Measuring Potential Effects of Introducing the 2024 Race and Ethnicity Standards into the Current Population Survey

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1 Introduction

The Census Bureau and other agencies have long attempted to obtain information on individuals' race and ethnicity. In 1980, Census began asking individuals whether they were of Hispanic ethnicity. Prior to the 2024 update, the race and ethnicity standards were last revised in 1997. At that time, the Office of Management and Budget (OMB) mandated five different race groups: White; Black or African American; American Indian or Alaskan Native; Asian; and Native Hawaiian or Pacific Islander. The 1997 OMB standards also allowed individuals to select more than one of the five different race groups. Hispanic was explicitly treated as an ethnicity, not as a race, and was to be obtained from a separate question.

Prior to the 2024 update, there was interest in revising the race and ethnicity standards for several reasons. The proportion of the population identifying as Hispanic has been growing over time – as noted by Jones, Marks, Ramirez, and Rios-Vargas (Jones et al. (2021)), the proportion of the population that is Hispanic as measured by the Decennial Census increased from 16.3% in 2010 to 18.7% in 2020. A large proportion of Hispanics viewed themselves as "Hispanic or Latino" and selected the "Some Other Race" category rather than one of the five OMB race categories in the Decennial Censuses. In addition, the 1997 standards did not include a Middle Eastern and North African category, but rather defined "White" as individuals having origins in any of the original peoples of Europe, the Middle East, or North Africa. There had been an increased advocacy to allow individuals to identify as Middle Eastern or North African since these individuals often do not identify with any of the existing race categories and because it was felt that there is a need for data about this group.[1]

The Some Other Race (SOR) classification was initially intended to be a small residual category. However, in the 2020 Decennial Census, about 8.4% of respondents identified as SOR alone. This represented an increase from the 2010 Census in which 6.2% of respondents classified themselves as SOR alone. In addition, SOR was "the second-largest alone or in combination race group" in the 2020 Census. The high percentage of respondents identifying as SOR was

[1]For example, in 2013, the Arab American Institute sent a letter to the Census Bureau and OMB requesting a distinct category on the racial or ethnic questions for people of Middle Eastern or North African origin. The letter was co-signed by 26 different organizations and scholars (U.S. Census Bureau (2017))

primarily due to reporting by Hispanic respondents. About 93.9% of the individuals who were classified as SOR alone were of Hispanic origin (Jones et al. (2021)).

OMB announced a new set of race and ethnicity standards in March 2024. There will no longer be an attempt to distinguish between race and ethnicity. Instead, OMB is mandating a combined race and ethnicity question with the following categories: White; Hispanic or Latino; Black or African American; Asian; American Indian or Alaskan Native; Middle Eastern or North African; and Native Hawaiian or Pacific Islander. Furthermore, individuals may select more than one category (i.e., they may identify as multi-racial/ multi-ethnic).

A general issue arises whenever one modifies questions and corresponding categorizations in longstanding surveys because of the potential to disrupt time series. There is inevitably a tension between choosing questions that may seem to be best today and the loss of information about time trends. One should be cognizant of the likely effects of methodological changes on time series and ascertain whether whatever improvements the new methodology may offer justify the loss of time series information. If possible, one should try to bridge the old and new series to minimize this loss.

In obtaining information on individuals' race and ethnicity, the Current Population Survey (CPS) currently follows the 1997 OMB standards. The effects that switching to the 2024 OMB combined Race and Ethnicity standards has on time series estimates will depend on the estimates that BLS and data users are currently generating and on how the pieces of information collected using the 2024 standards are combined to form new estimates.

In this paper, we examine the CPS micro data in an attempt to tease out these potential effects. Questions that we ask are: How will the introduction of the combined racial/ethnicity question that includes Hispanic and Middle Eastern or North African as distinct categories affect racial and ethnicity distributions? How will key labor force estimates for various groups, such as unemployment rates, employment-to-population ratios, labor force participation ratios, and earnings, be affected?

The proportion of the population that identifies as Hispanic has been increasing because of the large number of immigrants from Central, South America and Mexico. The higher fertility rate of Hispanics compared to non-Hispanics has also played a role.[2] An ongoing question is how the children of Hispanic immigrants who were born in the United States will view themselves. After all, racial/ethnic identification is at its root a subjective concept. We therefore look at the tendency of individuals to identify as Hispanic: because they were either born in a Hispanic country or were born in the U.S. but have one or two Hispanic parents. In turn, we speculate how this identification might affect race and ethnicity distributions when comparing estimates generated using the 1997 OMB standards versus the 2024 OMB standards.

The remainder of the paper is organized as follows. In section 2, we provide a detailed look at the current CPS race and ethnicity questions. In section 3, we discuss likely effects on published estimates along with other estimates frequently derived using CPS data. Section 4 describes our methods for ascertaining the possible effects of the new race/ethnicity standards. We present our estimates in Section 5. Section 6 looks more closely at individuals who identify as Hispanic. Section 7 discusses issues associated with generating comparable estimates across time. Concluding remarks can be found in Section 8.

[2]See "Hispanics and the Future of America", section 3 (National Research Council (US) Panel on Hispanics in the United States (2006)).

2 A Detailed Look at the CPS Race and Ethnicity Question using the 1997 Standards

Respondents are asked their and other household members' race and ethnicity the first time they are interviewed. It also appears to be filled in for MIS5, but field respondents are instructed to collected it for replacement households (i.e., those who have moved into the household in the intervening 8 months).[3] When individuals are asked about their race and ethnicity they are first asked about their Hispanic Ethnicity. Figure 1 below shows the exact wording of the CPS Hispanic ethnicity question.

Figure 1: Hispanic Ethnicity Question in the CPS Using the 1997 Standards

(Are you/Is NAME) of Hispanic, Latino, or Spanish origin?

VALID ENTRIES
1 Yes
2 No

After being asked about their ethnicity, respondents are asked about their race. Interviews may be by phone or in-person. The wording of the question differs slightly depending on whether it is asked in an in-person interview or by phone. Most initial and fifth interviews are done in person where respondents are shown a flash card with the race categories. For ease of explication, the telephone version of the question is presented below, in Figure 2.

Figure 2: Race telephone question in the CPS Using the 1997 Standards

I'm going to read a list of race categories. You may choose one or more races. For this survey, Hispanic origin is not a race. (Are/Is) (you/name): White; Black or African American; American Indian or Alaska Native; Asian; OR Native Hawaiian or Other Pacific Islander?

DO NOT PROBE – Unless response is Hispanic or is a Hispanic origin.

Valid Entries
1. White
2. Black
3. American Indian or Alaska Native
4. Asian
5. Native Hawaiian or Other Pacific Islander
6. Other – DO NOT READ

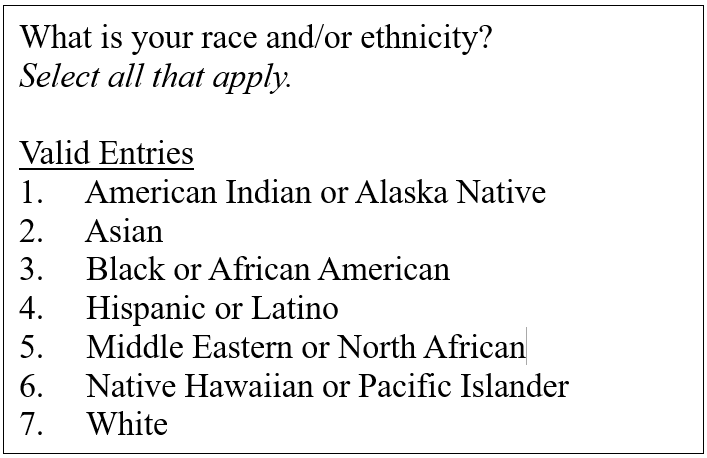
Respondents not choosing one of the five race categories are put in the "Other Race" category. An imputation is made to place "Other Race" respondents in one of the five allowable race

[3]The CPS uses a rotating panel design where households are interviewed for 4 consecutive months, are not interviewed for the next 8 months, and are then interviewed for 4 consecutive months.

categories for the published estimates. This is done by first looking at the respondent's previous answers to the CPS race questions. If there is no previous race information, a relational approach is used to assign missing race data based on relatives within the household. If a person's mother is in the household and has a race, the person is assigned a race based on the mother's race. If the mother is not in the household, race is assigned to the individual based on the most appropriate relative in the household. If there is no potential donor within the household, a hot-deck imputation is used. Because people can choose more than one of the five race categories, the race imputation in CPS is handled as a grouped allocation, so that the donor's responses for all five race categories are imputed at once. This means that if a relative or donor is multi-racial, the person to whom a race is allocated will also have more than one race assigned.

