Unemployment Down but Overall Job Growth Remains Anemic

✓ About 66,000 fewer persons aged 55 and over were unemployed in January than in December, as the unemployment rate for this age group fell from 6.9 percent to 6.7 percent.
✓ The improvement in the unemployment rate was concentrated among older men; both the number unemployed and the unemployment rate increased among older women.
✓ After falling in December, average duration of unemployment for older jobseekers rose in January to 44.4 weeks. Half (50.5 percent) had been out of work for 27 or more weeks, somewhat fewer than in December.
✓ The number of older involuntary part-time workers barely changed in January. However, considerably fewer older persons wanted a job but were not looking for one because they were discouraged about their job prospects.

Employment Change by Sector

Nonfarm payroll employment showed little change in January, inching up by only 36,000, with increases primarily in manufacturing and retail trade.

Unemployment Rates

The overall unemployment rate fell from 9.4 percent in December to 9.0 percent in January, during which nearly 13.9 million persons aged 16 and over reported that they were out of work and looking for a job. This was a decrease of 622,000 since December.

The unemployment rate for persons aged 55 and over also fell in January, declining from 6.9 percent to 6.7 percent, a rate still far above what it was (3.2 percent) at the start of what is referred to as the Great Recession in December 2007. It was, however, lower than the 7 percent for June 2009, the trough, or end, of the recession. Nonetheless, the January unemployment rate for persons aged 55 and over extends the trend of high unemployment rates not experienced by this age group in the past 60 years.

Just over 2 million persons aged 55 or older were unemployed in January, 66,000 fewer than in December. Older persons were 14.6 percent of the unemployed in January, about what they were in December (14.4 percent). The unemployment rate for older men, which has fluctuated over the past year, fell from 7.2 percent in December to 7.1 percent in January. The unemployment rate for older women, however, rose from 5.8 percent to 6.3 percent.² (See figure 1.)

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, since the start of the recession, both the number of unemployed and the unemployment rate have increased by a
greater percentage for the segment of the workforce aged 55 and over than for younger segments (table 1). The January 2011 unemployment rate for older persons, for example, was more than double (109 percent higher) what it was in December 2007.

The picture, however, is considerably different when looking at developments since June 2009, when the recession officially ended, according to the National Bureau of Economic Research. Since then, “improvement,” as measured by both the number out of work and the unemployment rate, has been greater for persons aged 25–54 than for either older or younger persons (table 2).

**Duration of Unemployment**

Once unemployed, older workers, on average, continue to be out of work

*Figure 1*

**Unemployment Rates for Men and Women* Aged 55 and Over, December 2007–January 2011**

*Rates for women are not seasonally adjusted. See text note 2.*


*Figure 2*

**Unemployment Rates by Age, December 2007, June 2009, and January 2011**

December 2007 and June 2009 are, respectively, the start and end of the recent recession.

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Average duration of unemployment, which had fallen somewhat in December, rose again in January for jobseekers aged 55 and over—to 44.4 weeks from 42.8 weeks the month before.\(^3\) (At the start of the recession in December 2007, the average duration of unemployment for older jobseekers was 20.2 weeks; at the June 2009 trough, it was 29.9 weeks.) The recession may be over, but average duration of unemployment has continued for the most part to rise, increasing for the older unemployed by 48 percent between the start and end of the recession (December 2007–June 2009) and by 48 percent since the recession ended (June 2009–January 2011).

Average duration of unemployment for younger jobseekers also rose in January—to 33.9 weeks from 32.4 weeks.

As of January, half of older unemployed workers, or 50.5 percent, were “long-term unemployed”; that is, they had been out of work for 27 or more weeks. This figure was lower than that for December (55.5 percent). At 40.8 percent, the percentage of younger jobseekers who had been out of work for 27 or more weeks was also lower than in December (42.4 percent).

The percentage of unemployed workers who are among the long-term unemployed has grown significantly.

