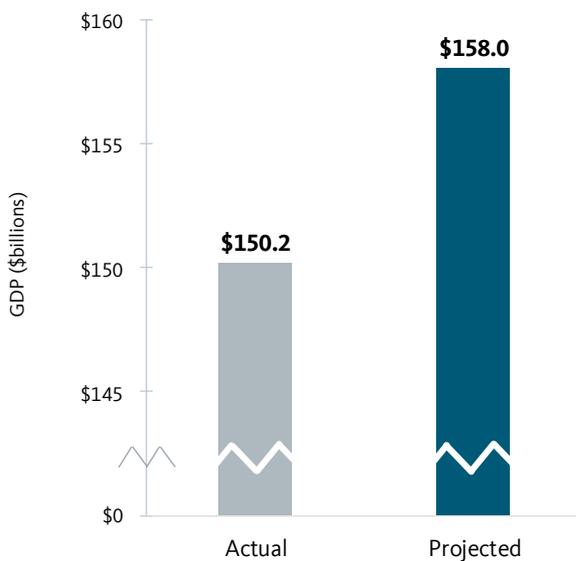


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If there were full employment for all in 2015...

St. Louis’s economy would be \$7.8 billion stronger



100,200 more workers would be employed

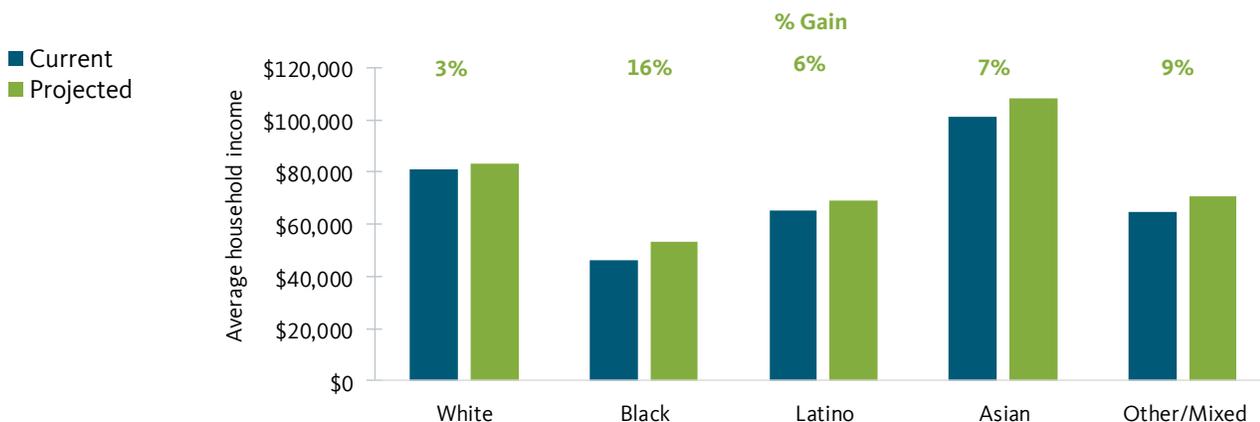


64,700 fewer St. Louisans would be living in poverty

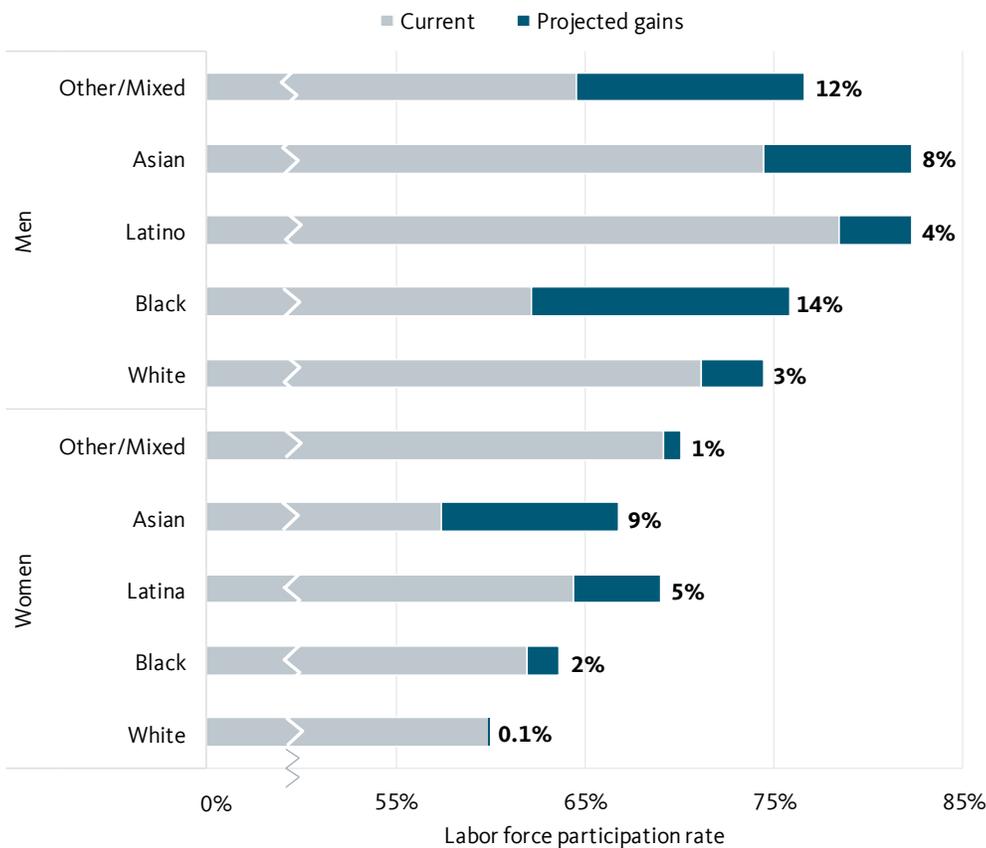


\$1.7 billion more in tax revenue to strengthen the social safety net

Blacks and people with Other/Mixed race backgrounds would experience the largest increases in average household income



