

The Employment Situation, February 2010: Unemployment Rate for Older Workers Increases Again¹

- ✓ More than 2 million people aged 55 and over were unemployed in February 2010, 118,000 more than in January. The unemployment rate for this group rose to 7.1 percent from 6.8 percent the month before.
- ✓ One out of two older unemployed workers had been out of work for 27 or more weeks in February—more than double the 23 percent of the older workforce considered long-term unemployed at the start of the recession in December 2007.
- ✓ At 35.6 weeks, average duration of unemployment for jobseekers aged 55 and older was little changed from January but substantially above the 28.3 weeks for the unemployed under age 55.

Employment Change by Sector

Nonfarm payroll employment fell by 36,000 in February, according to the Bureau of Labor Statistics (BLS) in its latest release on the employment situation.² This compares with a loss of 26,000 jobs in January.³ Construction employment was down by 64,000; information sector employment was down by 18,000. Manufacturing showed little change. Employment gains occurred in some sectors, including professional and business services (51,000) and education and health services (32,000). However, government employment was down by 18,000, with most of the loss occurring at the local level.

Unemployment Rates

The overall unemployment rate held steady at 9.7 percent. In February, 14.9 million persons aged 16 and over reported that they were out of work and looking for a job, an increase of only 34,000 for the month.

The picture for older persons was considerably different. The unemployment rate for persons aged 55 and older, after

falling in January, rose to 7.1 percent in February from 6.8 percent in January. The unemployment rate for this segment of the population remains at a level not seen since the late 1940s.

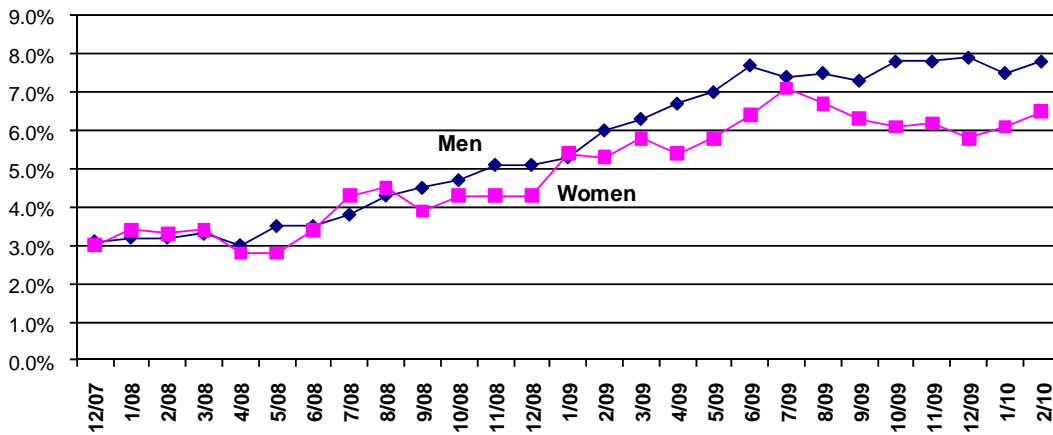
The unemployment rate for older men rose to 7.8 percent in February from 7.5 percent in January. The unemployment rate for older women rose from 6.1 percent to 6.5 percent⁴ (figure 1).

More than 2.1 million of the unemployed were at least 55 years old in February. Older persons were 14.2 percent of the unemployed in February, compared with 13.4 percent in January.

The unemployment rate for persons aged 55 and over remains lower than rates for the total labor force, prime-age workers (ages 25–54), and especially, the workforce aged 16–24 (figure 2). However, it has risen by nearly 122 percent since December 2007. Over this period, the unemployment rate for older persons has increased more than that for those ages 16–24, despite the very high unemployment rate for younger persons. (See table 1.)

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Figure 1
Unemployment Rates for Men and Women* Aged 55 and Over,
December 2007–February 2010



*Rates for women are not seasonally adjusted. See text note 4.

Source: U.S. Department of Labor, Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey, <http://data.bls.gov/PDQ/outside.jsp?survey=ln>.

