The Employment Situation, September 2011: Good News for Older Jobseekers Remains Elusive

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- At 6.7 percent, the unemployment rate for the workforce aged 55 and over was little changed from August's 6.6 percent; the rate was still more than double the rate at the outset of the recession in December 2007.
- The number of older unemployed rose by 53,000 to more than 2.1 million in September. Older jobseekers make up more than 15 percent of the unemployed.
- Average duration of unemployment for older jobseekers rose from 52.4 weeks to 54.8 weeks between August and September.
- The low employment growth figures, coupled with persistently long durations of unemployment, suggest that many older jobless workers have very few prospects of finding employment anytime soon.

Employment Change by Sector
Nonfarm payroll employment rose by 103,000 in September after increasing by 57,000 in August. Employment growth was greatest in health care (44,000), telecommunications (38,000), construction (26,000), and professional and technical services (24,100). Local government employment fell by 35,000. Employment in manufacturing declined as well (13,000).

Unemployment Rates
At 9.1 percent, the overall unemployment rate in September was unchanged from August. Nearly 14 million people aged 16 and over reported that they were out of work and looking for a job in September, an increase of 25,000 since August.

At 6.7 percent, the September unemployment rate for people aged 55 or older was essentially unchanged from August’s 6.6 percent; it was still more than double what it was at the start of the Great Recession in December 2007 (3.2 percent) and not much lower than it was in June 2009, the trough, or end, of the recession (7.0 percent). The highest unemployment rate for this age group since the start of the recession—7.3 percent—was reached in August 2010, well after the recession had officially ended.

More than 2.1 million people aged 55 or older were unemployed in September, 53,000 more than in August. Older people were 15.1 percent of the unemployed in September, compared with 14.7 percent in August. The unemployment rate for older men was 6.9 percent in September, little changed from August’s 7.0 percent. The unemployment rate for older women dipped to 6.6 percent from 7.1 percent between August and September. (See figure 1.)

The unemployment rate for the aged 55 and over workforce 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).

**Duration of Unemployment**

Once unemployed, older workers are, on average, out of work longer than their younger counterparts, and this continued in September. Average duration of unemployment for jobseekers aged 55 and over rose from 52.4 weeks in August to...
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54.8 weeks in September. This compares to 38.6 weeks for the younger unemployed in September, up from 37.4 weeks the month before. (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. See table 2.)

As of September, three out of five older jobseekers, or 60.7 percent, were “long-term unemployed”; that is, they had been out of work for 27 or more weeks. This figure was an increase since August, when 54.9 percent were unemployed for that long (table 2).

The percentage of jobseekers who are among the long-term unemployed has grown significantly. In December 2007, only 22.9 percent of the older unemployed workforce were long-term unemployed. The comparable figure for June 2009 was 38.2 percent.

### Table 1

<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>140,025</td>
<td>-4.3%</td>
</tr>
<tr>
<td>16–24</td>
<td>19,596</td>
<td>17,424</td>
<td>-11.1%</td>
</tr>
<tr>
<td>25–54</td>
<td>100,465</td>
<td>93,460</td>
<td>-7.0%</td>
</tr>
<tr>
<td>55+</td>
<td>26,240</td>
<td>29,150</td>
<td>11.1%</td>
</tr>
</tbody>
</table>

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


### Table 2

<table>
<thead>
<tr>
<th>Average Duration of Unemployment</th>
<th>Dec. 2007</th>
<th>June 2009</th>
<th>August 2011</th>
<th>September 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 55</td>
<td>15.9 wks</td>
<td>21.4 wks</td>
<td>37.4 wks</td>
<td>38.6 wks</td>
</tr>
<tr>
<td>55+</td>
<td>20.2 wks</td>
<td>29.9 wks</td>
<td>52.4 wks</td>
<td>54.8 wks</td>
</tr>
</tbody>
</table>

Long-term Unemployed

| Less than 55                     | 16.6%     | 26.4%     | 41.0%       | 43.4%          |
| 55+                              | 22.9%     | 38.2%     | 54.9%       | 60.7%          |

*Long-term unemployed: 27 or more weeks.