Black men and women and Other/Mixed race men would experience the largest drops in unemployment



Labor force participation rates would increase the most for Black and Other/Mixed race men and Asian men and women

Source: PolicyLink/PERE analysis of 2009-2013 ACS microdata from the Integrated Public Use Microdata Series (IPUMS) and GDP data from Bureau of Economic Analysis. Find the full methodology at <http://nationalequityatlas.org/reports/reports-analyses>.

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Full Employment for All

Minneapolis-St. Paul Metro Area (Federal Reserve District 9)

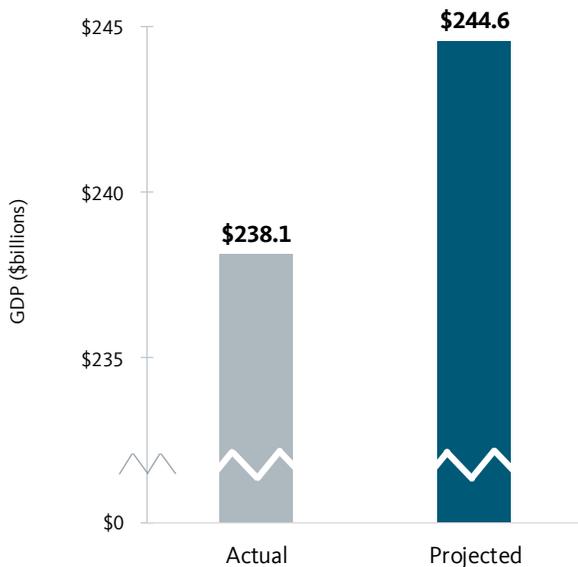


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If there were full employment for all in 2015...

