

EMPLOYMENT

UPDATED THROUGH AUGUST 2025 | NATIONAL

Raji Chakrabarti, Thu Pham, Beck Pierce, and Maxim Pinkovskiy

Data & Methods

- Employment is calculated using weighted estimates from the Current Population Survey (CPS).
- Comparable nonveterans are male high school graduates reweighted by age, race, and birthplace to match veterans.
- Gaps are defined as the percentage point difference in employment, labor force participation, and unemployment rate between different groups.
- The gender gap is defined as the outcome for men minus the outcome for women.
- The racial gaps are defined as the outcome for white workers minus the outcome for the given race or ethnicity.
- The college gap is the outcome for workers with a bachelor's degree minus the outcome for workers without one.
- The rural gap is the outcome for urban workers minus the outcome for rural workers.

A group of five diverse people are seated around a table in a modern office environment. One person is in a wheelchair. The background shows large windows and office furniture. The scene is dimly lit, with the primary light source coming from the windows.

EMPLOYMENT: EMPLOYMENT-TO- POPULATION RATIO

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Takeaways | EPOP

- The gender gap remained steady at 11.3 percentage points in August 2025.
- The Black employment gap has risen to 6.9 percentage points, the highest value since January 2022 and higher than during the pre-Covid period, driven by both Black men and Black women. The Hispanic and AAPI employment gaps rose to 4.3 and 3.1 percentage points.
- The college employment premium has declined to 10.7 percentage points, lower than during the pre-Covid period.
- The employment gap for Black men (relative to white men) rose to 9.1 percentage points in August 2025 from 7.1 percentage points in May 2025.
- The employment rate of veterans rose between May and August 2025.

Gaps and all other relevant definitions can be found on the data and methods slide.

Full Report Highlights

▪ INFLATION

- Hispanic, middle-income, Southern, and rural households saw lower inflation than the national average.
- Low-income, Northeastern, and college-educated households experienced higher inflation than the national average.
- Rural inflation has slowly moved toward the national average.

▪ EARNINGS

- Black and Hispanic workers earned less as a fraction of the earnings of white workers than in 2025:Q2.
- Workers without a college degree earned more as a fraction of the earnings of workers with a degree, respectively, than they did in the past six years.
- Women workers' earnings have held steady as a share of men's earnings since 2025:Q2.
- Earnings of workers in large-sized businesses have grown at a higher rate than earnings of workers in medium-sized and small businesses.

Full Report Highlights (continued)

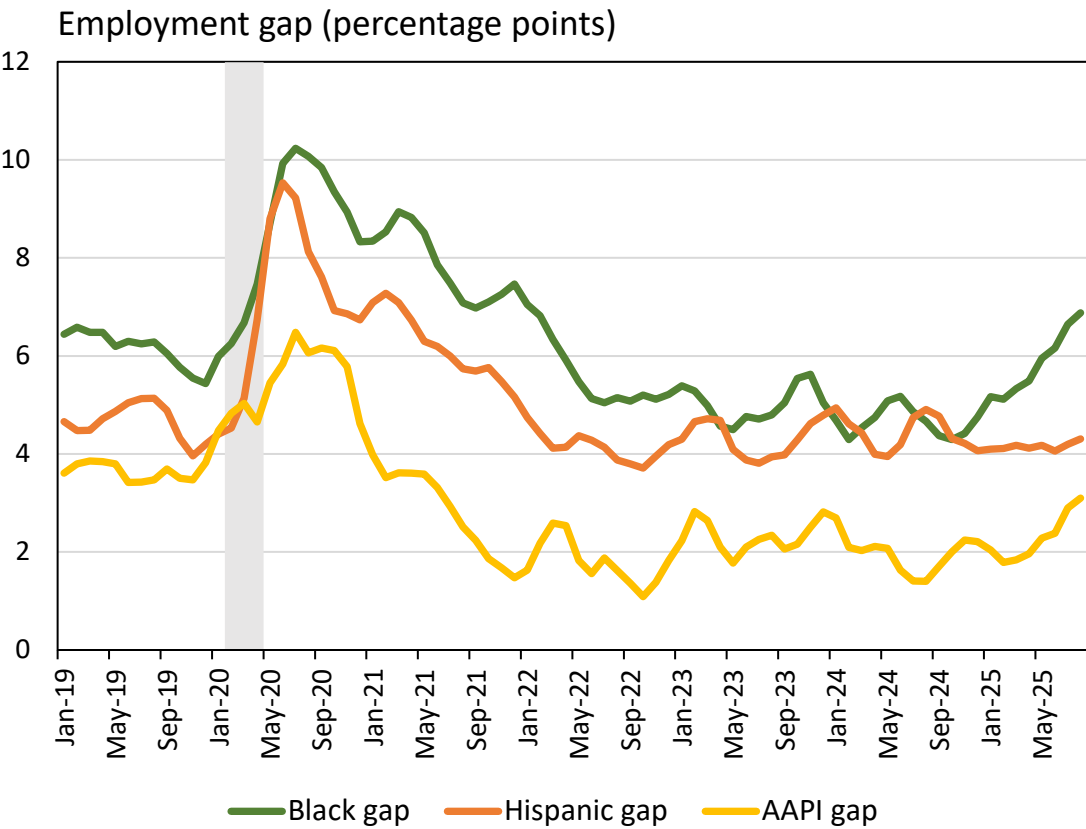
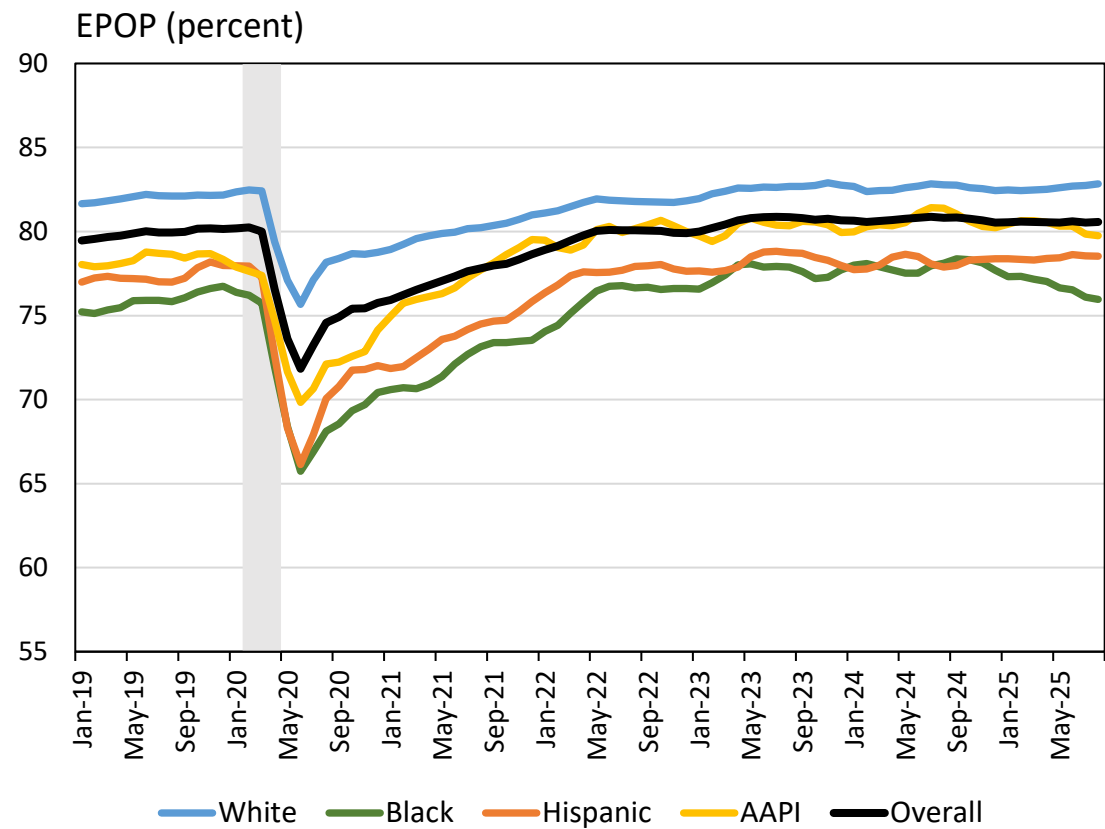
▪ **EMPLOYMENT**

- Employment has fallen and unemployment has risen for Black men and women.
- Differences in employment, unemployment, and labor force participation rates between college graduates and nongraduates have decreased because of an improvement for the latter and a deterioration for the former.
- Workers with disabilities were much less (nearly half as) likely to participate in the labor force and be employed, and more than twice as likely to be unemployed than workers without disabilities.
- Employment has grown faster at large businesses than at small and medium-sized businesses.

▪ **WEALTH**

- Growth in wealth after 2019 was faster for some groups with little wealth growth relative to population.
- This growth did not meaningfully reduce stark wealth inequalities across demographic groups.
- Financial assets grew strongly in 2025:Q2, raising net worth across the board but particularly for high-income and high-wealth groups.

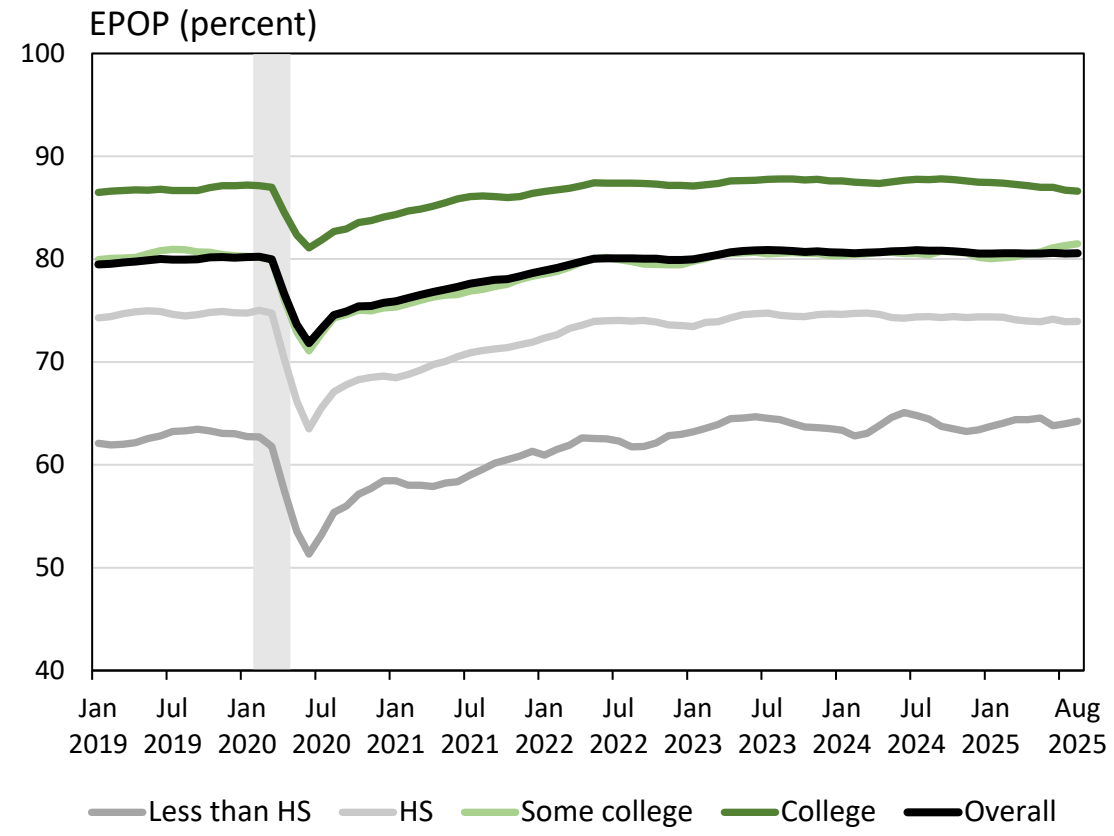
EPOP by Race/Ethnicity



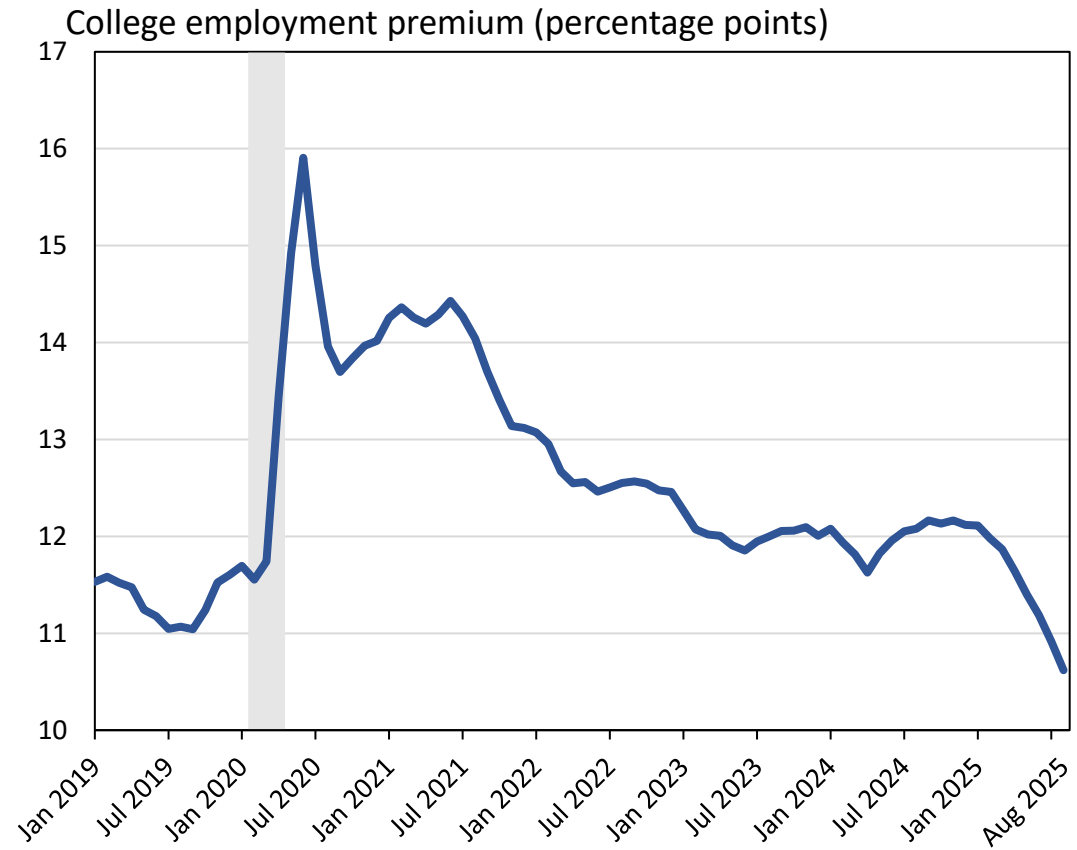
Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.
Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession.

The racial gaps are defined as the employment of white workers minus the employment of the given race or ethnicity.

EPOP by Education

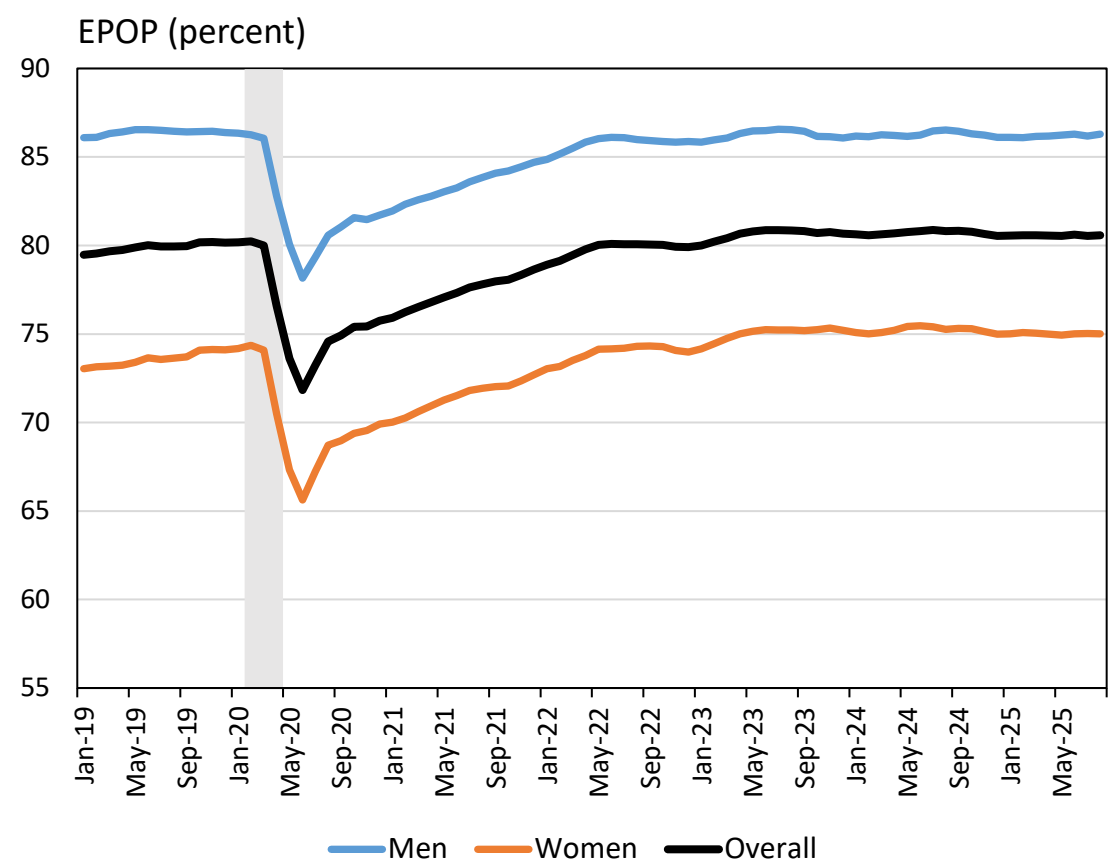


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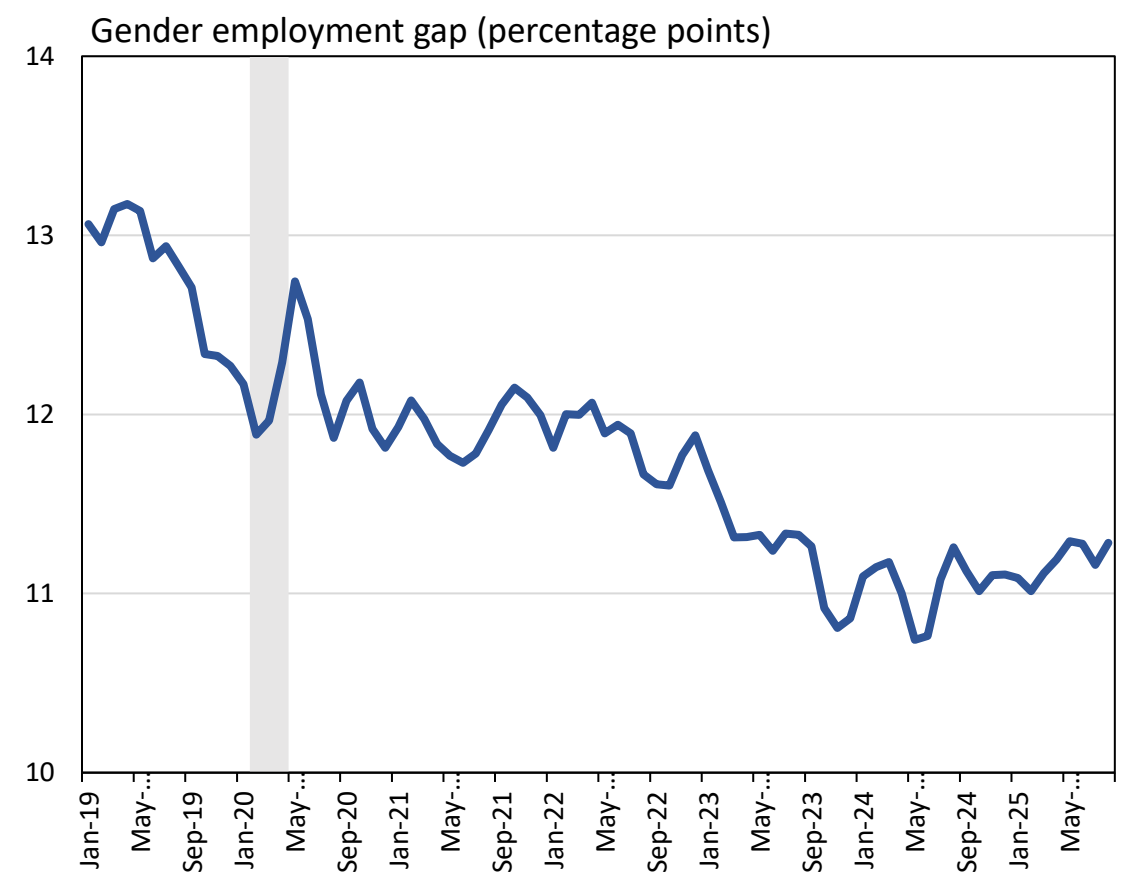


Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession. The college gap is the employment of workers with a bachelor's degree minus the employment of workers without one.