Figure 3 presents a combined race and ethnicity question. This figure comes from the 2024 standards and does not necessarily reflect the exact wording the CPS will adopt.[4]

Figure 3: Combined Race and Ethnicity Question in line with 2024 Standards



3 Explanation of Possible Effects on Estimates

In subsequent sections, we estimate the possible effects that switching to the 2024 OMB combined Race and Ethnicity standards may have on CPS time series estimates. Prior to exploring these effects in the data, it may be helpful to outline the information collected under each of the standards and discuss likely effects on the estimates. As discussed below, these effects will depend on what estimates are being calculated and how the various pieces of information collected using the 1997 and 2024 standards are combined.

Recall that under the 1997 standards, respondents are first asked a question to determine whether they are Hispanic or not. In a subsequent question, they are asked to identify their race. People can identify as only one race, or they can say that they are any combination of several races. For example, people might identify as White Alone, Black Alone, Asian Alone, or two or more races (i.e. White/Black or White/Black/Asian).[5] This structure means that everyone is

[4]The new standards can be found in the Federal Register: 2024 OMB Standard Link (Federal Register (2024)). The standards permit flexibility in the wording of the question and the order of response categories.

[5]Under the 1997 standards in the CPS, individuals who only identify as "Other Race" are allocated a race using the five specified race categories.

identified as Hispanic or non-Hispanic regardless of their race and that everyone who is Hispanic has a race. It also means that each race group can be divided into Hispanic or non-Hispanic. For example, those who are White Alone will be either White Alone Hispanic or White Alone non-Hispanic.

Under the 2024 combined race/ethnicity standards, respondents are only asked a single question in which Hispanic is an option. Individuals can identify with a single group or a combination of groups. For example, among other possibilities, individuals might identify as White Alone, Black Alone, Asian Alone, Hispanic Alone or White/Hispanic, Black/Hispanic or Asian/Hispanic. As with the 1997 standard, this structure means that everyone will be identified as Hispanic or non-Hispanic, but this is done through only one question. People who are Hispanic will be identified by selecting responses that indicate they are Hispanic - specifically by saying they are Hispanic Alone or Hispanic in combination with one of the other groups (e.g., White/Hispanic). Individuals who are non-Hispanic will be identified by selecting one or more race groups that are not Hispanic. For instance, White Alone non-Hispanics will be those who only identify as White Alone. Furthermore, unlike the 1997 structure, not all people who are Hispanic will have another race associated with them when the 2024 standards are used.

The BLS monthly Employment Situation news release currently contains estimates for individuals who are White Alone, Black Alone and Asian Alone. These "Alone" race categories currently include individuals who are Hispanic and who are non-Hispanic. However, under the 2024 standards using a combined Race/Ethnicity question, the Race Alone categories will not include those who identify as Hispanic (either Hispanic alone or with another group). Therefore, the Race Alone categories will be smaller under the 2024 standards than under the 1997 standards. One can, of course, get closer to the estimate under the 1997 standards by combining the new Alone race group and Hispanics of the same race group, but this number will still be smaller because of the new Hispanic Alone group. For example, combining individuals who are White Alone and White/Hispanic will leave out those who indicate that they are Hispanic Alone, but would have identified as Hispanic and White under the 1997 standards when everyone who was Hispanic was also asked to identify a race.

Another common way to present the race data is to split the race categories by whether a person is Hispanic or non-Hispanic. Typically, in these presentations, race estimates are disaggregated by Hispanic and non-Hispanic for the single Race Alone categories (multi-racial is not disaggregated) and often non-Hispanic estimates are only presented for those who are White. For example, Census uses data from the CPS Annual Social and Economic Supplement (ASEC) to publish poverty estimates for those who are White Alone non-Hispanic and Hispanic (of any race).

Theoretically estimates for non-Hispanics by race groups should be the same under both the 1997 and the 2024 standards (abstracting, of course, from the new MENA category). For example, under the 2024 standards, individuals will be counted as White Alone non-Hispanic if they indicate that they are White Alone and do not also indicate that they are Hispanic. Under the 1997 standards, these people are identified as White Alone non-Hispanic if they explicitly indicate that they are non-Hispanic when asked about their ethnicity and indicate they are White Alone when asked about race. However, the actual comparability of estimates for data collected under the two standards will be completely dependent on how people identify themselves under the two paradigms. It is plausible that some individuals identified as White and Hispanic when asked two separate questions will identify as just White when answering a combined race and ethnicity question as prescribed by the 2024 standards. This would make the estimate of White

non-Hispanics larger when collected using the combined question than when data is collected using two separate questions. Correspondingly the estimate of Hispanics would be smaller using the combined question than when data is collected using two questions under this scenario. In contrast, while perhaps unlikely, if more people identify as Hispanic using the combined race and ethnicity question than when asked the two separate questions (for example those who were a mixture of Hispanic and non-Hispanic are more likely to identify their Hispanic origin in a combined question), the estimate of non-Hispanics by race groups would be smaller and the estimate of Hispanics would be larger than estimates generated using the 1997 standards.[6] The estimate of Hispanics will also be influenced by whether people who identify as Hispanic and one of the other race groups prescribed under the 2024 standards are considered Hispanic or are considered multi-racial, multi-ethnic.

While adoption of the 2024 standards could disrupt estimates regardless of how the data is presented, the disruption will almost certainly be larger for estimates, such as those published in BLS's monthly Employment Situation that do not disaggregate the 1997 standards race groups by ethnicity. This is because individuals who identify as Hispanic Alone in the combined race and ethnicity question will have no other race group associated with them. In the work that follows we try to estimate the number of people who will identify as Hispanic Alone using a combined question and the effect this will have on the proportion of the population in the 1997 standards racial groups and the corresponding labor force and earnings estimates. Because the 2024 standards call for Middle Eastern North African (MENA) to be a separate race category, as part of this comparison, we also estimate the number of people we expect to identify as MENA alone and the effect this separate racial group will have on population and labor force estimates for the existing 1997 racial groups.

4 Methodology

As noted above, the 2024 OMB standards are a combined race and ethnicity question with the following seven categories: American Indian or Alaskan Native; Asian; Black or African American; Hispanic or Latino; Middle Eastern or North African; Native Hawaiian or Pacific Islander; and White with respondents able to choose more than one category. Based on responses to the existing CPS race and ethnicity questions, we would like to obtain estimates for the proportion of individuals who will classify as Hispanics Alone under the 2024 standards.

In addition to subsequently being imputed to one of the existing race categories in the edited data, individuals who select "Other Race" are asked a follow up question to identify what the other race is at the time the data is collected. The "Other Race" follow-up question has forty

[6]Comparisons between estimates obtained asking two separate questions as opposed to a single combined question also will depend on the how the separate question about being Hispanic is presented. The Census' 2015 National Content Test found a slightly larger percentage of people identified as Hispanic in a combined question as opposed to those who were asked two separate questions. However, to be counted as Hispanic in the National Content Test, people who were asked the two separate questions had to indicate "yes they are Hispanic" by selecting response categories that were combinations of both yes and a Hispanic subgroup. (For example, people whose parents were born in Mexico would have to select" Yes, Mexican, Mexican Am, Chicano" to indicate they were Hispanic). In contrast, in the CPS people are first asked a simple yes/no question as to whether they are Hispanic, and identification of Hispanic subgroups is obtained in a follow up question. It is likely that the CPS question would obtain a higher proportion of people responding that they are Hispanic than the National Content Test. We contend that it is unlikely more people will identify as Hispanic using a combined question than when asked the CPS direct question.

response categories. We have identified eight of these possible responses as Hispanic: Hispanic, Chicano, Cuban or Cuban American, Latin American, Latino, Mexican or Mexican American, and Spanish.

It seems a safe bet that individuals who indicate that they are an Other Race for their first race in the unedited data and then select one of the Hispanic "Other Race" categories would classify themselves as only Hispanic when responding to the new question. As a **lower bound Hispanic Alone estimate**, we count individuals as Hispanic Alone if a) their first race was coded as "Other Race" and b) they selected one of the eight "Other Race" categories that we have identified as Hispanic.[7]

It also seems likely that a high proportion of individuals who indicate they are Hispanic when they are asked about their ethnicity before being asked about their race, would indicate only Hispanic when responding to the new combined race and ethnicity questions. As an **upper bound Hispanic Alone estimate**, we therefore count individuals as only Hispanic if they indicated they were Hispanic in response to the ethnicity question.