The Twin Cities economy would be **\$6.5 billion stronger**



62,500 more workers would be employed

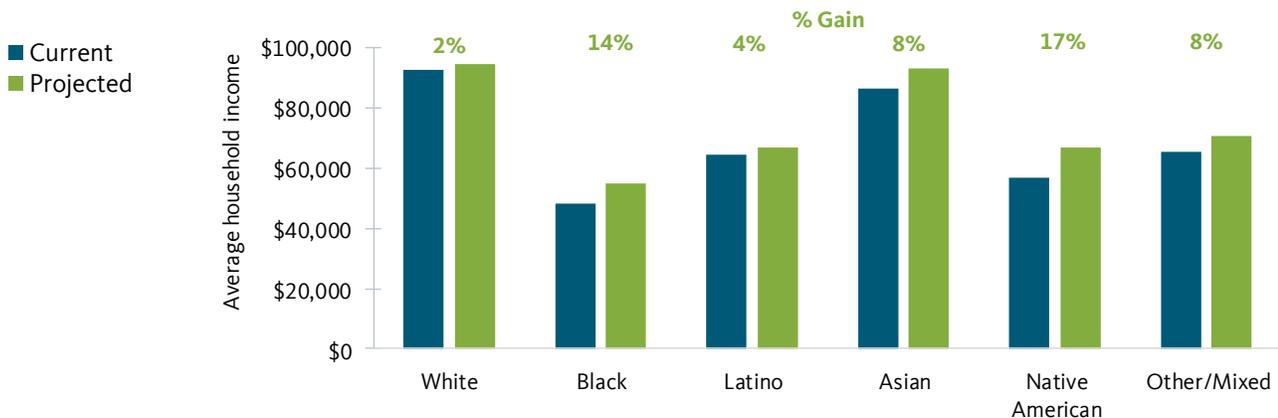


51,000 fewer residents would be living in poverty

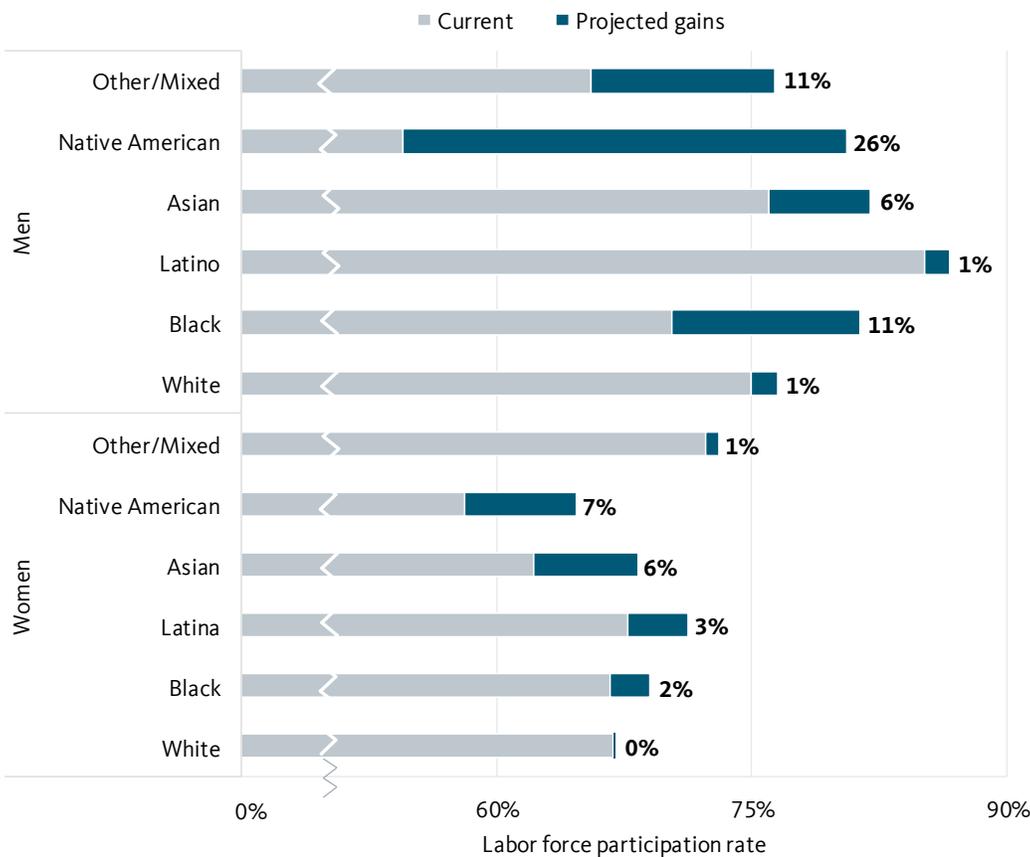
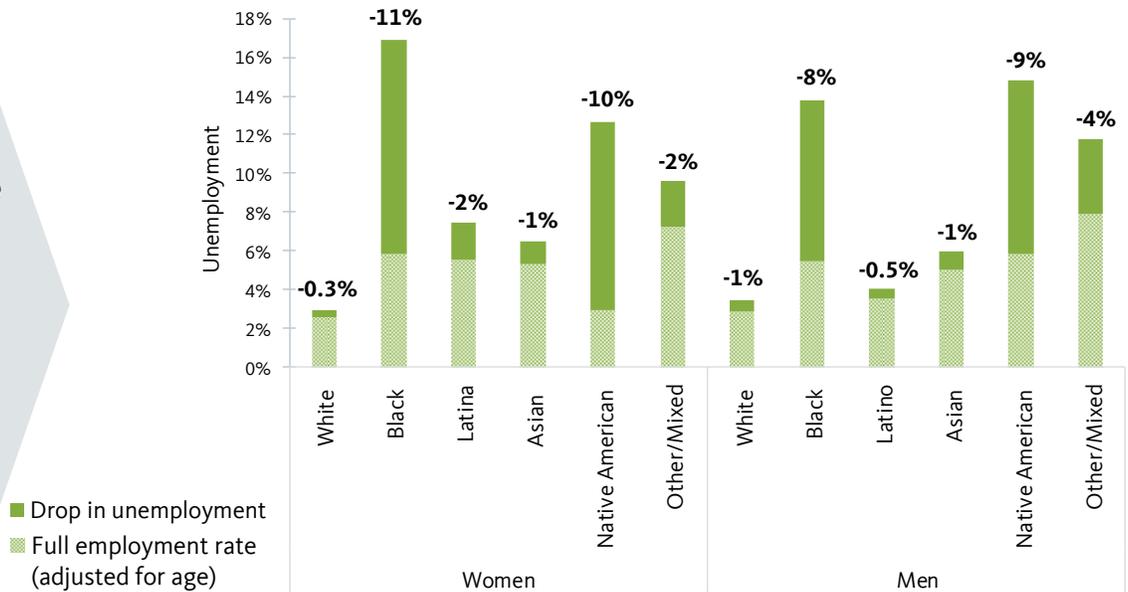


\$1.1 billion more in tax revenue to strengthen the social safety net

Blacks and Native Americans would experience the largest increases in average household income



Black and Native American men and women would experience the largest drops in unemployment



Labor force participation rates would increase the most for Native American, Black, and Other/Mixed race men and Native American women

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Full Employment for All

Kansas City Metro Area (Federal Reserve District 10)

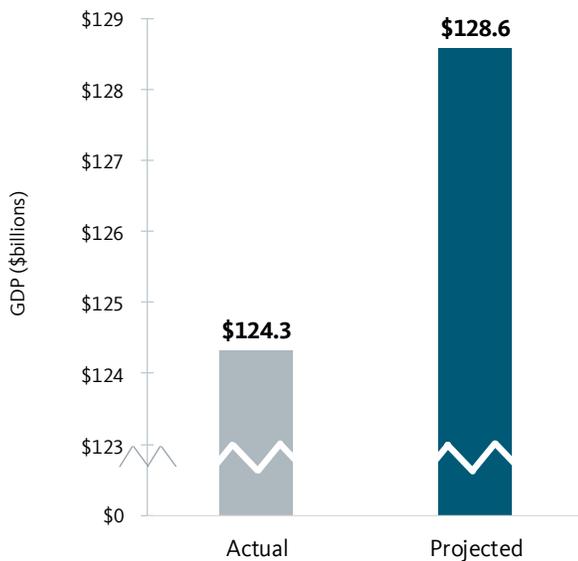


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This fact sheet presents the potential economic benefits of a “full employment for all” economy: one in which every community, regardless of race or gender, is at no more than **4 percent unemployment** with labor force participation rates of at least **75 percent** for men and **60 percent** for women, with all rates adjusted for age to reflect the different age structures of racial/ethnic and gender groups.

