



The Latest ACS Data Changed the Landscape of High Unemployment Areas Across the Country and Unveiled New TEA Opportunities for EB-5 Projects

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National Unemployment Trends

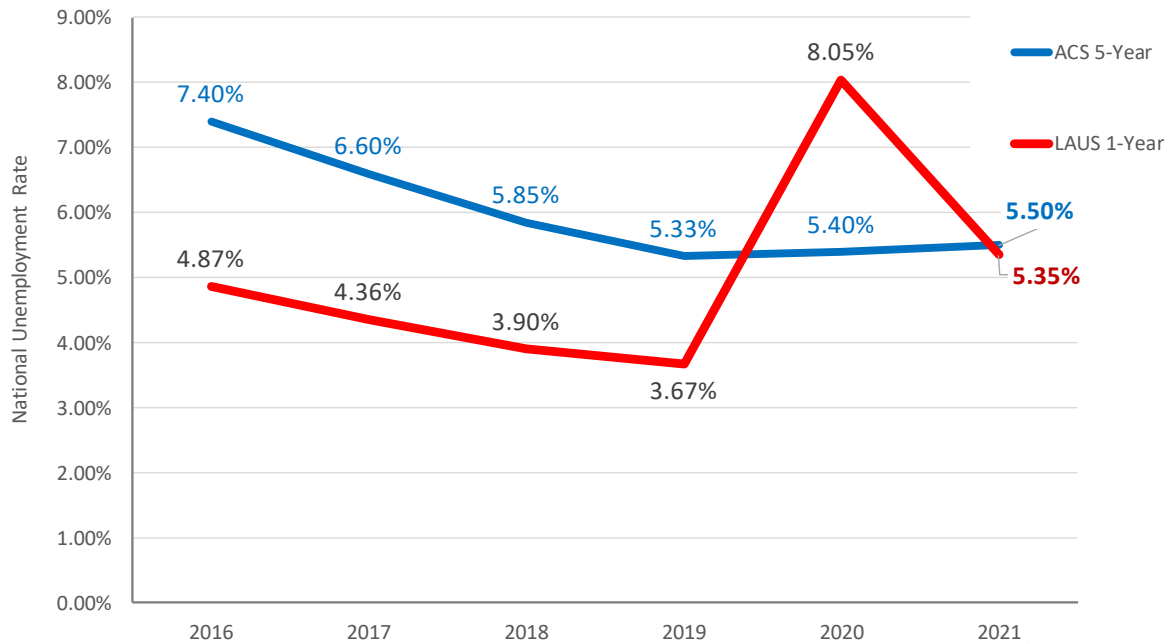
The U.S. Census Bureau released the latest American Community Survey (ACS) 5-year estimates in late December, showing that the national unemployment rate increased by 0.10% to 5.50% between 2017 and 2021. With the new employment data being published, the benchmark for a census tract or contiguous census tracts to qualify as an EB-5 high unemployment area using the ACS data has increased to 8.25%.¹

Alternatively, the Local Area Unemployment Statistics (LAUS) from the Bureau of Labor Statistics (BLS) is also a “reliable and verifiable” data source, deemed by U.S. Citizenship & Immigration Services (USCIS), to determine the qualification of a high unemployment area and according to the latest annual LAUS data, the national average unemployment rate is 5.35% in 2022, indicating that the threshold of qualifying as a EB-5 high unemployment area using this data source is 8.03%. Figure 1 below compares the year-over-year national average unemployment rate trends measured by the ACS 5-year estimates and the annual LAUS data.

Typically, the U.S. Census Bureau publishes a new set of ACS 5-year estimates in December while the BLS is scheduled to publish new annual LAUS data in April. That means the current ACS 2017-2021 5-year data will remain valid for determining high unemployment areas between now and the end of the year. However, a new set of LAUS annual data will become available for EB-5 stakeholders in three months.

¹ Based on the EB-5 Reform and Integrity Act of 2022, a high unemployment area consists of a census tract, or contiguous and adjacent census tracts, in which the weighted average of the unemployment rate for the census tract(s) is not less than 150% of the national average unemployment rate.