As discussed above, the 2024 race and ethnicity standards call for a new Middle Eastern and North African (MENA) category. We obtain rough estimates of the MENA population from the information on individuals' country of origin as well as their "Other Race" responses. Specifically, we classify an individual as MENA if they indicate that they are "Other Race"-Arab or if they or either of their parents were born in one of the following countries: Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Kuwait, Lebanon, Libya, Oman, Qatar, Saudi Arabia, Syria, Tunisia, Turkey, United Arab, Emirates, and Yemen.[8]

5 Estimates

We now look at the actual CPS data. Our estimates are based on annual averages generated using a combination of edited and unedited monthly CPS data, for individuals in the civilian non-institutional population that are 16 years and older. The unedited data enables us to see individuals whose answers were recorded as "Other Race" prior to their answers being allocated to a race. We utilize seventeen years of data from 2007 to 2023. The CPS race and ethnicity questions were changed significantly in 2003. Estimates before and after 2007 are not comparable. The "Other Race" estimates from 2007 on are much higher than those that are pre-2007, likely due to the Census Bureau switching to the programming language Blaise for their data collection instruments. This, among other things, affected the layout of the question on an interviewer's screen. We therefore exclude the years before 2007 from our analysis. Population and Labor Force estimates are generated using composite weights.[9] Earnings estimates use outgoing

[7] We exclude individuals who selected one of the five pre-specified race categories as their first race and select "Other Race" as a subsequent race. This situation is extremely rare, occurring in only about 0.3 percent of the individuals that selects one of the five pre-specified race categories as their first race.

[8] Where people and their parents are born is identified in a separate series of questions about nativity and citizenship.

[9] Composite weights are constructed to reduce variability in monthly labor force estimates. Their construction involves two steps. First, composite estimates are calculated as a weighted average of the composite estimate from the previous month, an estimate of change from the proceeding to the current month, and a component that captures the difference between incoming and continuing parts of the current month's sample. A series of adjustments are then made to the micro data weights to bring them into agreement with the composite estimates.

rotation weights.[10] Unlike the published BLS estimates, we generate an hourly wage for everyone who is employed.[11] Standard errors are generated using replicate weights.[12] Throughout the discussion when we refer to White and Black, we are referring to White Alone, and Black Alone.

5.1 Population, Unemployment Rate and Earnings, Estimates by Race and Ethnicity

Figure 4 shows how the proportion of individuals who are Hispanic and the proportion who indicate they are "Other Race" have changed over time. The proportion of individuals who indicate that they are of Hispanic ethnicity increased steadily from 13.5% in 2007 to 17.8% in 2023. In contrast, the proportion of individuals in the CPS who indicate that they are "Other Race" increased only marginally from 5.4% in 2007 to 5.9% in 2023.[13] Furthermore, this trend has not been monotonic, falling somewhat in 2012 and then increasing again a few years later. The reason for the dip in "Other Race" in 2012 becomes evident in the next figure.

Figure 4: Percent Hispanic and "Other Race"

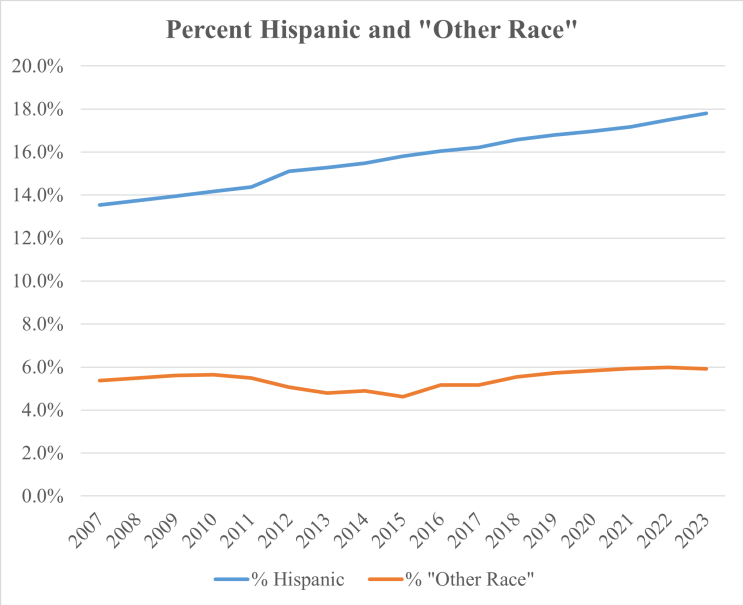


Figure 5 shows the proportion of individuals of Hispanic ethnicity who are also "Other Race". This proportion was 34.5% in 2007. The proportion of Hispanics who are "Other Race" fell to

[10] Outgoing rotation weights are assigned to individuals in the outgoing rotation groups (ORG), which consist of individuals who have completed their 4th and 8th interview. These weights ensure that the ORG is representative of the entire population. Earnings and hours information are only collected from those who are in the ORG.

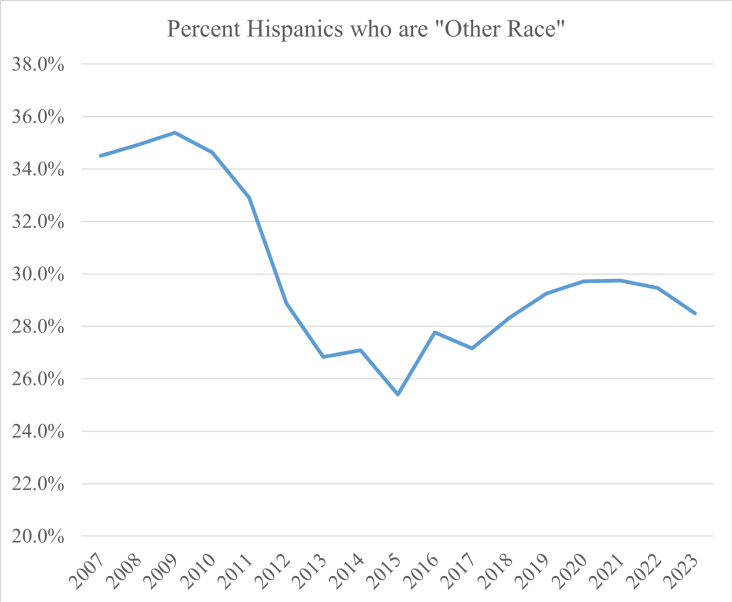
[11] BLS publishes usual weekly earnings for full-time workers and hourly earnings for people identified as hourly workers. To obtain a more complete picture we generate an hourly estimate for everyone who is employed. For respondents that do not provide an hourly wage directly, we obtain an estimate of it by dividing weekly earnings by weekly hours worked. For respondents who have no reported weekly hours, we impute weekly hours using a regression approach. All hourly wage estimates are aged to June 2023, using the CPI-U.

[12] Replicate weights are used in the calculation of CPS variance estimates. They fractionally assign individuals to 160 subpopulations and are constructed using a successive difference replication method.

[13] The lower percentage of people who are "Other Race" alone in the CPS compared to the Decennial Census, illustrates the influence of CPS interviewers on the collection of the data and the effect of not having "Other" as an explicit option.

28.9% in 2012 and then a few years later increased to nearly 30%. The obvious question is what happened in 2012? Referring to the CPS race question, note that respondents are explicitly told that Hispanic is not a race. This language was added in 2012. It apparently had an effect, causing fewer Hispanics to indicate that they were "Other Race".

Figure 5: Percent Hispanic who are "Other Race"



The proportion of non-Hispanics who are "Other Race", is not shown in the figure, but is quite small, ranging between 0.8% and 1.0% over the period. Not surprisingly then, most individuals who are "Other Race" fall into one of the subgroups that we have identified as Hispanic. As Figure 6 shows, the proportion of individuals who are "Other Race" that are in a Hispanic subgroup has ranged between 82.8% and 87.8% over the 2007-2023 period.

Table 1 presents population, unemployment rate and earnings estimates by race and ethnicity for 2023, using what respondents report is their first race. The five race categories and "Other Race" are decomposed into their Hispanic, and non-Hispanic components. In Table 2, the non-Hispanic groups are further divided into MENA and non-MENA components. Note that 0.9% of Whites fall into our constructed MENA category and 0.8% of the Asian population is MENA.[14] The percentage of individuals in the other race groups who are MENA is 0.2% or less. In contrast, the corresponding percentage for "Other Race" is 3.1%.[15]

Hispanic Whites had a higher unemployment rate than non-Hispanic Whites - 4.3% compared to 3%. Hispanic Whites also had a lower median hourly wage than non-Hispanic Whites - $20.12 versus $26.75.[16] In contrast, Hispanic Blacks and non-Hispanic Blacks had unemployment rates (5.9% versus 5.7%) and hourly earnings ($20.39 versus $21.00) that were not significantly different. It should be noted, however, that the Hispanic Black portion of the sample is relatively

[14]Per the 1997 standards, MENA is supposed to be part of the White category, but some individuals we classify as MENA are identified with other racial categories. Of those we identified as MENA 88% identified as White, 4% identified as Black and 7% identified as Asian.

[15]The proportion of Hispanics who are MENA is negligible and is left out of the table to avoid unnecessary clutter.

[16]As noted above, an hourly wage was constructed for all employed people.