If there were full employment for all in 2015...

Kansas City's economy would be \$4.3 billion stronger



48,300 more workers would be employed

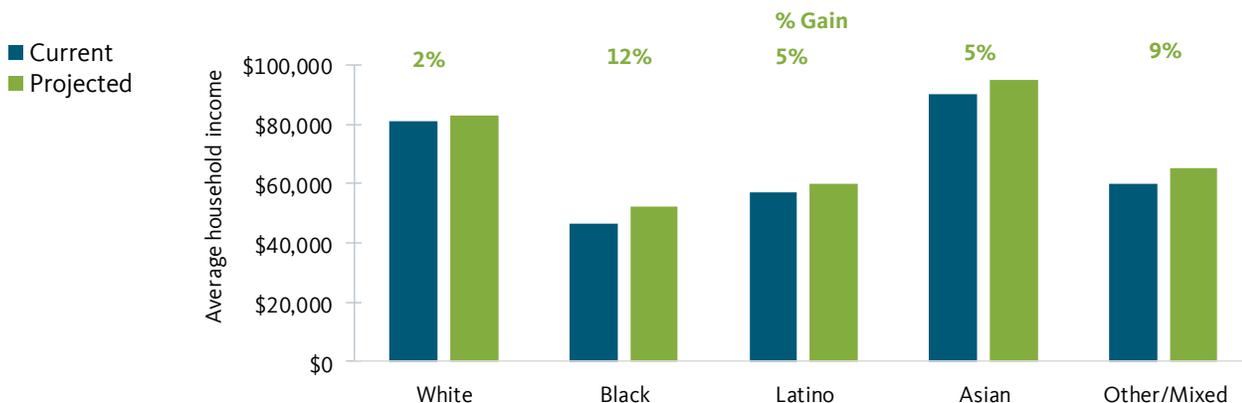


34,100 fewer residents would be living in poverty

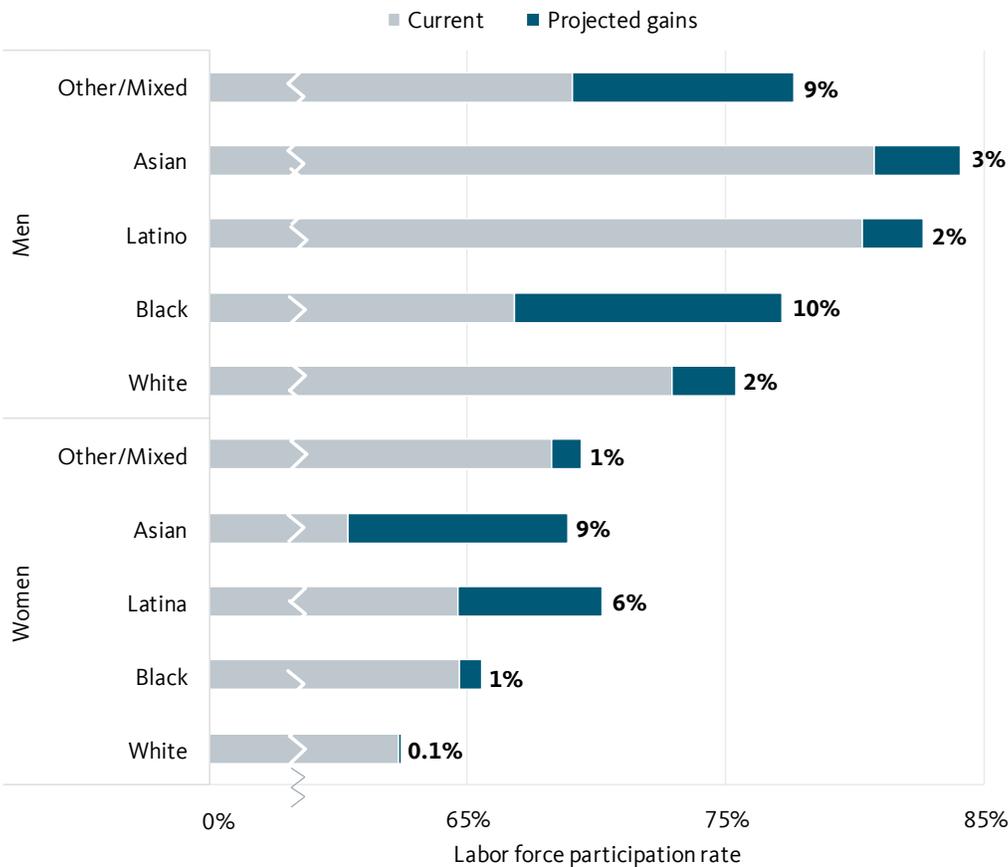


\$750 million more in tax revenue to strengthen the social safety net

Blacks and people of Other/Mixed race backgrounds would experience the largest increases in average household income



Black and Other/Mixed race men and Black women would experience the largest drops in unemployment



Labor force participation rates would increase the most for Black and Other/Mixed race men and Asian women

Source: PolicyLink/PERE analysis of 2009-2013 ACS microdata from the Integrated Public Use Microdata Series (IPUMS) and GDP data from Bureau of Economic Analysis. Find the full methodology at <http://nationalequityatlas.org/reports/reports-analyses>.

