

The Employment Situation, November 2011: Unemployment Down; Fewer in the Labor Force¹

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- ✓ At 6.4 percent, the unemployment rate for the workforce aged 55 and over in November was down from October's 7.0 percent and at its lowest level since February 2011.
- ✓ After increasing in October, the number of older unemployed fell by 183,000 to 2.0 million in November.
- ✓ At the same time, the labor force participation rate for the 55-plus population fell from 40.5 percent to 40.3 percent.
- ✓ Average duration of unemployment for older jobseekers rose from 52.9 weeks to 58.2 weeks between October and November.
- ✓ More robust job growth is needed to get sizable numbers of the unemployed back to work.

Employment Change by Sector²

Nonfarm payroll employment rose by 120,000 in November after increasing by 100,000 in October.³ Retail trade (+50,000), professional and business services (+33,000), education and health services (+27,000), and leisure and hospitality (+22,000) showed some of the greatest growth. Government employment continued to decline (-20,000).

Unemployment Rates

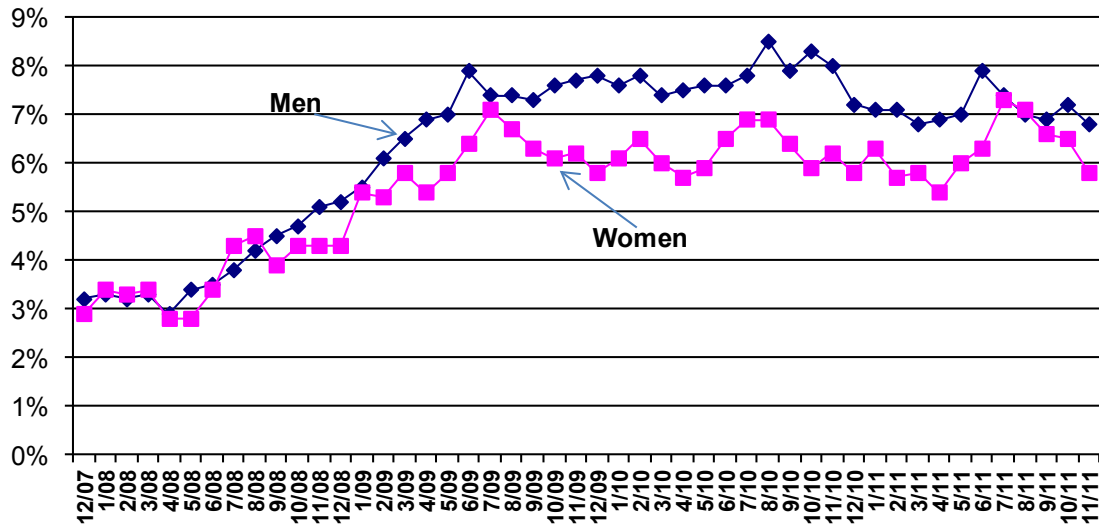
The seasonally adjusted overall unemployment rate fell to 8.6 percent from 9.0 percent between October and November; the rate has not been this low since March 2009. About 13.3 million people aged 16 and over reported that they were out of work and looking for a job in November, a decline of almost 600,000 since October.

The unemployment rate for people aged 55 or older also fell sharply, from 7.0 percent in October to 6.4 percent in November. Although still double what it was (3.2 percent) at the start of the Great Recession in December 2007, November's unemployment rate for this age group was at its lowest since February 2011.

Two million people aged 55 or older were unemployed in November, 183,000 fewer than in October. Older people were 15.1 percent of the unemployed in November, only slightly lower than in October (15.7 percent). The unemployment rate for older men fell from 7.2 percent in October to 6.8 percent in November, while that for older women fell from 6.5 percent to 5.8 percent.⁴ (See figure 1.)

The unemployment rate for the aged 55 and older workforce remains lower than rates for the total labor force, prime-age

Figure 1
Unemployment Rates for Men and Women* Aged 55 and Over,
December 2007–November 2011



*The rate for women is not seasonally adjusted. See text note 4.