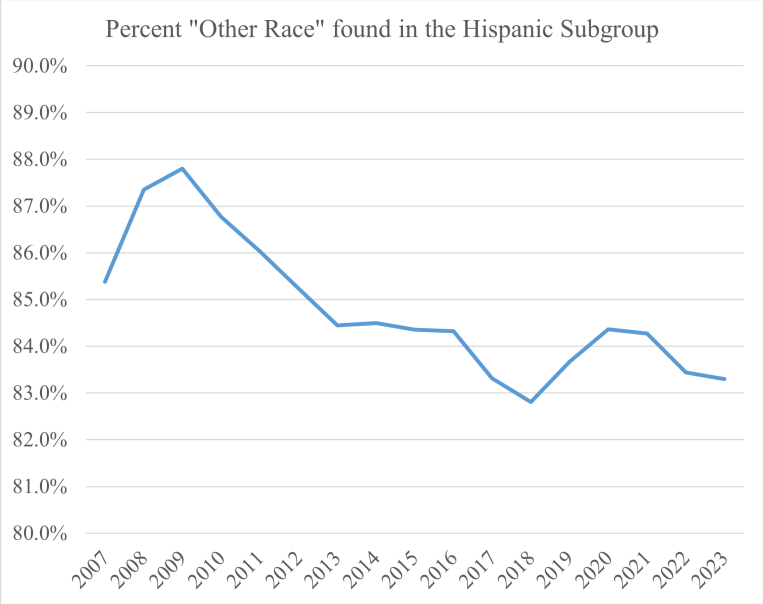
Table 1: 2023 Race by Hispanic Ethnicity Estimates

Race Category	Percent of Population	Hispanic Ethnicity	Percent of Race Population	Unemployment Rate	Median Hourly Wage
White	73.6%	Hispanic	16.0%	4.3% (0.1%)	$20.12 ($0.10)
		Non-Hispanic	84.0%	3.0% (0.0%)	$26.75 ($0.12)
Black	12.6%	Hispanic	3.8%	5.9% (0.8%)	$20.39 ($1.01)
		Non-Hispanic	96.2%	5.7% (0.2%)	$21.00 ($0.22)
American Indian/ Alaskan Native	1.0%	Hispanic	25.8%	7.5% (1.4%)	$20.26 ($0.94)
		Non-Hispanic	74.2%	6.8% (0.6%)	$20.31 ($0.54)
Asian	6.4%	Hispanic	1.0%	7.2% (2.3%)	$25.27 ($2.66)
		Non-Hispanic	99.0%	3.0% (0.1%)	$32.41 ($0.53)
Hawaiian Native/ Pacific Islander	0.4%	Hispanic	9.1%	4.9% (2.1%)	$23.97 ($2.45)
		Non-Hispanic	90.9%	4.3% (0.8%)	$21.12 ($0.83)
Other Race	6.0%	Hispanic	85.7%	5.1% (0.2%)	$19.83 ($0.33)
		Non-Hispanic	14.3%	3.2% (0.4%)	$23.46 ($0.81)

Table 2: 2023 Race by Non-Hispanic MENA category Estimates

Race Category	Non-Hispanic MENA Category	Percent of Race Population	Unemployment Rate	Median Hourly Wage
White	MENA	0.9%	3.6% (0.5%)	$30.17 ($1.08)
	Non-MENA	83.1%	2.9% (0.0%)	$26.73 ($0.15)
Black	MENA	0.2%	4.0% (2.4%)	$26.57 ($9.62)
	Non-MENA	96.0%	5.7% (0.2%)	$21.00 ($0.21)
American Indian/ Alaskan Native	MENA	–	–	–
	Non-MENA	74.1%	6.8% (0.6%)	$20.31 ($0.56)
Asian	MENA	0.8%	3.4% (1.5%)	$32.69 ($6.40)
	Non-MENAc	98.2%	3.0% (0.1%)	$32.40 ($0.54)
Hawaiian Native/ Pacific Islander	MENA	–	–	–
	Non-MENA	90.9%	4.3% (0.8%)	$21.12 ($0.83)
Other Race	MENA	3.1%	3.7% (1.1%)	$23.80 ($1.89)
	Non-MENA	11.2%	3.1% (0.4%)	$23.43 ($0.91)

Figure 6: Percent "Other Race" found in Hispanics Subgroup



small, containing only 2,888 individuals.[17]

When comparing MENA to non-MENA groups, in general, we see that MENA had higher unemployment rates and higher median hourly wages in 2023 than non-MENA across the race groups. Due to the small number of people, we have classified as MENA and the low overall unemployment rates in 2023 these differences were generally not statistically different. In particular, MENA Whites had a higher unemployment rate than non-MENA Whites- 3.6% compared to 2.9%, but the differential in unemployment rates was not statistically significant. MENA Whites also had a higher median hourly wage than non-MENA Whites - $30.17 compared to $26.73, and this difference was statistically significant. Due to the small number of people identifying as MENA amongst Blacks, Asians and the other race groups, the differences between those who were MENA and those who were not in these race groups were not statistically different. Although more people who were MENA identified as "Other Race", the estimates for MENA and non-MENA amongst those identified as "Other Race" also were relatively similar and not statistically different.

Unemployment rates were relatively low in 2023. Table 3 presents unemployment rate estimates by race and ethnicity for 2023 and 2010, the latter being a year with relatively high unemployment rates. As in 2023, White Hispanics had a higher unemployment rate than White non-Hispanics, but the difference was substantially larger in 2010. In both years, the White Hispanic unemployment rate was almost one and half times the White non-Hispanic rate. In 2010, the difference between Black Hispanic and Black non-Hispanic unemployment rates also was substantial, but again as in 2023 the difference was not statistically significant. The large 7.9% differential between the Black and White unemployment rates for non-Hispanics in 2010 is mir-

[17]The population and labor force estimates use all rotations of the CPS sample. The earnings estimates use only outgoing rotations, since these are the only rotations in which respondents are asked about earnings. The sample of outgoing rotations is about a quarter of the sample found in all rotations. For example, there were only 2,888 Hispanic Blacks underlying the 2023 population and labor force estimates and about a quarter of that number underlying the earnings estimates for Black Hispanics.

rored by a statistically significant 7.1% differential between the Black and White unemployment rates for Hispanics.

Table 3: 2010 and 2023 Unemployment Rates by Race and Hispanic MENA category

Race Category	**Hispanic MENA Category**	**2010 Unemployment Rate**	**2023 Unemployment Rate**
White	Hispanic	11.8% (0.3%)	4.3% (0.1%)
	Non-Hispanic	8.1% (0.1%)	3.0% (0.0%)
	MENA	*11.0% (1.1%)*	*3.6% (0.5%)*
	Non-MENA	*8.1% (0.1%)*	*2.9% (0.0%)*
Black	Hispanic	18.9% (1.9%)	5.9% (0.8%)
	Non-Hispanic	16.0% (0.3%)	5.7% (0.2%)
	MENA	*21.8% (9.1%)*	*4.0% (2.4%)*
	Non-MENA	*16.0% (0.3%)*	*5.7% (0.2%)*
American Indian/ Alaskan Native	Hispanic	17.6% (2.4%)	7.5% (1.4%)
	Non-Hispanic	14.2% (1.0%)	6.8% (0.6%)
	MENA	–	–
	Non-MENA	*14.2% (1.0%)*	*6.8% (0.6%)*
Asian	Hispanic	9.2% (3.0%)	7.2% (2.3%)
	Non-Hispanic	7.5% (0.3%)	3.0% (0.1%)
	MENA	*9.0% (3.9%)*	*3.4% (1.5%)*
	Non-MENA	*7.5% (0.3%)*	*3.0% (0.1%)*
Hawaiian Native/ Pacific Islander	Hispanic	18.8% (4.4%)	4.9% (2.1%)
	Non-Hispanic	12.0% (1.2%)	4.3% (0.8%)
	MENA	–	–
	Non-MENA	*12.0% (1.2%)*	*4.3% (0.8%)*
Other Race	Hispanic	13.4% (0.4%)	5.1% (0.2%)
	Non-Hispanic	9.7% (0.7%)	3.2% (0.4%)
	MENA	*11.4% (1.8%)*	*3.7% (1.1%)*
	Non-MENA	*9.3% (0.7%)*	*3.1% (0.4%)*

Comparing MENA and non-MENA unemployment rates in 2010 and 2023, we see that the gap between the MENA White and non-MENA White unemployment rate was larger in 2010 and, in fact, was statistically significant.

Table 4 presents unemployment rate and earnings estimates for 2023 by ethnicity and "Other Race" versus non- "Other Race". As mentioned above, nearly 30% of individuals of Hispanic ethnicity are in the "Other Race" category. Individuals of Hispanic ethnicity who say "Other Race" had a higher unemployment rate than individuals of Hispanic ethnicity who did not say "Other Race" – 5.1% compared to 4.5%. Individuals of Hispanic ethnicity who say "Other Race" also had a lower median wage than that for individuals of Hispanic ethnicity who did not say "Other Race" - $19.83 compared to $20.12.