For more information about **Fed Up: The National Campaign for a Strong Economy**, visit <http://whatrecovery.org>.

Full Employment for All

Dallas Metro Area (Federal Reserve District 11)

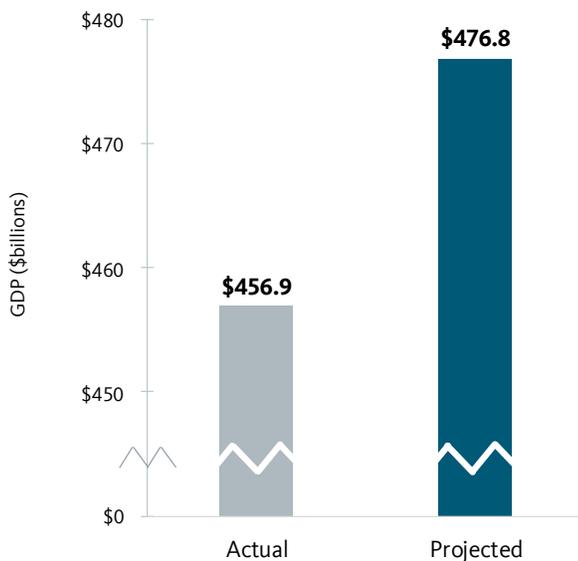


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This fact sheet presents the potential economic benefits of a “full employment for all” economy: one in which every community, regardless of race or gender, is at no more than **4 percent unemployment** with labor force participation rates of at least **75 percent** for men and **60 percent** for women, with all rates adjusted for age to reflect the different age structures of racial/ethnic and gender groups.

If there were full employment for all in 2015...