Figure 1: National Average Unemployment Rates: ACS 5-Year Estimates vs LAUS 1-Year Data (2016 - 2021)



Source: U.S. Census Bureau; U.S. Bureau of Labor Statistics
 Prepared by: IIUSA



High Unemployment Areas Across the Country

Using the ACS 2017-2021 five-year estimates, we found that nearly 17,690 census tracts across the fifty states and the District of Columbia (DC) experience an unemployment rate that is at least 150% of the national average and qualify as a single-tract high unemployment area; and another 19,854 census tracts also qualify as a targeted unemployment area (TEA) by combining adjacent tracts. In total, approximately 37,690 tracts (or 42.6% of the nation’s census tracts) qualify as high unemployment areas based on the latest ACS 5-year data.

In comparison, using the 2021 annual LAUS data with the census-share methodology, we identified that 36,747 census tracts (or 41.6% of census tracts across the nation) meet the high unemployment area criteria and qualify as a TEA. See Table 1 below for a summary of high unemployment areas based on the two different data sources.

Table 1: EB-5 TEA Qualification - Total High Unemployment Areas (ACS 5-Year vs LAUS 1-Year)

(Excluding census tracts in U.S. territories.)

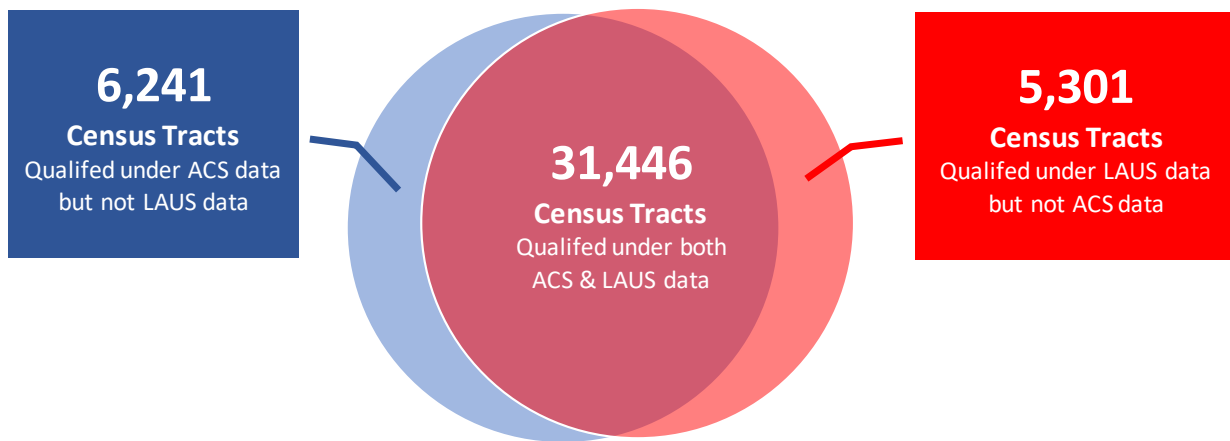
	CB ACS 5-Year (2017-2021)	BLS LAUS 1-Year (2021)
Single-Tract High Unemployment Areas:		
Number of Census Tracts	17,969	18,021
Percentage of Total Tracts in the U.S.	20.3%	20.4%
Multi-Tract High Unemployment Areas:		
Number of Census Tracts	19,718	18,726
Percentage of Total Tracts in the U.S.	22.3%	21.2%
Total High Unemployment Areas:		
Number of Census Tracts	<u>37,687</u>	<u>36,747</u>
Percentage of Total Tracts in the U.S.	42.6%	41.6%

Data Source: Census Bureau and Bureau of Labor Statistics
 Prepared by: IIUSA



It is important to note that selecting the “right” data source is critical for TEA determination since a census tract or contiguous census tracts that do not qualify as a high unemployment area under one data source may qualify using another set of data. In fact, we found that 6,241 census tracts qualify as a high unemployment area under the ACS 2017-2021 5-year estimates but would not qualify under the LAUS 2021 annual data while 5,301 tracts are high unemployment areas based on the latest LAUS data, but they would not qualify using the new ACS 5-year estimates. 31,446 census tracts across the country qualify as a high unemployment area under both data sources (see Figure 2 below for an illustration).