Table 4: 2023 Hispanic Ethnicity by Race Estimates

Hispanic Ethnicity	Race Category	Unemployment Rate	Median Hourly Wage
Hispanic	Not-Other Race	4.5% (0.1%)	$20.12 ($0.13)
	Other Race	5.1% (0.2%)	$19.83 ($0.33)
	Other Race Hispanic Subgroup	5.1% (0.2%)	$19.81 ($0.37)
Non-Hispanic	Not-Other Race	3.4% (0.0%)	$25.84 ($0.07)
	Other Race	3.2% (0.4%)	$23.46 ($0.81)
	Other Race Hispanic Subgroup	3.8% (1.2%)	$21.42 ($1.32)

Note: All wages are adjusted using the CPI-U to be in June 2023 dollars.

5.2 How Might the 2024 Race and Ethnicity Standards Affect CPS Population Estimates?

With the preceding estimates in mind, we are now ready to examine possible effects that changing to the 2024 race and ethnicity standards has on CPS population, unemployment rate, earnings, and employment-to-population estimates. Because BLS currently publishes these estimates for the racial groups without distinguishing between Hispanic and non-Hispanics, in this discussion we are only considering the effect on the current race estimates where no distinction is made by ethnicity. Specifically, we examine the effects on the current estimates of White Alone, Black Alone and Asian Alone.

Table 5 shows how the 2024 race and ethnicity standards might have affected the population estimates in 2023. Recall that our lower bound estimate counts individuals as Hispanic Alone if a) their race was only coded as "Other Race" and b) they selected one of the eight "Other Race" categories that we have identified as Hispanic. Our upper bound estimate counts individuals as Hispanic Alone if they indicated they were Hispanic in response to the ethnicity question. Whether one uses the lower bound estimate or the upper bound estimate, most Hispanics who are reclassified are originally in the White racial group.[18] Consequently, the population estimate for Whites is most affected by the 2024 standards. The proportion of the population that is White is 76.6% with the current, race and ethnicity questions. Under the 2024 standards, this falls to 71.7% according to our lower bound estimate and 60.1% according to our upper bound estimate. The effect on the Black population estimate is non-trivial, although much smaller, falling from 13% of the population to either 12.6% or 12.1% depending on whether the lower bound or upper bound is used. Our lower bound and upper bound estimates give us a large range for the proportion of the population that would be classified as Hispanic Alone. This proportion ranges from 4.8% according to our lower bound estimate to 17.9% according to our upper bound estimate. Our suspicion is that the actual outcome would be closer to the upper bound estimate since our intuition is that many of the respondents who currently indicate that they are of Hispanic ethnicity would only choose Hispanic when answering the new questions. Support for this is provided by the 2015 National Content Test which tested

[18]The majority of "Other Race" Hispanics being White under the lower bound reflects that the majority of "Other Race" Hispanics are allocated a race of White in the imputation process. The majority of Hispanics being White using the upper bound is primarily due to those who identify as Hispanic choosing White when asked to identify a race separately.

among other items a combined race/ethnicity question, with Hispanic and Middle Eastern being categories people could select. When presented with a combined race/ethnicity question only 30% of those identified as Hispanic selected Hispanic in combination with another race/ethnicity. The vast majority of those identified as Hispanic in the Content Test, selected Hispanic Alone (U.S. Census Bureau, 2015). However, given the information that is available, there is simply no way of saying for sure how many people in the CPS will identify as Hispanic Alone with a combined question.

Table 5: 2023 Population Percentage Estimates, 1997 vs. 2024 Standards

	Percent of the Population		
Race Category	**1997 Race/Ethnicity Standards**	**2024 Race/Ethnicity Standards Lower Bound**	**2024 Race/Ethnicity Standards Upper Bound**
White Only	76.6% (0.01%)	71.7% (0.08%)	60.1% (0.04%)
Black Only	13.0% (0.01%)	12.6% (0.02%)	12.1% (0.03%)
American Indian/Alaskan Native Only	1.1% (0.05%)	1.0% (0.04%)	0.7% (0.04%)
Asian Only	6.6% (0.03%)	6.4% (0.03%)	6.3% (0.03%)
Hawaiian/Pacific Islander Only	0.4% (0.02%)	0.4% (0.02%)	0.3% (0.02%)
Hispanic Only	–	4.8% (0.07%)	17.8% (0.01%)
MENA Only	–	0.9% (0.03%)	0.9% (0.03%)
Multiple Race	2.3% (0.04%)	2.1% (0.04%)	1.7% (0.03%)

Note 1: Lower bound estimates of Hispanic Alone consist of those who said "Other Race", and selected one of the eight "Other Race" categories we have identified as Hispanic.
Note 2: Upper bound estimates consist of those who said they were Hispanic in the Ethnicity question.

In addition to Hispanic Only, MENA is a second new race/ethnicity category in the 2024 standards. As Table 5 indicates, according to our rough estimate, MENA Only would constitute about 0.9% of the population. Most individuals who are MENA Only would be classified as White under the 1997 standards. Given the small percentage of people who we expect to identify as MENA, the effect on the 1997 race categories of removing those who identify as MENA is not shown separately from the effects of removing those identifying as Hispanic Alone. Clearly, the effect of allowing people to identify as MENA on the proportion of the population identified as White and the other 1997 race groups will be small.

Table 6 shows the potential effect of the 2024 race and ethnicity standards on estimates of the unemployment rate in 2010 and 2023. With our lower bound Hispanic Alone estimate, the White unemployment rate falls from 8.7% to 8.4% in 2010, reflecting the fact that Hispanics who are currently classified as "Other Race" (the vast majority of whom are imputed a race of White) have a higher unemployment rate than both Hispanics who are non- "Other Race" and White non-Hispanics.[19] With our upper bound estimate, the White unemployment rate in 2010 falls to 8.0%, reflecting the fact that Whites who are of Hispanic ethnicity have a higher unemployment rate than Whites who are not of Hispanic ethnicity. In 2010, the Hispanic Alone unemployment rate is 13.4% according to our lower bound Hispanic estimate and 12.5%

[19]In 2023 79.8% of "Other Race" were allocated a Race of White, 9.4% were allocated a race of Black, and 4.0% were allocated a race of Asian. The proportion of "Other Race" within these racial groups who were Hispanic was 90.0%, 66.0% and 44.0%, respectively.

according to our upper bound Hispanic estimate (with the upper bound estimate being the same as the current estimate for Hispanics). The higher unemployment rate estimate corresponding to the lower bound Hispanic Alone estimate reflects the fact that individuals of Hispanic ethnicity who are "Other Race" have a higher unemployment rate than individuals of Hispanic ethnicity who are not "Other Race".

Table 6: 2010 and 2023 Unemployment Rate Estimates, 1997 vs. 2024 Standards

		Unemployment Rate		
Year	**Race Category**	**1997 Race/ Ethnicity Standards**	**2024 Race/ Ethnicity Standards Lower Bound**	**2024 Race/ Ethnicity Standards Upper Bound**
2010	White Only	8.7% (0.1%)	8.4% (0.1%)	8.0% (0.1%)
	Black Only	16.0% (0.2%)	16.0% (0.3%)	16.0% (0.3%)
	American Indian/Alaskan Native Only	15.1% (0.9%)	14.5% (0.9%)	13.8% (1.0%)
	Asian Only	7.5% (0.3%)	7.4% (0.3%)	7.4% (0.3%)
	Hawaiian/Pacific Islander Only	12.0% (1.3%)	12.2% (1.4%)	11.8% (1.3%)
	Hispanic Only	–	13.4% (0.4%)	12.5% (0.2%)
	MENA Only	–	11.1% (0.9%)	11.1% (0.9%)
	Multiple Race	13.6% (0.6%)	13.5% (0.6%)	13.4% (0.7%)
2023	White Only	3.3% (0.0%)	3.1% (0.0%)	2.9% (0.0%)
	Black Only	5.5% (0.2%)	5.6% (0.2%)	5.6% (0.2%)
	American Indian/Alaskan Native Only	6.6% (0.5%)	6.9% (0.6%)	6.8% (0.6%)
	Asian Only	3.0% (0.1%)	3.0% (0.1%)	2.9% (0.1%)
	Hawaiian/Pacific Islander Only	4.1% (0.7%)	3.8% (0.7%)	3.9% (0.8%)
	Hispanic Only	–	5.1% (0.2%)	4.6% (0.1%)
	MENA Only	–	3.7% (0.4%)	3.6% (0.4%)
	Multiple Race	5.4% (0.4%)	5.4% (0.4%)	5.7% (0.5%)

Note 1: Lower bound estimates of Hispanic Alone consist of those who said "Other Race", and selected one of the eight "Other Race" categories we have identified as Hispanic.
Note 2: Upper bound estimates consist of those who said they were Hispanic in the Ethnicity question.