Dallas’s economy would be \$19.9 billion stronger



204,300 more workers would be employed

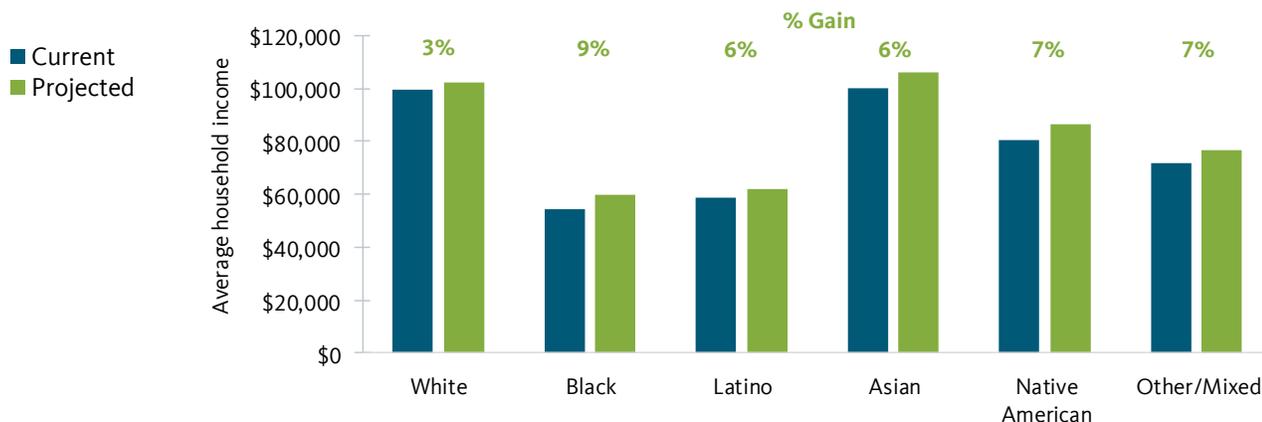


162,500 fewer residents would be living in poverty

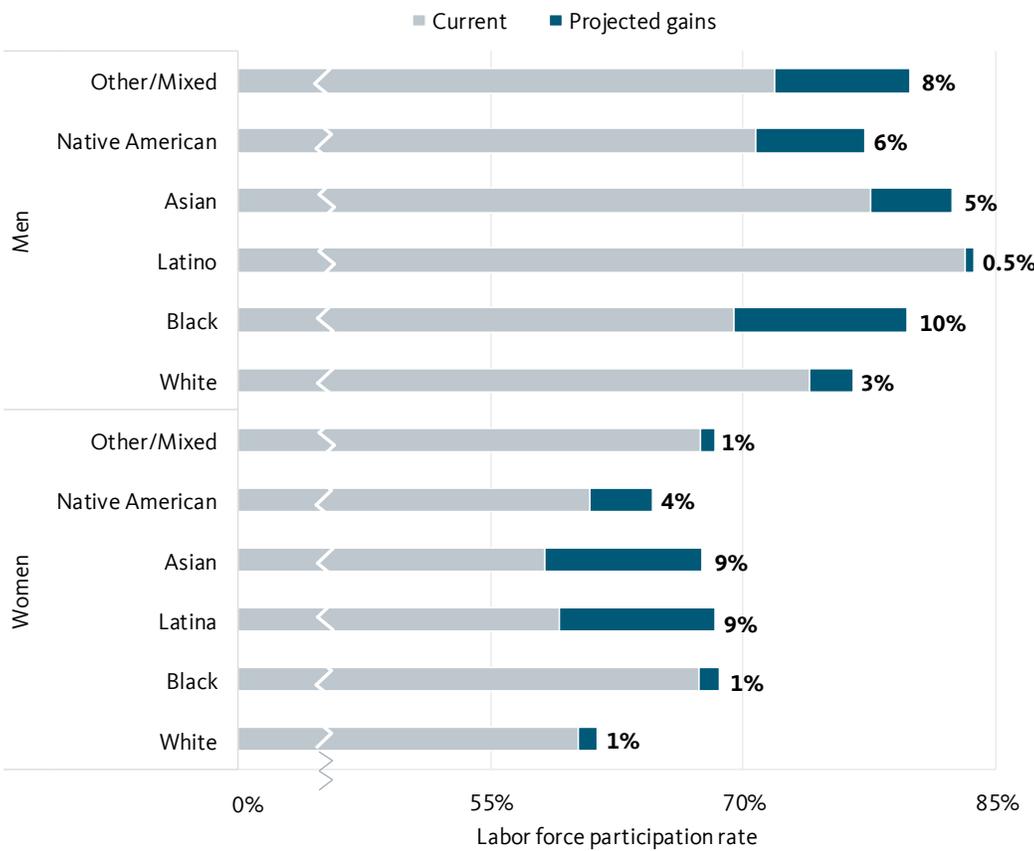
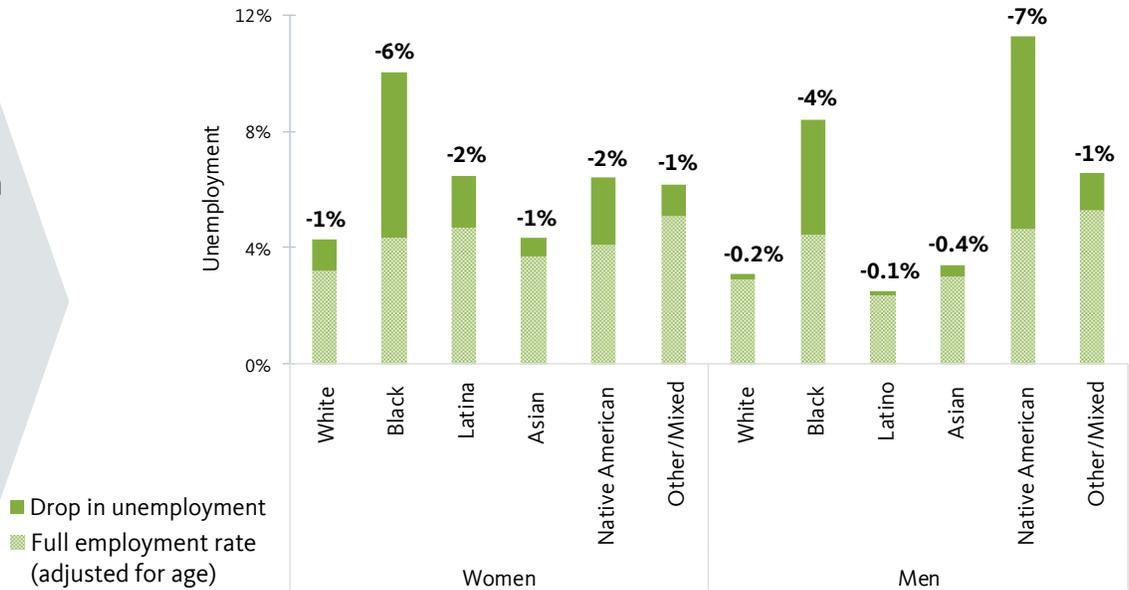


\$3.2 billion more in tax revenue to strengthen the social safety net

Blacks, Native Americans, and people with Other/Mixed race backgrounds would experience the largest increases in average household income



Native American men and Black men and women would experience the largest drops in unemployment



Labor force participation rates would increase the most for Black men and Asian and Latina women

Source: PolicyLink/PERE analysis of 2009-2013 ACS microdata from the Integrated Public Use Microdata Series (IPUMS) and GDP data from Bureau of Economic Analysis. Find the full methodology at <http://nationalequityatlas.org/reports/reports-analyses>.

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Full Employment for All

San Francisco Metro Area (Federal Reserve District 12)

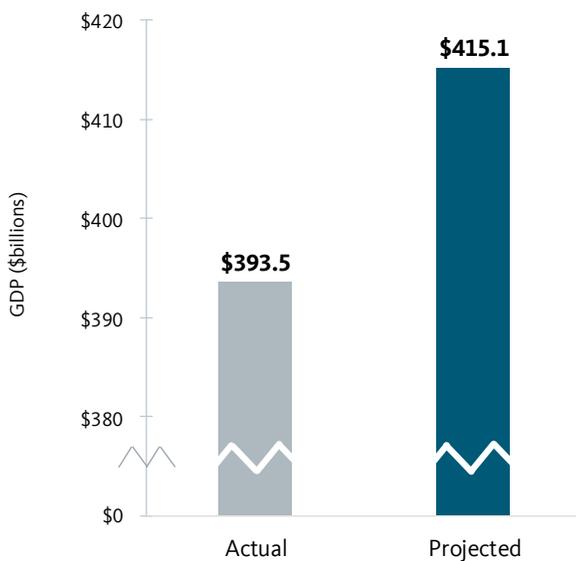


Full employment for all is when everyone who wants a job can find one—including Blacks, Latinos, and other workers of color who experience persistently high unemployment. As America undergoes a demographic shift in which people of color will be the majority by 2044, our failure to ensure all residents can fully participate as workers, entrepreneurs, and leaders will place our entire economy at risk. The Federal Reserve plays a central role in determining whether we reach full employment for all. By keeping interest rates low, the Fed can promote continued job creation that leads to tighter labor markets, higher wages, less discrimination, and better job opportunities for groups being left behind.

