

## The Employment Situation, April 2010: Sharp Rise in Duration of Unemployment for Older Workers<sup>1</sup>

- ✓ Nearly 2.1 million people aged 55 and over were unemployed in April 2010, 52,000 more than in March. This brought the unemployment rate for the age group up to 7.0 percent from 6.9 percent the month before.
- ✓ Duration of unemployment for older jobseekers rose from 38.4 weeks in March to 42.9 weeks in April. More than half—56.8 percent—of older unemployed workers had been out of work for 27 or more weeks in April—well above the 23 percent considered long-term unemployed at the start of the recession in December 2007.
- ✓ The number of older persons classified as discouraged workers rose from 260,000 in March to 335,000 in April.

### Employment Change by Sector

Nonfarm payroll employment increased by 290,000 in April, according to the latest release on the employment situation from the Bureau of Labor Statistics (BLS).<sup>2</sup> This compares to a gain of 230,000 in March.<sup>3</sup> Employment was up by 80,000 in professional and business services and 35,000 in education and health services. Manufacturing showed a gain of 44,000 and the hard-hit construction industry an increase of 14,000. Employment rose in the federal government largely due to the addition of 66,000 temporary Census workers. Employment fell, however, by nearly 20,000 in transportation and warehousing and by 3,000 in the information industry.

### Unemployment Rates

The overall unemployment rate, which had held steady in March, rose in April to 9.9 percent from 9.7 percent in March. In April, almost 15.3 million persons aged 16 and older reported that they

were out of work and looking for a job, an increase of 255,000 for the month.

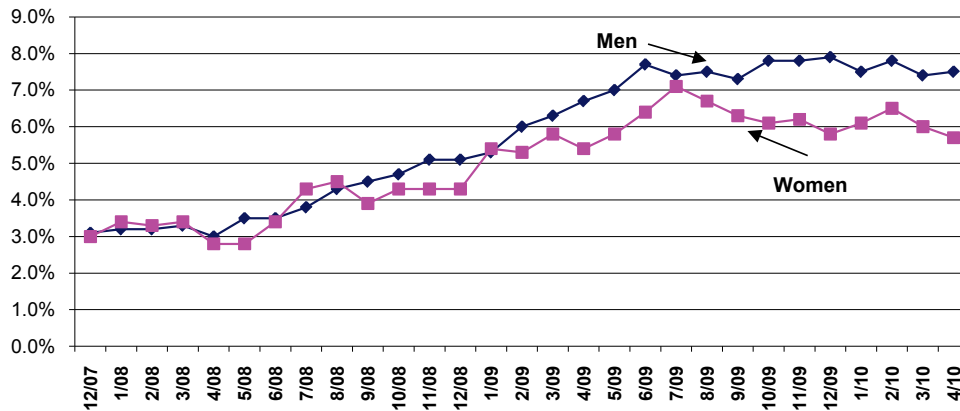
The April unemployment rate for persons aged 55 and older showed a slight increase to 7.0 percent from 6.9 percent in March, keeping unemployment rates for this segment of the population at a level not seen since the late 1940s.

The unemployment rate for older men rose to 7.5 percent in April from 7.4 percent in March. However, the unemployment rate for older women fell from 6.0 percent to 5.7 percent<sup>4</sup> (figure 1).

Nearly 2.1 million of the unemployed were at least 55 years old in April. Older persons were 13.7 percent of the unemployed in April, about what they were in March.

The unemployment rate for persons aged 55 and older 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 119 percent since December 2007. Over

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



\*Rates for women are not seasonally adjusted. See text footnote 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>.

this period, the unemployment rate for older persons has increased substantially more than that for those ages 16–24, despite the very high unemployment rate for younger persons. (See table 1.)