Figure 2: High Unemployment Area Qualification by Data Source: ACS vs LAUS



Data Source: Census Bureau and Bureau of Labor Statistics
 Prepared by: IIUSA



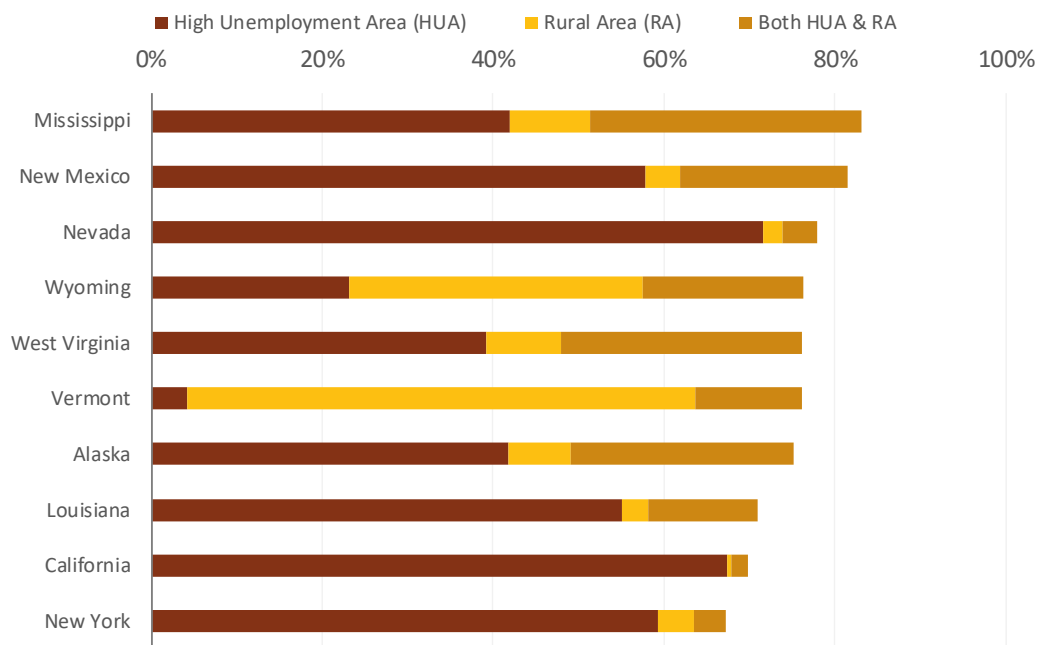
Overall, nearly 43,000 census tracts (or half of the country) qualify as a high unemployment area using *either* the ACS 2017-2021 5-year estimates or the LAUS 2021 annual statistics. EB-5 stakeholders have the liberty in selecting the data sources that best demonstrate whether their EB-5 project is located within a high unemployment area.

TEA Opportunities by State and Major City

The new unemployment data from ACS changed the distribution of high unemployment areas across the country and unveiled TEA opportunities in different communities. Overall, the state of Mississippi continues to have the highest percentage of TEA census tracts with 42% of the state’s tracts qualifying for a high unemployment area, 10% qualifying for a rural area, and 32% qualifying for both. The state of Vermont presents the best opportunities for rural EB-5 projects with 72% of census tracts in the state qualifying as a rural area, the highest percentage among all fifty states. On the other hand, the states of New Mexico and Nevada offer ample opportunities for urban TEA projects with 77% and 76%, respectively, of census tracts qualifying as a high unemployment area in these two states.