**December 2007 was the official start of the Great Recession and June 2009 was the official end, according to the National Bureau of Economic Research.

has increased by about 2.9 million, or by 11.1 percent, but employment has fallen among the other age groups (table 1). Older people are also the only group to have experienced growth in employment between June 2009 and September 2011 (table 3). The number of older employed rose by 270,000 in September.

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 4 provides the employment-to-population ratio for four age groups: 16+, 16–24, 25–54, and 55+. As of September, this ratio was about where it was in December 2007—but a bit higher than in August—for the aged 55-plus workforce. For other age groups, the ratio declined and remains well below what it was at the start of the recession. However, between August and September, it did improve for the youngest age group (table 4).

Much of the increase in the labor force participation and employment of older people in recent years is a result of the increase in the population aged 55 and over. In December 2007, there were 69.6 million people aged 55 and over in the United States. As of September 2011, that number had increased by 10.8 percent to 77.1 million. 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 30 million. But as it was, with a participation rate of 40.5 percent, nearly 31.3 million people aged 55 or older were in the labor force in September. (The labor force participation rate of 40.5 percent is an increase from 40.2 percent in August.)

**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 September, 1.4 million older nonagricultural workers were working part time because they had no choice,7 100,000 more than in August. 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 5.1 percent of all older nonagricultural workers in September, exactly what they were in August. Older women were slightly more likely than older men to be involuntary part-time workers in September—5.7 percent vs. 4.6 percent.

The proportion of older nonagricultural workers working part time for economic reasons in September 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.

### Table 3

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<th>Number Unemployed (000s)</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total, 16+</td>
<td>139,978</td>
<td>140,025</td>
<td>0.0%</td>
</tr>
<tr>
<td>16–24</td>
<td>17,705</td>
<td>17,424</td>
<td>-1.6%</td>
</tr>
<tr>
<td>25–54</td>
<td>95,221</td>
<td>93,460</td>
<td>-1.8%</td>
</tr>
<tr>
<td>55+</td>
<td>27,090</td>
<td>29,150</td>
<td>7.6%</td>
</tr>
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*Estimates for specific age groups above may not add up to the total 16+ because the seasonal adjustments are made independently.


### 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—4.9 percent—were multiple jobholders in September, little changed from 4.7 percent in August. In September, 4.6 percent of workers aged 55 and over held more than one job, also not much different from August (4.4 percent). As of September, 4.7 percent of employed older men and 4.4 percent of employed older women held more than one job.

### Self-employment

Some wage and salary workers move into self-employment upon job loss. Published monthly self-employment figures are available from the Bureau of Labor Statistics (BLS) only for

### Table 4

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<tr>
<th>Age</th>
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<th>June 2009</th>
<th>August 2011</th>
<th>September 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>16+</td>
<td>62.7%</td>
<td>59.4%</td>
<td>58.2%</td>
<td>58.3%</td>
</tr>
<tr>
<td>16–24</td>
<td>52.2%</td>
<td>47.1%</td>
<td>45.0%</td>
<td>45.6%</td>
</tr>
<tr>
<td>25–54</td>
<td>79.7%</td>
<td>75.9%</td>
<td>75.0%</td>
<td>74.9%</td>
</tr>
<tr>
<td>55+</td>
<td>37.7%</td>
<td>37.3%</td>
<td>37.5%</td>
<td>37.8%</td>
</tr>
</tbody>
</table>

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 nearly 2.8 million in September 2011 but changed little between August and September. As of September, 9.7 percent of older nonagricultural workers were self-employed; this was the case for 9.9 percent in August. At the start of the recession 10 percent of older nonagricultural workers were self-employed. Self-employment, at least when it comes to unincorporated self-employment, does not appear to have absorbed large numbers of unemployed older workers over the past four years.

Interest in Working

Most older people who are out of the labor force say that they do not want a job (97 percent in September, a figure that has remained essentially unchanged since the start of the recession). The number of older people out of the labor force but expressing interest in work fell by 65,000 between August and September but was still nearly double what it had been at the start of the recession (1,581,000 vs. 826,000) and above what it was at the recession’s end (1,229,000 in June 2009).

The number of older discouraged workers fell between August and September by about 8 percent (from 287,000 to 263,000). In September, discouraged workers were 16.6 percent of the population of older people who were not in the labor force but who wanted a job, not much lower than they were the month before (17.4 percent). 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. When the recession began in December 2007, only 53,000 older people were classified as discouraged workers.

