

The Employment Situation, August 2013: Sputtering Along¹

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- ✓ **The August unemployment rate for the workforce aged 55 and older—5.1 percent—was little changed from July’s 5.0 percent. Although below the rate of 5.9 percent in August 2012, it was still much higher than it was at the start of the Great Recession: 3.2 percent.**
- ✓ **Nearly 1.7 million people aged 55 and older were unemployed in August; that figure is 36,000 greater than in July but 215,000 fewer than the previous August.**
- ✓ **The proportion of older people with jobs has remained virtually unchanged since the first of the year.**
- ✓ **The average duration of unemployment for older jobseekers rose from 49 weeks in July to 50.4 weeks in August.**

Employment and Unemployment²

Nonfarm payroll employment, as reported by establishments, rose by an estimated 169,000 people in August. The preliminary estimate of an increase of 162,000 for July was revised downward to 104,000.³ Despite fairly steady growth for the past 3 years, employment in August still was about 2 million below what it was at the start of the Great Recession in December 2007 (figure 1), while the number of people aged 16 and older had increased by 12.8 million.⁴

The overall unemployment rate was little changed in August: 7.3 percent, compared to 7.4 percent in July. The same was true for the aged 55-plus segment of the population for which the unemployment rate was 5.1 percent versus 5.0 percent the month before (figure 2). Rates differed based on sex. The unemployment rate fell slightly for men (from 5.6 percent to 5.4 percent) between July and August but rose for

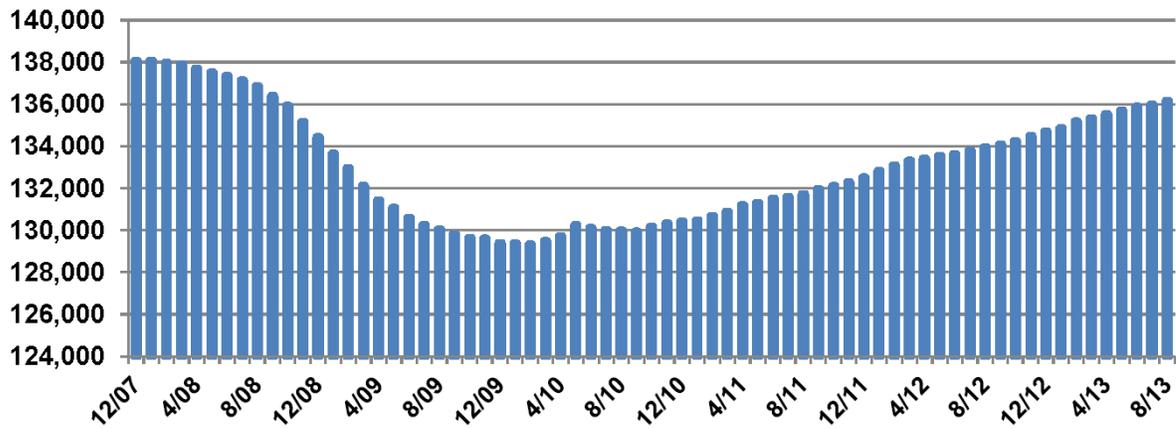
women (from 4.9 percent to 5.2 percent), the opposite of what occurred in July.⁵ The labor force participation rate for older Americans was also somewhat higher, returning to 40.5 percent in August from 40.3 percent in July. Compared to July, an additional 206,000 older adults were in the labor force; the number out of it fell by 73,000.

Almost 1.7 million older people were unemployed in August, about 36,000 more than in July but about 215,000 fewer than a year earlier. The number of older employed workers rose by 169,000, but the proportion with jobs (employment-to-population ratio) showed little improvement, ticking up to 38.4 percent from 38.3 percent (table 1), and not much different from what it was at the beginning of the year.

Duration of Unemployment

Average duration of unemployment for jobseekers aged 55 and older rose from 49 weeks to 50.4 weeks in August (table 2 and figure 3).⁶ Jobseekers under

Figure 1
Nonfarm Payroll Employment, December 2007–August 2013*
(seasonally adjusted; number in thousands)



Source: U.S. Department of Labor, Bureau of Labor Statistics, Total nonfarm employment from the Current Employment Statistics Survey (National) at <http://www.bls.gov/webapps/legacy/cesstab1.htm>. Accessed on September 6, 2013.