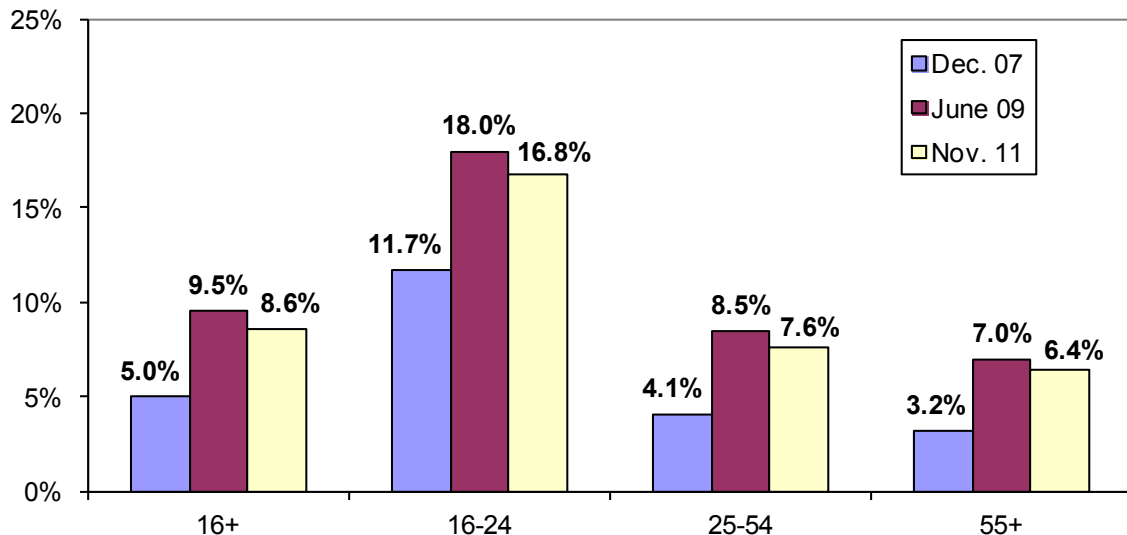
Source: U.S. Department of Labor, Bureau of Labor Statistics, labor force statistics from the Current Population Survey, <http://data.bls.gov/pdq/querytool.jsp?survey=ln..>

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 November. Average duration of unemployment for older jobseekers, in fact, increased to 58.2 weeks from

Figure 2
Unemployment Rates by Age, December 2007, June 2009, and November 2011



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

Table 1
Selected Employment Indicators, December 2007 (Start of the Recession) and
November 2011, by Age Group
(seasonally adjusted)

Age	Number Employed (000s)			Number Unemployed (000s)			Unemployment Rate		
	Dec. 2007	Nov. 2011	% Change	Dec. 2007	Nov. 2011	% Change	Dec. 2007	Nov. 2011	% Change
Total, 16+*	146,272	140,580	-3.9%	7,664	13,303	73.6%	5.0%	8.6%	72.0%
16-24	19,596	17,628	-10.0%	2,606	3,564	36.8%	11.7%	16.8%	43.6%
25-54	100,465	93,624	-6.8%	4,245	7,731	82.1%	4.1%	7.6%	85.4%
55+	26,240	29,258	11.5%	860	2,004	133.0%	3.2%	6.4%	100.0%

*Estimates for specific age groups above may 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/pdq/querytool.jsp?survey=ln>.

52.9 weeks in October.⁵ This compares to 38 weeks for the younger unemployed in November, up from 37.3 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.⁶ See table 2.)

As of November, nearly six in ten older jobseekers, or 58.8 percent, were “long-term unemployed”; that is, they had been out of work for 27 or more weeks. This figure was also above what it was in October, when 55.5 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.

Average duration of unemployment for older jobseekers has exceeded one year since March 2011. This compares to fewer than five months at the start of the recession. Such information is of considerable concern because the longer

Table 2
Average Duration of Unemployment and Percentage Long-term Unemployed,*
People Under Age 55 and Aged 55+, December 2007, June 2009,
October 2011, and November 2011**
(not seasonally adjusted)

	December 2007	June 2009	October 2011	November 2011
Average Duration of Unemployment				
Less than 55	15.9 wks	21.4 wks	37.3 wks	38.0 wks
55+	20.2 wks	29.9 wks	52.9 wks	58.2 wks
Long-term Unemployed				
Less than 55	16.6%	26.4%	41.6%	42.0%
55+	22.9%	38.2%	55.5%	58.8%

*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.