Comparing the MENA Only unemployment rate to that for other race categories, one sees in 2010 the MENA Only unemployment rate of 11.1% exceeds the White Only rate (of 8.4% or 8.0%), which largely reflects the fact that the MENA, White unemployment rate exceeds that of the non-MENA, White unemployment rate. The MENA Only unemployment rate also exceeds that of the Asian Only unemployment rate, primarily reflecting the fact that most MENA Only individuals come from the non-Hispanic White population, which has a higher unemployment rate than the Asian population. The MENA, Asian unemployment rate being larger than the non-MENA Asian unemployment rate also slightly contributes (although given the small proportion of Asians who are MENA this difference is not statistically significant).

Unemployment rate patterns in 2023 are similar to those in 2010. As expected, given the smaller unemployment rate differentials between the various groups, the effects of the 2024 standards are much smaller in 2023.

Tables 7 and 8 show the effects of the 2024 race/ethnicity standards on the employment-to-

population ratios and labor force participation rates of the various racial/ethnic groups in 2010 and 2023. As can be seen from the estimates in the table, the effects of the 2024 standards are quite modest.

Table 7: 2010 and 2023 Employment-to-Population Ratio Estimates, 1997 vs. 2024 Standards

		Employment-to-Population Ratio		
Year	**Race Category**	**1997 Race/ Ethnicity Standards**	**2024 Race/ Ethnicity Standards Lower Bound**	**2024 Race/ Ethnicity Standards Upper Bound**
2010	White Only	60.2 (0.1)	60.0 (0.1)	59.2 (0.1)
	Black Only	59.6 (0.3)	59.5 (0.3)	59.4 (0.3)
	American Indian/Alaskan Native Only	55.3 (1.7)	54.4 (1.9)	52.6 (2.2)
	Asian Only	63.1 (0.4)	63.2 (0.4)	63.2 (0.4)
	Hawaiian/Pacific Islander Only	63.3 (1.8)	63.3 (1.9)	62.9 (1.9)
	Hispanic Only	–	63.8 (0.5)	63.8 (0.3)
	MENA Only	–	60.5 (1.1)	60.7 (1.1)
	Multiple Race	61.8 (0.8)	61.9 (0.8)	61.6 (0.8)
2023	White Only	59.4 (0.1)	59.5 (0.1)	59.5 (0.1)
	Black Only	52.3 (0.3)	52.2 (0.3)	52.3 (0.3)
	American Indian/Alaskan Native Only	49.0 (1.1)	48.6 (1.2)	48.3 (1.3)
	Asian Only	59.9 (0.4)	60.0 (0.4)	60.0 (0.4)
	Hawaiian/Pacific Islander Only	60.1 (1.4)	59.8 (1.4)	59.8 (1.4)
	Hispanic Only	–	59.7 (0.5)	59.0 (0.2)
	MENA Only	–	54.3 (1.2)	54.3 (1.3)
	Multiple Race	56.5 (0.7)	56.0 (0.7)	55.5 (0.8)

Note 1: Lower bound estimates of Hispanic Alone consist of those who said "Other Race", and selected one of the eight "Other Race" categories we have identified as Hispanic.
Note 2: Upper bound estimates consist of those who said they were Hispanic in the Ethnicity question.

Finally, Tables 9 and 10 show the effect of the 2024 race/ethnicity standards on earnings estimates in 2023. Using our lower bound Hispanic estimate to generate a White alone estimate, the median hourly wage of Whites increases from $24.95 to $25.27, reflecting the fact that Hispanics who are currently classified as "Other Race" (the vast majority of whom are imputed a race of White) have lower wages than both Hispanics who are not "Other Race" and non-Hispanic Whites. According to our upper bound Hispanic estimate, the median hourly wage of Whites increases still further to $26.78, reflecting the fact that Whites of Hispanic ethnicity have lower wages than non-Hispanic Whites. According to our lower bound Hispanic estimate, the median hourly earnings of Hispanics in 2023 are $19.81. The median hourly earnings of Hispanics increase to $20.00 when using the upper bound. The higher hourly wage corresponding to our upper bound Hispanic estimate reflects the fact that individuals of Hispanic ethnicity who are "Other Race" have lower hourly wages than individuals of Hispanic ethnicity who are not "Other Race". MENA median hourly wages are about $28.80 according to both our lower and upper bond Hispanic estimates. This is higher than that for all racial groups other than Asians.

Weekly earnings show the same pattern as hourly wages. Median usual weekly earnings

Table 8: 2010 and 2023 Labor Force Participation Rate Estimates, 1997 vs. 2024 Standards

		Labor Force Participation Rate		
Year	**Race Category**	**1997 Race/ Ethnicity Standards**	**2024 Race/ Ethnicity Standards Lower Bound**	**2024 Race/ Ethnicity Standards Upper Bound**
2010	White Only	62.3 (0.1)	61.9 (0.1)	61.0 (0.1)
	Black Only	63.1 (0.3)	63.1 (0.3)	62.9 (0.3)
	American Indian/Alaskan Native Only	59.2 (2.1)	58.4 (2.3)	56.4 (2.6)
	Asian Only	65.0 (0.4)	65.1 (0.4)	65.1 (0.4)
	Hawaiian/Pacific Islander Only	66.0 (1.4)	65.8 (1.5)	65.4 (1.6)
	Hispanic Only	–	67.3 (0.5)	66.9 (0.2)
	MENA Only	–	62.8 (1.0)	63.0 (1.1)
	Multiple Race	65.3 (0.7)	65.5 (0.7)	65.3 (0.8)
2023	White Only	65.1 (0.1)	64.9 (0.1)	64.7 (0.1)
	Black Only	62.2 (0.3)	62.2 (0.3)	62.2 (0.3)
	American Indian/Alaskan Native Only	57.7 (1.1)	56.8 (1.1)	56.1 (1.3)
	Asian Only	64.7 (0.4)	64.8 (0.4)	64.8 (0.4)
	Hawaiian/Pacific Islander Only	68.4 (1.3)	68.1 (1.4)	67.9 (1.4)
	Hispanic Only	–	68.9 (0.5)	67.5 (0.2)
	MENA Only	–	61.1 (1.2)	61.1 (1.2)
	Multiple Race	65.4 (0.7)	64.8 (0.7)	64.0 (0.8)

Note 1: Lower bound estimates of Hispanic Alone consist of those who said "Other Race", and selected one of the eight "Other Race" categories we have identified as Hispanic.
Note 2: Upper bound estimates consist of those who said they were Hispanic in the Ethnicity question.

Table 9: 2023 Median Hourly Wage Estimates, 1997 vs. 2024 Standards

	Median Hourly Wage		
Race Category	**1997 Race/Ethnicity Standards**	**2024 Race/Ethnicity Standards Lower Bound**	**2024 Race/Ethnicity Standards Upper Bound**
White Only	$24.95 ($0.10)	$25.27 ($0.07)	$26.78 ($0.08)
Black Only	$20.89 ($0.19)	$20.97 ($0.20)	$20.99 ($0.21)
American Indian/Alaskan Native Only	$20.28 ($0.32)	$20.28 ($0.46)	$20.45 ($0.53)
Asian Only	$32.24 ($0.53)	$32.40 ($0.52)	$32.50 ($0.55)
Hawaiian/Pacific Islander Only	$21.36 ($0.86)	$21.50 ($0.91)	$21.36 ($1.06)
Hispanic Only	–	$19.81 ($0.37)	$20.00 ($0.05)
MENA Only	–	$28.77 ($0.92)	$28.85 ($0.90)
Other/Multiple Race	$21.76 ($0.45)	$21.98 ($0.32)	$22.86 ($0.49)

Note 1: Lower bound estimates of Hispanic Alone consist of those who said "Other Race", and selected one of the eight "Other Race" categories we have identified as Hispanic.
Note 2: Upper bound estimates consist of those who said they were Hispanic in the Ethnicity question.

of Whites increase from $998.10 to $1,014.19 according to our lower bound Hispanic estimate. According to our upper bound Hispanic estimate, median weekly earnings of Whites increase to $1,082.49. Hispanic weekly earnings are $762.53 according to our lower bound Hispanic estimate and $793.03 according to our upper bound Hispanic estimate.