EPOP by Gender

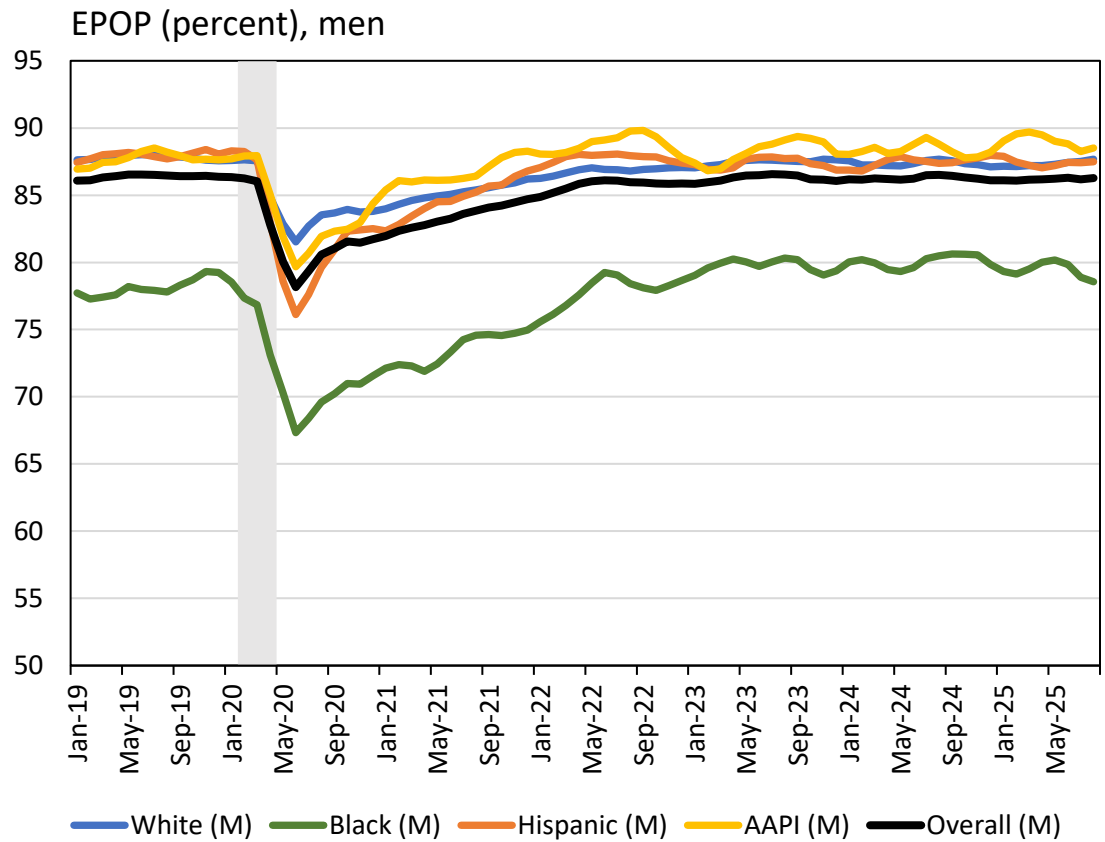
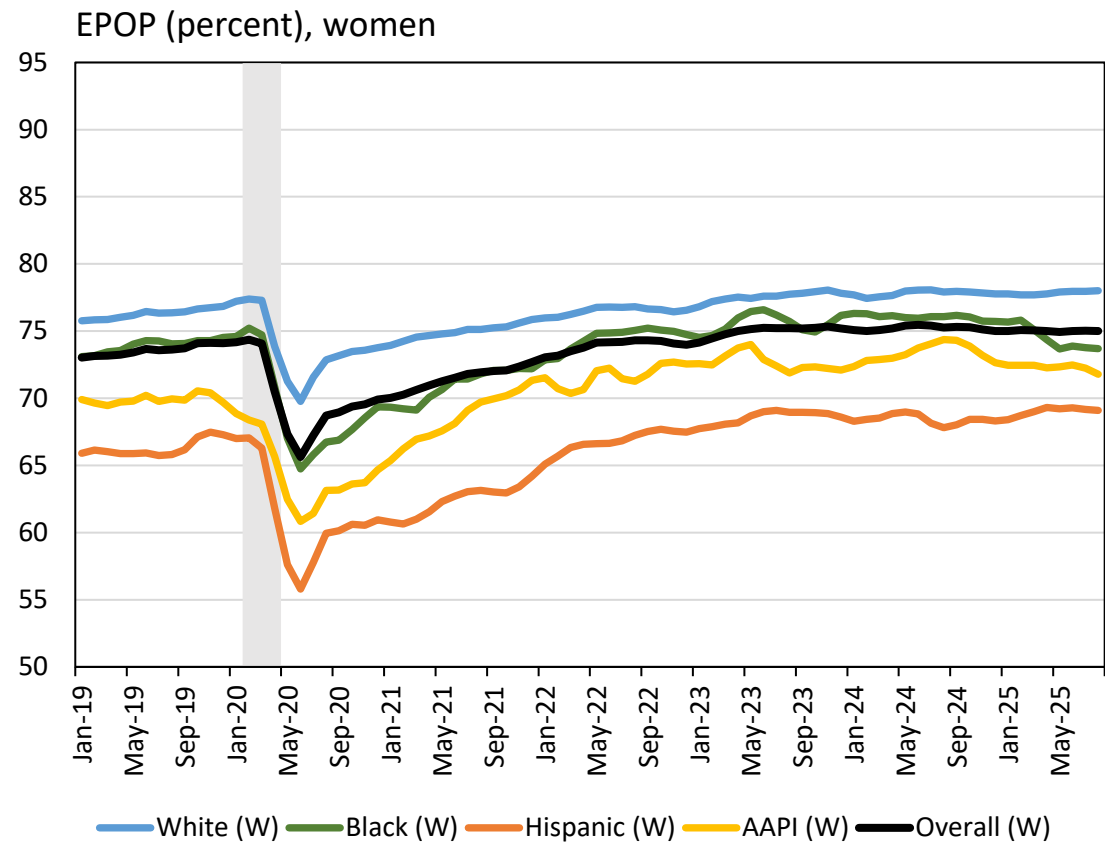


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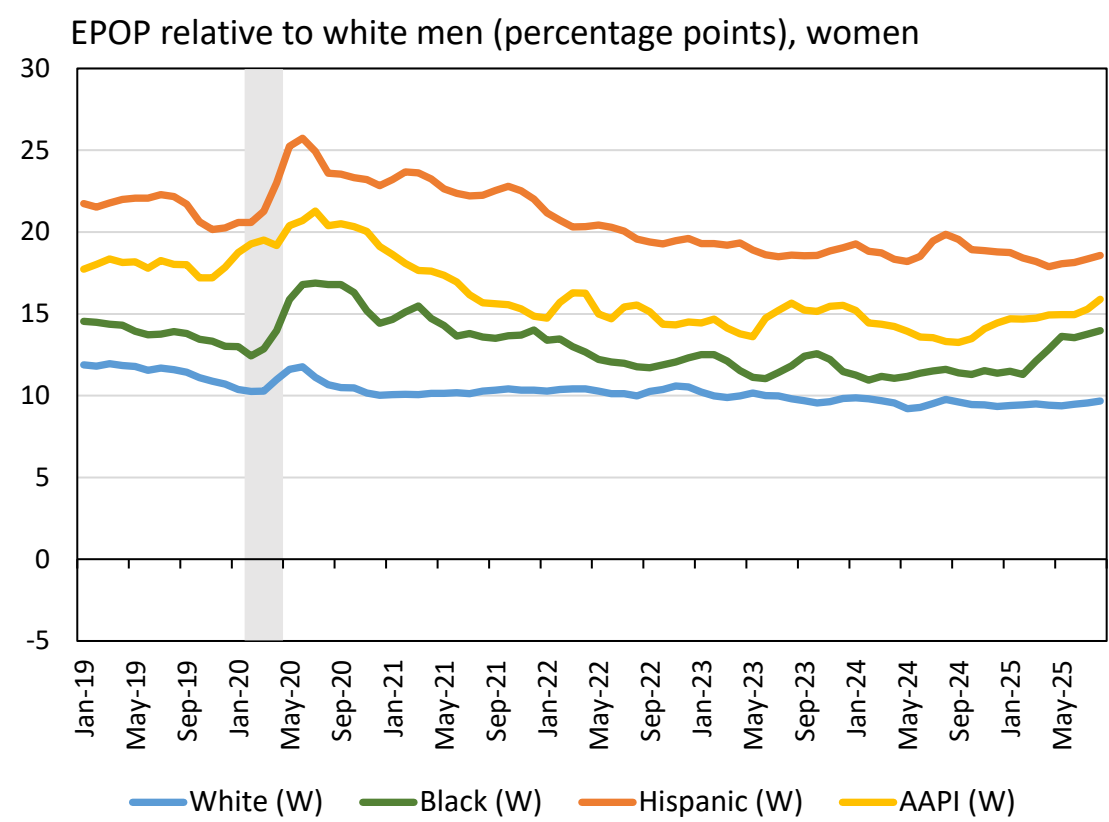
Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession. The gender gap is defined as the employment of men minus the employment of women.

EPOP by Race x Gender

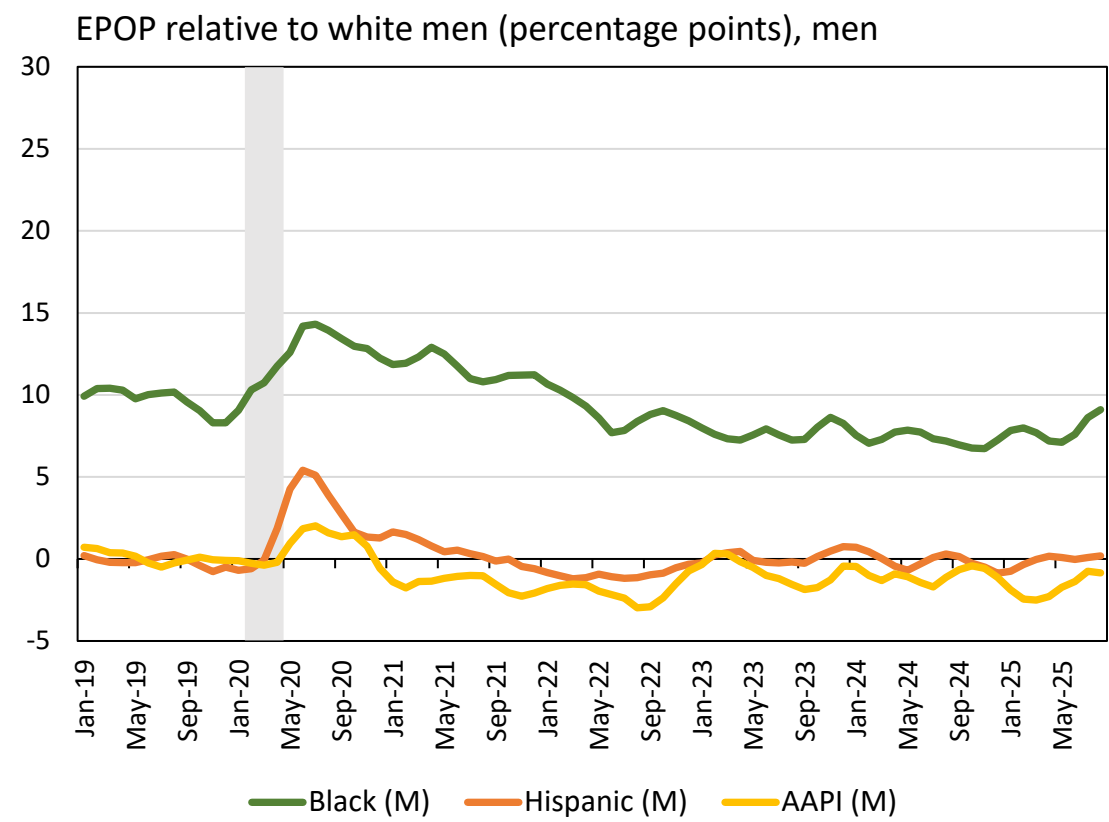


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EPOP Gaps by Race x Gender

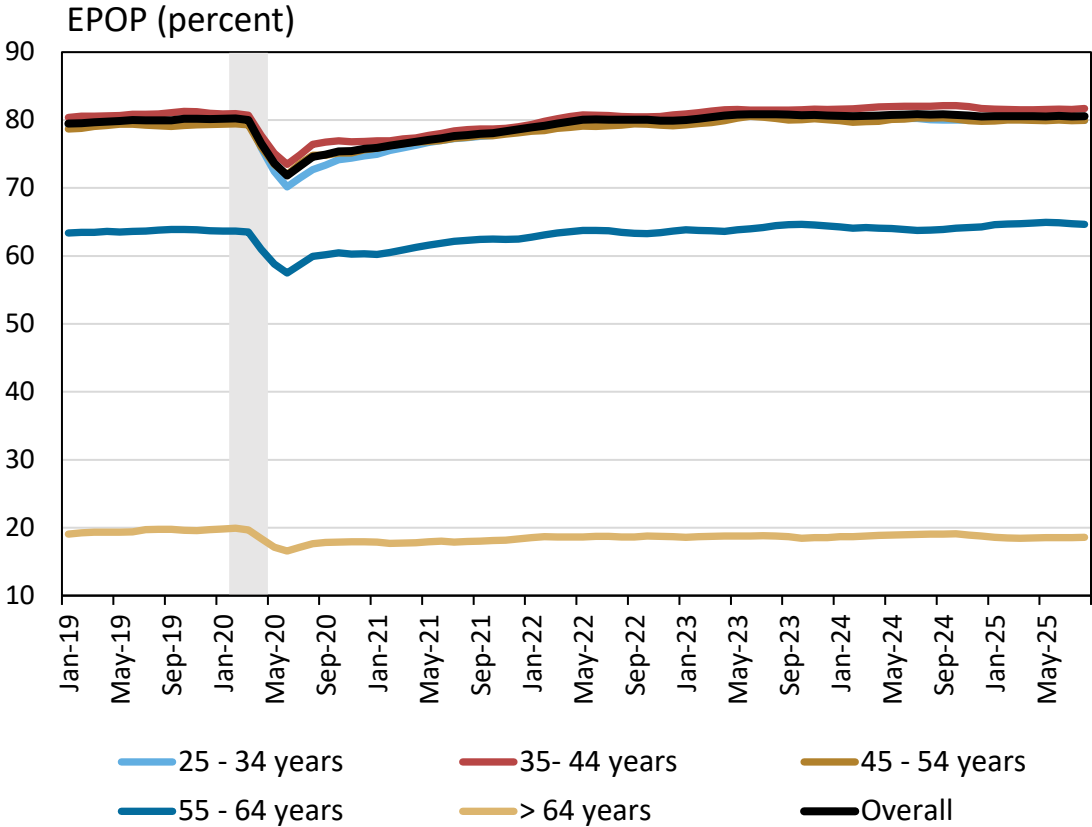


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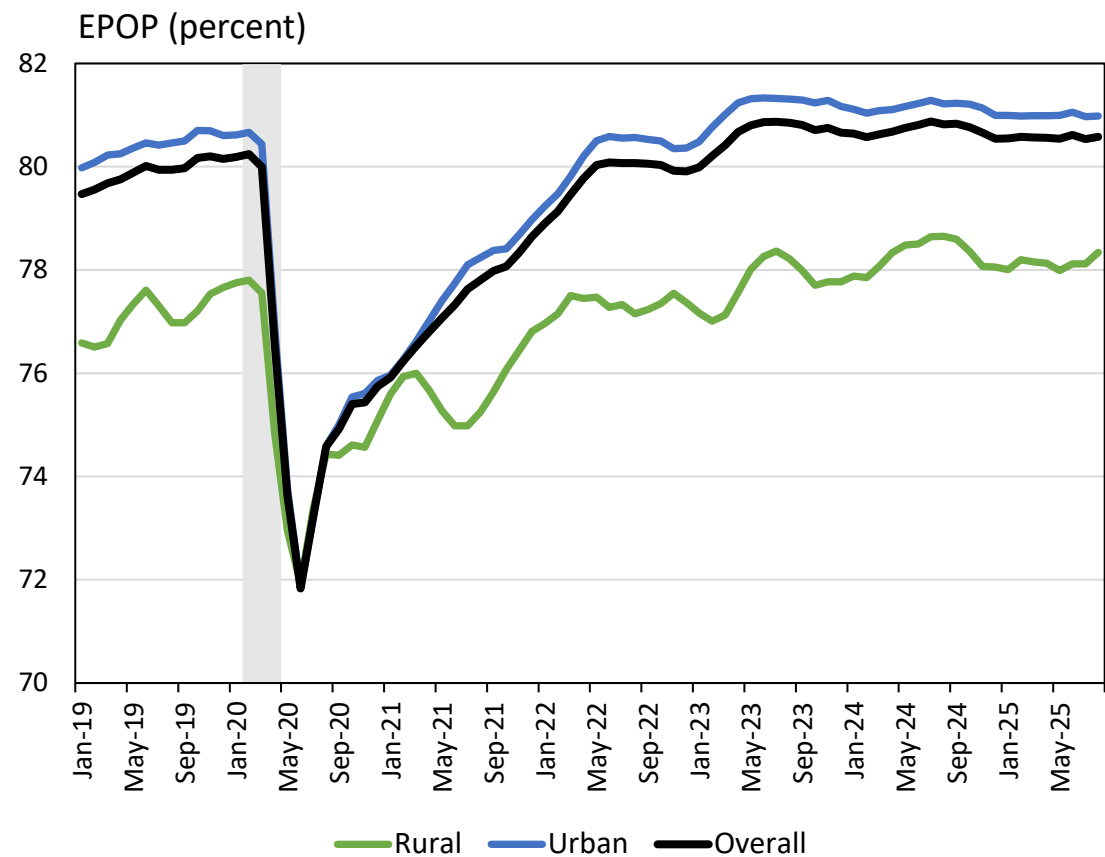
EPOP by Age



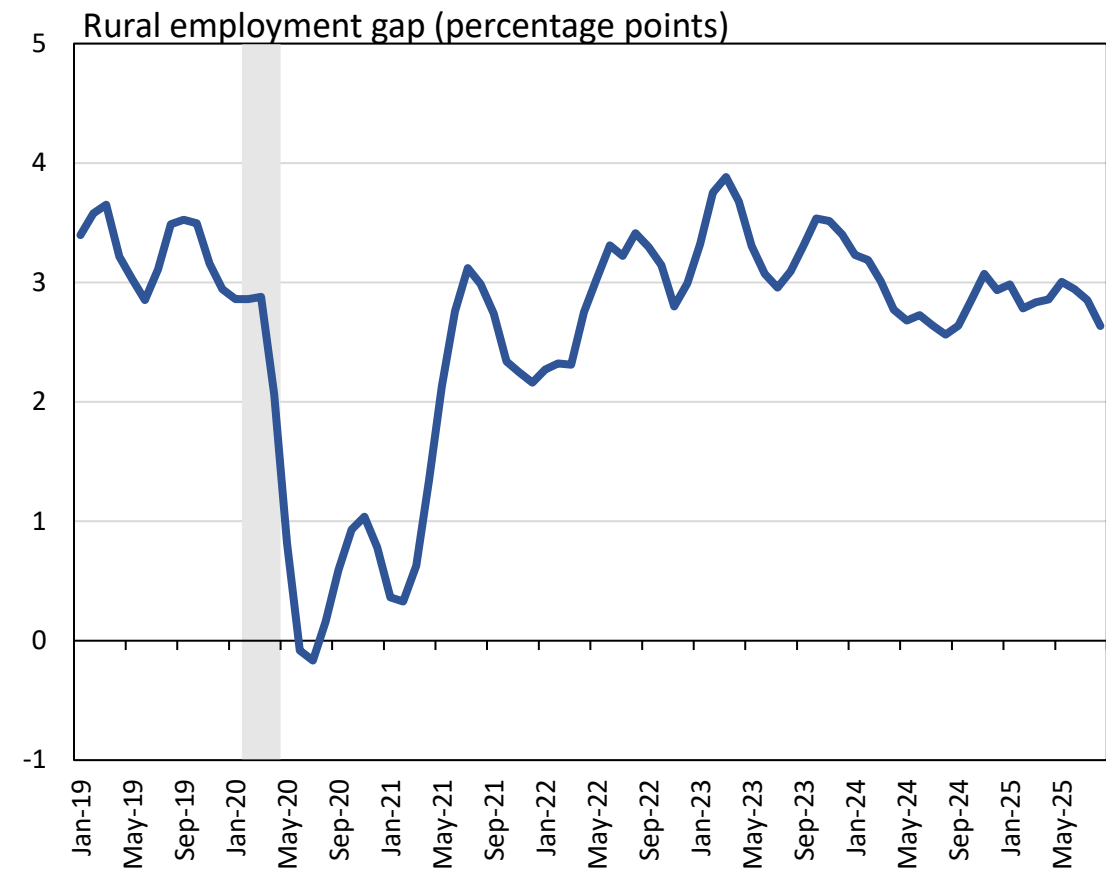
Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations; three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.

