

The Employment Situation, July 2010: Little Changed Since June¹

- ✓ Nearly 2.1 million people aged 55 and over were unemployed in July 2010, about 7,000 fewer than in June. The unemployment rate for this age group remained unchanged at 6.9 percent.
- ✓ Duration of unemployment for older jobseekers also remained unchanged at 40.6 weeks. Still, more than half (53 percent) of older unemployed workers had been out of work for 27 or more weeks in July—well above the 23 percent considered long-term unemployed at the start of the recession in December 2007.
- ✓ The number of older part-time workers who wanted but could not find full-time work and the number of older discouraged workers both fell slightly in July.

Employment Change by Sector

Nonfarm payroll employment fell by 131,000 in July as temporary employment on the 2010 Census came to an end, according to preliminary estimates in the latest release on the employment situation from the Bureau of Labor Statistics (BLS).² Private sector payroll employment rose by 71,000, much of it in manufacturing (36,000) and health care (26,600). In contrast to the month before, employment in professional and business services fell slightly (by 13,000).

Unemployment Rates

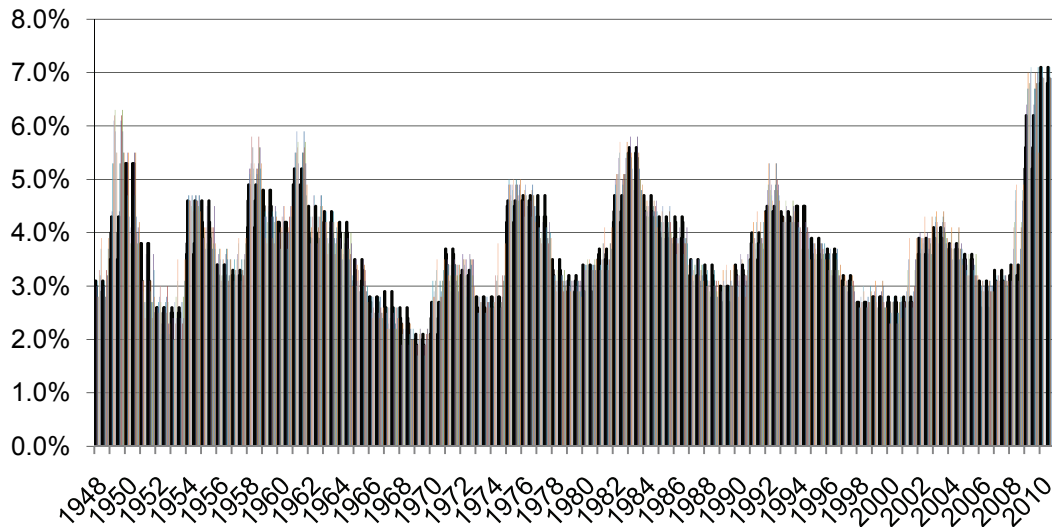
The overall unemployment rate remained unchanged at 9.5 percent in July, when 14.6 million persons aged 16 and older reported that they were out of work and looking for a job. This was a decline of 24,000 for the month.

At 6.9 percent, the unemployment rate in July also remained unchanged for

persons aged 55 and older but was still well above what it has been the past six decades (figure 1). Nearly 2.1 million persons aged 55 and older were unemployed in July, only 7,000 fewer than in June. Older persons were 14.2 percent of the unemployed in July, exactly the same as in June. The unemployment rate for older men rose to 7.7 percent from 7.5 percent in June, while that for women rose to 6.9 percent from 6.5 percent³ (figure 2).⁴

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 3). However, since the start of the recession, both the number of unemployed and the unemployment rate have increased more for the segment of the workforce aged 55 and older than for younger segments (table 1). The unemployment rate for older workers in July was more than double what it was in December 2007.

