The Employment Situation, December 2009: Overall Unemployment Rate Holds Steady But Ticks Up Slightly for Older Workers

- About 29,000 more persons aged 55 and over were unemployed in December, bringing the total unemployment rate for this age group up to 7.2 percent from 7.1 percent in November—a continuation of the recent trend of high rates for older persons not seen since the late 1940s.

- Nearly half—49.4 percent—of the aged 55-plus unemployed segment of the labor force in December had been out of work for 27 or more weeks. That is more than double the 23 percent of the older workforce considered long-term unemployed in December 2007.

- Unemployed older workers nonetheless spent slightly less time looking for work in December than they did in November: Average duration of unemployment for job-seekers aged 55 and older fell from 36 weeks to 34.7 weeks.

- The number of older persons who could be classified as job-seeking discouraged showed little increase in December, but it was still much higher than at the start of the recession two years ago.

**Employment Change by Sector**

Nonfarm payroll employment fell by 85,000 in December after having increased by 4,000 in November, according to the latest Bureau of Labor Statistics release on the employment situation. Almost the entire decline (95 percent) was in goods-producing sectors, with construction experiencing the greatest loss by far (53,000). A slight drop (4,000) in employment occurred in the service industries. As has been the case throughout much of the recession, December employment increased in education and health services (by 35,000); an even greater increase (50,000) occurred in professional and business services. Retail trade, leisure and hospitality services, and government all saw losses.

**Unemployment Rates**

The overall unemployment situation was essentially unchanged in December, with an unemployment rate that remained at 10 percent. In December, 15.3 million persons aged 16 and over reported that they were out of work and looking for a job; this was a decline of 73,000 from November.

The picture for older persons did not improve. At 7.2 percent, their December unemployment rate was up from 7.1 percent in November, a continuation of the recent trend of high unemployment rates for older persons not seen since the late 1940s (figure 1). The unemployment rate for the 55-plus workforce had reached 6.3 percent in September 1949 but then stayed below 6 percent—often well below—until 2009 (figure 1).
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Older men’s unemployment rate rose from 7.8 percent in November to 7.9 percent in December. The unemployment rate for older women, however, fell from 6.2 percent in November to 5.8 percent in December. \(^3\) (See figure 2.)

More than 2.1 million of the unemployed were at least 55 years old, an increase of 29,000 since November. Older persons were 13.8 percent of the unemployed in December, compared to approximately 13.6 percent in November.

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**Figure 1**
Unemployment Rates for Persons Aged 55 and Over, January 1949–December 2009


**Figure 2**
Unemployment Rates for Men and Women* Aged 55 and Over, December 2007–December 2009

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

The unemployment rate for older persons remains lower than rates for the total labor force, prime-age workers (ages 25–54), and especially the workforce aged 16–24 (figure 3), but it has more than doubled since December 2007. Over this two-year period, the unemployment rate for older persons has increased more than that for other age groups—even for those age 16–24, despite the latter’s very high unemployment rate (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 December as well. However, duration of unemployment fell for both younger and older workers. The average duration of unemployment for those aged 55 and over in December was 34.7 weeks, down from 36 weeks in November (but still far higher than the 20.2 weeks in December 2007). Unemployed persons under age

### Figure 3

Unemployment Rates by Age, December 2007, November 2009, and December 2009

![Figure 3: Unemployment Rates by Age](chart.png)


### Table 1

Selected Employment Indicators at the Start of the Recession, December 2007, and December 2009, by Age Group (seasonally adjusted)

<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>Total, 16+*</td>
<td>146,173</td>
<td>137,792</td>
<td>-5.7%</td>
</tr>
<tr>
<td>16-24</td>
<td>19,551</td>
<td>16,791</td>
<td>-14.1%</td>
</tr>
<tr>
<td>25-54</td>
<td>100,421</td>
<td>93,791</td>
<td>-6.6%</td>
</tr>
<tr>
<td>55+</td>
<td>26,218</td>
<td>27,221</td>
<td>+3.8%</td>
</tr>
</tbody>
</table>

* BLS notes in *The Employment Situation—December 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+.

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55 were out of work for an average of 28.1 weeks in December, little changed from 28.3 weeks in November.

As of December, 49.4 percent of the older unemployed workforce and nearly 38.5 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. Both percentages were somewhat lower than in November but still well above what they were at the start of the recession. 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, millions of older Americans have remained employed, or even have found jobs. As of December, approximately 27.2 million persons aged 55 and older were employed, no change since November but an increase of about 3.8 percent since the start of the recession (table 1). Employment among older men fell slightly in December, while that among women increased slightly (figure 4).

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 1.4 million older workers were working part-time in December because they had no choice, about 60,000 more than in November. 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 December, not much above the 5.2 percent in November. Older men and women were about equally likely to be employed part-time for economic reasons in December.

The proportion working part-time for economic reasons in December 2009 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.

Figure 4
Number of Employed Men and Women Aged 55 and Over, December 2007–December 2009 (in 000s)

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**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 percent—were multiple jobholders in December, not much changed from the 5.2 percent in November. In December, 4.2 percent of workers aged 55 and older held more than one job, also little changed from November’s 4.5 percent. Older women were about as likely as older men to be multiple job holders in December.

Multiple jobholding was slightly lower in December 2009 than it was in December 2007 for most age groups.

**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 more than 2.9 million from December 2007 to December 2009, or from 10 percent to 11 percent of all older nonagricultural workers. The December percentage was a slight increase from that for November (10.7 percent).

**Interest in Working**

Most older persons who are out of the labor force say that they do not want a job. However, the number expressing interest in work in December was about 6 percent higher than it was in November and 70 percent higher than it was at the start of the recession—1,406,000 vs. 826,000 in December 2007.

The number of older discouraged workers rose very little in December, increasing to 202,000 from 199,000 in November. In December, discouraged workers were 14 percent of the population of older persons who wanted a job, little changed from November. 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**

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 increased by 1.1 percentage points through December 2009 (from 16.3 percent 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. December 2009 found 7.2 percent unemployed, up markedly from 5.9 percent in November.

In December, duration of unemployment for the unemployed aged 65 and over averaged 32.9 weeks, a sizable drop from 36.5 weeks in November. 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 was down sharply from November—53 percent to 44 percent, but still well above the 23 percent at the start of the recession.

Concluding Observations

The employment situation did not improve as much in December as some experts had predicted; however, the situation could have been worse, as it has been for much of the past two years. The overall unemployment rate remained unchanged in December, but that left one in 10 Americans without a job and seeking work.

The unemployment rate for persons aged 55 and over inched upward as the number of men without jobs rose. Although duration of unemployment fell for persons in this age group, nearly half of older job seekers had been out of work for six months or more in December. Employment held steady—neither a decrease nor an increase for the older segment of the labor force. More older persons, in fact, expressed interest in having a job in December even though they were not actively looking for one. Discouragement about job prospects is the reason some workers refrain from the search. If the employment prospects of unemployed older workers do not improve soon, more of them might join the ranks of the job-seeking discouraged.

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.


The payroll employment increase of 4,000 for November is a revision of an 11,000 loss reported in The Employment Situation—November 2009. The December figures are provisional and will likely be revised as well.

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

4 Duration-of-unemployment figures are not seasonally adjusted.

5 Involuntary part-time figures are not seasonally adjusted.

6 Multiple job-holder figures are not seasonally adjusted.

7 Self-employment figures are not seasonally adjusted.

8 Data in this section are not seasonally adjusted.