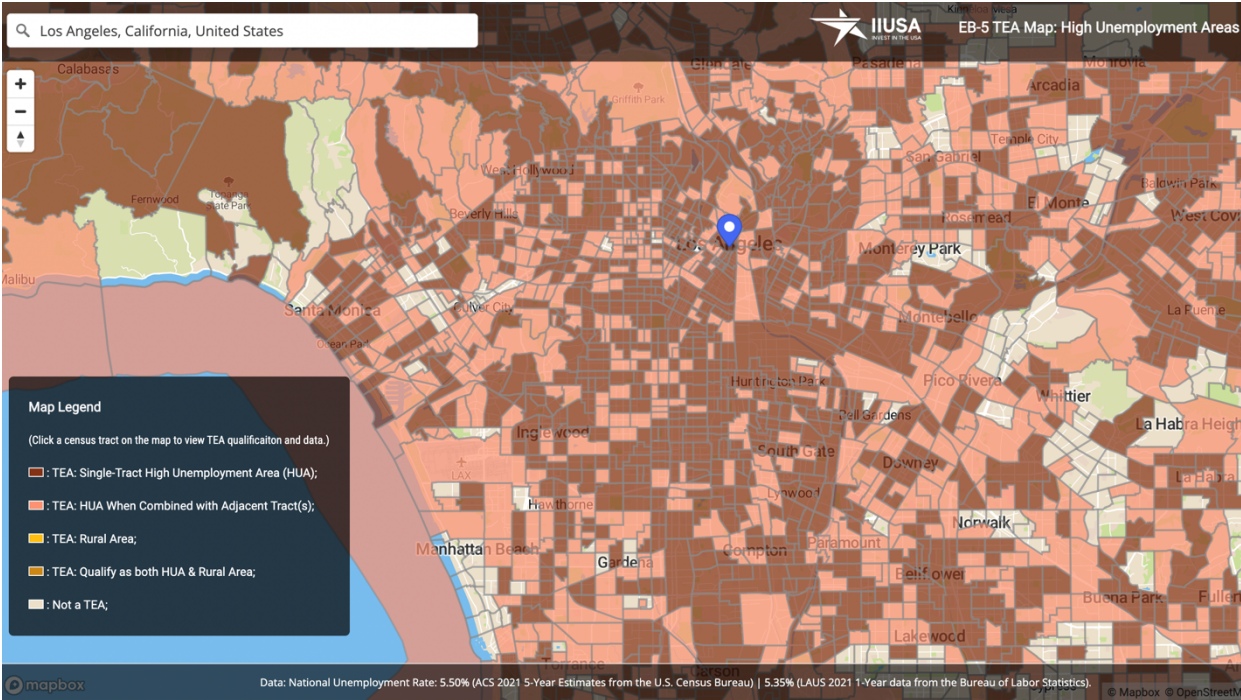
As for the states that are traditional EB-5 “hot beds,” 70% of the census tracts in the state of California qualify as a TEA, while the percentages for New York and Texas are 67% and 59%, respectively. In Florida and Washington, only 49% of the census tracts are TEAs in either state according to the new unemployment data. See Figure 3 below for a summary of the top 10 states with the highest percentage of census tract qualifying as a TEA. The full state list is enclosed as Exhibit 1 of this report.

Figure 3: TEA Qualification by Category by State (Top 10)



With Covid-19 and other economic factors continuing to pose impacts on the unemployment conditions in urban areas across the country, several major cities² demonstrated TEA opportunities to attract EB-5 investment. In particular, the cities of Detroit, MI; Newark, NJ; Cleveland, OH; and Los Angeles, CA have more than 95% of census tracts in the city qualifying as a high unemployment area, presenting the most urban TEA opportunities among all major cities in the country. See Figure 4 below from IIUSA TEA mapping tool that visualizes all TEAs in Los Angeles.

Figure 4: High Unemployment Areas in the City of Los Angeles



**From IIUSA EB-5 TEA Mapping Tool*

In addition, the cities of New York, NY and Las Vegas, NV also feature attractive opportunities for EB-5 projects as approximately 90% of the city census tracts qualify as a high unemployment area under the latest employment statistics. Notably, the city of Philadelphia, PA, with a population of more than 1.6 million, has 76% of the area qualify as a TEA.

² Major cities are defined as cities with a population of more than 250,000.

Table 2: High Unemployment Areas by Major City (Top 15)** Cities with more than 100 census tracts.*