Duration of Unemployment

Once unemployed, older workers tend to be out of work longer than their younger counterparts; this pattern prevailed in February as well.⁵ The average duration of unemployment for those aged 55 and over in February was 35.6 weeks, little changed from 35.9 weeks in January (but much higher than the 20.2 weeks in December 2007). Unemployed persons under age 55 were out of work for

28.3 weeks on average in February, up somewhat from 27.8 weeks in January.

As of February, just about half—49 percent—of the age-55-plus unemployed segment of the workforce and nearly 38 percent of the younger unemployed workforce could be classified as “long-term” unemployed; that is, they had been out of work for 27 or more weeks. In December 2007, only 23 percent of the older and

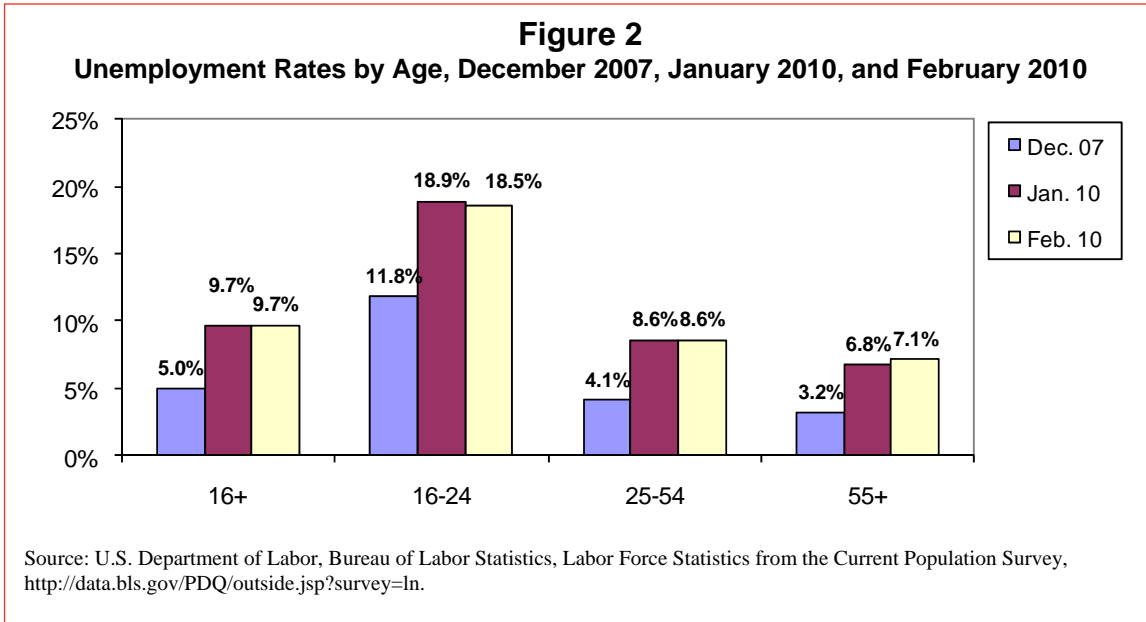
Table 1
Selected Employment Indicators at the Start of the Recession,
December 2007, and February 2010, by Age Group
(seasonally adjusted)

Age	Number Employed (000s)			Number Unemployed (000s)			Unemployment Rate		
	Dec. 2007	Feb. 2010	% Change	Dec. 2007	Feb. 2010	% Change	Dec. 2007	Feb. 2010	% Change
Total, 16+*	146,173	138,641	-5.2%	7,696	14,871	+93.2%	5.0%	9.7%	+94.0%
16–24	19,551	17,019	-13.0%	2,607	3,875	+48.6%	11.8%	18.5%	+56.8%
25–54	100,421	94,001	-6.4%	4,243	8,885	+109.4%	4.1%	8.6%	+109.8%
55+	26,218	27,470	+4.8%	859	2,107	+145.3%	3.2%	7.1%	+121.9%

The estimates for specific age groups above do not add up to the total 16+ because the seasonal adjustments are made independently.

Source: U.S. Department of Labor, Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey, <http://data.bls.gov/PDQ/outside.jsp?survey=ln>.