Figure 1
Unemployment Rates for Persons Aged 55 and Over,
January 1948–July 2010



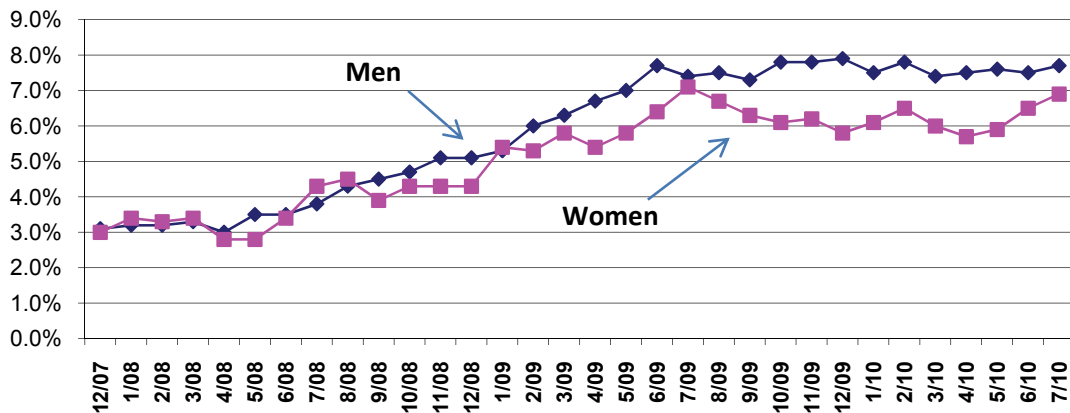
Duration of Unemployment

Once unemployed, older workers tend to be out of work longer than their younger counterparts; this pattern prevailed in July as well.⁵ The average duration of unemployment for those aged 55 and older in July was 40.6 weeks, unchanged from June but much higher than the 20.2 weeks in December 2007). Average

duration of unemployment for younger persons was slightly lower in July than in June—31.2 weeks vs. 31.6 weeks.

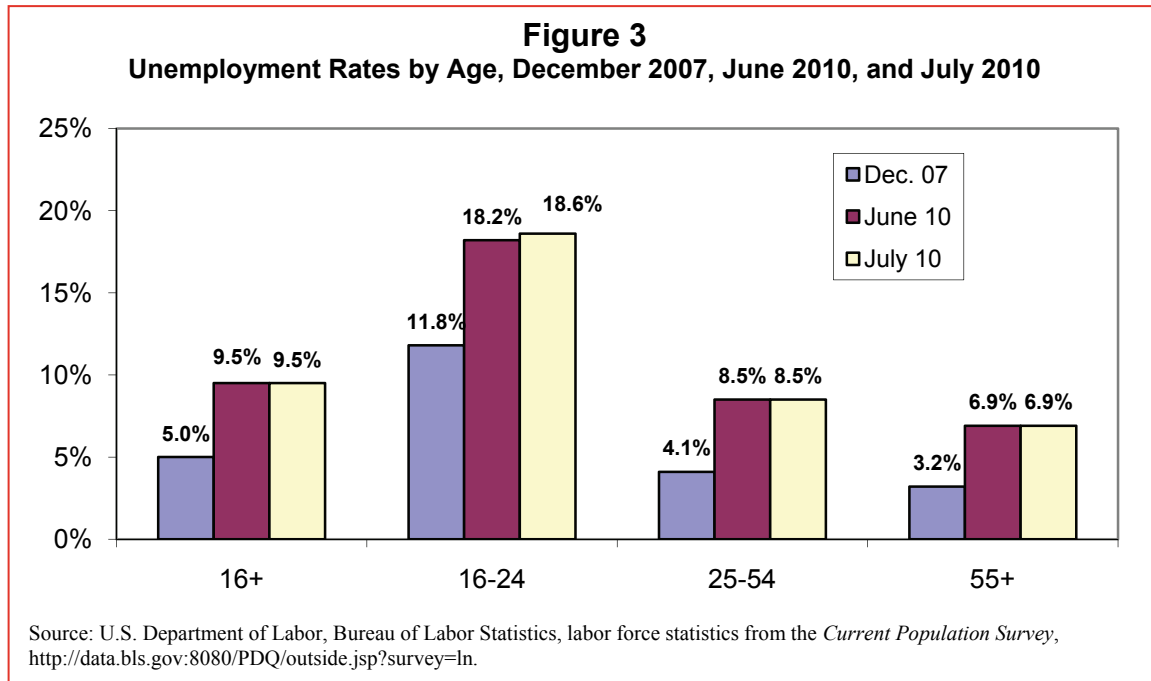
As of July, more than half of older unemployed workers (53 percent) were among the long-term unemployed; that is, they had been out of work for 27 or more weeks. This figure is little changed from June. At 41.6 percent, the