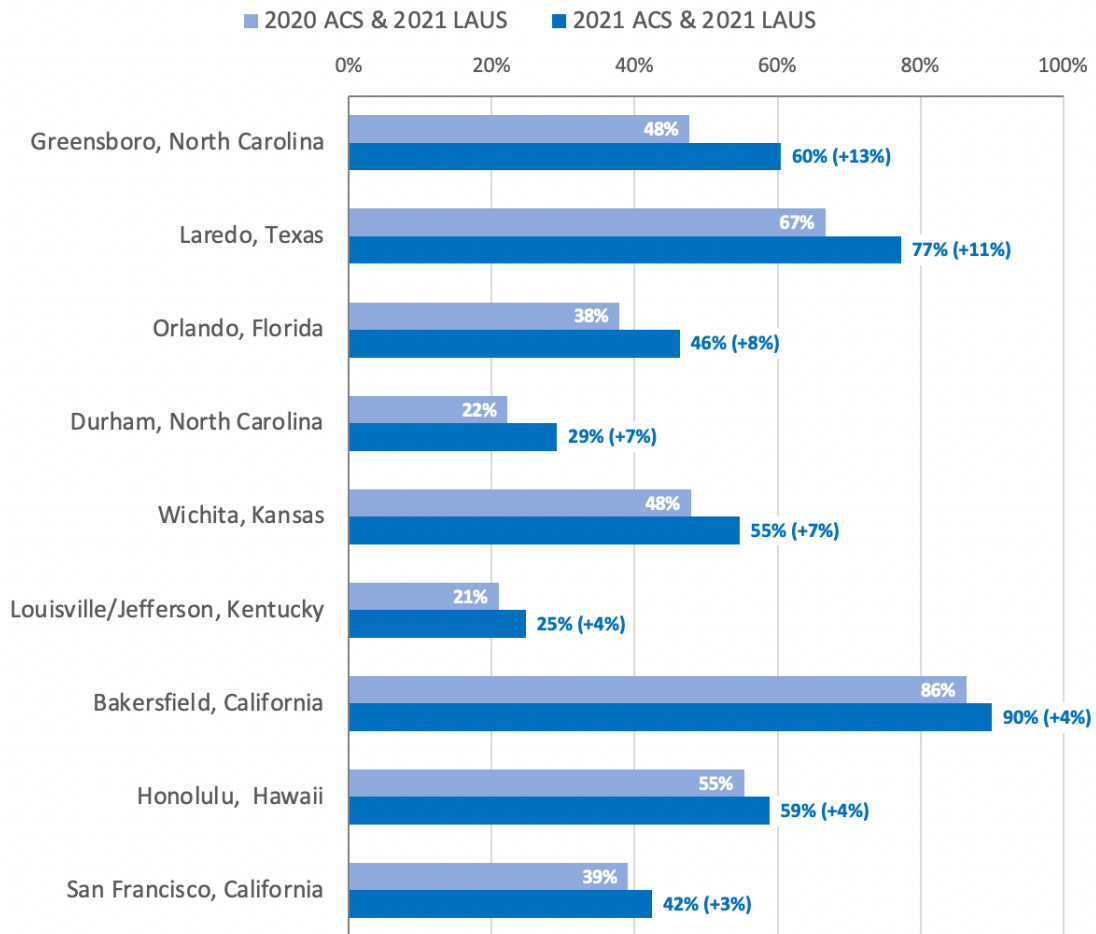
City, State	Population (2020 Census)	Number of Census Tracts	High Unemployment Area (%)
Detroit, Michigan	639k	297	99%
Newark, New Jersey	312k	109	97%
Cleveland, Ohio	373k	149	97%
Los Angeles, California	3,899k	1,077	96%
Bakersfield, California	403k	140	90%
Las Vegas, Nevada	642k	140	90%
New York, New York	8,804k	2,361	90%
Fresno, California	542k	128	84%
Memphis, Tennessee	633k	181	81%
Baltimore, Maryland	586k	195	81%
New Orleans, Louisiana	384k	210	79%
Oakland, California	441k	148	78%
Long Beach, California	467k	119	78%
Philadelphia, Pennsylvania	1,604k	441	76%
Toledo, Ohio	271k	135	75%
Tucson, Arizona	543k	150	74%
Birmingham, Alabama	201k	103	73%
Albuquerque, New Mexico	565k	161	72%
El Paso, Texas	679k	162	69%
Sacramento, California	525k	163	67%

*Data Source: 2020 Census & ACS 2017-2021 5-Year Estimates, U.S. Census Bureau**Prepared by: IIUSA***Major Cities with the Largest Growth of High Unemployment Areas**

By analyzing the latest ACS data, we also identified major cities that experienced a disproportional growth of high unemployment and presented increasing opportunities for TEA projects. As illustrated in Figure 5 below, Greensboro, NC and Laredo, TX both had a double-digit growth of the percentage of city census tracts that now qualify as a high unemployment area. In addition, Orlando, FL and Durham, NC also showed a 7%-8% growth in the number of TEA census tracts in each city. In San Francisco, CA, 42% of the city's census tracts are now high unemployment areas, an increase of 3% according to the latest ACS data.