A Look at the Aged 65-plus Workforce

The labor force participation rate of people aged 65 and over has increased markedly in recent years. In 2010, an average of 17.4 percent of people 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 almost 21 percent (or by about 1.2 million workers and jobseekers) since December 2007. As of September 2011, more than 7.2 million members of the labor force (4.7 percent of the total labor force) were at least 65 years old.

The labor force participation rate for people aged 65 and over was 18.1 percent in September, compared with 17.5 percent in August. The unemployment rate for this age group was 6.8 percent in September, about what it was in August (6.9 percent) but more than double the rate in December 2007, when only 3.3 percent were unemployed.

Duration of unemployment for jobseekers aged 65 and over averaged 54.7 weeks in September, somewhat longer than the 53.2 weeks for August. (Duration of unemployment for this age group averaged 20.2 weeks in December 2007.) Long-term unemployment was also somewhat greater for jobseekers aged 65 and over—nearly 59 percent had been out of work for more than six months in September and 55 percent in August. The comparable figure at the start of the recession was 23.4 percent; at the end of the recession it was 43 percent.
Concluding Observations

September’s overall employment remained gloomy for those without jobs. Nonfarm payroll growth did increase by 103,000, which was better than the situation in August; however, it was not enough to keep up with growth in the aged 16-plus population (200,000 between August and September), to say nothing of making a dent in the number who have been unemployed. The overall unemployment rate remained stuck at 9.1 percent. That for older workers showed no improvement either.

On a positive note, the employment-to-population ratio rose for those aged 55 and over (as well as for those aged 16-64). This means that the number of older employed increased more than the older population itself. Overall employment for people aged 55-plus increased by 270,000 between August and September, while the 55-plus population grew by 225,000.

On the other hand, there was no improvement in the percentage of older involuntary part-time workers. Of the 55-plus population no longer in the labor force, fewer expressed interest in working in September than in August.

Caution should be used in interpreting month-to-month changes in some of the employment figures. Not all figures are seasonally adjusted. Even when they are, the numbers can fluctuate substantially over the short term due to sampling error or the small number of individuals in a particular category who may have been interviewed. Examining numbers over a longer period of time or relying on annually adjusted figures (available in each January’s on-line version of BLS’s Employment and Earnings) generally provides a more accurate picture.

Longer-term data do show that the unemployment rate for older Americans is below its peak, and yet it remains well above what it was just four years ago. For the older population, the sustained high unemployment rates have been historic highs (figure 4). Average duration of unemployment and the percentage out

Figure 4
Unemployment Rates for Persons Aged 55 and Over, January 1948–September 2011

of work for more than six months show no signs of improvement. The number of discouraged workers—which often shows substantial month-to-month variation—is still above what it was at the outset and end of the recession. Older workers may be aiming to put off retirement in light of concerns about the economy, and many seem to be doing that. Their jobless counterparts, however, appear to have very few prospects of working at all anytime soon.

Endnotes

1 Unless otherwise specified, “older” refers to people aged 55 and over. Employment and unemployment figures are seasonally adjusted unless otherwise noted.


3 On September 2, BLS reported no employment growth for August. That preliminary estimate has been revised slightly to show an increase of 57,000 in payroll employment for August. The September figure is preliminary and may be adjusted as well.

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

5 Duration of unemployment figures are not seasonally adjusted.

6 Beginning in January 2011, the Current Population Survey has allowed respondents to report durations of unemployment of up to five years, rather than only up to two years. This change was introduced because of the “unprecedented rise in the number of people with very long durations of unemployment during the recent labor market downturn.” Prior to this change, any duration of unemployment greater than two years was coded as two years. Estimates of average duration of unemployment are higher with a five-year upper limit than with a two-year limit. Duration prior to 2011 cannot be recalculated as the data for those unemployed longer than two years are unavailable. See U.S. Department of Labor, Bureau of Labor Statistics, Changes to Data Collected on Unemployment Duration, at http://www.bls.gov/cps/duration.htm.

7 Involuntary part-time figures are not seasonally adjusted.

8 Multiple jobholder figures are not seasonally adjusted.

9 Self-employment figures are not seasonally adjusted.

10 Data in this section are not seasonally adjusted.

11 Data in this section are not seasonally adjusted.

12 See note 6.