Table 10: 2023 Median Weekly Earnings Estimates, 1997 vs. 2024 Standards

	Median Weekly Earnings		
Race Category	**1997 Race/Ethnicity Standards**	**2024 Race/Ethnicity Standards Lower Bound**	**2024 Race/Ethnicity Standards Upper Bound**
White Only	$998.10 ($2.84)	$1,014.19 ($4.46)	$1,082.49 ($8.76)
Black Only	$835.52 ($10.55)	$840.72 ($10.15)	$842.71 ($11.20)
American Indian/Alaskan Native Only	$800.66 ($9.83)	$800.96 ($12.63)	$811.35 ($26.14)
Asian Only	$1,310.40 ($27.13)	$1,318.42 ($28.14)	$1,334.28 ($32.00)
Hawaiian/Pacific Islander Only	$843.47 ($39.23)	$843.47 ($36.97)	$843.47 ($38.25)
Hispanic Only	–	$762.53 ($6.09)	$793.03 ($6.41)
MENA Only	–	$1,166.35 ($40.60)	$1,170.21 ($41.51)
Other/Multiple Race	$823.58 ($27.12)	$840.00 ($24.12)	$875.30 ($16.36)

Note 1: Lower bound estimates of Hispanic Alone consist of those who said "Other Race", and selected one of the eight "Other Race" categories we have identified as Hispanic.
Note 2: Upper bound estimates consist of those who said they were Hispanic in the Ethnicity question.

6 A Closer Look at Individuals Who Identify as Hispanic

As discussed above, our lower bound and upper bound estimates give us a very large range for the proportion of the population that would be classified as Hispanic Alone. As noted above, our intuition supported by the 2015 National Content test, suggests the upper bound is closer to the mark – individuals who indicated they were of Hispanic ethnicity when asked seem likely to indicate that they are Hispanic when confronted with the new race-ethnicity combined question and we suspect that many of them will only identify as Hispanic. In any case, a good argument can be made for looking more closely at the background characteristics of individuals who identify as Hispanic currently in the CPS using the 1997 standards.

One would expect that individuals from countries with large numbers of Hispanics – "Hispanic Countries" – are likely to identify as Hispanic when asked about their identity. Individuals born in the U.S. who have parents from a "Hispanic Country" also would seem likely to identify as Hispanic. They might also be more likely to identify as Hispanic if they have a grandparent from a "Hispanic Country", but as a general principle, the more distant a person's Hispanic ancestry, the less likely it is that they would identify as Hispanic.[20] The CPS asks individuals where they

[20]Individuals are defined as being born in a Hispanic country if they have any of the following answers for the question asking where they were born: Puerto Rico, Spain, Mexico, Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Central America, Cuba, Dominican Republic, Argentina, Bolivia, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay, Venezuela, South America, Baja California, Chiapas, Veracruz, and Latin America.

were born and where their parents were born. As can be seen in Table 11, the percentage of the population born in a Hispanic country increased from 7.7% in 2007 to 8.3% in 2023. There was a larger percentage increase in the population of individuals that had Hispanic parents but were born in the U.S. Specifically, the percentage of the population born in the U.S. and having both parents born in a Hispanic country increased from 2.1% in 2007 to 3.9% in 2023. The percentage of the population born in the U.S. and having only one parent born in a Hispanic country increased from 1.2% in 2007 to 1.8% in 2023.

Table 11: Country of Origin Estimates, from 2007 to 2023

Year	Percent of population born in a Hispanic country	Percent of Population born in U.S. with two parents born in a Hispanic country	Percent of Population born in U.S. with only one parent born in a Hispanic country
2007	7.7%	2.1%	1.2%
2008	7.5%	2.2%	1.2%
2009	7.5%	2.3%	1.2%
2010	7.6%	2.5%	1.3%
2011	7.5%	2.7%	1.3%
2012	7.5%	2.8%	1.4%
2013	7.4%	2.9%	1.5%
2014	7.4%	3.0%	1.5%
2015	7.7%	3.1%	1.5%
2016	7.8%	3.2%	1.5%
2017	7.7%	3.3%	1.5%
2018	7.8%	3.4%	1.6%
2019	7.7%	3.5%	1.6%
2020	7.6%	3.6%	1.8%
2021	7.8%	3.7%	1.7%
2022	8.1%	3.7%	1.7%
2023	8.3%	3.9%	1.8%

Table 12 shows the percentage of individuals born in a Hispanic country who indicated they were of Hispanic ethnicity in 2010 and 2023. The table also shows this percentage for individuals who were born in the U.S. but who had one or two parents born in Hispanic countries. In 2023, 97.5 percent of individuals born in Hispanic countries indicated that they were of Hispanic ethnicity. This percentage was virtually the same for individuals who were born in the U.S., but both of whose parents were born in Hispanic countries. Among individuals who were born in the U.S. and had only one parent born in a Hispanic country, the percentage indicating they were Hispanic fell to 87.9%. Clearly, as expected, the weaker an individual's ties to a Hispanic country, the less likely they are to identify as being of Hispanic ethnicity. These estimates also strongly suggest that those of mixed ethnicity will be less likely to indicate they are Hispanic. Our upper bound estimate of those who will identify as Hispanic Alone is thus likewise impacted by the strength of individuals' ties to the Hispanic country from which they

or their parents originated. Note also that even with a direct question asking whether someone is Hispanic, there is a divergence between any possible measure of Hispanic based on observable characteristics and a measure based on individuals' own subjective assessments. Amongst those who were themselves or had both parents from a Hispanic country, approximately 2.5 percent did not identify as Hispanic when asked a direct question. Amongst those with only one parent born in a Hispanic country, the percentage not identifying as Hispanic increases to 12.1%, a percentage that is likely to be larger if Hispanic identity is determined from a combined race ethnicity question.

Table 12: 2010 and 2023 Population Percentage and Hispanics Percentage for Country of Origin Categories

	Percent of Population		**Percent Hispanic Ethnicity**	
Country of Origin Category	**2010**	**2023**	**2010**	**2023**
Born outside U.S. in a Hispanic country	7.6%	8.3%	97.2%	97.5%
Born outside U.S. in a Non-Hispanic country	10.5%	12.6%	6.5%	8.6%
Born in U.S. with both parents born in a Hispanic country	2.0%	3.1%	96.4%	97.3%
Born in U.S. with only one parent born in a Hispanic country	1.1%	1.4%	84.8%	87.9%
Born in U.S. with no parent born in a Hispanic country	78.8%	74.7%	4.1%	5.9%

A similar pattern arises for those who identify as "Other Race"-Hispanic. As is the case with ethnicity, the weaker an individual's ties to a Hispanic country, the less likely the person is to be identified as "Other Race"-Hispanic. As indicated in Table 13, amongst those born in a Hispanic country, 31.2% identify as "Other Race"-Hispanic in 2023. The proportion is similar, 31.3%, for those who were born in the U.S. and had both parents born in a Hispanic country. In contrast, 18.1% of individuals who were born in the U.S. and had only one parent born in a Hispanic country identify as "Other Race"-Hispanic. Given that our lower bound estimate for Hispanic Alone consists of those identified as "Other Race"-Hispanic, these estimates indicate that our lower bound estimates also will be influenced by the strength of people's ties to a Hispanic country.

Table 13: 2010 and 2023 "Other Race" Hispanic Subgroup Percentage for Country of Origin Categories

	Percent in "Other Race" Hispanic Subgroup	
Country of Origin Category	**2010**	**2023**
Born outside U.S. in a Hispanic country	37.3%	31.2%
Born outside U.S. in a Non-Hispanic country	2.5%	2.7%
Born in U.S. with both parents born in a Hispanic country	37.8%	31.3%
Born in U.S. with only one parent born in a Hispanic country	24.1%	18.1%
Born in U.S. with no parent born in a Hispanic country	1.0%	1.0%

Table 14 presents labor force estimates for individuals born in a Hispanic country and for individuals who were born in the U.S. and had Hispanic parents. These estimates indicate

individuals who were born in a Hispanic country had a lower unemployment rate than individuals who were born in the U.S. but had parents who were born in a Hispanic country. In contrast, the employment to population ratio and labor force participation rate were slightly lower for individuals who were born in a Hispanic country than for individuals who were born in the U.S. and had parents born in Hispanic countries.

Table 14: 2023 Labor Force Statistics, for Individuals Born in a Hispanic Country vs. Individuals Born in U.S. with both Parents Born in a Hispanic Country

Labor Force Statistic	**Hispanic Ethnicity**	**Individuals born in a Hispanic country**	**Individuals born in U.S. with two parents born in a Hispanic country**
Unemployment Rate	Hispanic	4.1% (0.2%)	5.5% (0.3%)
	Non-Hispanic	2.9% (0.9%)	8.3% (2.0%)
	Overall	**4.1% (0.2%)**	**5.6% (0.3%)**
Employment-to-Population Ratio	Hispanic	64.3 (0.3)	65.6 (0.6)
	Non-Hispanic	55.2 (2.2)	51.7 (3.3)
	Overall	**64.1 (0.3)**	**65.3 (0.6)**
Labor Force Participation Rate	Hispanic	67.1 (0.3)	69.5 (0.5)
	Non-Hispanic	56.9 (2.2)	56.4 (3.2)
	Overall	**66.8 (0.3)**	**69.1 (0.5)**

7 Generating Comparable Estimates Across Time

As can be seen from the estimates presented in this paper, the adoption of the 2024 OMB race and ethnicity standards with the inclusion of Hispanic and MENA categories in a combined race and ethnicity question could have a considerable effect on the comparison of estimates across time. This is particularly true for estimates such as those published in the BLS Monthly Employment Situation new release where estimates for racial groups are presented regardless of whether people are identified as Hispanic (racial estimates are for Hispanics and non-Hispanics combined). Using the 2024 OMB standards individuals who identify as Hispanic Alone will not have a race associated with them and people who identify with one of the 1997 OMB race groups either alone or in combination will only be those who are non-Hispanic in these race groups. Consequently, the estimate of the number of people who are in one of the five racial groups specified in the 1997 OMB standards will be smaller when the 2024 OMB standards are used. Associated estimates, such as the labor force estimates presented in the BLS's Monthly Employment Situation, also will likely differ.