*Aged 16+ workforce; figures for July 2013 and August 2013 are preliminary. These numbers are from BLS's establishment survey and will not be identical to data from the household survey in table 1.

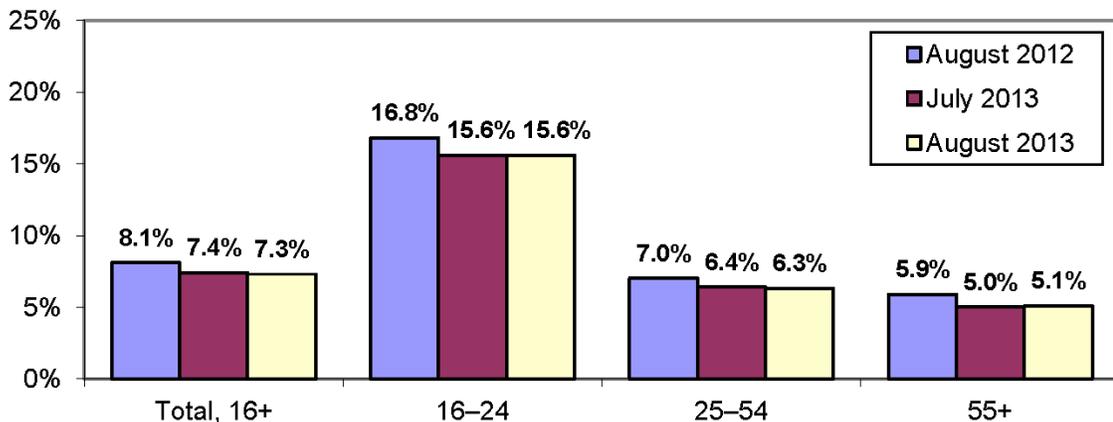
age 55 had been unemployed for an average of 34.2 weeks in August, up from 32.9 weeks the month prior (table 2), a somewhat greater increase than that of their older peers.

As of August, 47.4 percent of older jobseekers were long-term unemployed—that is, they had been out of work and looking for a job for 27 weeks or more. This figure is virtually unchanged from July.

Other Employment Indicators

- At 4.4 percent, the proportion of older employed working part time for economic reasons (i.e., because of slack working conditions or because they could not find full-time work) in August was down from July's 4.9 percent. Although still substantially higher than it was at the start of the recession (2.4 percent), this figure translates into more than

Figure 2
Unemployment Rates by Age, August 2012, July 2013, and August 2013*



Source: U.S. Department of Labor, Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey at <http://data.bls.gov/pdq/querytool.jsp?survey=ln>. Accessed on September 6, 2013.

*Rates are seasonally adjusted.

Table 1
Selected Employment Indicators by Age Group, August 2012, July 2013, and August 2013
(seasonally adjusted)