This fact sheet presents the potential economic benefits of a “full employment for all” economy: one in which every community, regardless of race or gender, is at no more than **4 percent unemployment** with labor force participation rates of at least **75 percent** for men and **60 percent** for women, with all rates adjusted for age to reflect the different age structures of racial/ethnic and gender groups.

If there were full employment for all in 2015...

The Bay Area economy would be \$21.6 billion stronger



184,200 more workers would be employed

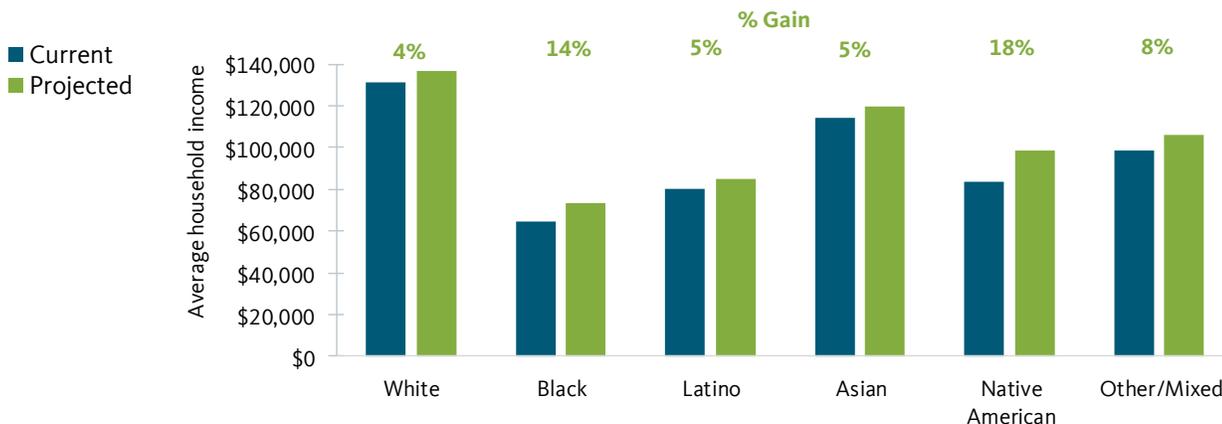


88,700 fewer residents would be living in poverty

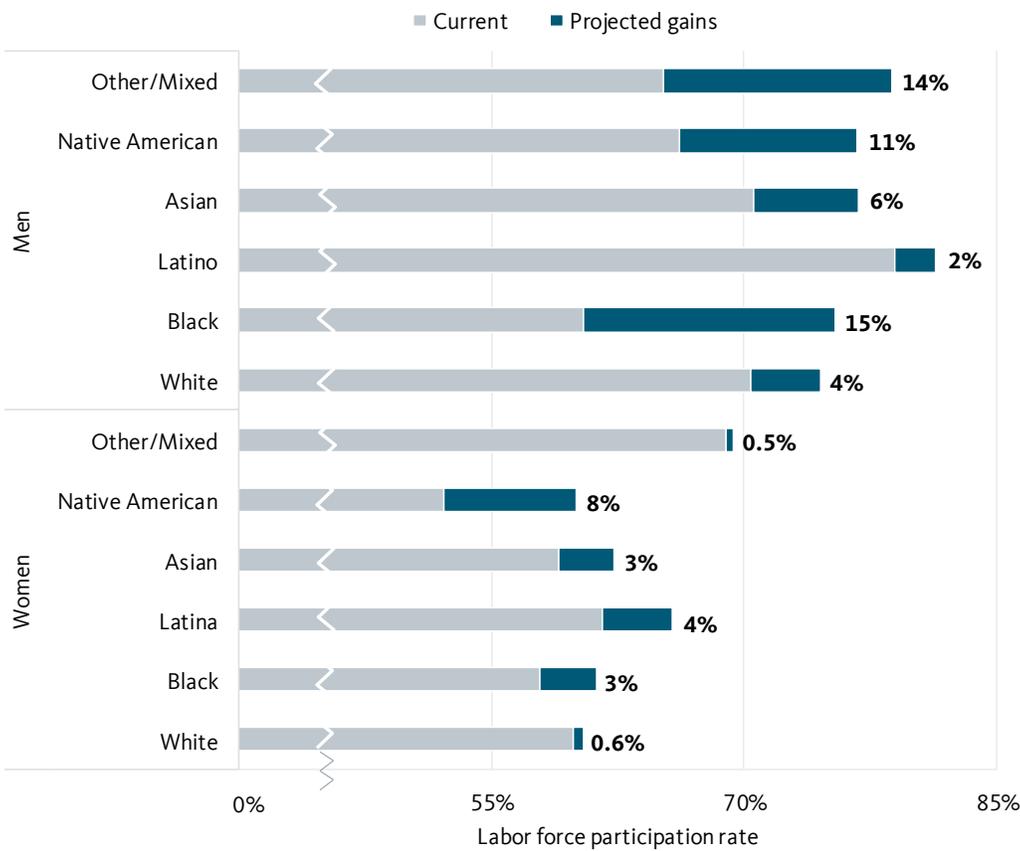
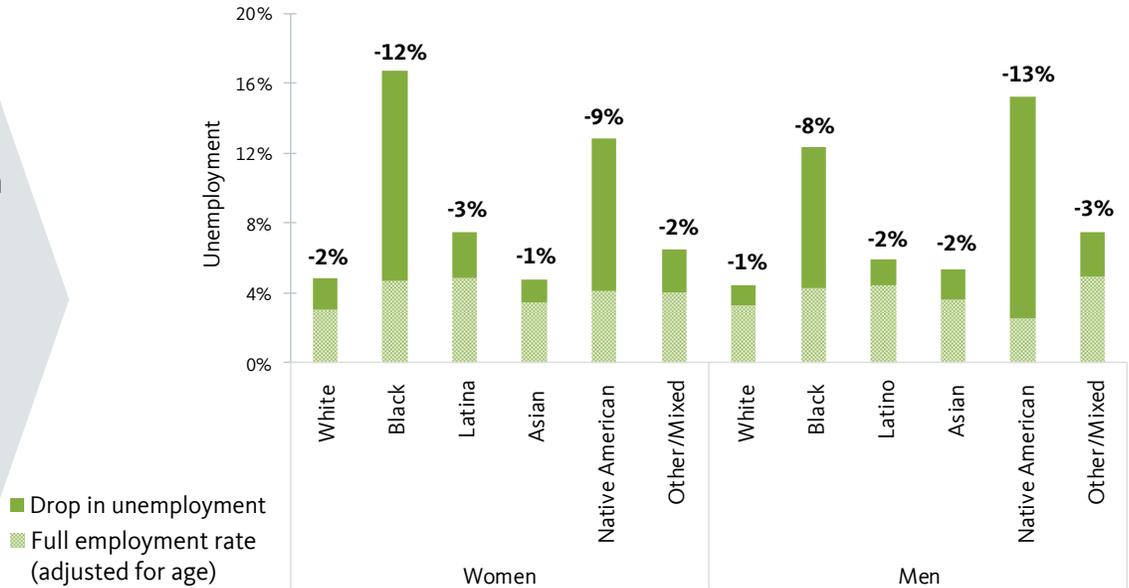