Figure 2
Unemployment Rates for Men and Women* Aged 55 and Over,
December 2007–July 2010



*Rates for women are not seasonally adjusted. See text footnote 3.

Source: U.S. Department of Labor, Bureau of Labor Statistics, labor force statistics from the *Current Population Survey*, <http://data.bls.gov:8080/PDQ/outside.jsp?survey=ln>.



percentage of younger job seekers who had been out of work for 27 or more weeks was also just about what it was in June. In December 2007, only 23 percent of the older unemployed workforce and 17 percent of the younger were long-term unemployed.

The Older Employed Population

Despite their high—and for much of the recession, rising—unemployment rates, millions of older Americans have succeeded in remaining employed or even have found jobs. As of July, slightly more than 28 million persons

aged 55 and older were employed, an increase of 54,000 since June and of more than 1.8 million, or 7.0 percent, since the start of the recession (table 1).

Out of the Labor Force

As noted in the AARP Public Policy Institute Employment Alert for June 2010, the number of older persons who were out of the labor force increased by about 456,000 in June. This figure was not seasonally adjusted. Seasonal and other variations in labor market behavior (e.g., retirements at the end of the school year) might explain some or most of the

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

Age	Number Employed (000s)			Number Unemployed (000s)			Unemployment Rate		
	Dec. 2007	July 2010	% Change	Dec. 2007	July 2010	% Change	Dec. 2007	July 2010	% Change
Total, 16+*	146,173	138,960	-4.9%	7,696	14,599	+89.7%	5.0%	9.5%	+90.0%
16-24	19,551	16,985	-13.1%	2,607	3,873	+48.6%	11.8%	18.6%	+57.6%
25-54	100,421	94,062	-6.3%	4,243	8,684	+104.7%	4.1%	8.5%	+107.3%
55+	26,218	28,047	+7.0%	859	2,066	+140.5%	3.2%	6.9%	+115.6%

* 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:8080/PDQ/outside.jsp?survey=ln>.

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jump—the increase in the number out of the labor force, for example, was much greater between May and June than between April and May (table 2). And although the June increase seemed and still seems high by comparison to previous years for that month, seasonal variation appears clearly at work, as evident from statistics for July: the number of older persons out of the labor force barely changed between June and July (table 2).

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 1.3 million older nonagricultural workers were working part-time in July because they had no choice. This was about 11,000 fewer than in June.⁶ These workers 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 July, little changed from June. Differences by sex

were small—4.8 percent of older men and 5.6 percent of older women were employed part-time for economic reasons in July.

The proportion of nonagricultural workers working part-time for economic reasons in July was more than double what 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—4.7 percent—were multiple jobholders in July, little changed from June’s 4.9 percent.⁷ In July, 3.9 percent of workers aged 55 and older held more than one job, down from the June figure of 4.5 percent. Differences by sex were slight—4.0 percent of employed older men and 3.8 percent of employed older women were multiple jobholders in July.