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17 percent of the younger unemployed workforce were long-term unemployed.

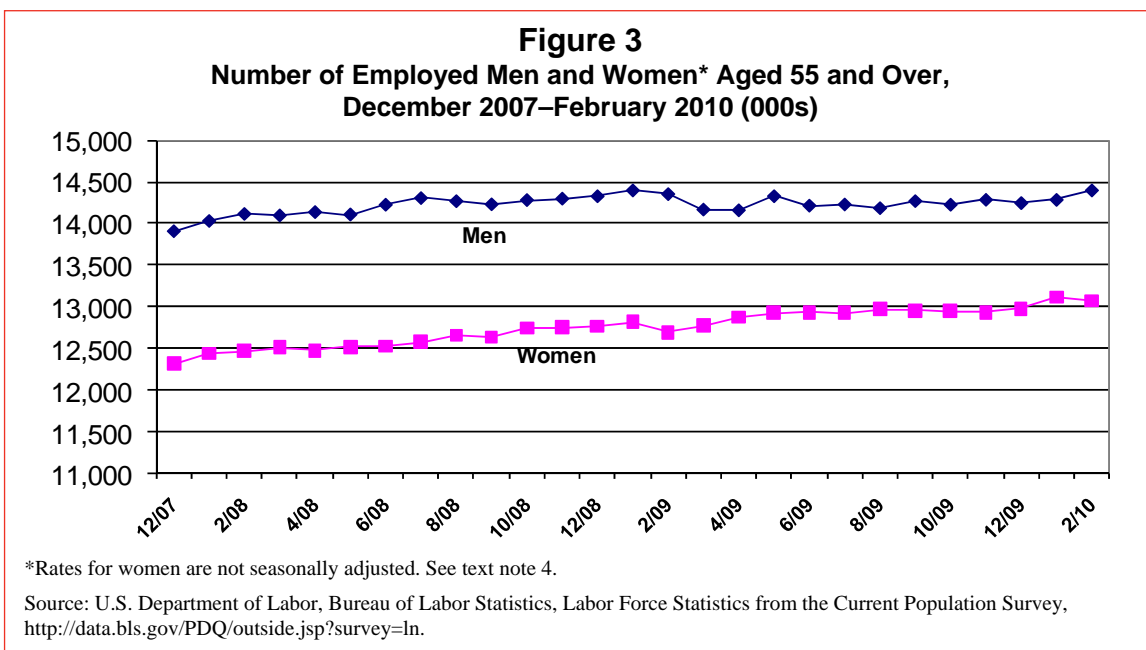
The Older Employed Population

Despite their high—and for most of the recession, rising—unemployment, millions of older Americans have succeeded in remaining employed, or perhaps even have found jobs. As of February, approximately 27.5 million persons aged 55 and older were

employed, up by 71,000 million since January and by more than 1.2 million, or 4.8 percent, since the start of the recession (table 1; figure 3).

Part-time for Economic Reasons

Part-time work appeals to many older workers interested in scaling back while remaining attached to the labor force in some capacity. However, nearly 1.4 million older workers were working



part-time in February because they had no choice, little changed from January.⁶ They were employed part-time for economic reasons—that is, because of slack working conditions or because they could not find full-time work. These “involuntary” part-time workers were 5.5 percent of all older nonagricultural workers in February, again unchanged from January. In February, older men and women were almost equally likely to be employed part-time for economic reasons.

The proportion working part-time for economic reasons in January was more than double the proportion at the start of the recession. In December 2007, only 2.4 percent of older workers were working part-time because they could not find full-time work.

Multiple Jobholders

Working more than one job may indicate an inability to find a job that pays enough or provides enough hours. Relatively few workers aged 16 and over—5.2 percent—were multiple jobholders in February, up only slightly from 4.9 percent in January.⁷ In February, 4.5 percent of workers aged 55 and older held more than one job, also little changed from January’s 4.4 percent. Older women were somewhat more likely than older men to be multiple jobholders in February: 4.9 percent of women vs. 4.1 percent of men.