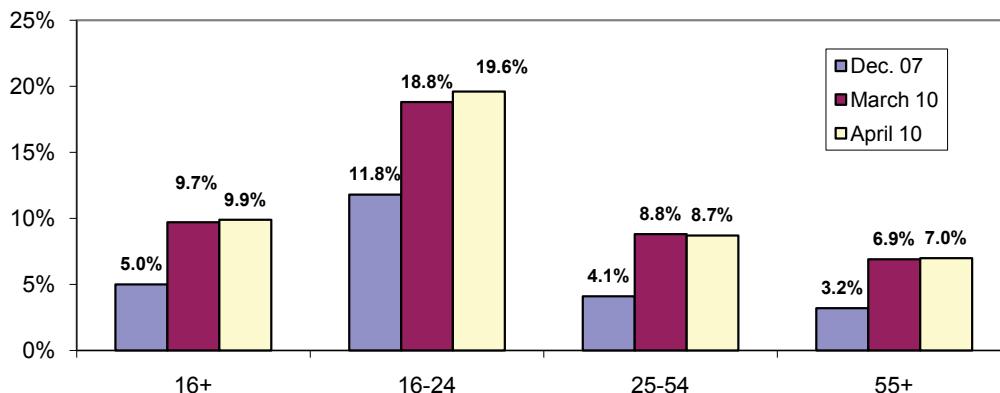
**Duration of Unemployment**

Once unemployed, older workers tend to be out of work longer than their younger counterparts; this pattern prevailed in April as well.<sup>5</sup> The average duration of unemployment for those aged 55 and

older in April was 42.9 weeks, an increase of 4.5 weeks over the March figure of 38.4 weeks (and much higher than the 20.2 weeks in December 2007). Unemployed persons younger than age 55 were out of work for 34.7 weeks on average in April, up by 3.6 weeks from March’s 31.1 weeks.

As of April, more than half—56.8 percent—of the aged-55-plus unemployed segment of the workforce were among the long-term unemployed;

**Figure 2**  
**Unemployment Rates by Age, December 2007, March 2010, and April 2010**



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>.

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

Age	Number Employed (000s)			Number Unemployed (000s)			Unemployment Rate		
	Dec. 2007	April 2010	% Change	Dec. 2007	April 2010	% Change	Dec. 2007	April 2010	% Change
Total, 16+*	146,173	139,455	-4.6%	7,696	15,260	+98.3%	5.0%	9.9%	+98.0%
16–24	19,551	17,053	-12.8%	2,607	4,155	+59.4%	11.8%	19.6%	+66.1%
25–54	100,421	94,487	-5.9%	4,243	8,950	+110.9%	4.1%	8.7%	+112.2%
55+	26,218	27,867	+6.3%	859	2,091	+143.4%	3.2%	7.0%	+118.8%

\* 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>.

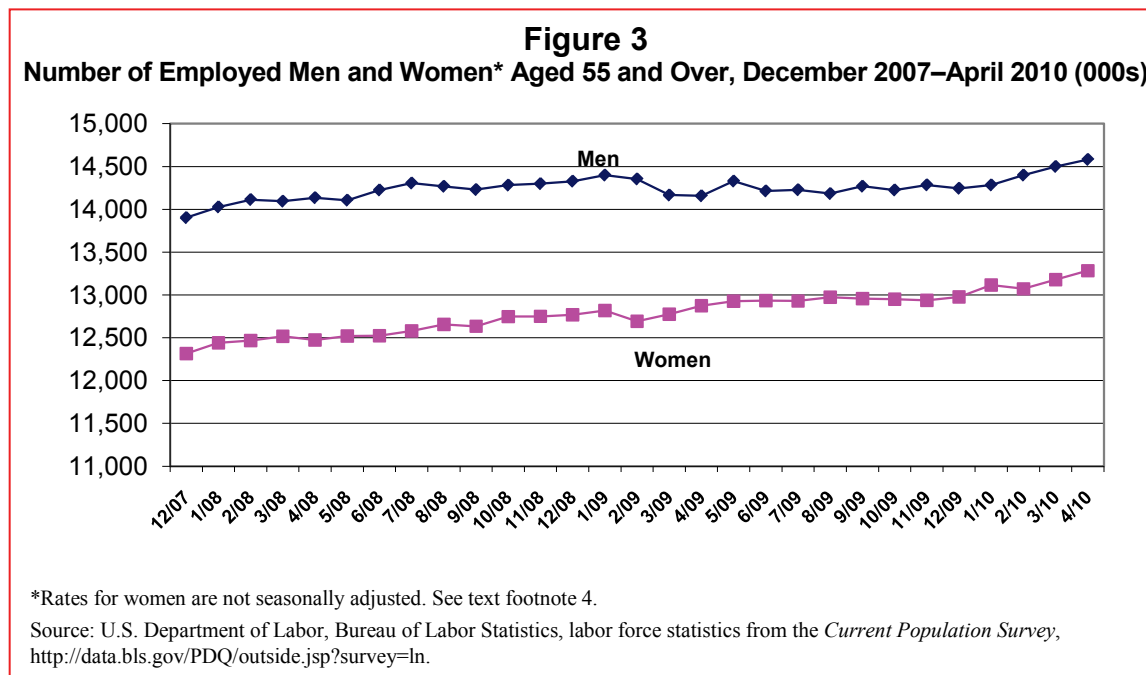
that is, they had been out of work for 27 or more weeks. This is an increase from 50.6 percent in March. Long-term unemployment also rose among jobseekers younger than age 55—from 41.6 percent in March to 46.7 percent in April. In December 2007, only 23 percent of the older unemployed workforce and 17 percent of the younger were long-term unemployed.