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### Table 1
Selected Employment Indicators, December 2007 (Start of the Recession) and January 2011, 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>146,272</td>
<td>139,323</td>
<td>-4.8%</td>
</tr>
<tr>
<td>16–24</td>
<td>19,596</td>
<td>17,282</td>
<td>-11.8%</td>
</tr>
<tr>
<td>25–54</td>
<td>100,465</td>
<td>93,758</td>
<td>-6.7%</td>
</tr>
<tr>
<td>55+</td>
<td>26,240</td>
<td>28,268</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

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


### Table 2
Selected Employment Indicators, June 2009 (End of the Recession) and January 2011, 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>139,978</td>
<td>139,323</td>
<td>-0.5%</td>
</tr>
<tr>
<td>16–24</td>
<td>17,705</td>
<td>17,282</td>
<td>-2.4%</td>
</tr>
<tr>
<td>25–54</td>
<td>95,211</td>
<td>93,758</td>
<td>-1.5%</td>
</tr>
<tr>
<td>55+</td>
<td>27,090</td>
<td>28,268</td>
<td>4.3%</td>
</tr>
</tbody>
</table>

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

In December 2007, only 23 percent of the older unemployed workforce and 17 percent of the younger were long-term unemployed. The comparable figures for June 2009 were 38 percent (older jobseekers) and 26 percent (younger jobseekers).

The Older Employed Population

Despite continuing high unemployment rates, millions of older Americans have succeeded in remaining employed, and the number with jobs has increased in most months since the start of the recession (figure 3). As of January, 28.3 million persons aged 55 and over had jobs. This was an increase of 34,000 since December and of just over 2 million, or 7.7 percent, since the start of the recession (table 1).

Much of the increase in the labor force participation and employment of older persons in recent years is a result of the increase in the number of persons aged 55 and over. In December 2007, there were 69.6 million persons aged 55 and over in the United States. As of January 2011, that number had increased to nearly 75.9 million, or by almost 9 percent. Even if the labor force participation rate for this age group had remained at its December 2007 level (38.9 percent), the aged 55-plus labor force would have risen from 27.1 million to 29.5 million. But as it was, with a participation rate of 39.9 percent, 30.3 million people aged 55 or older were in the labor force in January.

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 3 provides the employment-to-population ratio for four age groups—16+, 16–24, 25–54, and 55+. The ratio for the total workforce and for those aged 16–24 and 25–54 rose between this past December and January after declining rather sharply during the previous years. In contrast, the ratio for those aged 55 and over remained relatively flat over the past three years. This is in spite of an increase throughout most of the recession in the number of older persons with jobs (figure 3). The number employed, however, did not keep up with the increase in the older population itself. (As noted above, the 55+

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**Figure 3**

Number of Employed Persons Aged 55 and Over, December 2007–January 2011 (in thousands)

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population increased by nearly 9 percent between December 2007 and January 2011. The number employed increased by only 7.7 percent.)

Part Time for Economic Reasons

Part-time work appeals to many older workers interested in scaling back while remaining attached to the labor force. However, not every part-time worker wants part-time work. In January, 1.4 million older nonagricultural workers were working part time because they had no choice,4 little changed from the December figure. These workers, also known as involuntary part-timers, were employed part time for economic reasons, that is, because of slack working conditions or because they could not find full-time work. They were 5.4 percent of all older nonagricultural workers in January, essentially unchanged from December’s 5.3 percent. Differences by sex were not great: 4.9 percent of employed older men and 5.9 percent of employed older women in nonagricultural industries were working part time for economic reasons in January.

The proportion of older nonagricultural workers working part time for economic reasons in January 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. The percentage of older involuntary part-time workers has not improved since the end of the recession in June 2009, when 4.9 percent were working part-time for economic reasons.

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—4.8 percent—were multiple jobholders in January, almost the same percentage as in December (4.9 percent).5 In January, 4.5 percent of workers aged 55 and over held more than one job, unchanged from December. Again, differences by sex were small: 4.1 percent of men and 4.9 percent of women were multiple jobholders in January.

