The Employment Situation, October 2009: Unemployment for Older Men Spikes Upward

- The unemployment rate for persons aged 55 and over rose to 7 percent in October from 6.8 percent in September. Until this year, the unemployment rate for the 55-plus age group had not exceeded 6 percent since September 1949. It has been well above 6 percent for much of 2009.

- The number of persons aged 55 and over who had jobs fell by 50,000 in October, erasing most of the 69,000 gain seen in September.

- Unemployed older workers spent more time looking for work in October than they did in September: average duration of unemployment for job seekers aged 55 and older rose from 32.8 weeks to 33.5 weeks.

- The number of older persons who could be classified as job-seeking discouraged rose sharply in October after a sharp decline in September.

Employment Change by Sector

Nonfarm payroll employment fell by 190,000 in October 2009. This decline was smaller than the 219,000 reported for September and far lower than during much of the recession that began in December 2007, according to the latest data released by the Bureau of Labor Statistics (BLS) on November 6. Nearly two-thirds (65 percent) of the losses were in manufacturing and construction, but losses occurred in other industries as well. Just under one-third (32 percent) were in service-providing industries. As has been the case during much of the recession, October employment increased—by 45,000—in education and health services. A more modest increase (of 18,000) occurred in the professional and business service sector.

Unemployment Rates

October was a bad month for workers of all ages. The unemployment rate for the total labor force rose from 9.8 percent in September to 10.2 percent in October. In October, 15.7 million persons aged 16 and over reported that they were out of work and looking for a job; this was an increase of 558,000 for the month, well above the 214,000 rise in the number of job seekers in September. More than 2 million (13.1 percent) were at least 55 years old, an increase of 63,000 since September. This increase was also well above the September rise of 24,000 for this age group.

At 7 percent, the October unemployment rate for persons aged 55 and over was up from 6.8 percent for September, continuing the recent trend of high unemployment rates for older persons not seen since the late 1940s. The unemployment rate for the 55-plus workforce had reached 6.3 percent in September 1949 but had stayed below 6 percent—often well below—until this year (figure 1).

Men aged 55 and over experienced an especially steep increase in their unemployment rate, which rose to 7.8 percent in October from 7.3 percent.
in September, or by nearly 7 percent. This was a greater increase than that for the total workforce (4.1 percent). In contrast to developments for older men, the unemployment rate for women aged 55 and over fell from 6.3 percent to 6.1 percent.\(^4\) (See figure 2.)

The unemployment rate for persons aged 55 and over remains lower than the rates for the total labor force, prime-age workers (ages 25–54), and, especially, the workforce aged 16–24 (3), but it has more than doubled since December 2007. This increase is not much lower than that for the 25–54 age group. It is

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**Figure 1**

Unemployment Rates for Persons Aged 55 and Over, January 1948–October 2009


**Figure 2**

Unemployment Rates for Men and Women* Aged 55 and Over, December 2007–October 2009

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

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also much greater than the increase for persons aged 16–24, despite the extremely high unemployment rate for this age group. (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 October as well. The average duration of unemployment in October for those aged 55 and over was 33.5 weeks, up from 32.8 weeks in September (and from 20.2 weeks in December 2007). Unemployed persons under age 55 were out of work for 27.2 weeks, on average, in October, an increase from 26.4 weeks in September.

As of October, nearly 46 percent of the aged 55-plus unemployed segment of the labor force and nearly 37 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. These percentages were not much different than they had been in September. In December 2007, only 23 percent of the older unemployed

<table>
<thead>
<tr>
<th>Age</th>
<th>Number Employed (000s)</th>
<th>Number Unemployed (000s)</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dec. 07</td>
<td>Oct. 09</td>
<td>% Change</td>
</tr>
<tr>
<td>Total, 16+</td>
<td>146,294</td>
<td>138,275</td>
<td>-5.5%</td>
</tr>
<tr>
<td>16–24</td>
<td>19,553</td>
<td>16,882</td>
<td>-13.7%</td>
</tr>
<tr>
<td>25–54</td>
<td>100,519</td>
<td>94,269</td>
<td>-6.2%</td>
</tr>
<tr>
<td>55+</td>
<td>26,218</td>
<td>27,175</td>
<td>+3.7%</td>
</tr>
</tbody>
</table>

*BLS notes in The Employment Situation—October 2009 that “detail for the seasonally adjusted data shown in this table [Tables A-6 and A-7] will not necessarily add to totals because of the independent seasonal adjustment of the varied series” (Table A-6). Thus, the age groups above may not add up to the total 16+.