Self-employment

Some wage and salary workers move into self-employment upon job loss. Published monthly self-employment figures are available from BLS only for unincorporated workers employed in their own business, profession, trade, or farm. (BLS regards self-employed workers who report being incorporated as employees of a corporation and thus classifies them as wage and salary workers.) The number of older unincorporated self-employed

workers in nonagricultural industries increased from just under 2.6 million in December 2007 to nearly 2.9 million in February 2010—or 10.7 percent of all older nonagricultural workers.⁸ The February share of older workers who were self-employed was slightly higher than the 10.3 percent in January.

Interest in Working

Most older persons who are out of the labor force say that they do not want a job (97 percent). The number expressing interest in work in February fell by about 3 percent since January. Nevertheless, the number of older people who wanted a job but were not in the labor force was 67 percent higher than it was at the start of the recession—1,379,000 in February 2010 vs. 826,000 in December 2007.

The number of older discouraged individuals was up sharply in February—by nearly 22 percent. In February, discouraged workers were almost 21 percent of the population of older persons who were not in the labor force but who wanted a job, up from 17 percent in January. Discouraged workers are those who are not looking for work because they believe that no work is available, employers would find them too old, they lack the necessary schooling/training, or they face other types of discrimination. At the start of the recession in December 2007, only 53,000 older persons were classified as discouraged workers. In February 2010, 287,000 were so classified.

A Look at the Aged 65-plus Workforce⁹

More than three-fourths (77 percent) of older persons in the workforce are aged 55–64; however, the labor force participation rate of persons aged 65 and older has increased markedly in recent years. In 2009, 17.2 percent of persons aged 65 and older were in the labor force,

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up from 10.8 percent in 1985. The number of labor force participants in this age group has also increased since the start of the recession, and their labor force participation rate increased by 1.1 percentage points through February 2010 (from 16.3 percent in December 2007 to 17.4 percent). At the same time, unemployment has risen substantially in this age group. In December 2007, only 3.3 percent of the aged-65-plus workforce was unemployed. February 2010 found 7.7 percent looking for work, compared with 7.4 percent in January 2010.

In February, duration of unemployment for the unemployed aged 65 and over averaged 33.4 weeks, an increase from 30.7 weeks in January. Duration of unemployment for those aged 65 and over averaged 20.2 weeks in December 2007. The percentage that could be classified as long-term unemployed was somewhat lower in February than in January—43 percent vs. 46 percent—but twice what it was at the start of the recession (23 percent).

Concluding Observations

The employment situation for older workers appeared gloomier in February than in January. Between December 2009 and January 2010, the unemployment rate for workers aged 55 and over fell from 7.2 percent to 6.8 percent; in February, it was back up to 7.1 percent. Average duration of unemployment remained high, and nearly one out of every two older unemployed workers had been out of work for at least 27 weeks. Fewer older persons who were not in the labor force said they wanted a job in February than did so in January, and the number of older discouraged workers was up sharply. Bleak news reports about the overall employment situation, along with

bad weather, may have had some impact on the behavior and work interests of older Americans in February.

¹ Unless otherwise specified, “older” in this Fact Sheet refers to persons aged 55 and over. Employment and unemployment figures are seasonally adjusted unless otherwise noted.

² Statistics in this Fact Sheet are from U.S. Department of Labor, Bureau of Labor Statistics, *The Employment Situation—February 2010*; tables in BLS’s *Employment and Earnings*, January 2008 and March 2010; and BLS’s Labor Force Statistics from the Current Population Survey, available at <http://data.bls.gov/PDQ/outside.jsp?survey=ln>.

³ *The Employment Situation—February 2010* reported a loss of 20,000 jobs for January; this figure has been revised slightly to 26,000. The February figures are provisional and will likely be revised as well.

⁴ The unemployment rate for men aged 55 and over is seasonally adjusted; the rate for women is not. According to BLS, unemployment among women in this age group does not appear to show seasonal variation.

⁵ Duration of unemployment figures are not seasonally adjusted.

⁶ Involuntary part-time figures are not seasonally adjusted.

⁷ Multiple job-holder figures are not seasonally adjusted.

⁸ Self-employment figures are not seasonally adjusted.

⁹ Data in this section are not seasonally adjusted.

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