Notes: Overall line uses prime-age (25-54) sample. Shaded region indicates the COVID-19 recession.

EPOP by Urban Status

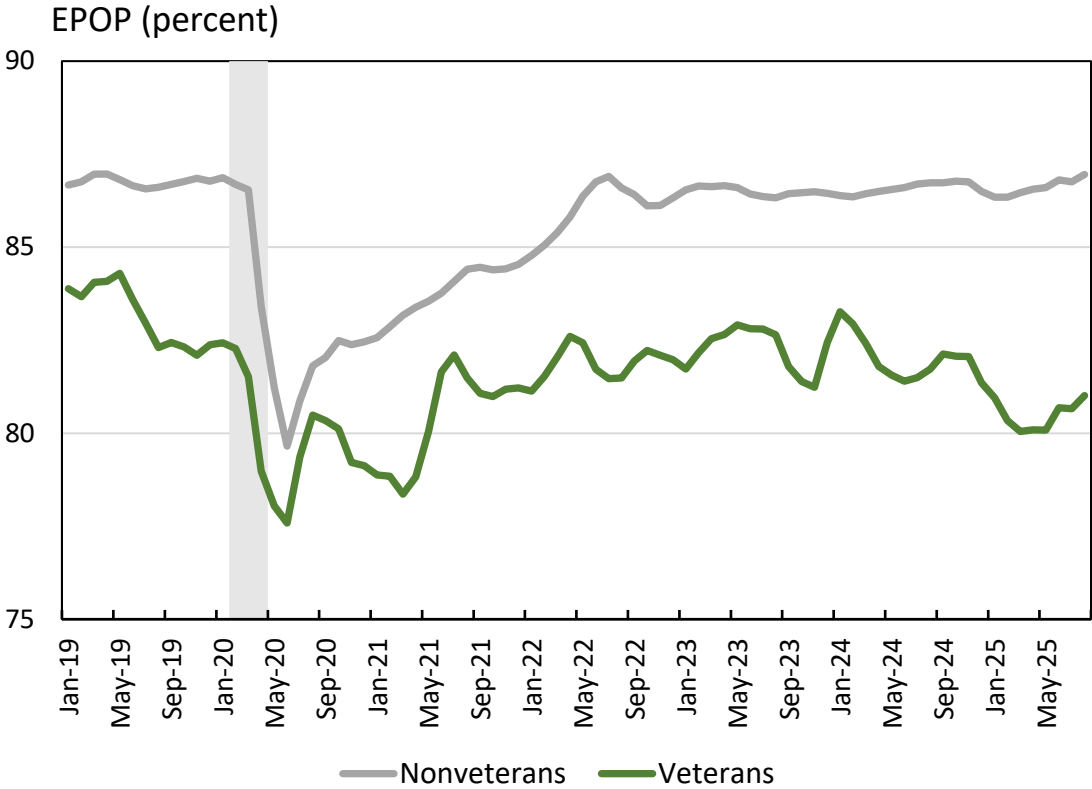


Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.



Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession. The rural gap is the employment of urban workers minus the employment of rural workers.

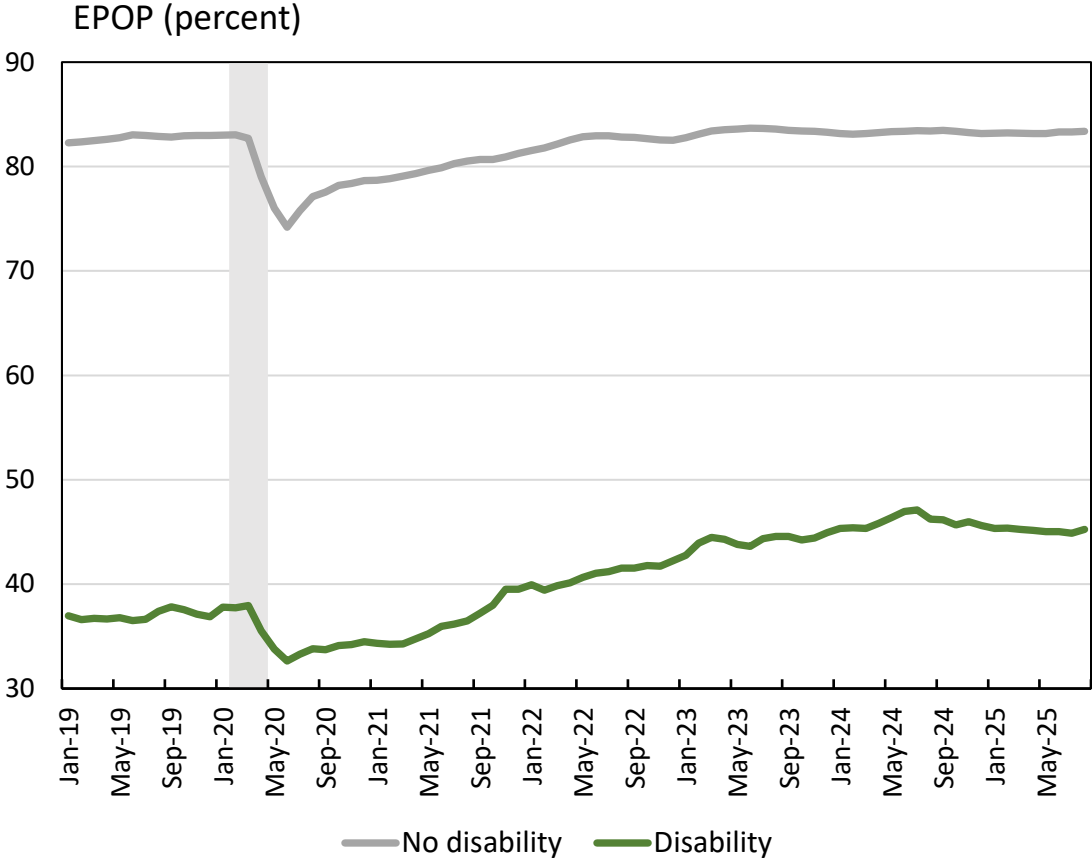
EPOP by Veteran Status



Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.

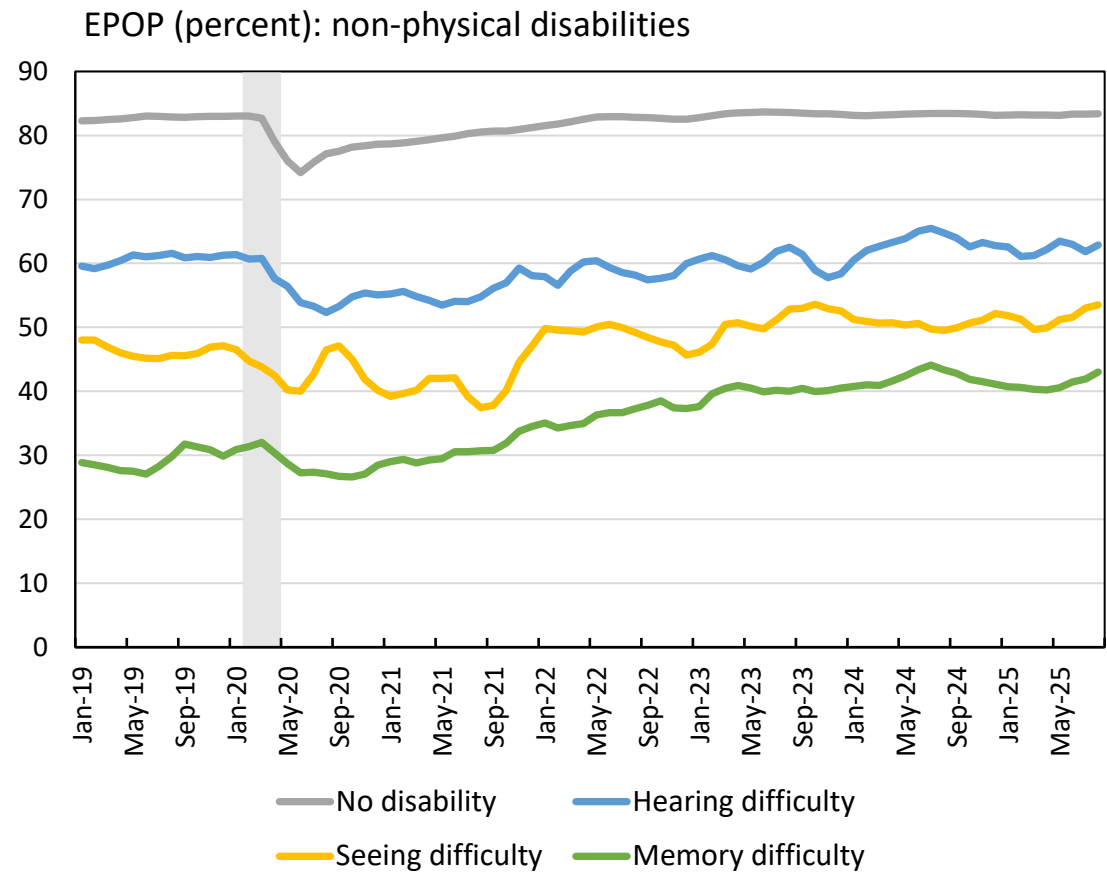
Notes: Restricted to men, 25-55, with at least a high school diploma. Shaded region indicates the COVID-19 recession.

EPOP by Disability

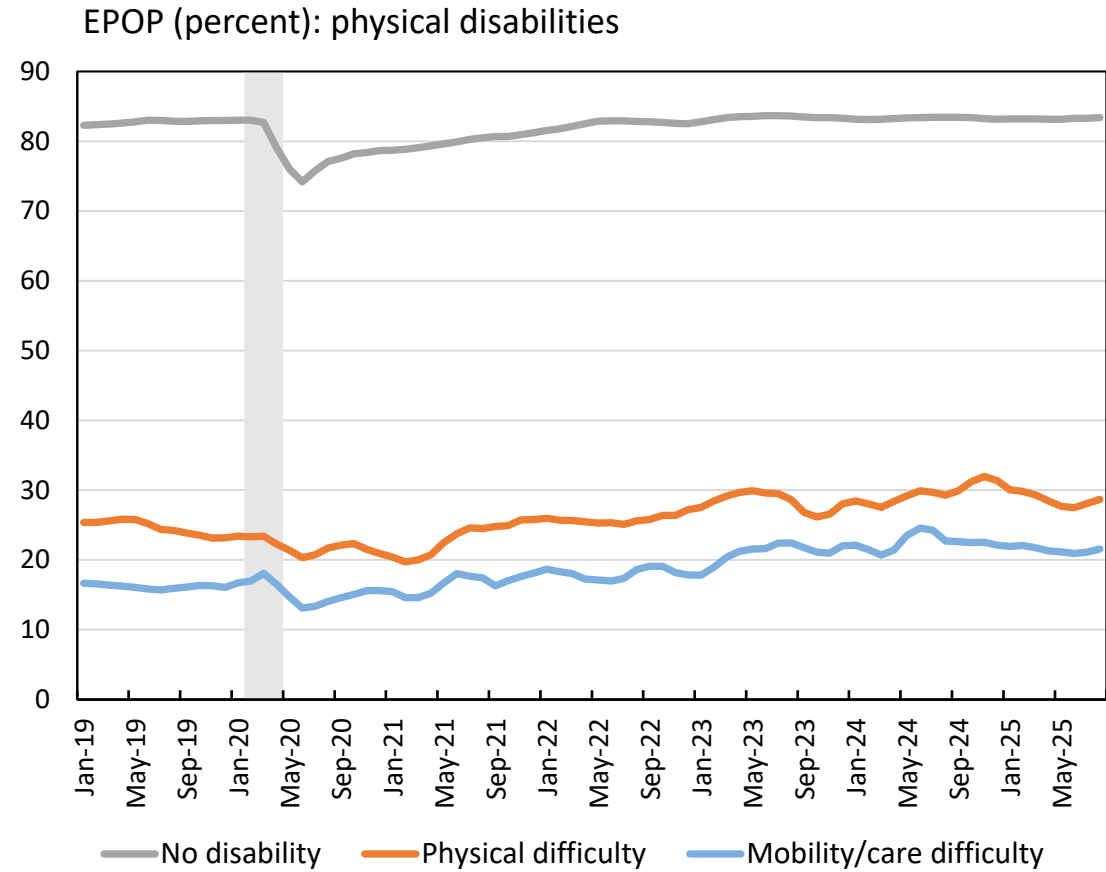


Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.
Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession.

EPOP by Specific Disability



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Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession. Those with a care/mobility difficulty have a physical or mental condition that makes it difficult to perform basic activities alone, both inside and outside the home. These two disabilities have been combined because they involve similar degrees of disability, and the combined category is more precisely estimated.

A group of five diverse people are seated around a table in a modern office environment. From left to right: a man with short dark hair seen from the back, a man with short grey hair, a man with a beard and short dark hair, a man with short dark hair seen from the back, and a woman with short dark hair in a wheelchair. They are all looking towards the center of the table. The background shows large windows and office furniture.

WORKERS' EMPLOYMENT BY BUSINESS SIZE

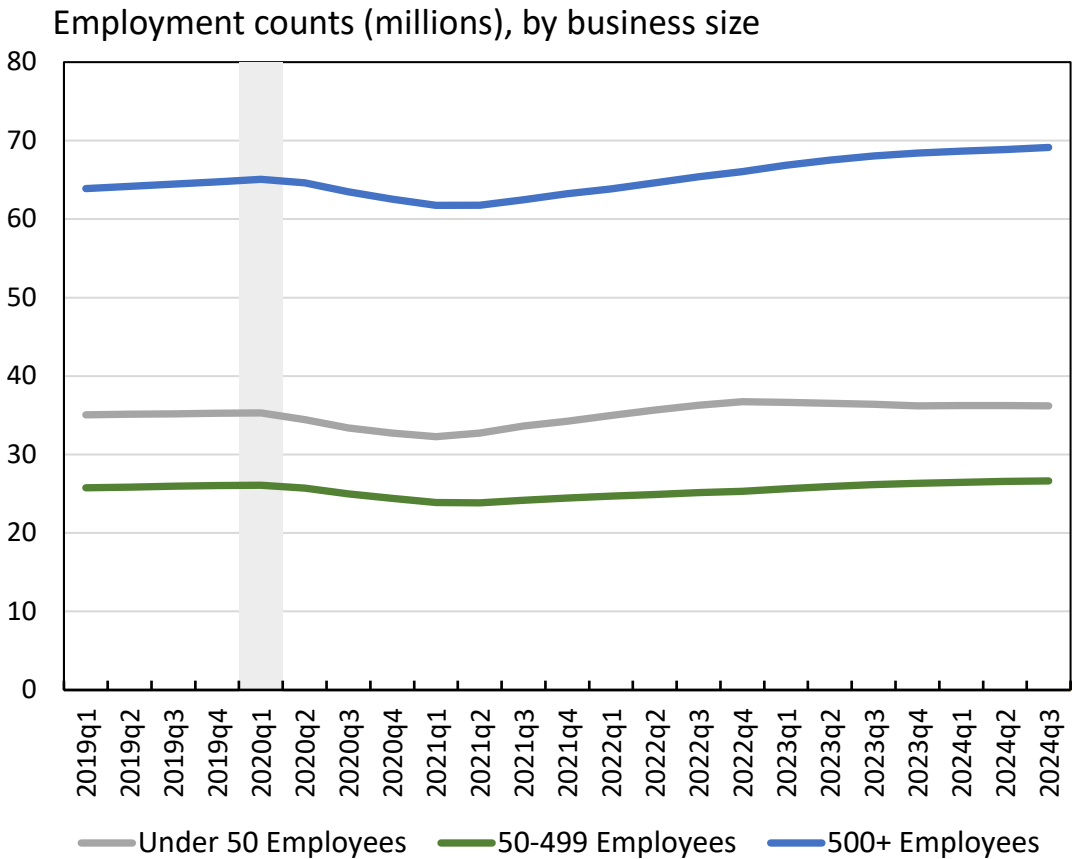
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Takeaways | Employment by Business Size

- Roughly half (52%) of all workers were employed in large businesses, while over a quarter (27%) of workers were employed in small businesses, and a fifth were employed in medium-sized businesses.
- Employment has grown faster at large businesses than at small and medium-sized businesses. Large business employment is over 8.2% higher than it was before the pandemic, while small and medium-sized business employment is 3.4% higher relative to January 2019.

**"Businesses" here refer to firms, as defined in the Quarterly Workforce Indicators (QWI). Firm size is based on the "firm's national employment on March 12th of the previous year (current year for new firms)."*

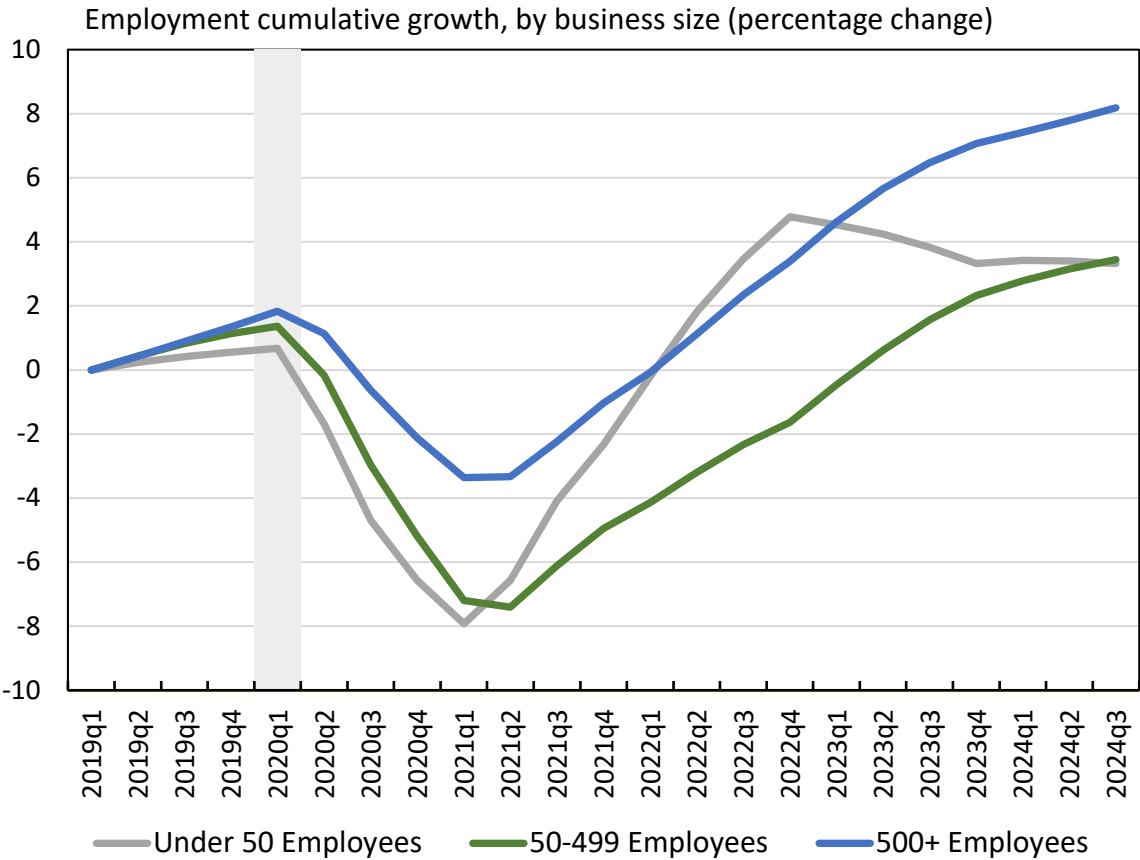
Employment Count by Business Size



Sources: U.S. Census Bureau, Quarterly Workforce Indicators; authors' calculations; four-quarter moving averages. Employment counts are based on beginning of quarter estimates.