Figure 5: Cities with the Highest Increase in High Unemployment Areas

** Cities with a population that is at least 250,000*



Data Source: Census Bureau & Bureau of Labor Statistics
Prepared by: IIUSA

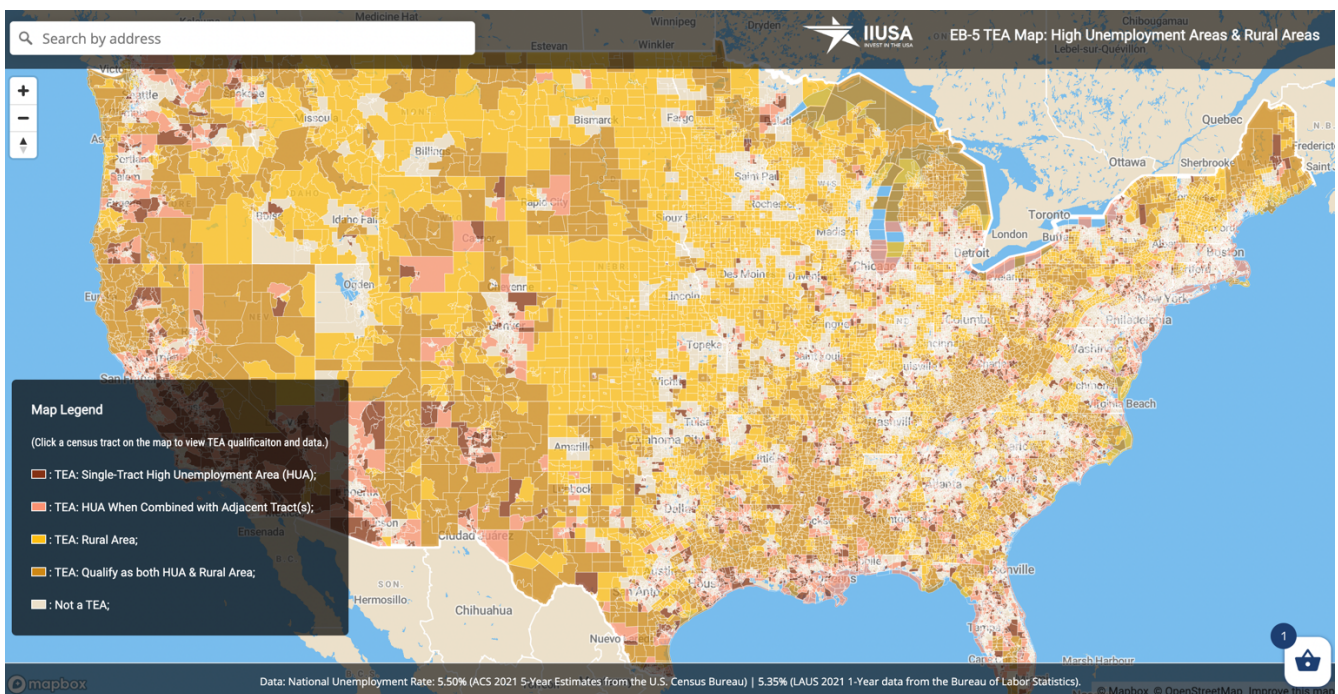


IIUSA TEA Mapping Tool

Featuring the latest unemployment data from both ACS and LAUS, IIUSA's [EB-5 TEA Mapping Tool](#) is now updated with the ACS 2017-2021 5-year estimates.