Indicator	Age	Date			Percent Change	
		August 2012	July 2013	August 2013	Monthly July 2013– August 2013	Annual August 2012– August 2013
Population (in 000s)*	16–24	38,800	38,861	38,841	-0.1%	0.1%
	25–54	124,308	124,401	124,409	0.0%	0.1%
	55+	80,457	82,493	82,790	0.4%	2.9%
Labor Force (in 000s)	16–24	20,969	21,473	21,270	-0.9%	1.4%
	25–54	101,172	100,939	100,790	-0.1%	-0.4%
	55+	32,537	33,269	33,475	0.6%	2.9%
Labor Force Participation Rate (%)	16–24	54.0	55.3	54.8	-0.9%	1.5%
	25–54	81.4	81.1	81.0	-0.1%	-0.5%
	55+	40.4	40.3	40.5	0.5%	0.2%
Employment (in 000s)	16–24	17,451	18,123	17,953	-0.9%	2.9%
	25–54	94,048	94,476	94,424	-0.1%	0.4%
	55+	30,628	31,612	31,781	0.5%	3.8%
Share of Population Employed (%)**	16–24	45.0	46.6	46.2	-0.9%	2.7%
	25–54	75.7	75.9	75.9	0.0%	0.3%
	55+	38.1	38.3	38.4	0.3%	0.8%
Unemployed (in 000s)	16–24	3,518	3,350	3,317	-1.0%	-5.7%
	25–54	7,124	6,463	6,366	-1.5%	-10.6%
	55+	1,908	1,657	1,693	2.2%	-11.3%
Unemployment Rate (%)	16–24	16.8	15.6	15.6	0.0%	-7.1%
	25–54	7.0	6.4	6.3	-1.6%	-10.0%
	55+	5.9	5.0	5.1	2.0%	-13.6%
Not in Labor Force (in 000s)*	16–24	16,957	15,355	16,752	9.1%	-1.2%
	25–54	23,180	23,628	23,732	0.4%	2.4%
	55+	48,173	49,577	49,504	-0.1%	2.8%

Source: U.S. Department of Labor, Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey (household survey data) at <http://data.bls.gov/pdq/querytool.jsp?survey=ln>. Accessed on September 6, 2013.

*Not seasonally adjusted.

**Employment-to-population ratio.

100,000 fewer involuntary part-time older workers than the month before.⁷ In August, women were once again more likely than men to be involuntary part-time workers (5.0 percent vs. 3.9 percent, respectively).

- The number of older, unincorporated self-employed workers in nonagricultural industries was just over 3.1 million in August, only

about 27,000 more than the month before but about 105,000 more than a year earlier.⁸ As of August, 10.2 percent of older nonagricultural workers were self-employed. This figure compares to 10.3 percent in July and 10.3 percent in August 2012. For the nearly 6 years since the start of the Great Recession, this figure has hovered around 10 percent.

Table 2
Average Duration of Unemployment, Jobseekers Under Age 55 and Aged 55+,
August 2012, July 2013, and August 2013
(not seasonally adjusted)

Age	August 2012	July 2013	August 2013
Less than 55	36.1 weeks	32.9 weeks	34.2 weeks
55+	52.7 weeks	49.0 weeks	50.4 weeks

Source: Calculated from *Employment and Earnings Online*, August 2012 at http://www.bls.gov/opub/ee/2012/cps/tablea36_201208.pdf; July 2013 at http://www.bls.gov/opub/ee/2013/cps/tablea36_201307.pdf; and August 2013 at <http://www.bls.gov/web/empsit/cpseea36.pdf>. Accessed on September 6, 2013.

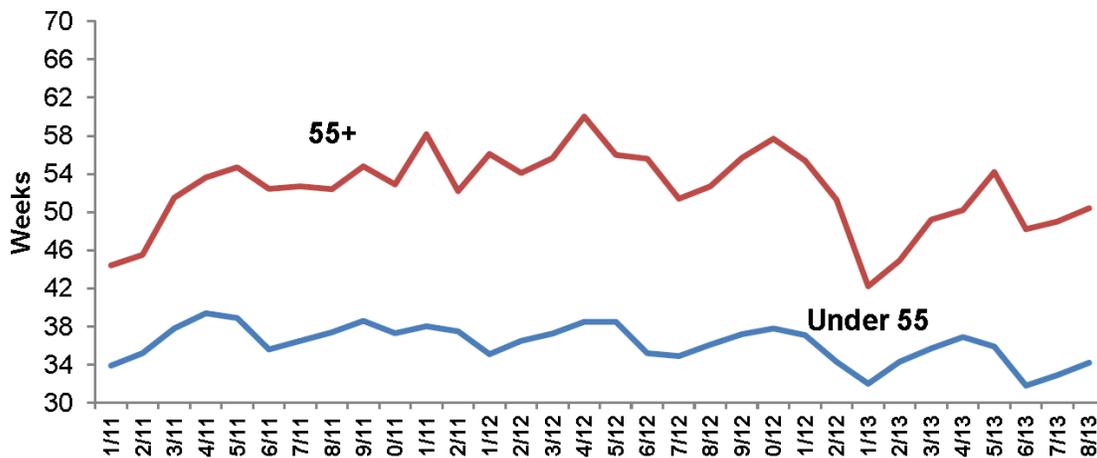
- Most older people who are out of the labor force say that they do not want a job (97 percent in August, a figure that has shown little fluctuation over the years). The number of older people who are out of the labor force but interested in work fell by more than 200,000 in August, when some 1.6 million older non-labor-force participants said that they wanted a job.⁹
- At 212,000, the number of older “discouraged” workers in August was only slightly below the 222,000 for July; 259,000 older Americans were classified as discouraged during the previous August.¹⁰ The number of discouraged workers remains well above what it was