Notes: "Businesses" here refer to firms, as defined in the Quarterly Workforce Indicators (QWI). Firm size is based on the "firm's national employment on March 12th of the previous year (current year for new firms)." Restricted to private firms, for which firm-size data is available.

Employment Count (Cumulative Growth) by Business Size



Sources: U.S. Census Bureau, Quarterly Workforce Indicators; authors' calculations; four-quarter moving averages. Employment counts are based on beginning of quarter estimates.

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EMPLOYMENT: UNEMPLOYMENT RATE

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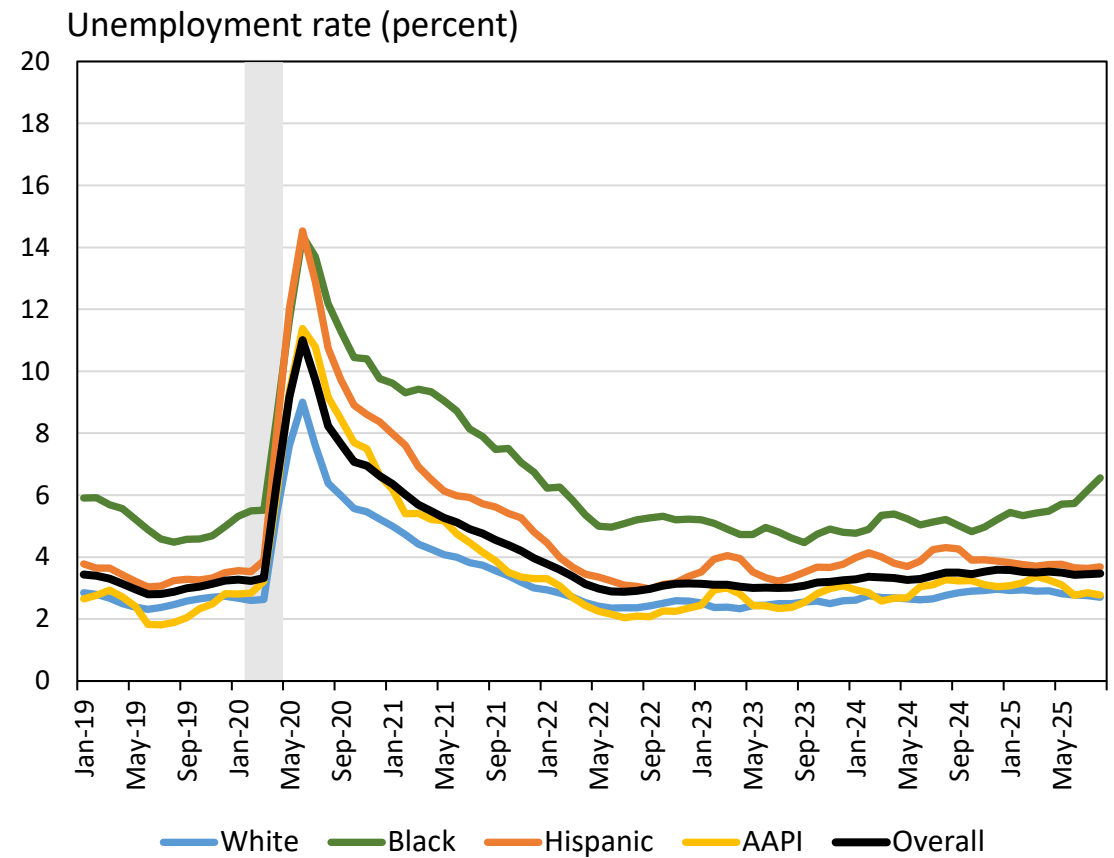
Raji Chakrabarti, Thu Pham, Beck Pierce, and Maxim Pinkovskiy

Takeaways | Unemployment Rate

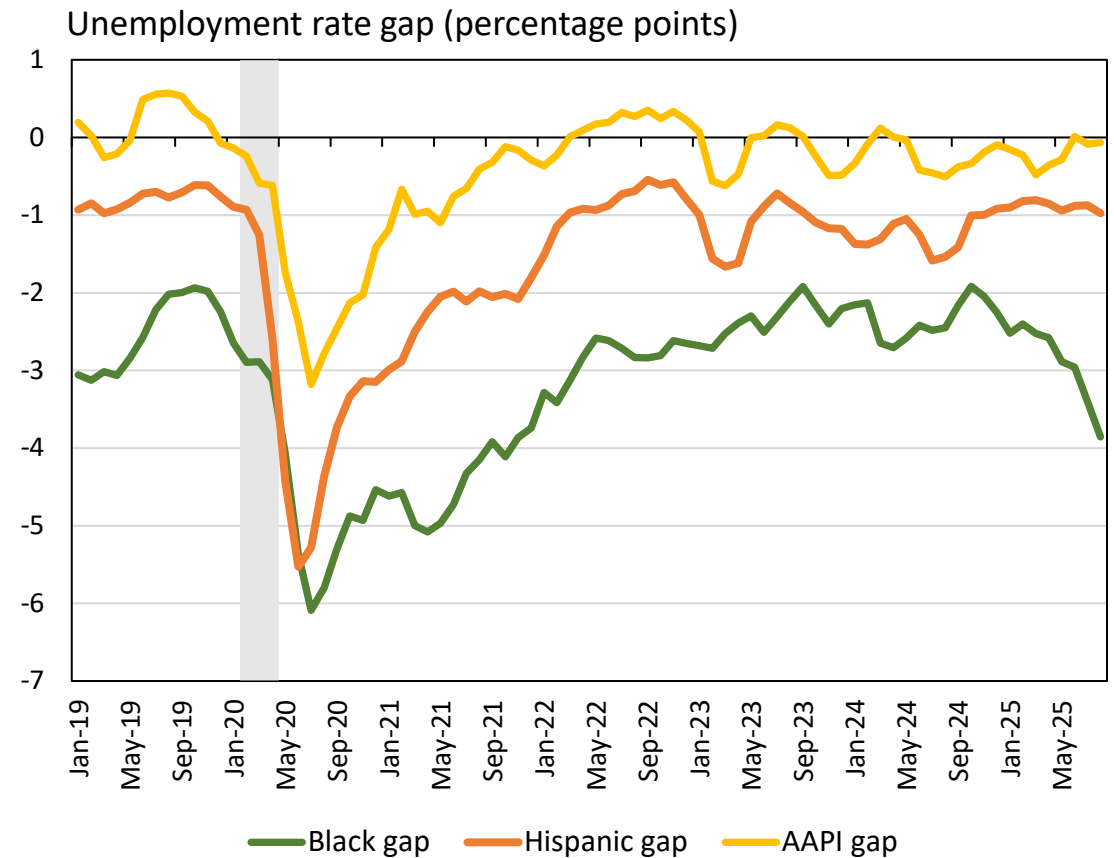
- Overall unemployment stood at 3.47% in August 2025, nearly identical to a year ago.
- Black workers had an unemployment rate that was 3.9 percentage points higher than the unemployment rate for white workers in August 2025, followed by Hispanic workers (0.98) and AAPI workers (0.07). The increase in unemployment rates for Black workers is coming from both Black men and Black women.
- In August 2025, workers without a bachelor's degree had an unemployment rate that was 1.8 percentage points higher than that of workers with a bachelor's degree. This is a smaller differential than at any time since September 2019.
- The unemployment rate for workers with any disability was 8.7%, more than double the national average.

Gaps and all other relevant definitions can be found on the data and methods slide.

Unemployment Rate by Race/Ethnicity

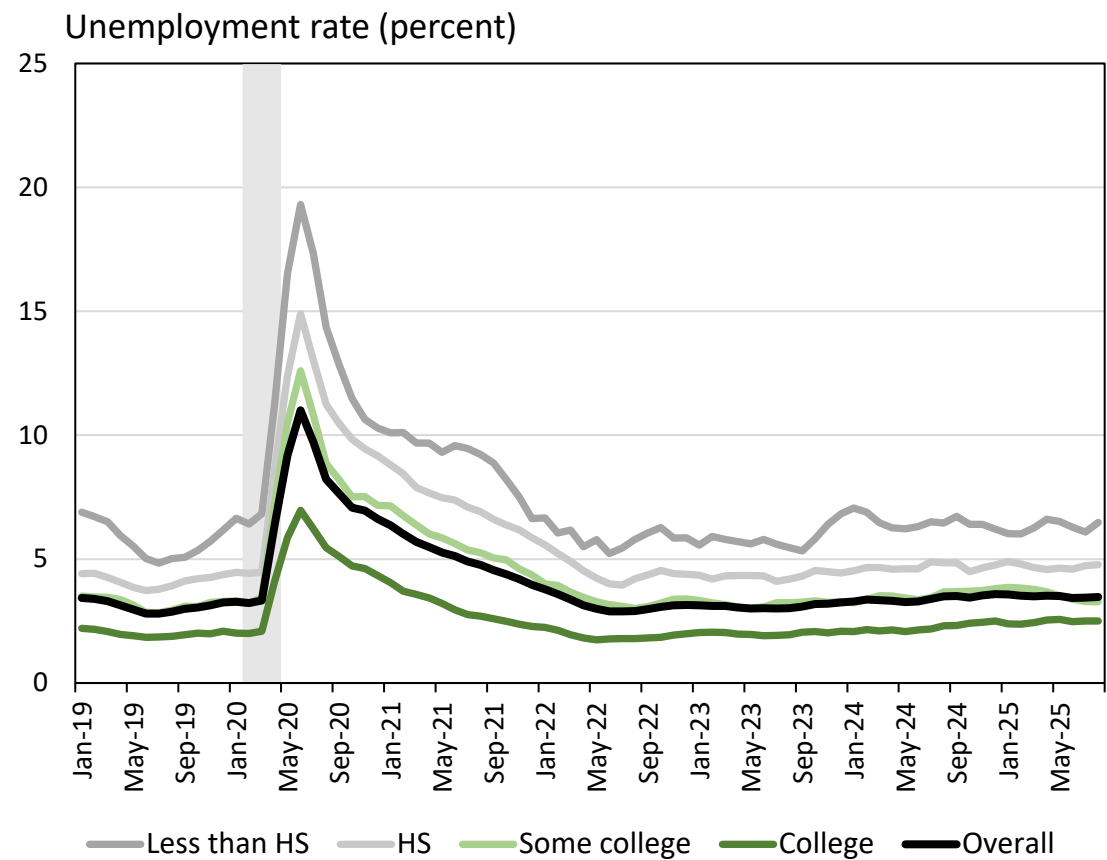


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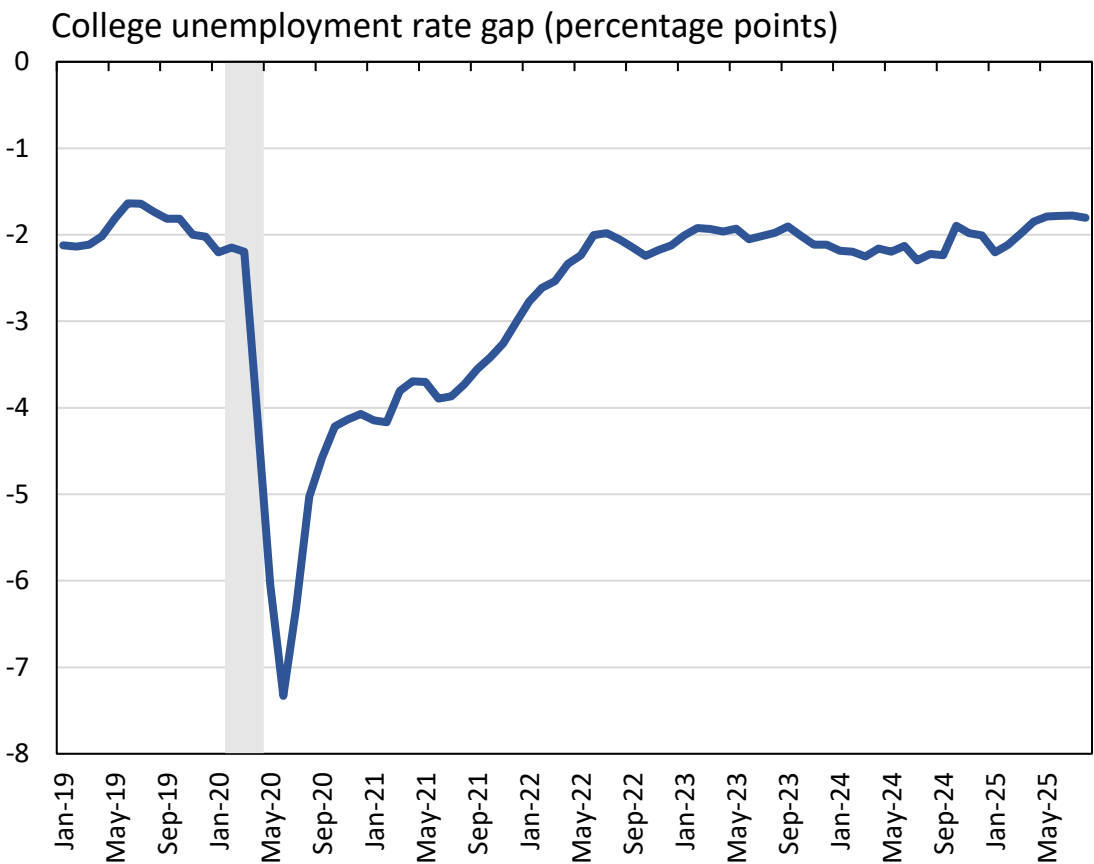


Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession. The racial gaps are defined as the unemployment rate of white workers minus the unemployment rate of the given race or ethnicity.

Unemployment Rate by Education

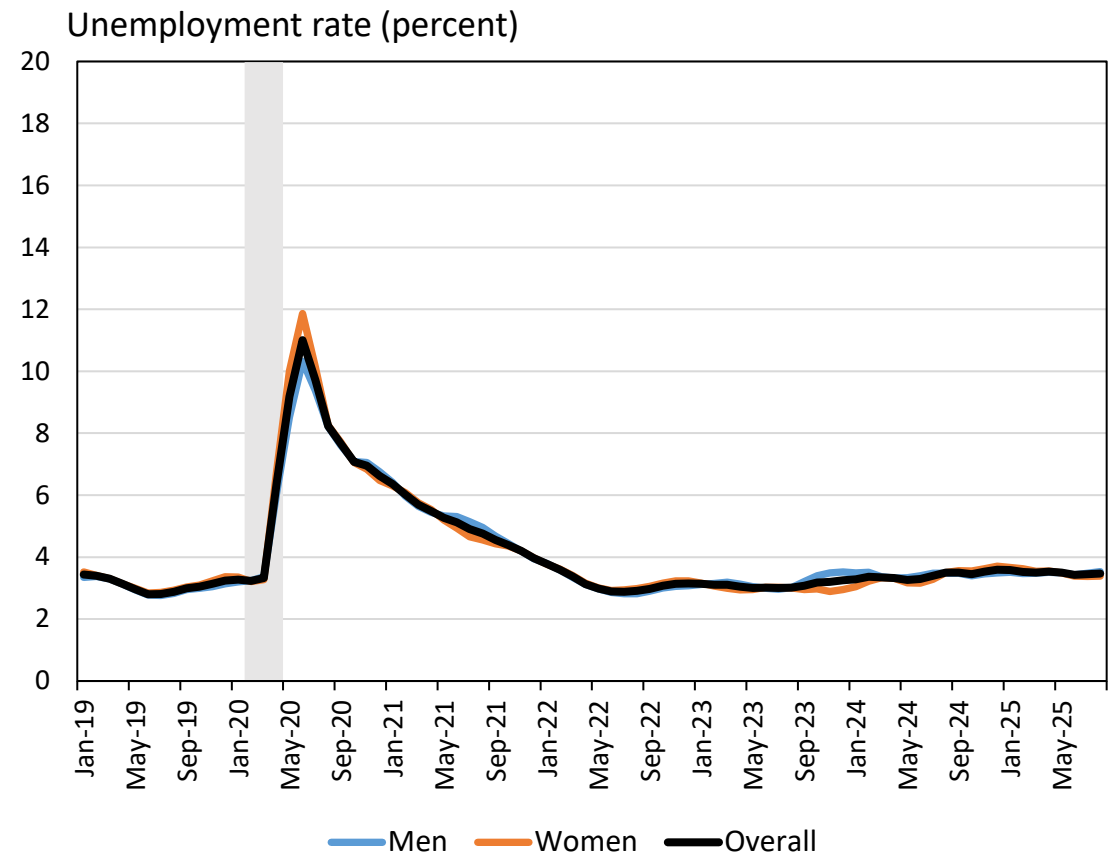


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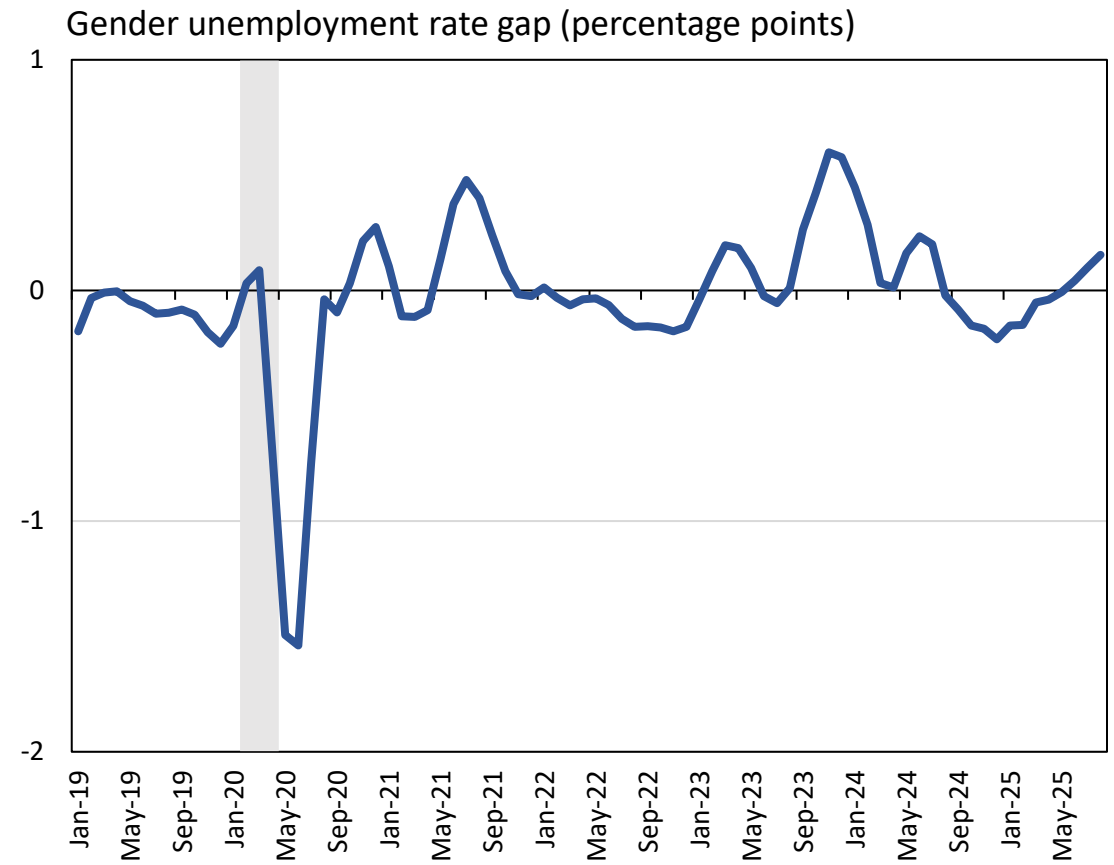