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, millions of older Americans have succeeded in remaining employed, or perhaps even found jobs. As of October, approximately 27.2 million persons aged 55 and older were employed, down slightly since September but an increase of about 3.7 percent since the start of the recession (table 1). Employment for both men and women has increased since December 2007 (figure 4), although the increase has been greater for women (5.2 percent vs. 2.3 percent). Employment for prime-age workers has fallen sharply since the start of the recession (table 1); it fell in October as well.

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. Nevertheless, more than 1.2 million workers aged 55 and over were working part-time in October because they had no choice, about 90,000 more than in September. 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 4.8 percent of all older nonagricultural workers in October, up slightly from 4.5 percent in September. As was the case in September, differences by sex in the percentage of older persons employed part-time for economic reasons were minor in October.

Although the proportion of part-time workers wanting full-time work did not change significantly between September and October, the proportion working part-time for economic reasons in October was double what it was at the start of the recession. In December 2007, only 2.4 percent of workers aged 55 and over were working part-time because they could not find full-time work.

Multiple Jobholders

Working more than one job can indicate an inability to find a job that pays enough or provides enough hours. Relatively few workers—5.2 percent—
were multiple jobholders in October, little changed from the 5.1 percent in September. In October, 4.4 percent of workers aged 55 and older held more than one job, up a bit from September’s 4 percent. Older women were somewhat more likely than older men to be multiple jobholders in October—4.7 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 in nonagricultural industries has increased from just under 2.6 million to just under 2.8 million from December 2007 to October 2009, or from 10 percent to 10.4 percent of all nonagricultural workers aged 55 or older. The October percentage differs little from that for September (10.5 percent).

Interest in Working

Most older persons who are out of the labor force say that they do not want a job (97 percent of persons aged 55 or older in October 2009, unchanged since September). However, the number expressing interest in work in October was 63 percent higher than it was at the start of the recession—1,350,000 vs. 826,000 in December 2007. The number of older discouraged workers also rose substantially in October (after having declined in September), increasing to 130,000 from 91,000 in September, or by 43 percent. In October, discouraged workers were 9.6 percent of the population of older persons who wanted a job. 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. The number of discouraged workers in October was an increase from 53,000 in December 2007.

A Look at the Aged 65-plus Workforce

The large majority (77 percent) of older persons in the workforce are ages 55–64; however, the labor force participation rate of persons aged 65 and older has increased markedly in recent years. In 2008, 16.8 percent of persons in this age group were in the labor force, up from 10.8 percent in 1985. The number of labor force participants aged 65 and older has also increased since the start of the recession, and their labor force participation rate has increased by 1.2 percentage points (from 16.3 percent in December 2007 to 17.5 percent in October 2009). Even so, unemployment has hit them hard. In December 2007, only 3.3 percent of the aged 65-plus workforce were unemployed. That figure had risen to 6.3 percent in October 2009.

In October, duration of unemployment for the unemployed aged 65 and over averaged 35.2 weeks, a drop from 36.8 weeks for September but higher than for any other age group. Duration of unemployment for those aged 65 and over was 20.2 weeks in December 2007. The percentage who could be classified as long-term unemployed rose from 23 percent in December 2007 to 49 percent in September 2009 and fell to 44 percent in October.

Concluding Observations

October, as noted above, was not a good month for workers of any age. Older
workers, who had held their own to some extent in September, fared less well in October. Their unemployment rate remained high, and both duration of unemployment and long-term unemployment increased. Compared to the total workforce, the October increase in the unemployment rate for older men was especially steep. These are workers who, in earlier recessions, might have been able to retire upon becoming unemployed. Retirement income security, however, is less assured for older persons today than it was for much of the recent past. Faced with inadequate savings, the shift from defined benefit pensions to defined contribution pensions, and large stock market losses, many older job losers probably cannot afford to retire. As a result, more of them may be continuing the job search, which for many is a prolonged one.

1 Unless otherwise specified, “older” in this fact sheet refers to persons aged 55 and over. Also, 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—October 2009; tables in BLS’s Employment and Earnings, January 2008 and November 2009; and BLS’s Labor Force Statistics from the Current Population Survey, available at http://data.bls.gov/PDQ/ outside.jsp?survey=ln. The payroll employment loss figure for September has been revised and is lower than the figure for September released last month. The October figure will likely be revised as well.

3 This number differs from the number in the first paragraph because it is based on a survey of households. The 190,000 in the first paragraph refers to establishment data.

4 The unemployment rates for men aged 55 and over are seasonally adjusted; those for women are not. According to BLS, unemployment among women in this age group does not appear to show seasonal variation; however, BLS monitors developments in case the need for adjustment emerges.

5 Data for those aged 65 and over are not seasonally adjusted.