Among many features, IIUSA's free EB-5 TEA mapping tool empowers you to:

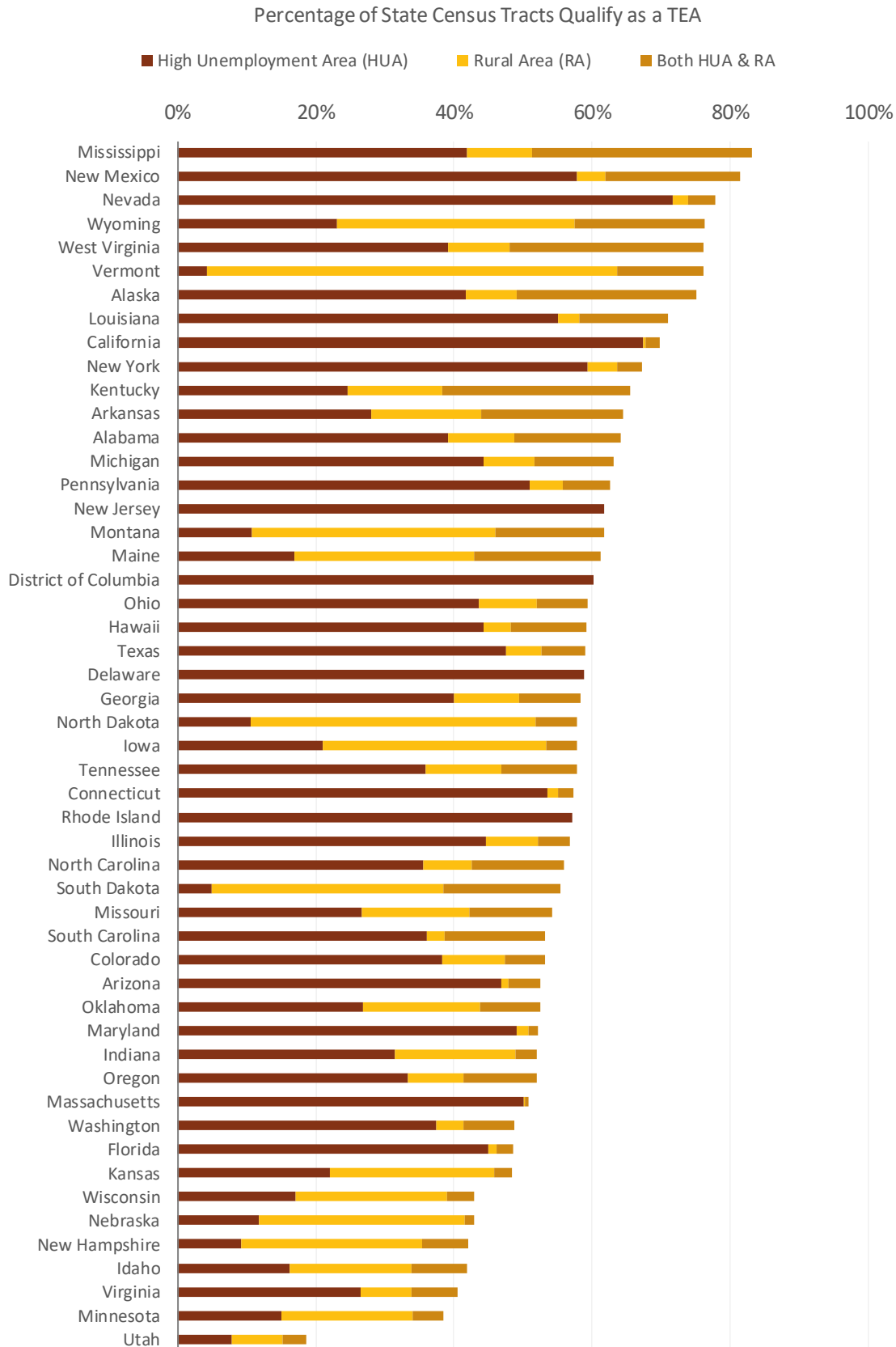
- Search any location in the U.S. to check for TEA qualification;
- Review all TEA opportunities in any given area (including a city, county, MSA, or state);
- View whether any location qualifies as a single-tract high unemployment area, multi-tract high unemployment area, or rural area; and
- Retrieve the latest ACS and LAUS employment statistics for any census tract.



IIUSA's EB-5 TEA Mapping Tool is available to the public here: https://iуса.org/eb5_tea_mapping_tool

Exhibit 1

Figure 6: TEA Qualification by Category by State (Full List)



Data Source: Census Bureau
 Prepared by: IIUSA





IIUSA, a national 501(c) (6) not-for-profit, is the unifying voice for thousands of diverse stakeholders who contribute to economic development and job growth in the U.S. through the EB-5 Regional Center Program.

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