Source: Calculated from U.S. Department of Labor, Bureau of Labor Statistics, *Employment and Earnings Online*, January 2008, July 2009, and labor force statistics from the Current Population Survey at <http://www.bls.gov/cps/tables.htm>.

someone is out of work, the lower the probability of finding a job.

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). Since December 2007, the employed population aged 55 and over has increased by about 3.0 million, or by 11.5 percent, but employment remains below what it was for the other age groups (table 1). Between October and November, the number of older employed increased by 100,000.

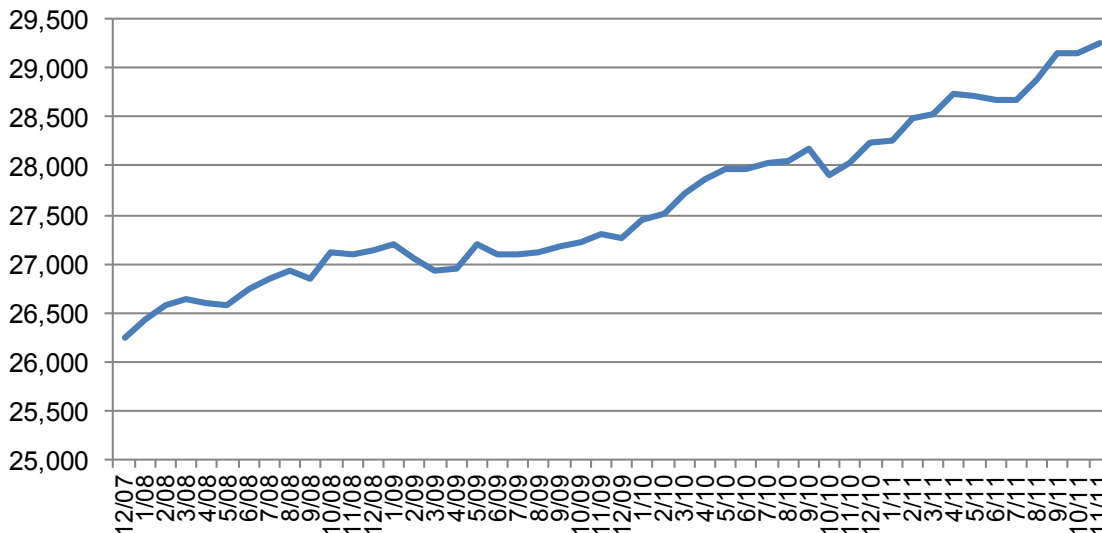
Another way of assessing the employment situation is with the employment-to-population ratio, which is the proportion of the working-age population that is employed. Table 3 provides the employment-to-population ratio for four age groups: 16+, 16–24, 25–54, and 55+. As of November, this ratio was exactly where it was in December

2007 for the aged 55-plus workforce, and it showed no change from October, despite the increase in the number with jobs.

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 November 2011, that number had increased by 11.3 percent to 77.5 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 nearly 30.2 million. But as it was, with a participation rate of 40.3 percent, 31.3 million people aged 55 or older were in the labor force in November.

The labor force participation rate for the older population fell from 40.5 percent to 40.3 percent between October and November; the *number* in the labor force fell by about 83,000.

Figure 3
Number of Employed Persons Aged 55 and Over, December 2007–November 2011
(in thousands)



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

Table 3
Employment-to-Population Ratio, December 2007, June 2009, October 2011,
and November 2011, by Age Group
(seasonally adjusted)

Age	December 2007	June 2009	November 2011	December 2011
16+	62.7%	59.4%	58.4%	58.5%
16–24	52.2%	47.1%	46.5%	46.1%
25–54	79.7%	75.9%	74.8%	75.1%
55+	37.7%	37.3%	37.7%	37.7%

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

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 November, not quite 1.2 million older nonagricultural workers were working part time because they had no choice,⁷ essentially unchanged from the month before. 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. In November, they were 4.2 percent of all older nonagricultural workers, about what they were in October. Differences by sex have been minor recently, but involuntary part-time employment fell for older men and rose for older women last month. As of November, 3.6 percent of older employed men and 5.0 percent of older employed women were involuntary part-time workers.