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Unemployment Rate by Gender

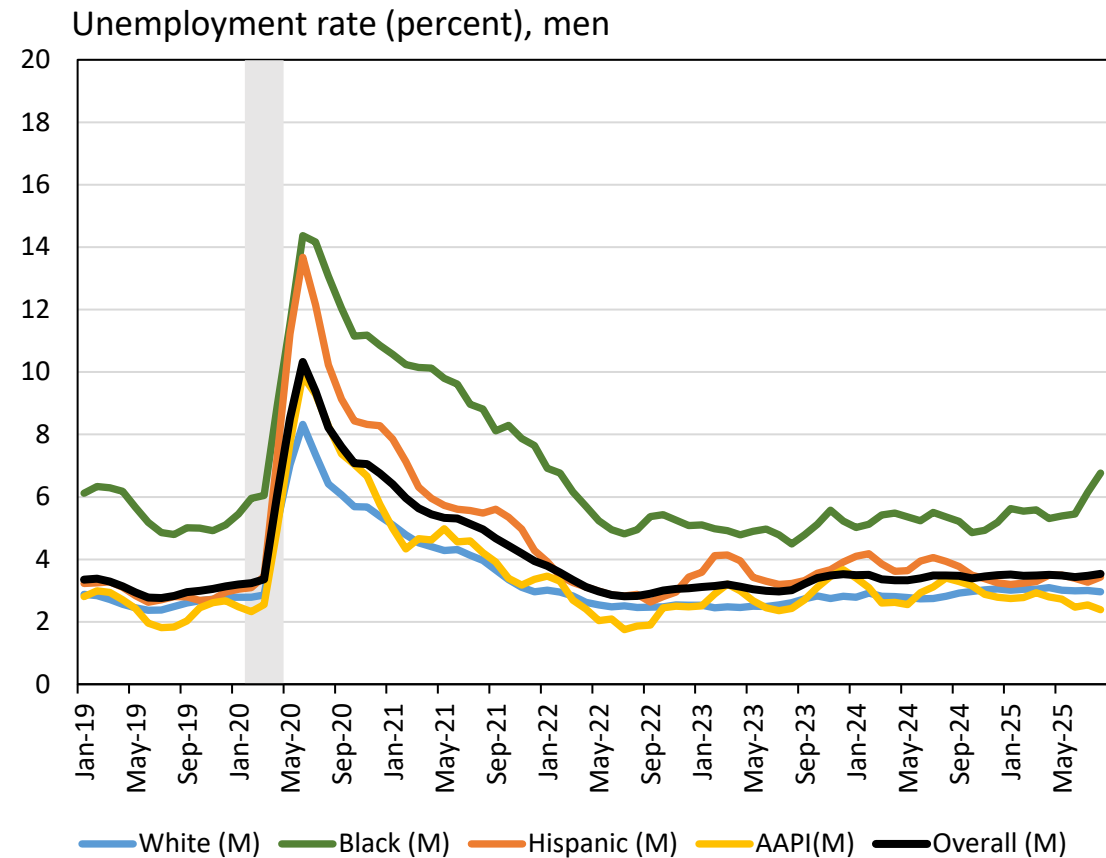
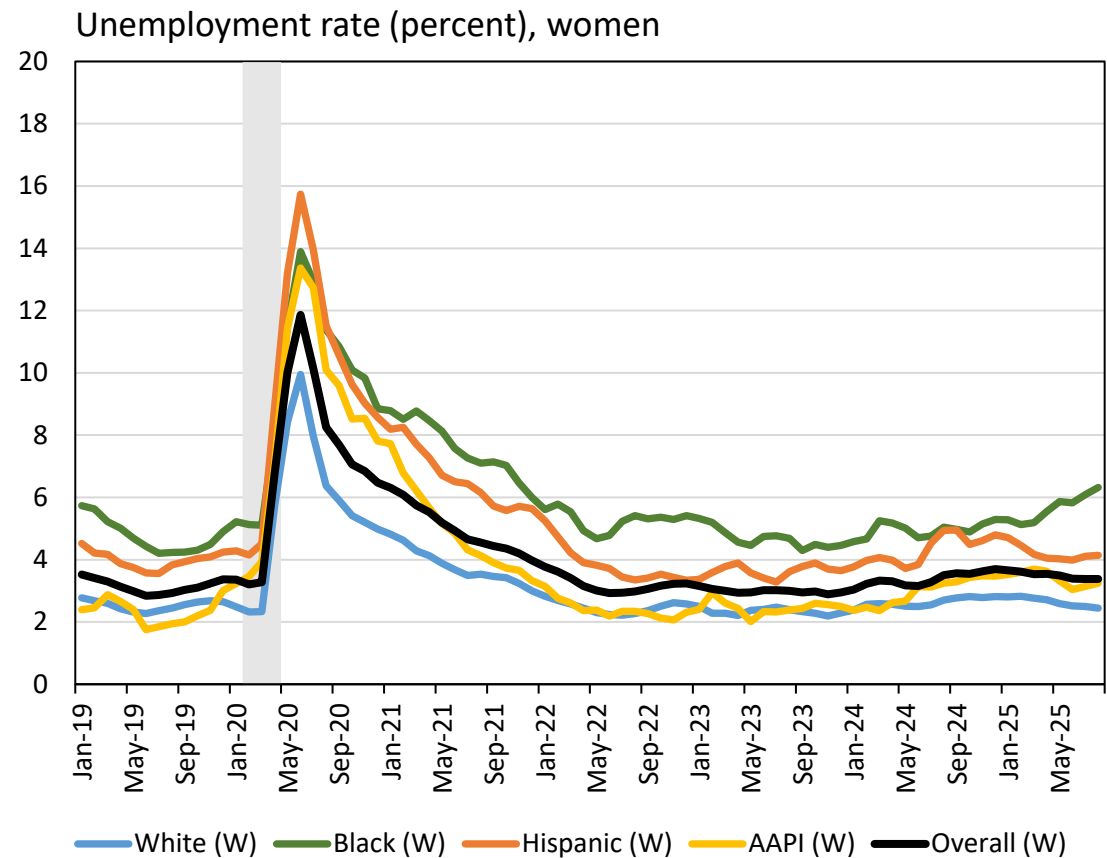


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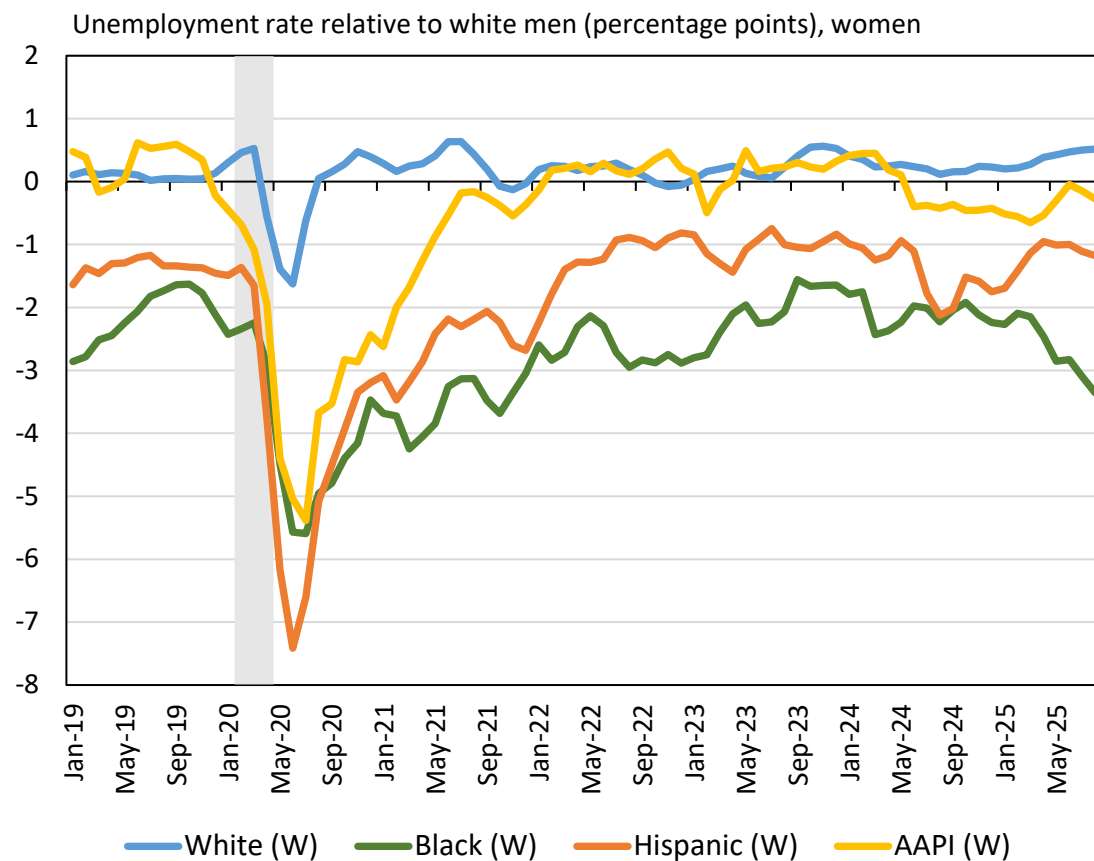
Unemployment Rate by Race x Gender



Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.

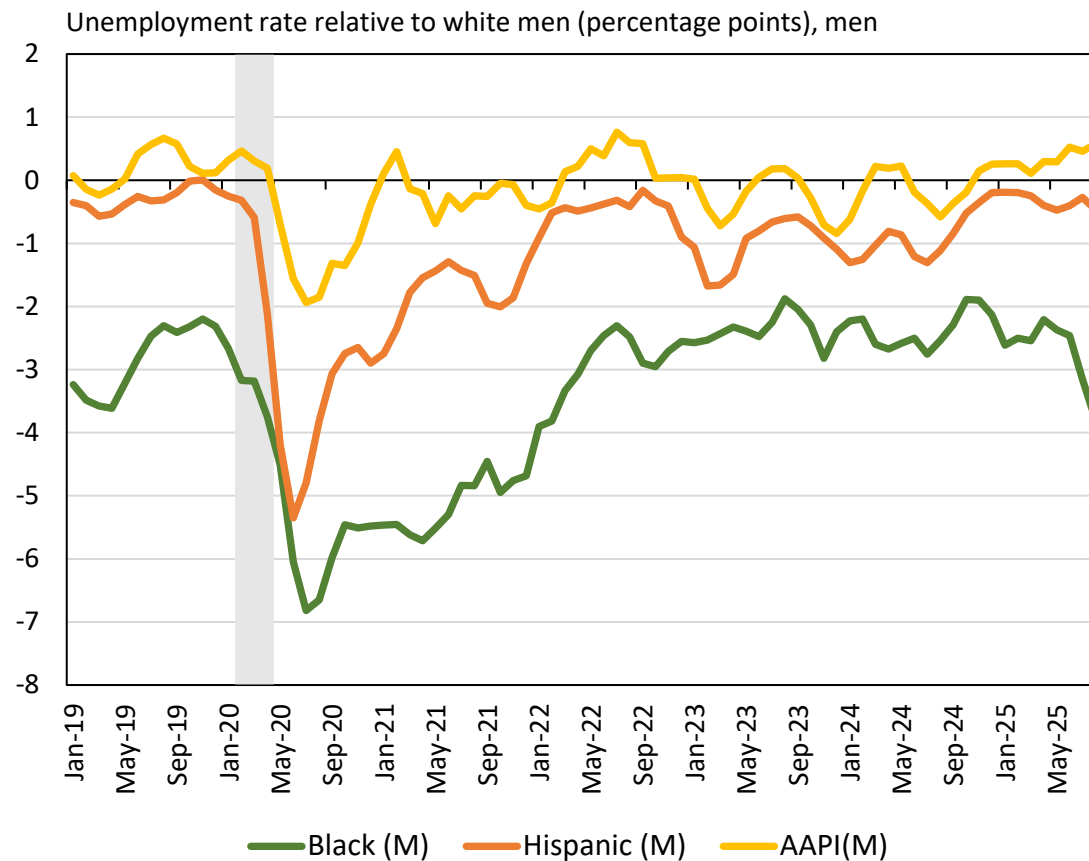
Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession.

Unemployment Rate Gaps by Race x Gender



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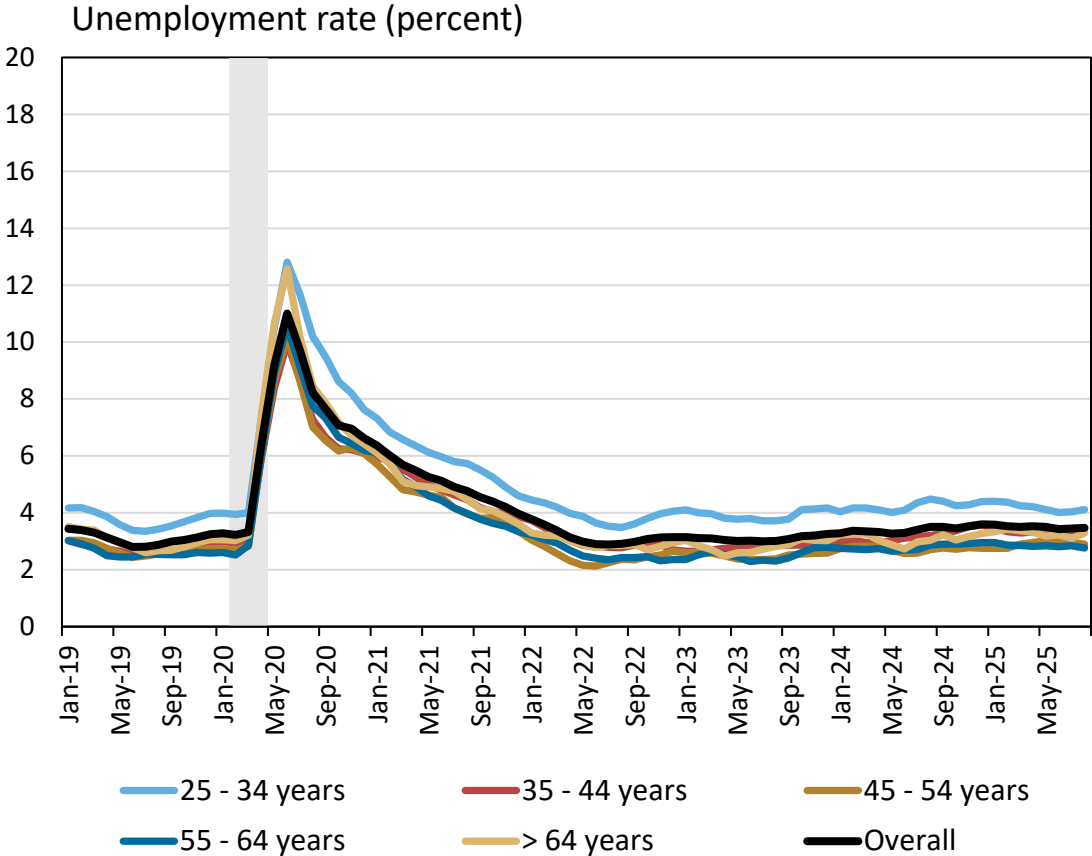
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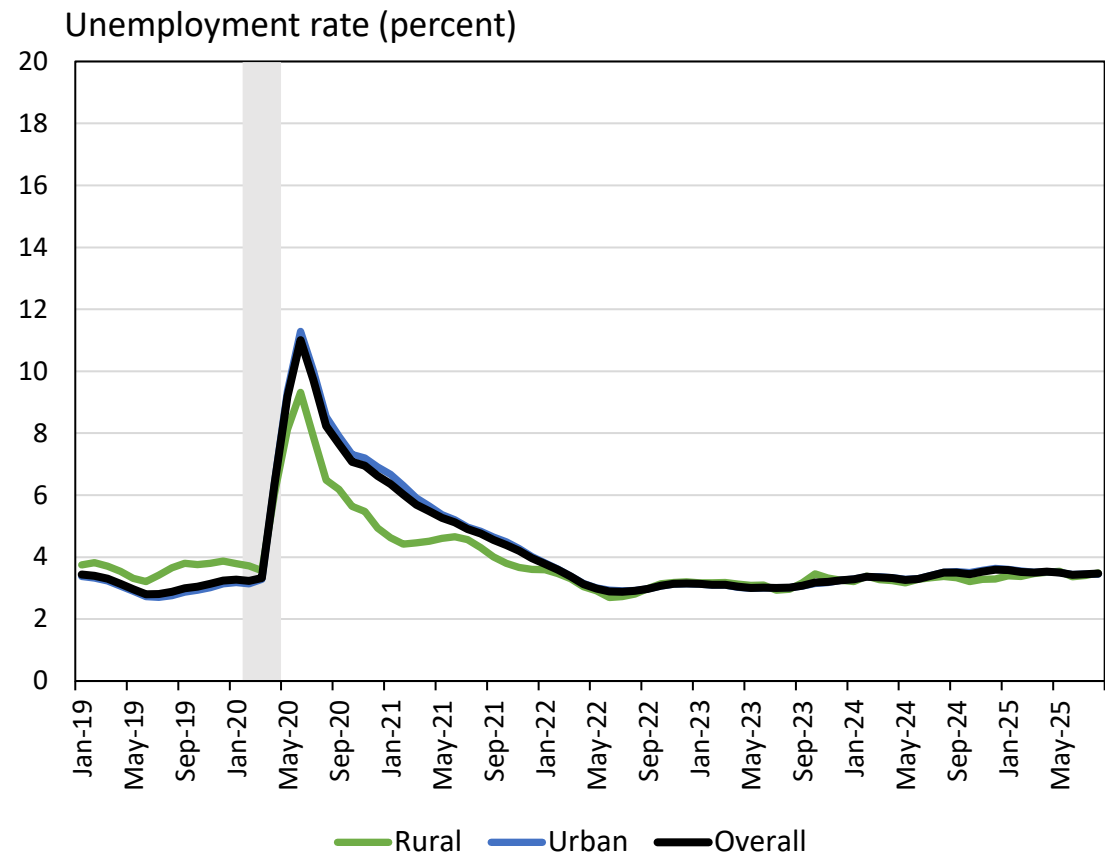
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Unemployment Rate by Age

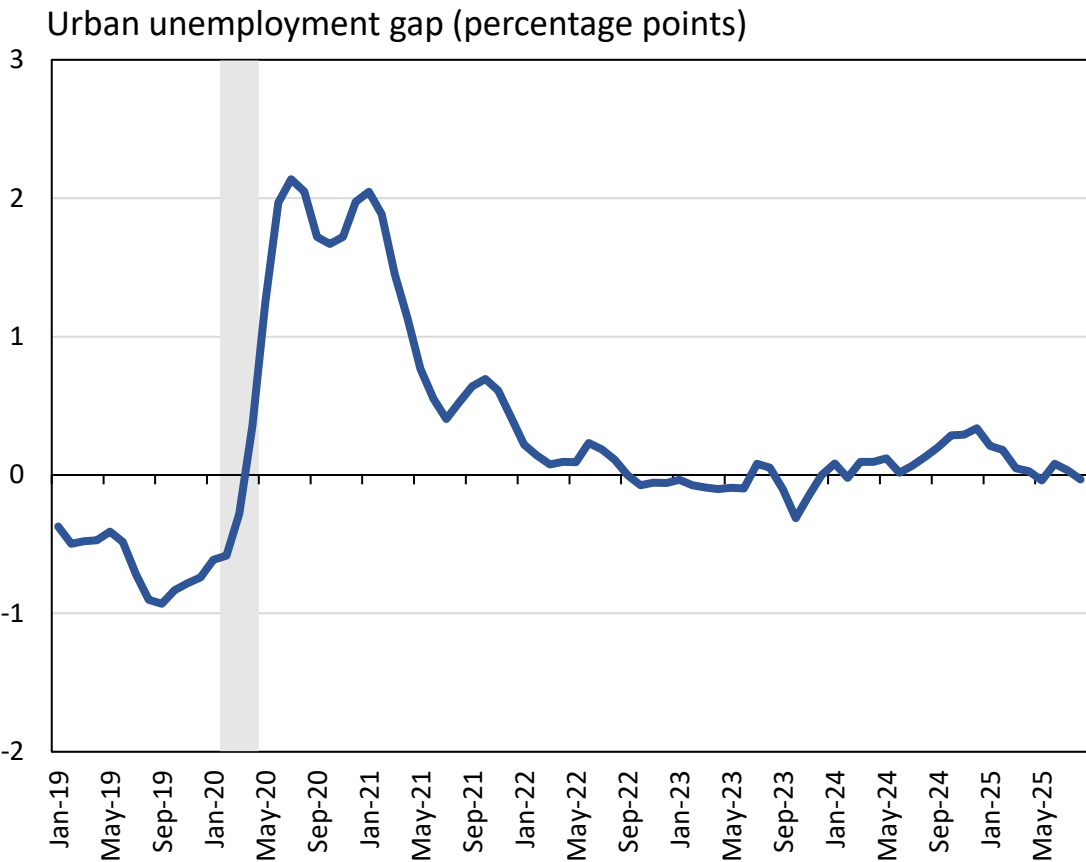


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Unemployment Rate by Urban Status



