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ASSESSING AMERICA'S UNDERUTILIZED LABOR PROBLEM IN 2025



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In 2025, the U.S. entered a new normal—an emergent period of “certain uncertainty” in all aspects of American life. This new normal is rooted primarily in the Trump Administration’s use of [White House Executive Orders](#)—a total of 225 in the first year of his second term in office—to purportedly “Make America Great Again.”

The Impact

As we have shown elsewhere, the White House Executive Orders, especially those [downsizing the federal government](#), [dismantling DEI programs](#), [accelerating deportations](#), and [clamping down on international migration](#), are [disrupting the employment prospects of the American worker](#); [creating economic instability and cognition challenges in the nation’s households and families](#); and [transforming both the size and composition of the U.S. population in ways that threaten our nation’s innovation capacity and competitiveness in global markets](#).

Drawing on BLS data based on this definition, the U.S. labor underutilization rate increased from 7.5 percent to 8.0 percent of the U.S. working age population between 2024 and 2025. That, in relative terms, is a seven percent increase in the labor underutilization rate in a twelve-month period, which seems like a modest change (see Table 1A). But the aggregate rate of change masks the uneven impacts of the White House Executive Orders on the labor underutilization rate among the various demographic groups that make up the U.S. workforce.

Supporting Evidence

The effects of the White House Executive Orders are clear in changes in the U.S. labor underutilization rate between 2024 and 2025. The [Bureau of Labor Statistics](#) (BLS) defines labor underutilization as the “total unemployed, plus all marginally attached workers, plus total unemployed part-time for economic reasons, as percent of the civilian labor force plus all marginally attached workers.”

Disaggregating the BLS data by race and sex reveals the labor underutilization rate increased more rapidly among Black people than any other race/ethnic group, including Hispanics, Whites, Asians, and Others (also shown in Table 1A). And notably the disparate impacts were evident among Black males (Table 1B) and Black females (Table 1C).

Table 1: Absolute and Percent Change in the Labor Underutilization Rate by Sex and Race, 2024-2025

A. Both Sexes			
Race/Ethnicity	2025 Rate	Absolute Change 2024-2025	Percent Change 2024-2025
All	8.0	0.5	6.7
Hispanic	11.0	0.4	3.8
White	6.3	0.4	6.8
Black	11.8	1.6	15.7
Asian	6.3	0.1	1.6
Other	11.6	0.2	1.7
B. Male			
Race/Ethnicity	2025 Rate	Absolute Change 2024-25	Percent Change 2024-2025
All	8.1	0.4	5.2
Hispanics	10.7	0.3	2.9
White	6.3	0.3	5.0
Black	12.5	1.4	12.6
Asian	6.2	0.0	0.0
Other	11.9	-0.3	-2.5
C. Female			
Race/Ethnicity	2025 Rate	Absolute Change 2024-2025	Percent Change 2024-2025
All	8.0	0.6	8.1
Hispanics	11.3	0.4	3.7
White	6.2	0.4	6.9
Black	11.1	1.7	18.1
Asian	6.3	0.0	0.0
Other	11.3	0.7	6.6

Source: BLS

Further, disaggregating the data specifically for the Black working age population by sex, level of educational attainment, and age, provides additional insights regarding the disparate impacts of the Trump 2.0 White House Executive Orders. As shown in Table 2, the labor underutilization rate increase was markedly greater among Black females (Table 2C) than Black males (Table 2B);

greater among Black college educated males and females than their non-college educated counterparts (Tables 2B & 2C); and greater among peak working age Black males (27-50) and both young (16-26) and peak (27-50) working age Black females than their respective counterparts in other age groups (see Tables 3A-C).

Table 2: Absolute and Percent Change in the Black Labor Under-Utilization Rate between 2024 and 2025 by Sex and Educational Attainment

A. Both Sexes			
Ed Attainment	2025 Rate	Absolute Change 2024-2025	Percent Change 2024-2025
All	11.8	1.6	15.7
No College	14.0	1.4	11.1
College Educated	7.2	1.8	33.3
B. Male			
Ed Attainment	2025 Rate	Absolute Change 2024-2025	Percent Change 2024-2025
All	12.5	1.4	12.6
No College	14.5	1.4	10.7
College Educated	7.3	1.3	21.7
C. Female			
Ed Attainment	2025 Rate	Absolute Change 2024-2025	Percent Change 2024-2025
All	11.2	1.8	19.1
No College	13.5	1.5	12.5
College Educated	7.1	2.2	44.9

Source: BLS.