Table 2
Number of Persons Aged 55 and Over Not in the Labor Force,
April, May, June, and July 2000–2010 (numbers in thousands)*

	April	May	June	July	Change, April–May	Change, May–June	Change, June–July
2000	38,972	39,009	39,291	39,312	37	282	21
2001	39,008	39,150	39,430	39,439	142	280	9
2002	39,289	39,276	39,505	39,576	-13	229	71
2003	39,655	39,741	40,048	40,273	86	307	225
2004	40,454	40,502	40,704	40,870	48	202	166
2005	40,684	40,873	41,081	41,151	189	208	70
2006	41,236	41,446	41,659	41,793	210	213	134
2007	42,136	42,058	42,310	42,214	-78	252	-96
2008	42,746	42,881	43,038	42,933	135	157	-105
2009	43,370	43,254	43,638	43,721	-116	384	83
2010	44,189	44,201	44,657	44,650	12	456	-7

*Not seasonally adjusted.

Source: U.S. Department of Labor, Bureau of Labor Statistics, labor force statistics from the *Current Population Survey*, <http://data.bls.gov:8080/PDQ/outside.jsp?survey=ln>.

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 fewer than 2.6 million in December 2007 to just under 2.7 million in July 2010. As a percentage of all older nonagricultural workers, the self-employed were about the same in both months—10 percent in December 2007 and 9.9 percent in July 2010.⁸ Between June and July 2010, the number of unincorporated self-employed workers fell by 30,000.

Interest in Working

Most older persons who are out of the labor force say that they do not want a job (97 percent), a figure that has remained stable since the start of the recession. However, the number expressing interest in work rose by 54,000 between June and July and was about 66 percent higher in July than it was at the start of the recession—1,372,000 vs. 826,000 in December 2007.

After rising to 289,000 in June, the number of older discouraged individuals fell to 269,000, or by 6.9 percent, in July. In July, discouraged workers were nearly 20 percent of the population of older persons who were not in the labor force but who wanted a job, little changed from 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 Workforce⁹

More than three-fourths (78 percent) of older persons in the workforce are aged 55 to 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 nearly 11 percent since the start of the recession. The labor force participation rate for persons aged 65 and over was 17.1 percent in July, compared with 16.9 percent in June and 16.3 percent in December 2007. Since the start of the recession, unemployment has risen substantially in the age 65-plus workforce. In December 2007, only 3.3 percent were unemployed. July 2010 found 7.4 percent without a job and looking for work, up substantially from 5.6 percent in June.

In July, duration of unemployment for the unemployed aged 65 and older averaged 41.6 weeks, an increase from 37.7 weeks in June. Duration of unemployment for this age group averaged 20.2 weeks in December 2007. The percentage that could be classified as long-term unemployed fell modestly between June and July, from 50.1 percent to 48.8 percent; the July figure, however, was almost 108 percent higher than at the start of the recession (23.4 percent).

Concluding Observations

Job growth remains anemic, and some older jobseekers may never become reemployed. The duration of unemployment remains high, particularly for older workers. The longer workers are unemployed, the more difficult it becomes to find work as skills atrophy, technology changes, and employers wonder why some of these workers have not been able to find jobs.

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 (BLS), *The Employment Situation—July 2010*, USDL-10-1076 (Washington, DC: BLS, August 6, 2010); tables in BLS’s *Employment and Earnings*, January 2008; BLS tables at <http://www.bls.gov/web/empstoc.toc.htm>; and BLS’s labor force statistics from the Current Population Survey, available at <http://data.bls.gov:8080/PDQ/outside.jsp?survey=ln>.

³ The unemployment rate for men aged 55 and older is seasonally adjusted; the rate for women is not. According to the Bureau of Labor Statistics, unemployment for women in this age group does not appear to show seasonal variation.

⁴ A question might arise about the increase in the unemployment rates for older men and women while the rate for both sexes combined did not change. This has to do with the seasonal adjustments. The unadjusted unemployment rate for older men did increase in July. Also, each series of numbers that is seasonally adjusted is adjusted independently, and rates can move in different directions. See U.S. Department of Labor, Bureau of Labor Statistics, at http://www.bls.gov/cps/eetech_seas.pdf for an explanation of seasonal adjustment.

⁵ Duration of unemployment figures are not seasonally adjusted.

⁶ Involuntary part-time figures are not seasonally adjusted.

⁷ Multiple jobholder 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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