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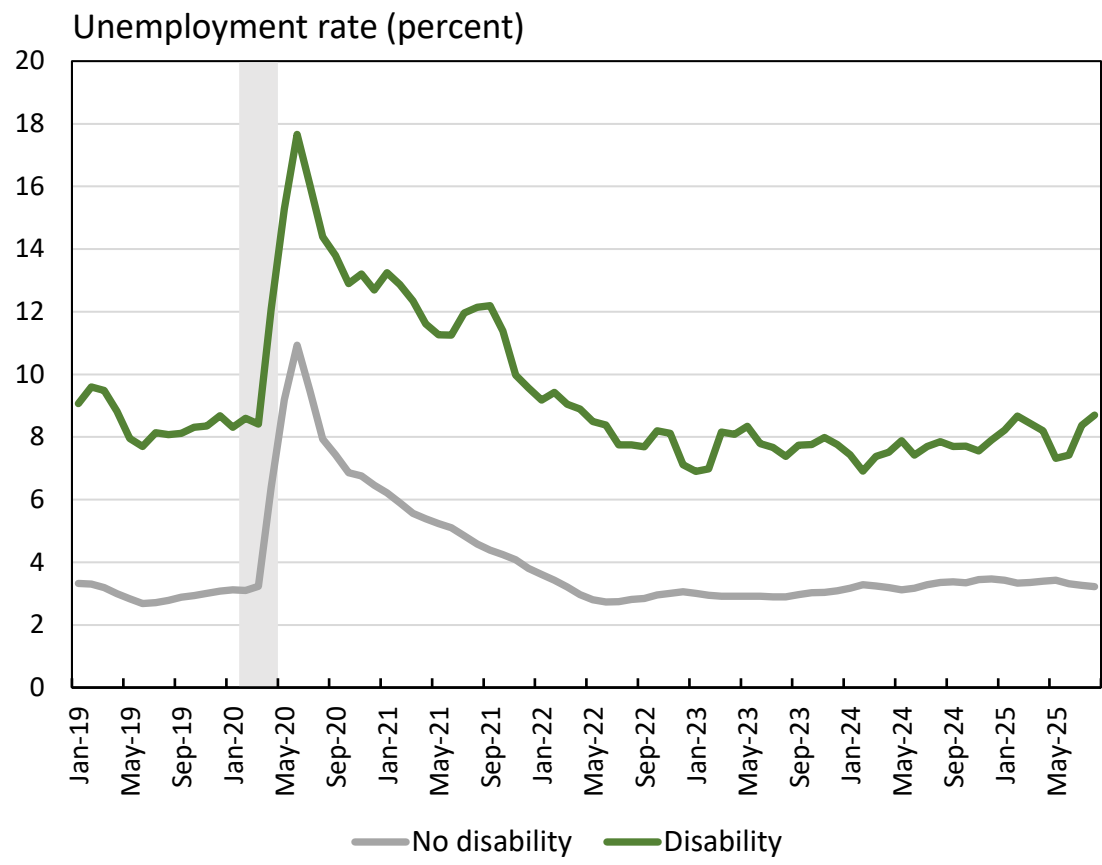
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Unemployment Rate by Veteran Status



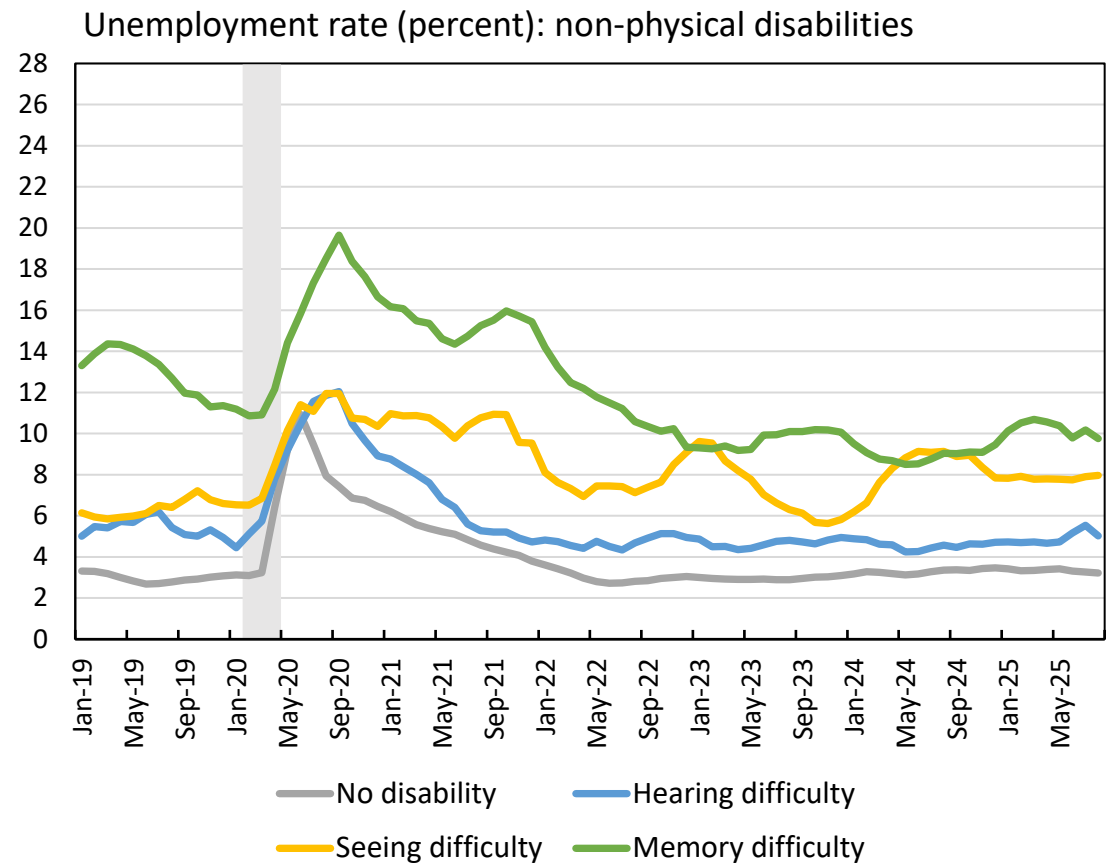
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Notes: Restricted to men, 25-55, with at least a high school diploma. Shaded region indicates the COVID-19 recession.

Unemployment Rate by Disability

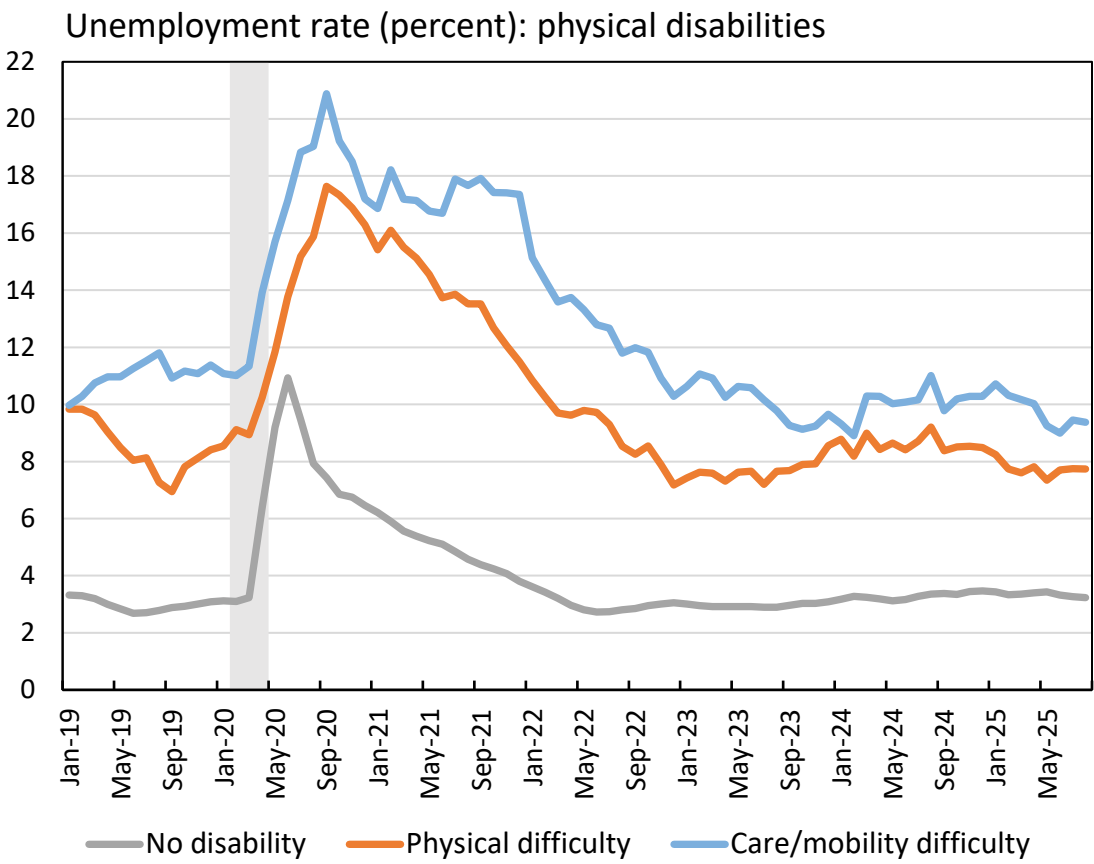


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Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession.

Unemployment Rate by Specific Disability



Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations. Series broken down by specific disability are six-month moving averages, while the "no disability" series is a three-month moving average. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.



Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession. Those with a care/mobility difficulty have a physical or mental condition that makes it difficult to perform basic activities alone, both inside and outside the home. These two disabilities have been combined because they involve similar degrees of disability, and the combined category is more precisely estimated.

EMPLOYMENT: LABOR FORCE PARTICIPATION

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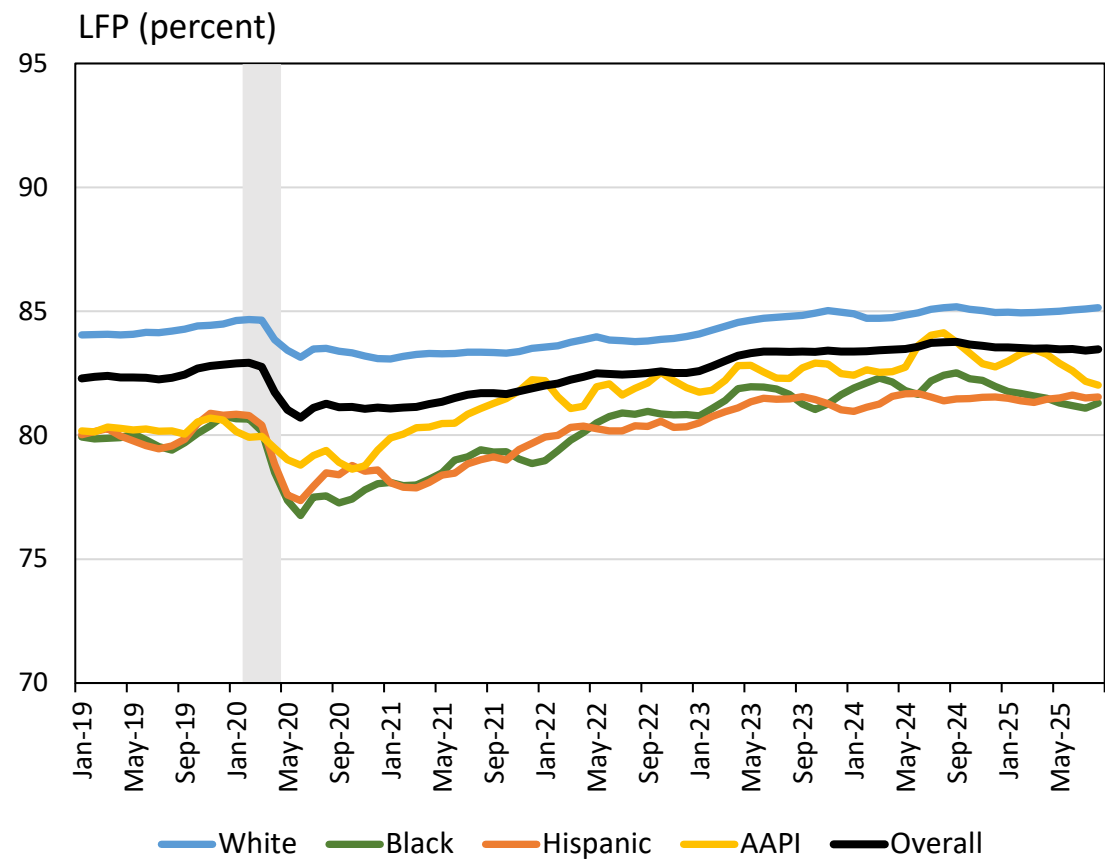
Raji Chakrabarti, Thu Pham, Beck Pierce, and Maxim Pinkovskiy

Takeaways | Labor Force Participation

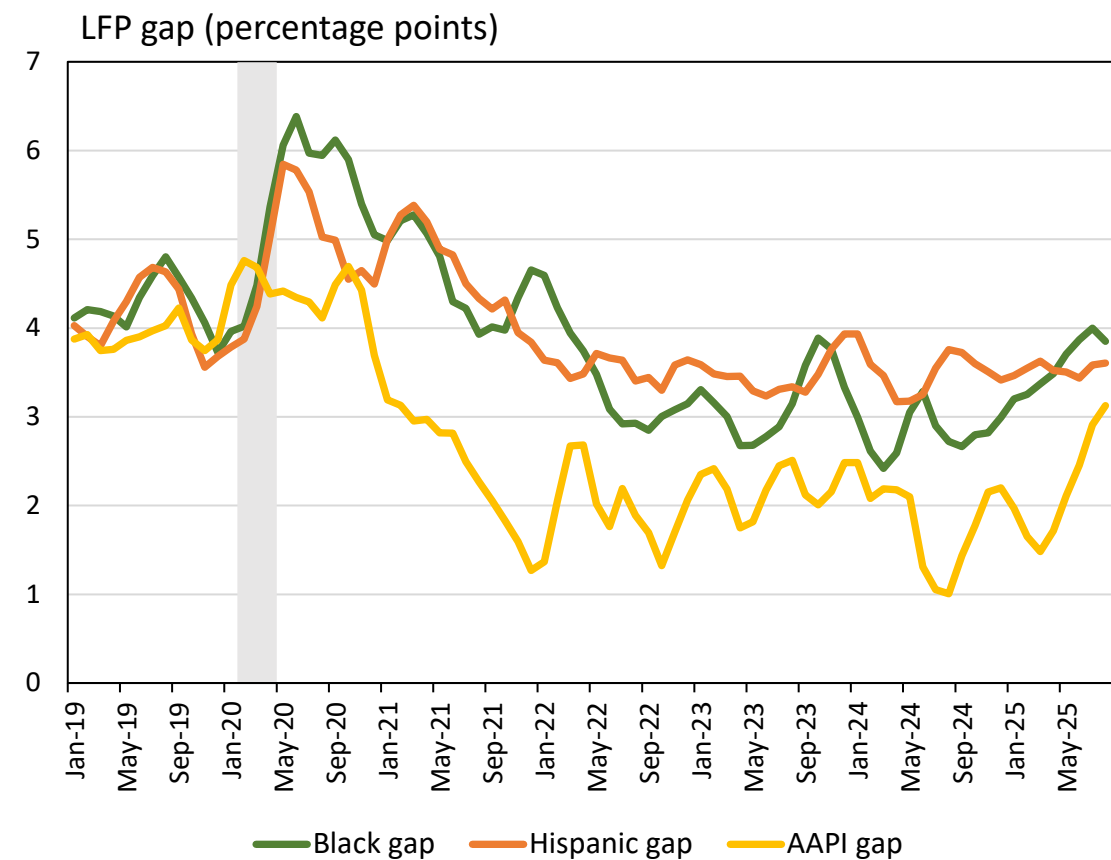
- Overall labor force participation (LFP) was slightly above its pre-pandemic level (83.5% in August 2025).
- LFP gaps tend to be similar in levels and trends to employment gaps. In particular, the rise in the employment gap for Black men relative to white men was mirrored by a rise in the LFP gap for Black men.
- The college LFP gap stood at 9.4 percentage points, below its pre-pandemic level.
- The LFP gaps of Black men and women have changed little since 2025:Q2. In particular, the LFP gap of Black men relative to white men is still below its pre-pandemic level.
- The LFP rate of veterans has risen by over a percentage point between May and August 2025.
- Only 50% of workers with disabilities were in the labor force, compared to over 86% of workers without disabilities. The LFP rate ranges from 66% for workers with hearing difficulty to 24% for workers with care/mobility difficulties.

Gaps and all other relevant definitions can be found on the data and methods slide.

Labor Force Participation by Race/Ethnicity

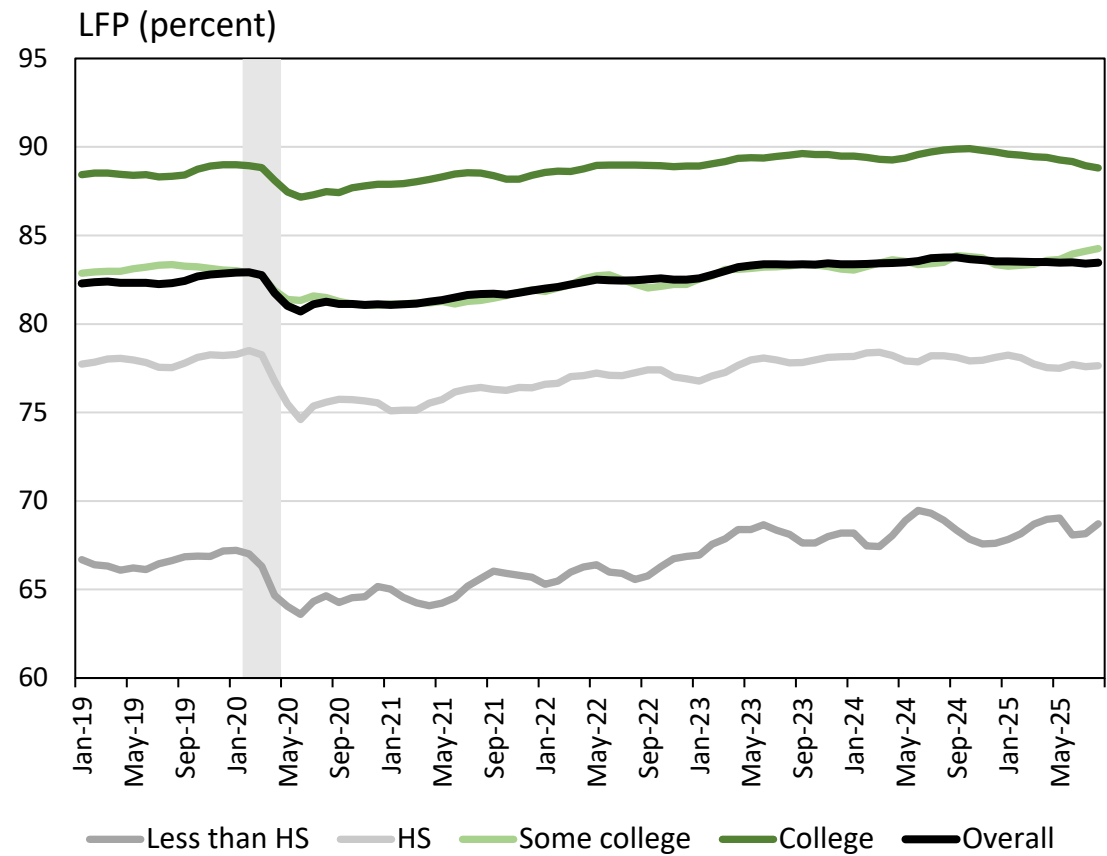


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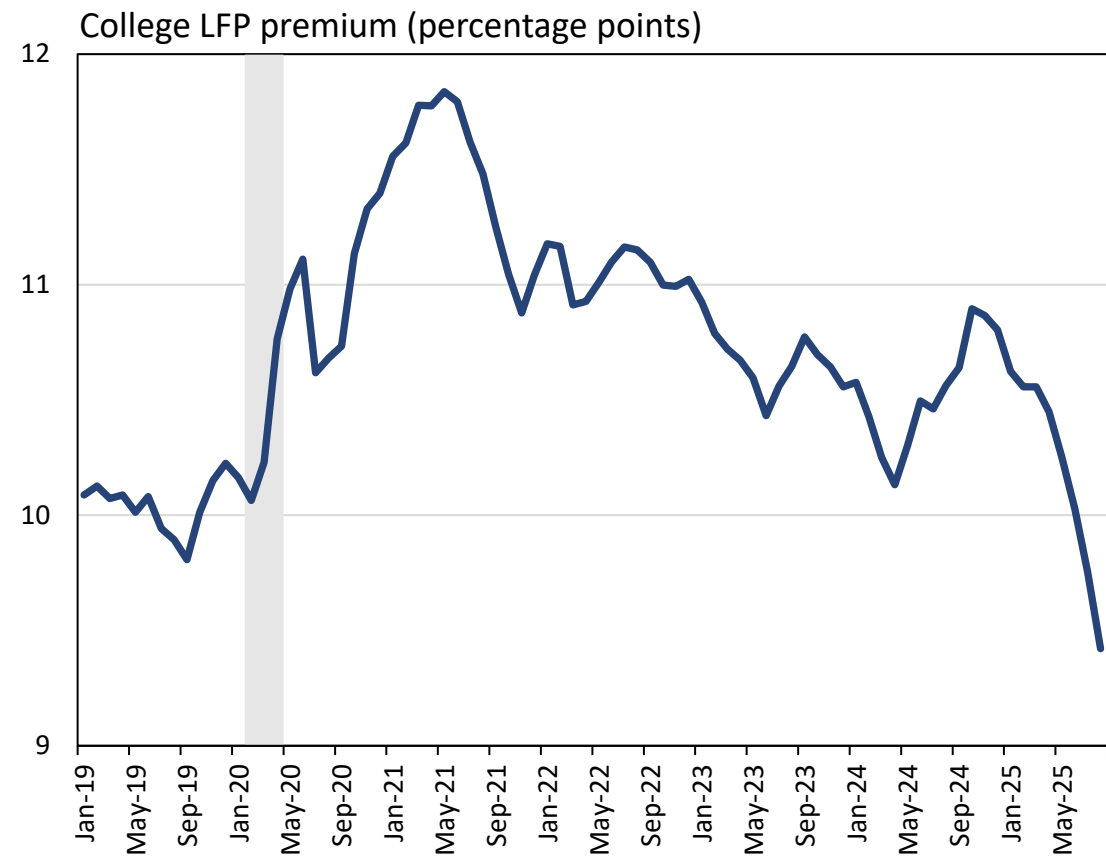