The proportion of older nonagricultural workers working part time for economic reasons in November was still well above what it was at the start of the recession, when only 2.4 percent of older workers were working part time because they could not find full-time work. November’s figure, however, represents an improvement 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—5.0 percent—were multiple jobholders in November, unchanged from October.⁸ In November, 4.7 percent of workers aged 55 and over held more than one job, not much different from October (4.4 percent). As of November, 4.5 percent of employed older men and 4.8 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 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 over 2.8 million in November 2011, and by about 31,000 between October and November.⁹ As of November, 9.9 percent

of older nonagricultural workers were self-employed; this was the case for 9.8 percent in October. In December 2007, 10 percent of older nonagricultural workers were self-employed. Self-employment, at least 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 (96 percent in November, a figure that has changed little since the start of the recession). The *number* of older people out of the labor force but expressing interest in work rose by 145,000 between October and November and was double what it had been at the start of the recession (1,665,000 vs. 826,000) and above what it was at the recession's end (1,229,000 in June 2009).¹⁰

The number of older discouraged workers in November (298,000) was somewhat higher than in October (260,000). In November, discouraged workers were 17.9 percent of the population of older people who were not in the labor force but who wanted a job, not much higher than the month before (17.1 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.¹¹ When the recession began in December 2007, only 53,000 older people were classified as discouraged workers.

A Look at the Aged 65-plus Workforce¹²

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 about 22 percent (or by more than 1.3 million workers and jobseekers) since December 2007. As of November 2011, 7.3 million members of the labor force (4.8 percent of the total labor force) were at least 65 years old.

In November, 18.2 percent of people aged 65 and over were in the labor force, down somewhat from 18.4 percent in October. The November unemployment rate for this age group was 6.7 percent, also slightly lower than October's 6.9 percent but still 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 62.7 weeks in November, many weeks above the 49.9 weeks reported for October.¹³ (Duration of unemployment for this age group averaged 20.2 weeks in December 2007.) Long-term unemployment was also considerably higher for jobseekers aged 65 and over—55.9 percent had been out of work for more than six months in November compared to 48.6 percent in October. 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

The unemployment rate for older workers, which has fluctuated over the past year, fell by more than half a percentage point in October—from 7.0 percent to 6.4 percent. That was accompanied, however, by a decline in the labor force participation rate, an increase in the number out of the labor force, and no change in the employment-to-population ratio for this age group.

Average duration of unemployment for older jobseekers rose by several weeks

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in November, and more were among the ranks of the long-term unemployed. Some older Americans apparently gave up the job search and exited the labor force—thus contributing to a lower unemployment rate—yet others continued looking. The economy will need to start adding more than 120,000 jobs per month to get many of the country’s 13.3 million unemployed—2 million of them at least aged 55—back to work.

NOTE: Caution is urged in interpreting month-to-month changes in some of the employment figures. Not all figures are seasonally adjusted, and 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. Numbers for a longer period or annually adjusted figures generally provide a more accurate picture.

Endnotes

¹ Unless otherwise specified, “older” refers to people 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—November 2011*, USDL-11-1691 (Washington, DC: BLS, December 2, 2011); tables in BLS’s *Employment and Earnings*, January 2008 and July 2009; BLS tables at <http://www.bls.gov/web/empsit.supp.toc.htm>; and BLS’s labor force statistics from the Current Population Survey, available at <http://data.bls.gov/pdq/querytool.jsp?survey=ln>. Some numbers in this Fact Sheet may differ from those reported in earlier Fact Sheets due to adjustments by BLS.

³ On November 4, BLS reported a job gain of 80,000 for October. That preliminary estimate has been revised slightly to show an increase of 100,000 in payroll employment for the month. The November 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 Discouraged workers are a subset of the marginally employed (i.e., people who are not in the labor force who want a job and are available for work and who have searched for work during the prior 12 months but not in the prior four weeks). See BLS at <http://www.bls.gov/cps/lfcharacteristics.htm#discouraged>.

¹² Data in this section are not seasonally adjusted.

¹³ See note 6.

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