Table 3: Absolute and Percent Change in the Black Labor Under-Utilization between 2024 and 2025 by Age

A. Both Sexes			
Age	2025 Rate	Absolute Change 2024-2025	Percent Change 2024-2025
All ages	11.8	1.6	15.7
Young (16-26)	20.8	2.4	13.0
Peak (27-50)	10.3	1.7	19.8
Mature (51-64)	7.1	0.3	4.4
Youngest Old (65-74)	9.9	0.3	3.1
B. Male			
Age	2025 Rate	Absolute Change 2024-2025	Percent Change 2024-2025
All ages	12.5	1.4	12.6
Young (16-26)	23.4	2.6	12.5
Peak (27-50)	10.6	1.6	17.8
Mature (51-64)	7.1	0.3	4.4
Youngest Old (65-74)	9.9	0.3	3.1
C. Female			
Age	2025 Rate	Absolute Change 2024-2025	Percent Change 2024-2025
All ages	11.2	1.8	19.1
Young (16-26)	19.3	3.3	20.6
Peak (27-50)	10.0	1.8	21.9
Mature (51-64)	7.1	0.9	14.5
Youngest Old (65-74)	9.5	-0.2	-2.1

Source: BLS.

In absolute numbers, [Black women](#) lost an estimated 350,000 jobs in 2025, which is what drove the sharp uptick in the Black female labor underutilization rate during the first year of Trump 2.0. [Research](#) confirms the losses affected non-college-educated and college-educated Black women.

Two popular explanations have been advanced for the massive Black female job loss: [disproportionate concentration in the volatile retail and hospitality services sectors where labor demand ebbs and flows with the business cycle](#) (less than college educated Black women);

and [disproportionate concentration in government employment and DEI positions in all sectors of the economy](#), which, as noted previously, respectively were targets for major cuts and dismantling by the Trump Administration 2.0 (college educated and professional Black women).

Both explanations are plausible but other [research](#) asserts—correctly in our view-- that the issues undergirding Black female job loss are more complex and multifaceted, especially for college educated and professional Black women. Focusing primarily on the issues that impact employment retention, these studies highlight the undue stress that professional Black women face attempting to navigate complex—and often low support--work cultures while simultaneously managing multiple broader societal roles, including often serving as the primary or sole household breadwinner.

Drawing on key informant interviews with professional Black women with work experience across various sectors of the economy, for example, one [researcher](#) illustrates how these unique challenges not only can adversely affect job performance and career advancement but also personal health status; and in turn can lead to either forced terminations, [which often are devoid of any understanding of the affected employee's lived experiences and workplace challenges](#), or voluntary quits or resignations due to burn-out or ill-health. The researcher offers a range of policy prescriptions to address the unique challenges that Black women face in the labor market.

Bottom Line

Despite widespread concerns about the [impact of AI on labor utilization](#) in the future, there is an urgent need to get a firm handle on the underutilized labor issue in America today. And not just for affected Black workers but for all U.S. workers who are in the underutilized labor pool. The urgency stems from the anti-immigrant

sentiment enveloping our country and the growing demand for restrictions on international migration which research confirms will negatively affect both the future size and composition of the U.S. population, workforce, and consumer markets.

Our [research](#) confirms that many working age Americans who are not gainfully employed face major personal and household issues that make it difficult to search, secure, and/or maintain employment. [We](#) call them iceberg demographic workforce and workplace issues because in most instances, like the 90 percent of a freshwater iceberg that is submerged below the water line, these challenges often are not visually apparent in employee screenings or workplace daily interactions. They include personal issues like cognitive impairments and transportation barriers, and household issues like caregiving constraints, food insecurity, and threats of foreclosure and evictions.

Our [studies](#) also indicate that many current jobholders face similar iceberg demographic barriers which, if left un-addressed, will lead to high rates of costly labor turnover.

Monthly data are available from the [Census Bureau's Household Trends and Outlook Survey](#) (HTOPS) which monitors on an ongoing basis emerging social and economic matters facing U.S. households. We recommend organizations consult these data on a routine basis to: (1) maintain a clear sense of challenges the underutilized labor pool is facing in our highly polarized and ever-changing society; and (2) develop and/or advocate for responsive workforce and workplace policies and accommodations.

We also recommend that organizations design and administer on at least a quarterly basis their own pulse survey to monitor and assess barriers, constraints, and challenges that affect employee morale, performance, sense of belonging, and retention. Such efforts will constitute a [recommitment to the American Ideal of fairness, justice, and economic opportunity for all](#).



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