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Labor Force Participation by Education

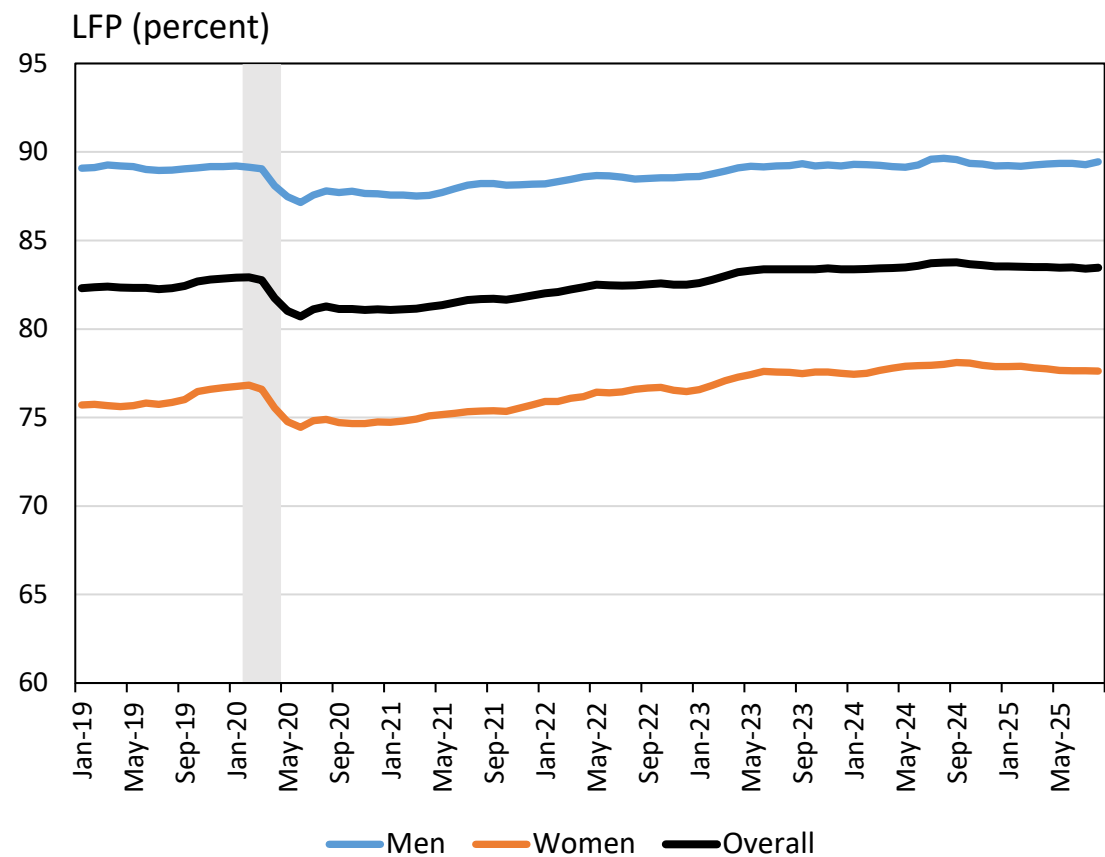


Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.

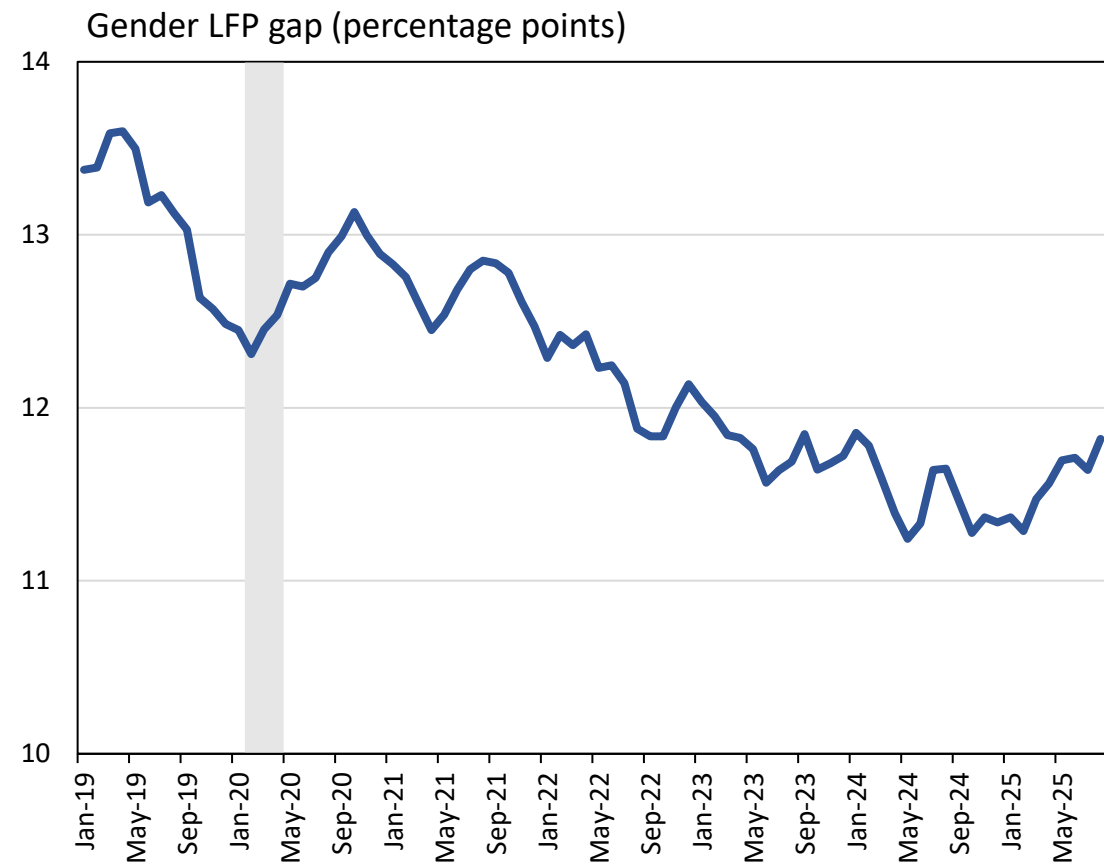


Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession. The college gap is the LFP of workers with a bachelor's degree minus the LFP of workers without one.

Labor Force Participation by Gender

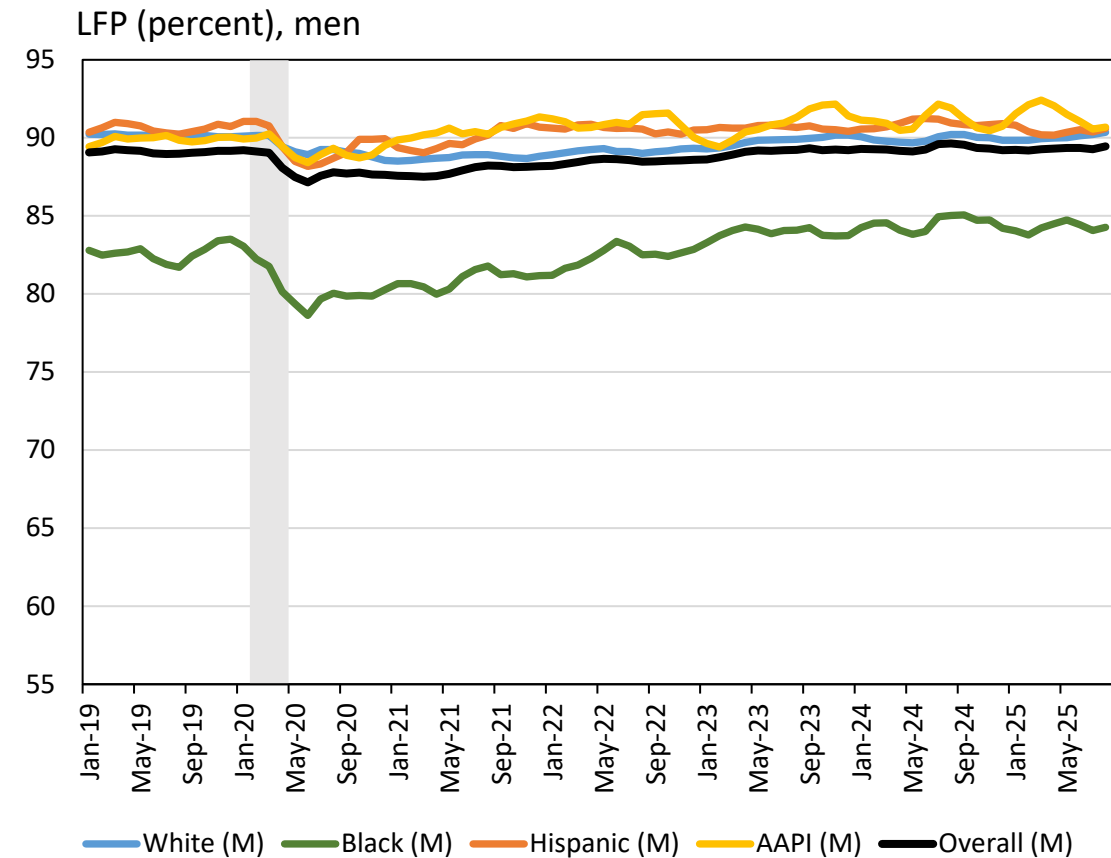
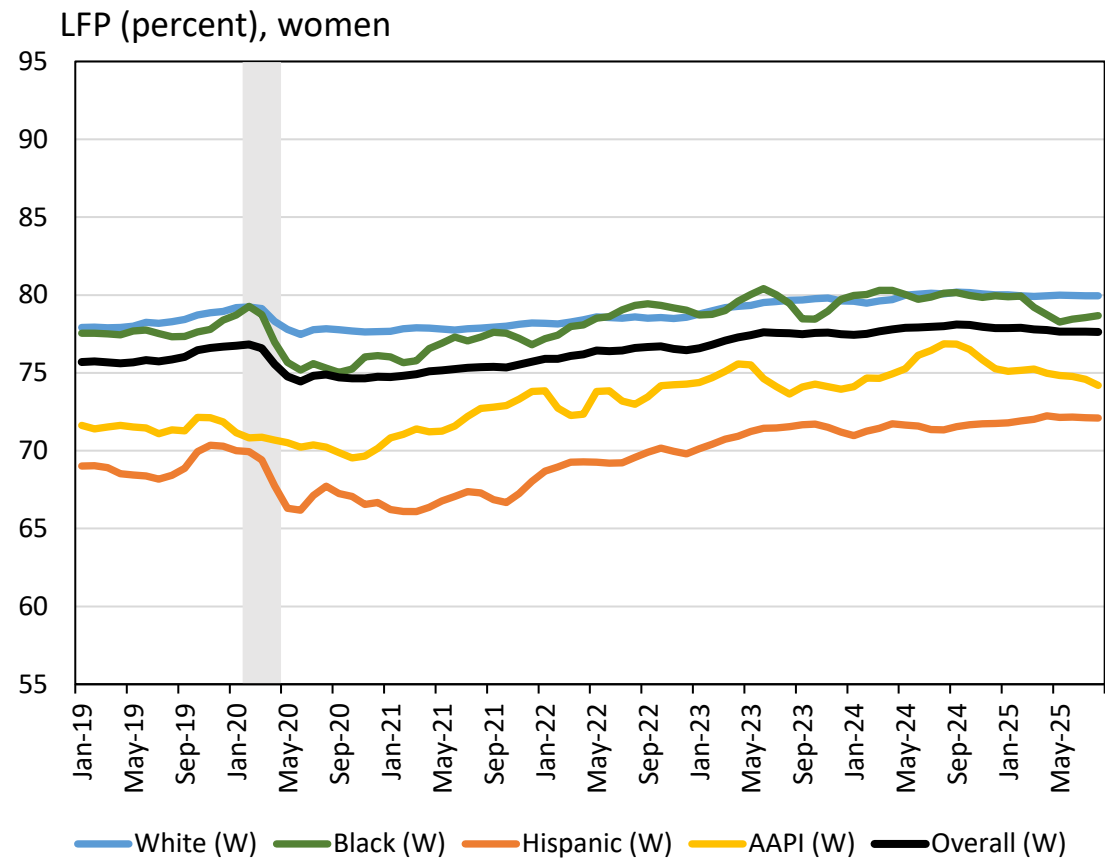


Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.



Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession. The gender gap is defined as the LFP of men minus the LFP of women.

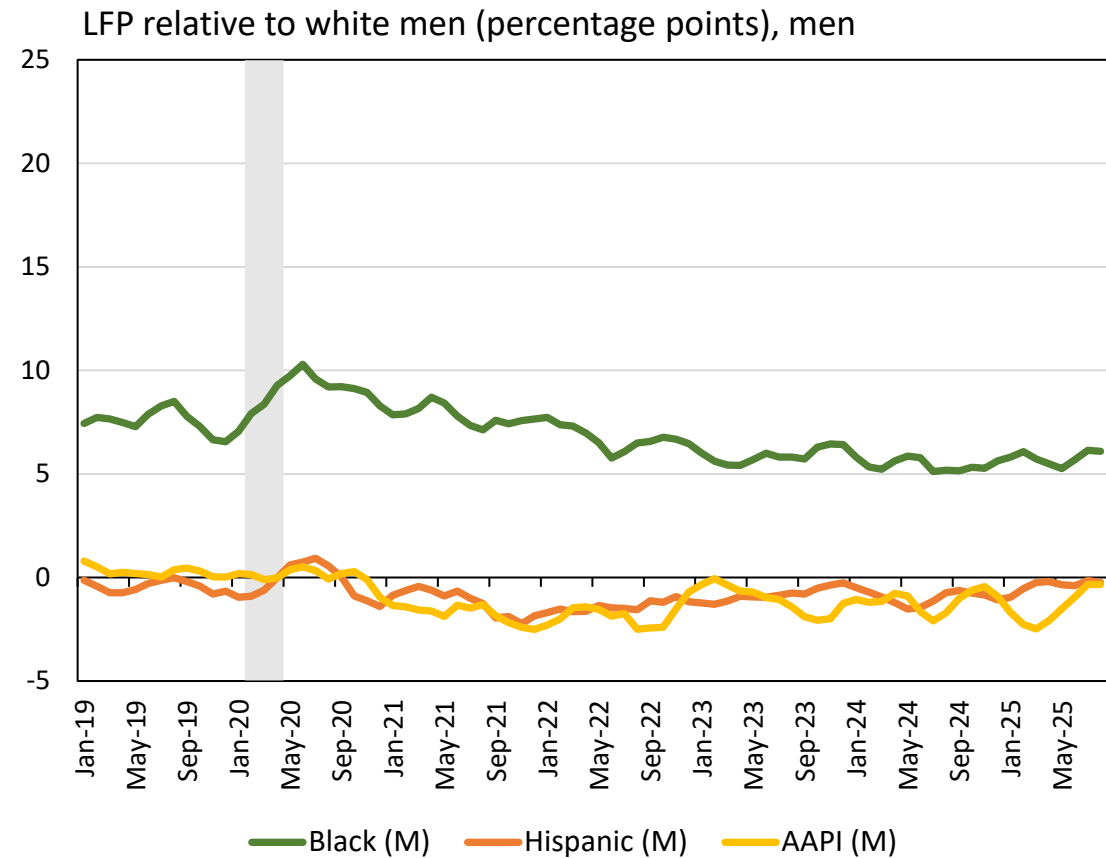
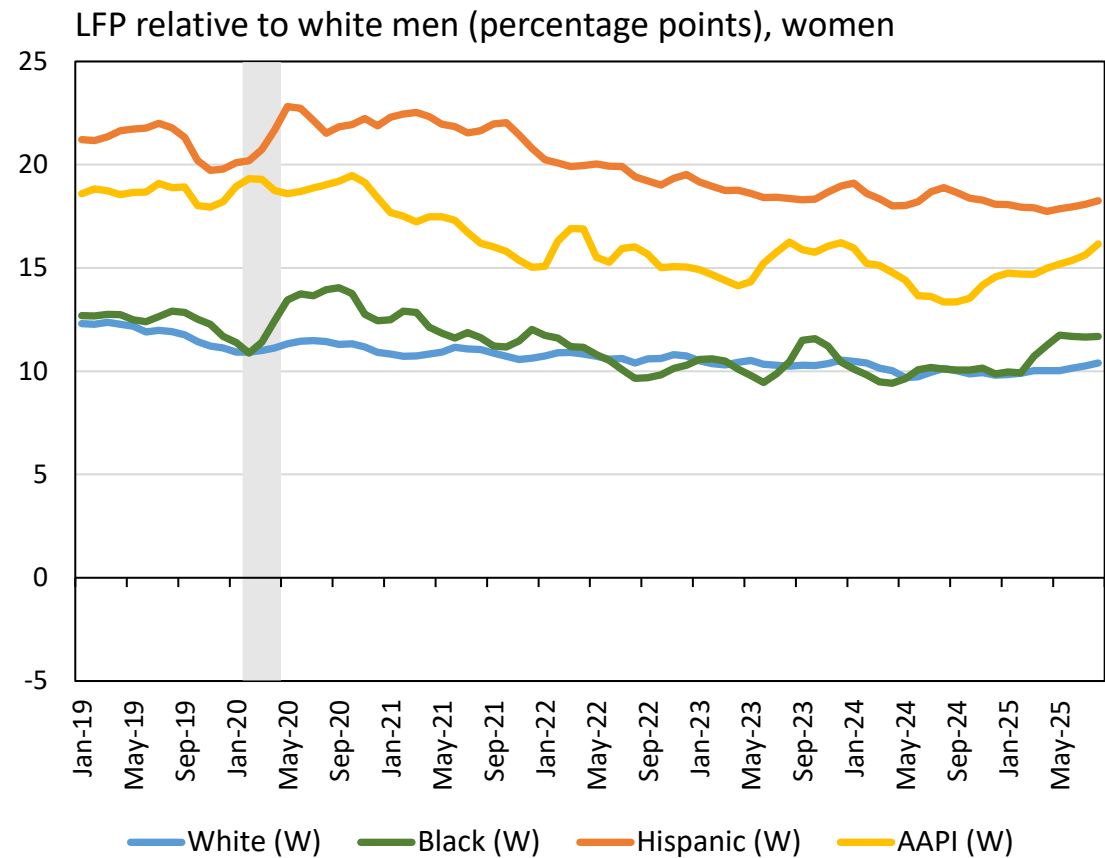
Labor Force Participation by Race x Gender



Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.

Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession.