when the recession began in 2007, at which time only 53,000 older people were classified as discouraged workers.

Concluding Observations

It is hard to get excited about August’s employment news for older workers—there was no appreciable change in employment or unemployment. Average duration of unemployment remained high. There were fewer older people working part time for economic reasons, but even that figure was well above what it was at the start of the recession. Job growth was insufficient to have an appreciable impact on the employment-to-population ratio.

Figure 3
Average Duration of Unemployment in Weeks by Age, January 2011–August 2013*



Source: Calculated from U.S. Department of Labor, Bureau of Labor Statistics, Labor Force Statistics, Table A-36 in *Employment and Earnings Online* at <http://www.bls.gov/opub/ee/archive.htm> and <http://www.bls.gov/web/empsit/cpseea36.pdf>. Accessed on September 6, 2013.

*Averages are not seasonally adjusted.

Things could have been worse, of course, and the picture is brighter when compared to a year ago, rather than to the previous month. Month-to-month figures can fluctuate dramatically. (See Note below.) Still, market conditions improving at a “glacial pace,” to quote Center on Budget and Policy Priorities’ chief economist,¹¹ do not promise much to the millions of Americans, 1.7 million of them older, who are trying to find a job.

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 and do fluctuate substantially over the short term because of sampling error or the small number of individuals in a particular category who may have been interviewed. Numbers over a longer period (e.g., beginning to end of the recession) or annually adjusted figures generally provide a more reliable picture.

Endnotes

¹ Unless otherwise specified, “older” in the Fact Sheet refers to people aged 55 and older. 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—August 2013*, USDL-13-1803 (Washington, DC: BLS, September 6, 2013); tables in BLS’s *Employment and Earnings Online* at <http://www.bls.gov/opub/ee/archive.htm>, various years; BLS table at <http://www.bls.gov/web/empstoc.htm> and <http://www.bls.gov/webapps/legacy/cesstab1.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 because of adjustments by BLS.

³ In August, the BLS reported an estimated 162,000 increase in employment for July. That figure is still preliminary, as is the estimate for August.

⁴ The estimate varies somewhat depending on whether the number is from BLS’s establishment survey or household survey.

⁵ The unemployment rate for men aged 55 and older is seasonally adjusted; the rate for women aged 55 and older is not. According to BLS, unemployment for women in this age group does not appear to show seasonal variation.

⁶ Figure 3 data go back only to January 2011 because that was when BLS changed its top coding of duration of unemployment from 2 years to 5 years. Before this change, any duration of unemployment greater than 2 years was coded as 2 years. 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 Refers to nonagricultural workers. Data are not seasonally adjusted.

⁸ Monthly self-employment figures are published by 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.) Self-employment figures are not seasonally adjusted.

⁹ Data in this section are not seasonally adjusted.

¹⁰ Discouraged workers are not looking for work because they believe that no work is available or that there are no jobs for which they would qualify (e.g., employers would find them too old, they lack the necessary schooling/training). They 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 4 weeks). See BLS at <http://www.bls.gov/cps/lfcharacteristics.htm#discouraged>. The numbers on discouraged workers are not seasonally adjusted.

¹¹ Chad Stone, Statement on the August Employment Report (Washington, DC: Center on Budget and Policy Priorities, September 6, 2013) at <http://www.cbpp.org/files/9-6-13ui-stmt.pdf>.

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