For example, in 2023 the proportion of the population identified as White (Hispanic and non-Hispanic combined) as presented in the Employment Situation using the 1997 two question standards is 76.6%. Depending on how many people identify as Hispanic Alone or MENA, estimates presented in this paper indicate the corresponding proportion of the population identified

as White using a combined race and ethnicity question could fall to 71.7% or 60.1%. Similarly, the 2023 annual unemployment rate for Whites could decrease from 3.3% using the 1997 OMB two question standards to 3.1% or 2.9% when a combined race and ethnicity question is used.

Differences such as these raise the question of how to construct comparable estimates across time. As alluded to earlier, one approach would be to generate an experimental series where people were placed into definitionally equivalent non-Hispanic Racial groups and into a separate Hispanic group. Specifically, the categories would be White Alone (including MENA) non-Hispanic; Black Alone non-Hispanic; Asian Alone non-Hispanic; American Indian or Alaskan Native Alone non-Hispanic; Hawaiian or Pacific Islander Alone non-Hispanic; More than one race non-Hispanic; and Hispanic.

To construct this experimental series for data collected under the 1997 OMB standards, people in the non-Hispanic race groups would be identified by combining answers to the ethnicity question and the race question. Hispanics would be identified using the ethnicity question. To construct this experimental series for data collected under the 2024 standards, people in the non-Hispanic race groups would be identified as those who answered White; Black or African American; Asian; American Indian or Alaskan Native; Hawaiian or Pacific Islander; or Middle Eastern or North African either alone or in combination with another of these racial groups who did not also identify as Hispanic. People in the Hispanic group would be identified as those who answered Hispanic either alone or in combination with another racial group. For example, using the 2024 combined race and ethnicity standards, in this experimental series people who identified as only White would be White non-Hispanics. People who answered White and Asian would be classified as Multiple race non-Hispanic. People who only answered Hispanic and people who answered Hispanic and White, would be identified as Hispanic. In order to construct a definitionally equivalent series, people who identified as MENA would be combined with those who identified as White. This experimental series for data collected using the 1997 OMB standards would be definitionally close to the upper bound estimates presented earlier in this paper. The only difference is the upper bound estimates also placed MENA in a separate category rather than including them in the estimates of Whites.

Such an experimental series would be definitionally consistent whether it is based on information collected under the 1997 or 2027 standards. However, it may not generate a completely comparable series across time. To be completely comparable individuals would have to report their identities using the two-question approach exactly the same as they report their identities using the combined race and ethnicity question. It is well established in the survey methodology literature that asking questions in different ways results in different answers even when the underlying concepts are the same. These differences will generally be magnified when the underlying concept is fluid and may not be the same for self and proxy responses.

To shed light on differences in measurement introduced by asking the race and ethnicity questions in a different manner with different response options, it would be beneficial to ask the same individuals both sets of questions. One way to achieve this would be to ask the single race and ethnicity 2024 OMB standards question as a supplement to the CPS. Unfortunately, neither Census nor BLS may have funding for this. As an alternative, we suggest that all respondents receive the new question in the month that the 2024 OMB standards are implemented in CPS data collection. Given the CPS rotation pattern, three fourths of individuals will then have the race and ethnicity questions asked using both the two question 1997 OMB standards and the single race and ethnicity question 2024 OMB standards.[21]

[21] Another alternative, if funding permitted, would be to obtain more information before the 2024 standards

A comparison of answers obtained for the same individuals with each set of questions would provide a way to refine and adjust the experimental series to make it more comparable across time. It also would provide information to bridge population and correspondingly published survey estimates that are generated making no distinction between those who are Hispanic and those who are not, such as the labor force estimates currently published in the Employment Situation. For example, it would provide information on what proportion of those who answered White using the two question 1997 OMB standards, answered White Alone (non-Hispanic), White and Hispanic, and Hispanic Alone using the combined race and ethnicity question 2024 OMB standard. It also would provide information about the effect of the 2024 OMB standards on estimates of interest for these groups such as the unemployment rate and poverty rate. There is much to be said for generating these estimated effects from the CPS itself as opposed to trying to infer effects on the basis of population estimates from other surveys. The final 2024 OMB standards implementation plan will be jointly developed by BLS and the Census Bureau, approved by OMB, and publicly communicated prior to implementation.

8 Conclusion

OMB published a new set of race and ethnicity standards in March 2024. There will no longer be an attempt to distinguish between race and ethnicity. Instead, OMB is mandating a combined race and ethnicity question with the following categories: White; Hispanic or Latino; Black or African American; Asian; American Indian or Alaskan Native; Middle Eastern or North African; and Native Hawaiian or Pacific Islander. Furthermore, individuals may select more than one category (i.e., they may identify as multi-racial/ multi-ethnic).

In obtaining information on individuals' race and ethnicity, the Current Population Survey currently follows the 1997 OMB standards. Racial and ethnic classification is at its root a subjective exercise. For example, nearly all individuals born in a country that one would call Hispanic indicate that they are of Hispanic ethnicity. About as many indicate that they are Hispanic if they were born in the U.S., but both their parents were born in a Hispanic country. This number falls markedly for individuals who were born in the U.S. and only had one parent who was born in a Hispanic country. Given the subjectivity of the race/ethnicity classification, the evolution of how children of immigrants identify themselves over time, and the ambiguity in the distinction between race and ethnicity, one would expect the new standards to affect the time series comparability of estimates that BLS publishes. Whatever advantages they may otherwise offer, a change to a single combined race and ethnicity question will lead to a break in time series estimates that BLS currently produces. The change to a single combined race and ethnicity question will affect both the distribution across race and ethnicity categories and key labor force estimates from the CPS. We have examined the CPS micro data in an attempt to tease out these potential effects. Our results indicate that the effects will be most notable for Whites and Hispanics.

We have generated rough estimates for the Middle Eastern and North African category

are implemented by asking people in a continuing month-in-sample the combined race/ethnicity question and carrying over people's race and ethnicity information from the previous month that was collected using the 1997 standards for comparison. To be successful, sample sizes would need to be sufficient to detect different responses under the two set sets of questions and consideration would need to be taken of how frequently people's race and ethnicity change month-to-month under the 1997 standards. Estimates under this alternative would continue to be generated using the information collected under the 1997 standards.

from the "Other Race" responses and from responses about parents' country of origin. Most individuals who indicate they are Middle Eastern or North African will likely be those who previously would have indicated that they are White, but the proportion is small. Our estimates indicate they would constitute only about 0.9% of the White population.

Individuals born in a Hispanic country, born in the U.S. with both parents born in a Hispanic country, and born in the U.S. with only one parent born in a Hispanic country have been increasing since 2007 as a percentage of the overall U.S. population. "Other Race" responses provide a lower bound estimate of the number of individuals who will identify as Hispanic while responses to the ethnicity question provide an upper bound. The resultant range is large, but the Census 2015 National Content test suggests that upper bound estimates are closer to the mark. Results from the National Content test indicate that about 70% of individuals who indicate that they are Hispanic when asked a separate ethnicity question will respond that they are Hispanic alone when confronted with the combined race ethnicity question. There is insufficient information in the National Content Test, however, to determine how this will affect the various CPS labor force estimates. To address this issue, we have calculated the labor force estimates corresponding to our upper and lower bounds for the Hispanic Alone category.

While we have only been able to generate effects within a fairly broad range, we do provide suggestions on how to construct an experimental series that may be more comparable across time. As we also point out, collecting data from the same individuals using the 1997 standards two question approach and the 2024 OMB combined approach would be beneficial. Given that funding limitations may preclude conducting a supplement to the CPS, administering a combined question to everyone when the combined question is introduced to the CPS is one way of achieving this. Given the CPS rotation pattern, under this scenario in the month the combined question is introduced three-fourths of the respondents will have race and ethnicity collected using both the 1997 two question approach and the 2024 combined question approach. This information would assist in analyzing the effects of the combined question on labor force estimates for various race groups currently published, the experimental estimates we propose, and in generating bridge estimates. There is much to be said for generating these estimated effects from the CPS itself as opposed to trying to infer effects on the basis of population estimates from other surveys.

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