millions of older Americans have succeeded in remaining employed or even have found jobs. As of April, approximately 27.9 million persons aged 55 and older were employed, up by 187,000 since March and by more than 1.6 million, or 6.3 percent, since the start of the recession (table 1; figure 3).

### The Older Employed Population

Despite their high—and for most of the recession, rising—unemployment rates,

Another way of assessing the employment situation is with the employment-to-population ratio, which is the proportion of the working-age population that is employed. Table 2 provides the employment-to-population ratio for four age groups: 16+, 16–24, 25–54, and 55+.



For each group, the ratio fell between December 2007 and December 2009; however, the decline was least pronounced for the oldest age group. Since late last year, there has been a slight uptick in the employment-to-population ratio in each group, except the youngest (16–24) last month, which indicates that a larger share of the population is succeeding in finding work.<sup>6</sup>

### 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, more than 1.3 million older workers were working part-time in April because they had no choice, about 136,000 fewer than in March.<sup>7</sup> 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 5.1 percent of all older nonagricultural workers in April, down from 5.6 percent in March. Recently, older men and women have been almost equally likely to be employed part-time for economic reasons. In April, however, a slightly higher percentage of older women were involuntary part-timers—5.3 percent vs. 4.9 percent.

Despite the decline in involuntary part-time workers over the past month, the

proportion working part-time for economic reasons in April was 112 percent higher than it was 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—5.1 percent—were multiple jobholders in April, the same percentage as in March.<sup>8</sup> In April, 4.4 percent of workers aged 55 and older held more than one job, not much lower than the figure for March (4.6 percent). Older women were somewhat more likely than older men to be multiple jobholders in April: 4.9 percent vs. 4.1 percent.

### 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

	Age			
	16+	16–24	25–54	55+
December 2007	62.7%	52.1%	79.7%	37.7%
December 2008	60.9%	49.4%	77.5%	37.9%
December 2009	58.2%	44.6%	74.7%	37.0%
March 2010	58.6%	45.1%	75.1%	37.4%
April 2010	58.8%	44.9%	75.5%	37.6%

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>.

in nonagricultural industries increased from just under 2.6 million in December 2007 to nearly 2.8 million in April 2010—or to 10.2 percent of all older nonagricultural workers,<sup>9</sup> essentially unchanged from the figure for March.

### 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 fell by 5.5 percent since March. Nevertheless, the number of older people who wanted a job but were not in the labor force was 44 percent higher in April than it was at the start of the recession—1,194,000 in April 2010 vs. 826,000 in December 2007.

The number of older discouraged individuals rose sharply in April—to 335,000 from 260,000 in March, or by 29 percent. In April, discouraged workers were 28 percent of the population of older persons who were not in the labor force but who wanted a job, an increase from 21 percent the month before. Discouraged workers 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.