\$4 billion more in tax revenue to strengthen the social safety net

Blacks and Native Americans would experience the largest increases in average household income



Native American and Black men and women would experience the largest drops in unemployment



Labor force participation rates would increase the most for Black and Other/Mixed race men and Native American women

Source: PolicyLink/PERE analysis of 2009-2013 ACS microdata from the Integrated Public Use Microdata Series (IPUMS) and GDP data from Bureau of Economic Analysis. Find the full methodology at <http://nationalequityatlas.org/reports/reports-analyses>.

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About this analysis

This analysis estimates the potential economic benefits of a “full employment for all” economy, defined as an economy in which full employment is achieved not simply for the workforce as a whole but for each major racial/ethnic and gender group.

Defining Full Employment for All

A full employment economy is one in which everyone who wants a job can find one. Economists typically characterize the economy in the year 2000 as a full employment economy because the unemployment rate reached 4 percent for the first time since 1970. Despite having reached “full employment” in 2000, the United States has never achieved full employment for all. While Black workers experienced employment gains and the Black/White gap in employment began to narrow during the economic prosperity of the late 1990s, Black unemployment remained twice as high as White unemployment (7.6 percent compared with 3.5 percent in 2000).

For the purpose of this analysis, we created a “full employment for all” economic scenario for the year 2015 using unemployment and labor force participation benchmarks based on the full employment economy of the year 2000: an unemployment rate of no more than **4.0 percent** and labor force participation rates of at least **75 percent** for men and **60 percent** for women, with benchmarks adjusted for age to reflect the different age structure of each racial/ethnic and gender group. Young workers have consistently higher unemployment rates, therefore groups with higher shares of young workers have higher unemployment rates.

Methods

We used data on unemployment, hours worked, wages, and labor force participation from the U.S. Census and GDP data from the Bureau of Economic Analysis to estimate economic gains in 2015 under this hypothetical “full employment for all” scenario for the United States and each of the 12 metropolitan regions home to regional Federal Reserve offices.

To estimate increases in employment, we calculated the difference between the “full employment for all” benchmarks and the estimated 2015 unemployment and labor force participation rates for 12 mutually exclusive groups defined by race/ethnicity and gender. To project gains in income and other economic measures, we calculated the increase in income for each new worker, their family, and their household under the “full employment for all” scenario, assuming that newly employed workers work the same average number of hours and earn the same average hourly pay as other workers in their racial/ethnic, gender, and age group. The income estimates provided the basis for estimated increases in tax payments and household income, reductions in poverty, and GDP gains.

This analysis is intended to illustrate the broad benefits of policies that reduce race and gender inequities in the labor force for the unemployed, their families, their communities, and the economy. It does not include the multiple social benefits of reducing unemployment, and it underestimates the full economic benefits because a newly employed person also spends more money in the economy, generating a “multiplier effect,” and because wages rise when labor markets tighten. It also not take into account the costs of the targeted employment strategies (including job creation, preparation, and access) that would be necessary to realize a “full employment for all” economy.

For more details, please see the full methodology at <http://nationalequityatlas.org/reports/reports-analyses>.