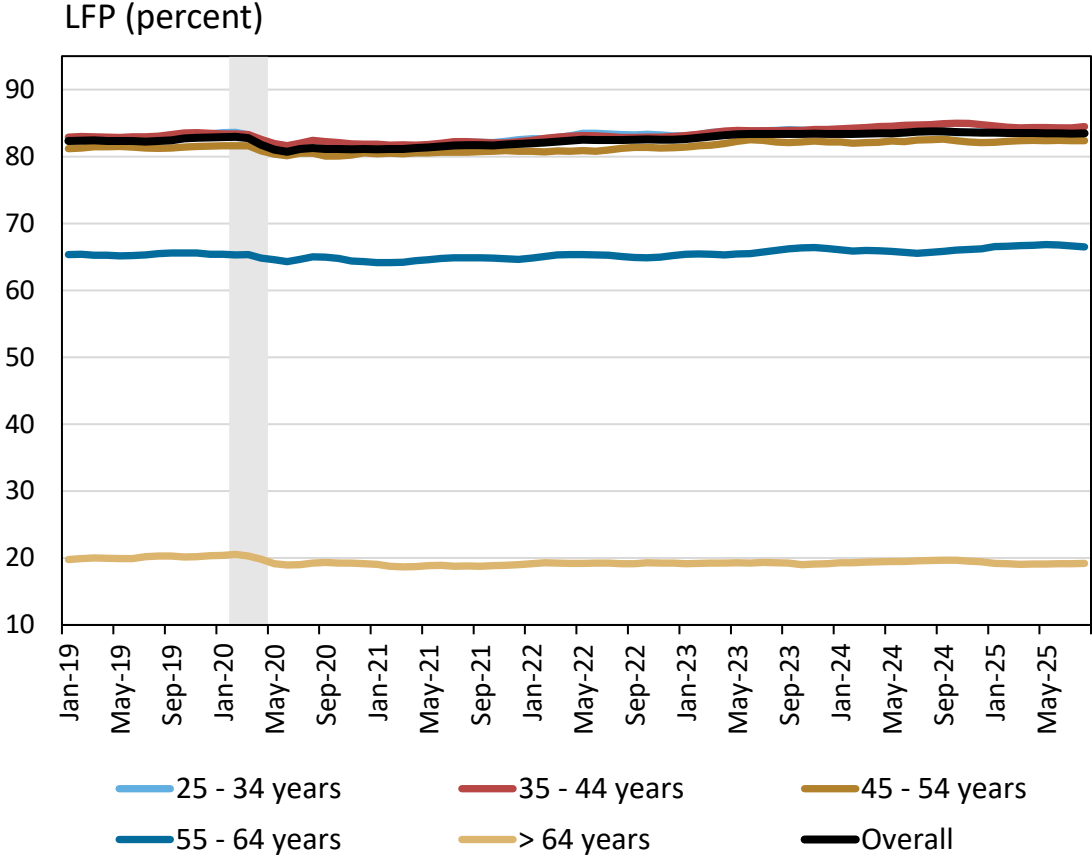
Labor Force Participation Gaps by Race x Gender



Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.
Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession.

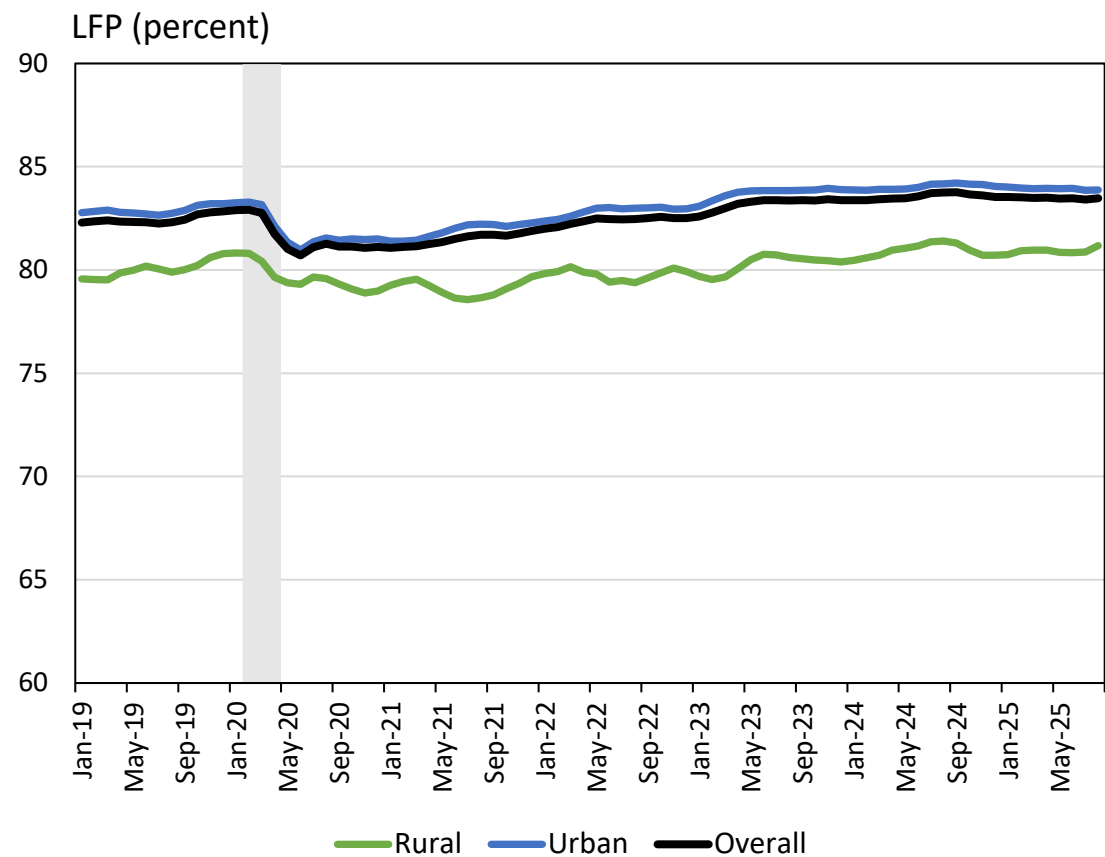
The race by gender gap is defined as the LFP of white men minus the LFP of women or men of the given race or ethnicity.

Labor Force Participation by Age

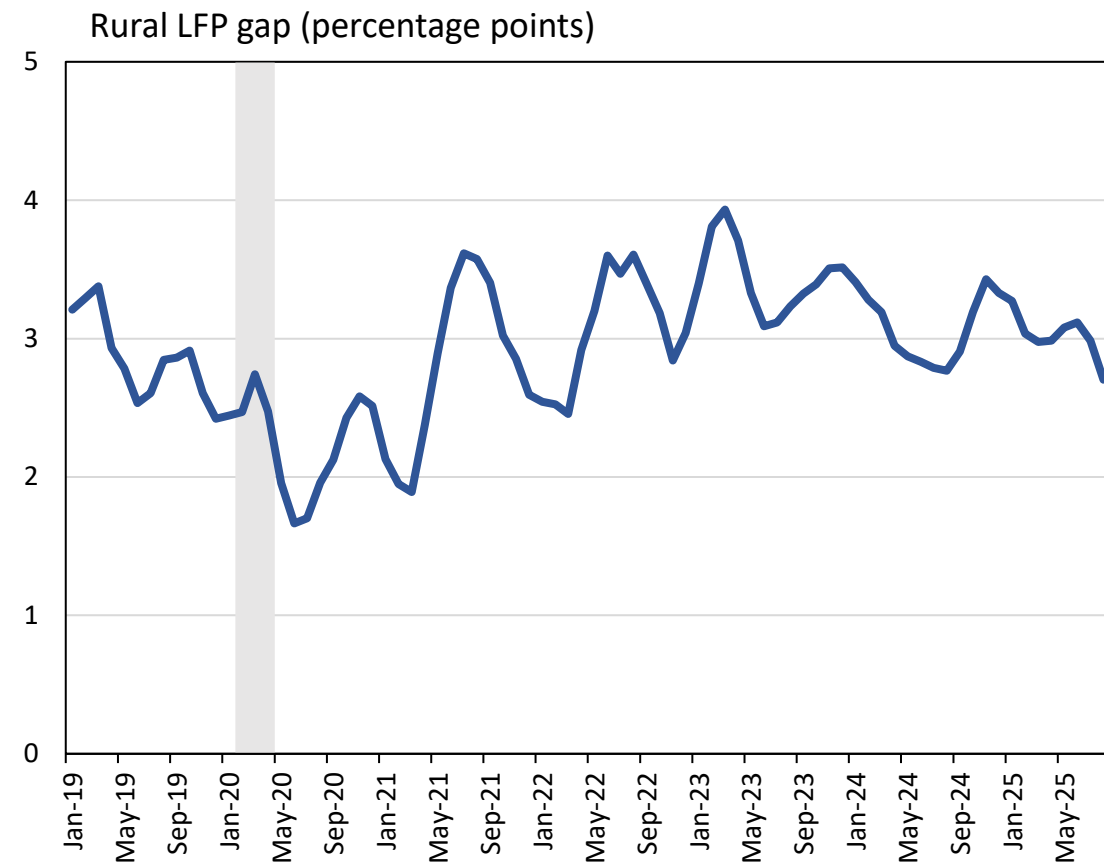


Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.
Notes: Overall line uses prime-age (25-54) sample. Shaded region indicates the COVID-19 recession.

Labor Force Participation by Urban Status

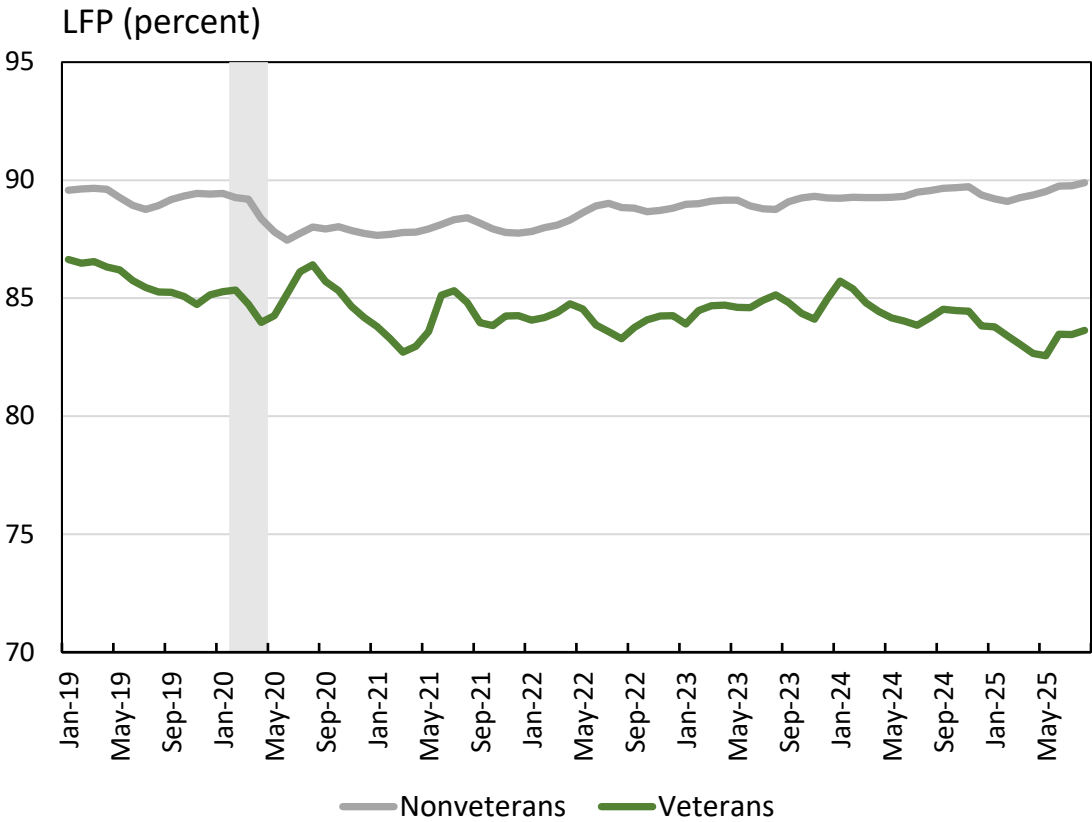


Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.



Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession. The rural gap is the LFP of urban workers minus the LFP of rural workers.

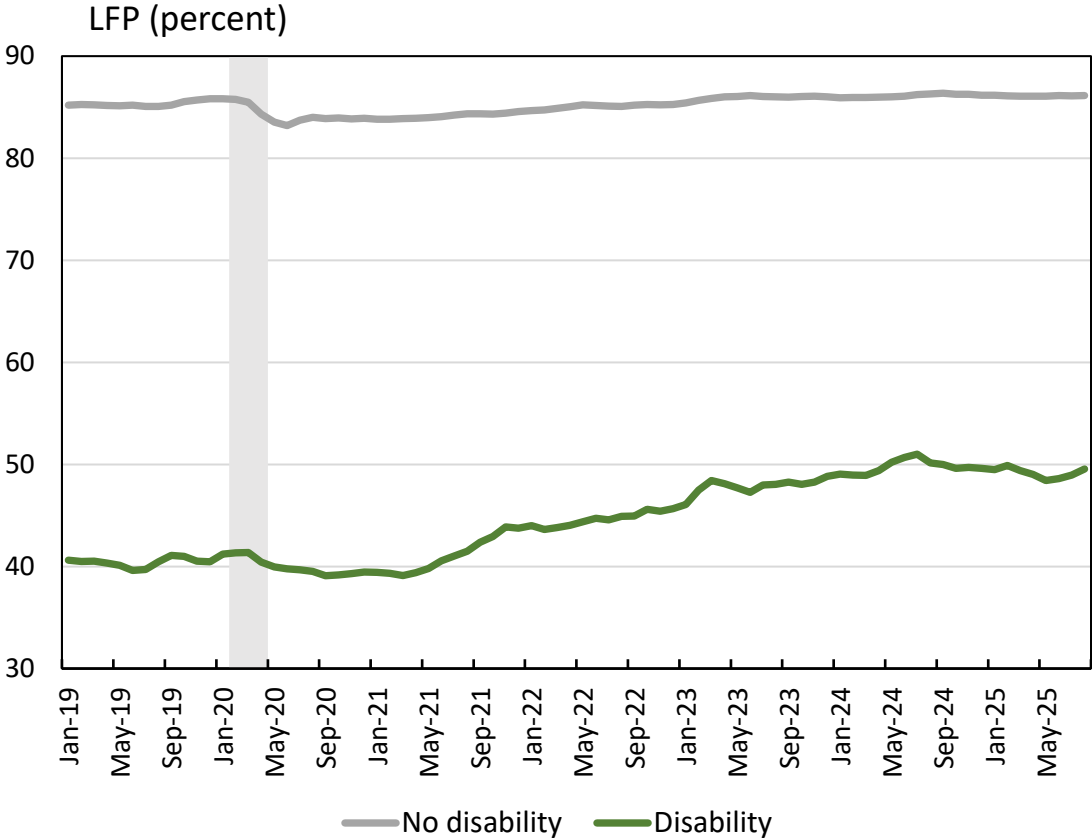
Labor Force Participation by Veteran Status



Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.

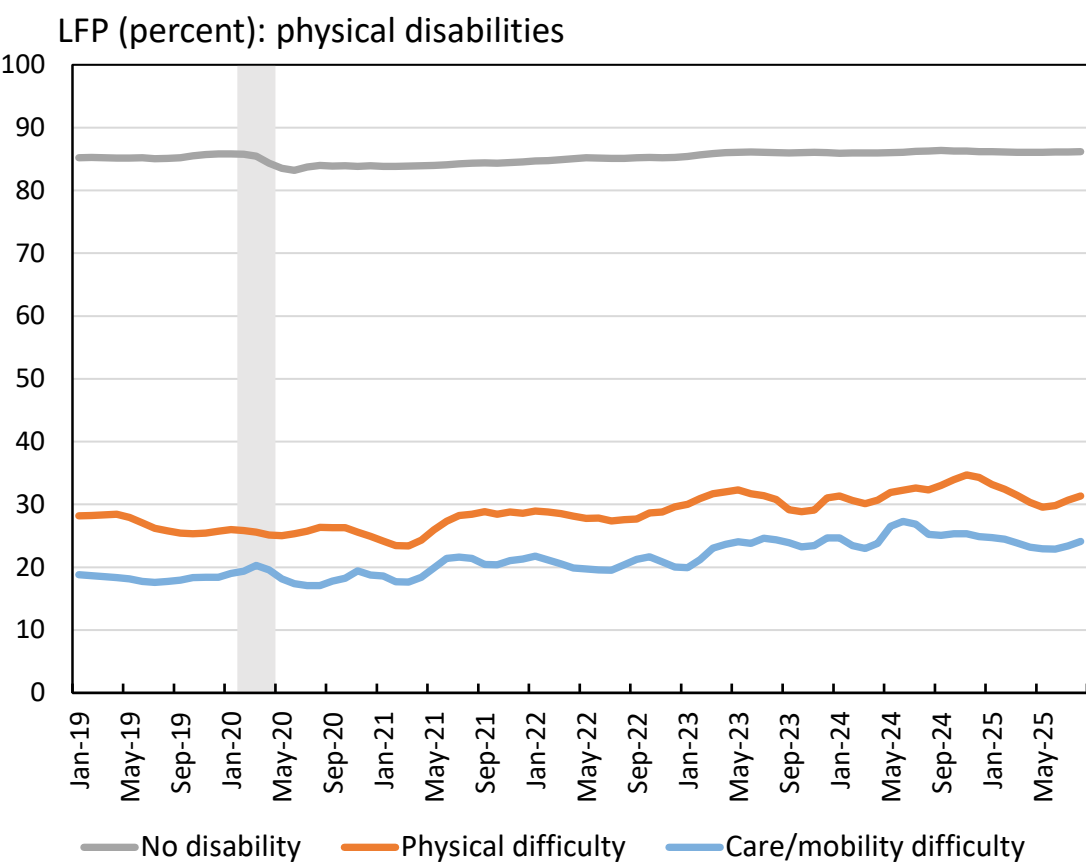
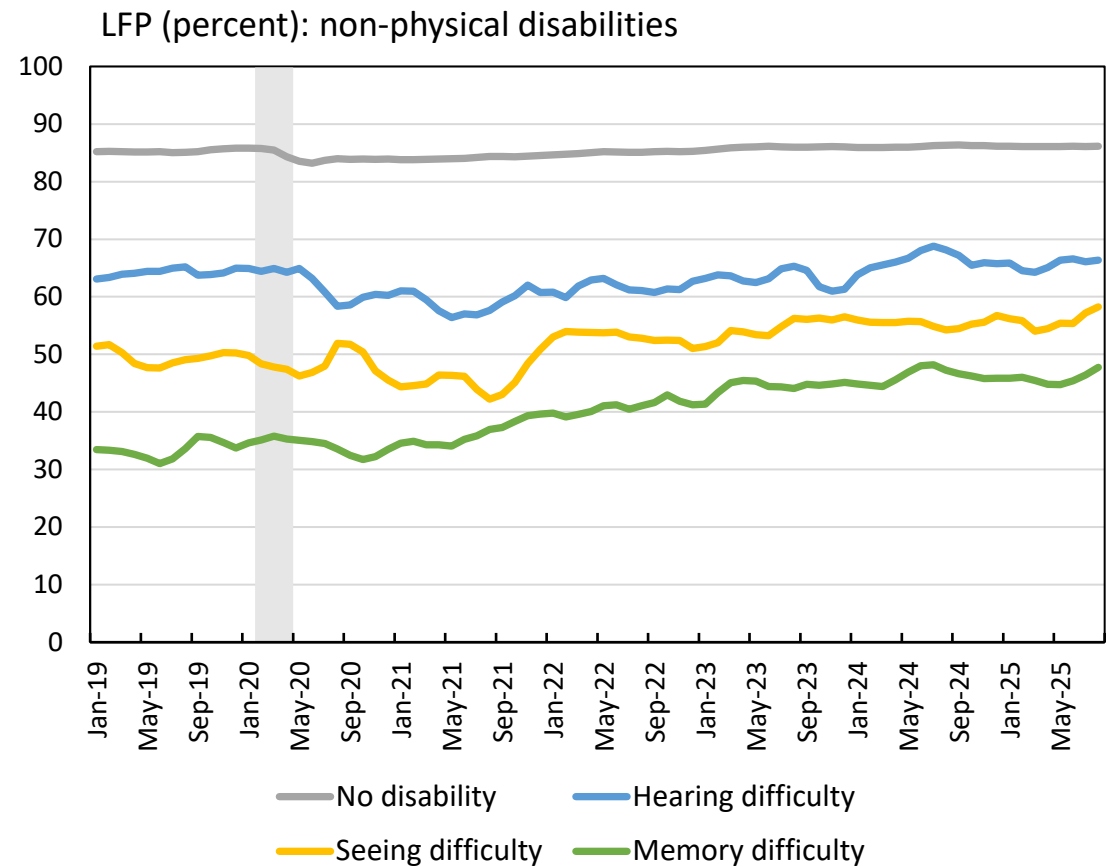
Notes: Restricted to men, 25-55, with at least a high school diploma. Shaded region indicates the COVID-19 recession.

Labor Force Participation by Disability



Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.
Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession.

Labor Force Participation by Type of Disability



Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.

Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession. Those with a care/mobility difficulty have a physical or mental condition that makes it difficult to perform basic activities alone, both inside and outside the home. These two disabilities have been combined because they involve similar degrees of disability, and the combined category is more precisely estimated.