### A Look at the Aged 65-plus Workforce<sup>10</sup>

More than three-fourths (78 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, an average of 17.2 percent of persons aged 65 and older were in the labor force, up from 10.8 percent in 1985. The number of labor force participants in this age group has increased by 10 percent

since the start of the recession, and their labor force participation rate is now 17.1 percent compared with 16.3 percent in December 2007. However, the current rate is below the 17.4 percent that it was earlier in the year. In addition, unemployment has risen substantially in this age group. In December 2007, only 3.3 percent of the aged 65-plus workforce was unemployed. April 2010 found 6.0 percent without a job and looking for work, a drop from 6.9 percent in March 2010.

In April, duration of unemployment for those unemployed aged 65 and over averaged 46.2 weeks, up substantially from 40.1 weeks in March. Duration of unemployment for this age group averaged 20.2 weeks in December 2007. The percentage that could be classified as long-term unemployed was also considerably higher in April than in March—58.3 percent vs. 49.9 percent—and 153 percent higher than it was at the start of the recession (23 percent).

### Concluding Observations

The number of older persons with jobs and the employment-to-population ratio for the aged 55-plus population rose somewhat in April, while involuntary part-time work fell. And although the overall unemployment rate increased, it was by only one-tenth of a percentage point. Some of this increase might be due to a return to the workforce of workers who postponed or gave up looking for work until the economy showed signs of recovery. The employment growth in both March and April suggests that some of these added older unemployed workers might have been labor force reentrants.

April data on reasons for unemployment are not yet available for specific age groups. However, the statistics for the total unemployed population reveal an increase in the proportion of reentrants

in recent months: 22.8 percent of all unemployed in February, 23.6 percent in March, and 24.7 percent in April. Perhaps a similar trend will be evident among older jobseekers: Some older persons who had put off the job search in the face of very bleak job prospects may be returning to the workforce.

Yet those who have been looking for work all along, regardless of age, have not been having an easy time finding work, and things have been very tough for older jobseekers. Duration of unemployment for persons aged 55 and older has soared since the start of the recession and remains higher than for younger workers. This statistic showed a sharp jump in April. The proportion of older jobseekers out of work for at least 27 weeks, or more than six months, increased as well. At the same time, the number of discouraged workers—people who wanted a job but were not looking because they thought their chances of finding work were bleak—rose sharply.

Some people can see their chances of finding work improve at the same time that others—particularly those who have been looking for work for months—become discouraged about their job prospects. Thus, it is possible for the numbers of reentrants and discouraged workers to increase at the same time. We will not know until the April Current Population Survey is available whether many of April's older unemployed might be reentrants. We already know somewhat more about the long-term unemployed and discouraged workers, and those numbers do not paint a rosy picture for millions of older Americans, many of whom may never find jobs comparable to the ones they have lost since December 2007.

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<sup>1</sup> 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.

<sup>2</sup> Statistics in this Fact Sheet are from U.S. Department of Labor, Bureau of Labor Statistics, *The Employment Situation—April 2010*; tables in BLS's *Employment and Earnings*, January 2008; BLS tables at <http://www.bls.gov/web/empsit.supp.toc.htm>; and BLS's labor force statistics from the Current Population Survey, available at <http://data.bls.gov/PDQ/outside.jsp?survey=ln>.

<sup>3</sup> *The Employment Situation—March 2010* reported a gain of 162,000 jobs for March; this figure has been raised to 230,000 and could be revised further. The April figures are preliminary and will likely be revised as well.

<sup>4</sup> The unemployment rate for men aged 55 and older 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.

<sup>5</sup> Duration of unemployment figures are not seasonally adjusted.

<sup>6</sup> Tom Nardone, BLS, live Web chat, April 2, 2010.

<sup>7</sup> Involuntary part-time figures are not seasonally adjusted.

<sup>8</sup> Multiple jobholder figures are not seasonally adjusted.

<sup>9</sup> Self-employment figures are not seasonally adjusted.

<sup>10</sup> Data in this section are not seasonally adjusted.

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