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. (The Bureau of Labor Statistics 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-

![Table 3](image)

<table>
<thead>
<tr>
<th>Age</th>
<th>December 2007</th>
<th>June 2009</th>
<th>December 2010</th>
<th>January 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>16+</td>
<td>62.7%</td>
<td>59.4%</td>
<td>58.3%</td>
<td>58.4%</td>
</tr>
<tr>
<td>16–24</td>
<td>52.2%</td>
<td>47.1%</td>
<td>44.8%</td>
<td>45.2%</td>
</tr>
<tr>
<td>25–54</td>
<td>79.7%</td>
<td>75.9%</td>
<td>74.9%</td>
<td>75.2%</td>
</tr>
<tr>
<td>55+</td>
<td>37.7%</td>
<td>37.3%</td>
<td>37.4%</td>
<td>37.3%</td>
</tr>
</tbody>
</table>

employed workers in nonagricultural industries increased from fewer than 2.6 million in December 2007 to almost 2.8 million in January 2011, but the percentage self-employed was almost unchanged. Between December 2010 and January 2011, the number of older unincorporated nonagricultural self-employed workers actually fell by 74,000, or from 10.4 percent to 10.2 percent of all older nonagricultural workers. There was, however, some slight fluctuation in self-employment over the course of the recession; in June 2009, 10.8 percent of older nonagricultural workers could be classified as self-employed.

**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 in December 2007. The number of older persons out of the labor force but expressing interest in work increased by less than 5 percent between December 2010 and January 2011. Still, it was 79 percent higher than it was at the start of the recession (1,482,000 vs. 826,000) and about 21 percent higher than at the trough (1,482,000 vs. 1,229,000).

The number of older discouraged workers had risen in December 2010 but then fell from 308,000 to 200,000 in January, or by 35 percent. In January, discouraged workers were 13.5 percent of the population of older persons who were not in the labor force but who wanted a job, well below the 22 percent of 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**

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 over has increased markedly in recent years. In 2010, an average of 17.4 percent of persons aged 65 and over were in the labor force, up from 10.8 percent in 1985.

The number of labor force participants aged 65 and over has increased by more than 15 percent (or by 915,000 workers and jobseekers) since December 2007. As of January 2011, nearly 6.9 million members of the labor force (4.5 percent of the total) were at least 65 years old.

The labor force participation rate for persons aged 65 and over was 17.5 percent in January, just what it was in December. At 6.9 percent, the unemployment rate for this age group was unchanged as well. Since the start of the recession, unemployment in the aged 65-plus workforce has more than doubled: in December 2007, only 3.3 percent were unemployed.

Duration of unemployment for jobseekers aged 65 and over averaged 49.3 weeks in January, up nearly four weeks from December’s average of 45.5 weeks. (Duration of unemployment for this age group averaged 20.2 weeks in December 2007.) The percentage that could be classified as long-term unemployed (out of work for 27 or more weeks) fell between December and January—from 56.6 percent to 53.2 percent; the January figure was 127 percent higher than at the start of the recession (23.4 percent) and 42 percent higher than at the trough (37.4 percent).
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Concluding Observations

The January decline in unemployment for the older population, especially on the heels of a decline in December, is encouraging news. Still, it was men and not women who experienced this decline. In addition, the unemployment rate for persons aged 55 and over remains at historically high levels and well above the 3.2 percent that it was at the start of the recession just over three years ago. As of January 2011, the average older jobseeker had been out of work for more than 44 weeks; this was an increase over December.

Moreover, although the number of older persons with jobs rose throughout the recession and its aftermath—and increased somewhat in January—the older population itself increased even more. Hence, the employment-to-population ratio did not paint quite as rosy a picture as the employment numbers themselves.

The percentage of older workers employed part time because they could not find full-time work, though small, showed no change January. In addition, there were another 1.4 million older persons who were not in the labor force—and thus not counted among the unemployed—who would like to be working; this figure was virtually identical to last month’s. The number of discouraged workers did fall sharply.

The number of discouraged workers has fluctuated considerably since the start of the recession. Some of this could be due to changing perceptions of labor market conditions and existing job opportunities; some could be due to actual experiences in the hunt for work. And some might be due to the instability of the small samples on which estimates of older discouraged workers are based.

In any case, workers of all ages still have a long way to go before recovery brings them close to where they were in December 2007.

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

3 Duration of unemployment figures are not seasonally adjusted.

4 Involuntary part-time figures are not seasonally adjusted.

5 Multiple jobholder figures are not seasonally adjusted.

6 Self-employment figures are not seasonally adjusted.

7 Data in this section are not seasonally adjusted.