The Long Road Back: Struggling to Find Work after Unemployment

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This Insight on the Issues summarizes the key results of a survey that examines how unemployment has affected people ages 45 to 70 over the past 5 years. The primary focus of this report is on the reemployed—the people who managed to find jobs—their job search strategies and the quality of the jobs they found.

BACKGROUND

Long after the end of the Great Recession, unemployment remains a problem for many Americans. That may not be obvious given today’s falling unemployment rate, but that rate can be misleading, as it obscures the challenges of long-term unemployment still facing many older workers.

On average, 45 percent of older jobseekers (ages 55 and older) were long-term unemployed (out of work for 27 weeks or more) in 2014.¹ Extended unemployment, coupled with age discrimination and other barriers, can add to the challenges older workers face in finding a job. Even older jobseekers who do find work may have trouble recovering financially. Many end up accepting jobs at lower pay, with fewer hours, and with limited benefits. Job loss during the preretirement years can undermine financial security now and into the future.

This Insight on the Issues is based on a survey, conducted between July and October 2014, of 2,492 people ages 45 to 70 that had been unemployed at some time during the past 5 years. The respondents were part of a randomly selected online panel, and the results discussed below are representative of that U.S. population.²

This report examines job search strategies that led to reemployment, and the earnings and quality of jobs obtained. It explores differences between people who found jobs (the currently reemployed), those who did not (the currently unemployed), and those who left the labor force. The experiences of those who had been short-term unemployed—which we define as fewer than 6 months—are compared with those who had been long-term unemployed—which we define as more than 6 months.³

The findings of the survey are mixed. Half of the respondents were working at the time of the survey. Meanwhile, 38 percent were unemployed and 12 percent had dropped out of the labor force. Among those who were working, some were earning more, getting better benefits, and had better working conditions. For many, the jobs were not as good as the ones they had lost. For others, long-term unemployment continues.
As the economy continues to recover and the unemployment rate falls, the focus must remain on those who are still seeking employment. This report highlights tactics and strategies that were successful for those who managed to find work, some of which might prove useful to those who are still looking for work.

DEFINING SUCCESSFUL REEMPLOYMENT
Older workers often have more difficulty finding new jobs after becoming unemployed than younger workers. However, many do find jobs. Having a job, while better than having no job at all, does not necessarily constitute successful reemployment. Many older jobseekers in the survey found a new job that pays less and offers fewer benefits. Not all, though, had to settle for less desirable jobs. Also, “less desirable” may mean different things to different people. For example, some jobseekers, especially those near or at retirement age, may trade off lower wages and benefits for jobs with fewer responsibilities and less stress, more flexible work options, better working conditions, or even opportunities to do something different.

Part-Time Work among the Reemployed
For the unemployed, getting a job constitutes some level of job search success. However, the jobs might not be what they were hoping for. Some reemployed, for example, might prefer jobs with more hours or ones that make better use of their experience, education, and skills. These workers, whom some might regard as “underemployed,” may, in fact, view their existing jobs as a transition position until something better comes along.

One indication that underemployment may be an issue for the reemployed in our sample is that they were twice as likely to be working part time as those who faced a short period of unemployment (41 percent compared with 29 percent). This difference suggests that workers who experienced long-term unemployment were more likely to have had to “settle” for the jobs they have.

Compensation: Earnings and Benefits
Almost half (48 percent) of the reemployed said that they were earning less on their current jobs than the job they had before they most recently become unemployed (figure 1). Among the reemployed, half were earning less because they were being paid less, 10 percent were working fewer hours, and 39 percent gave both as reasons.

The probability of earning less differed substantially by the length of unemployment. About 59 percent of the reemployed who suffered a long-term spell of unemployment were earning less in their current jobs compared with 41 percent who had been short-term unemployed.

Figure 1
Earnings Comparison: Current Job versus Prior Job by Unemployment Tenure

<table>
<thead>
<tr>
<th>Unemployment Tenure</th>
<th>Less</th>
<th>Same</th>
<th>More</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>48%</td>
<td>22%</td>
<td>29%</td>
</tr>
<tr>
<td>Short</td>
<td>41%</td>
<td>27%</td>
<td>31%</td>
</tr>
<tr>
<td>Long</td>
<td>59%</td>
<td>15%</td>
<td>25%</td>
</tr>
</tbody>
</table>

Base: Currently working respondents based on response to Q1 (n=1,254).

Q12. “How do your annual earnings from your current job compare to your annual earnings from the last job that you had before your most recent period of unemployment? Are your current before-tax annual earnings [a lot less, somewhat less, about the same, somewhat more, a lot more]?"

Source: AARP Public Policy Institute study of unemployment.

Note: Totals may not sum to 100 percent due to rounding and/or missing data.
The long-term unemployed were also more likely than the short-term to have poorer retirement benefits (46 percent versus 31 percent) and health benefits (43 percent versus 32 percent) on their current jobs than the jobs they had before becoming unemployed.

Lower earnings and fewer benefits, however, were not the case for all of the reemployed. Roughly 29 percent—including 25 percent of those who had been long-term unemployed—were earning more on their current jobs than the jobs they had before they most recently became unemployed (figure 1). About 60 percent of the reemployed were doing so because they were being paid more, 9 percent were earning more because they were working more hours, and 30 percent were both being paid more and working more. In addition, about one in five said their current job’s retirement benefits and health benefits were better than those on their old jobs (18 percent and 20 percent, respectively).

Age was a key factor in how earnings compared between jobs. About 46 percent of the reemployed ages 45 to 61 were earning less compared with 62 percent of those ages 62 to 70. Perhaps the oldest workers were more likely to have had to settle for lower-paying jobs to get back to work, or the result may suggest that they were more likely to choose to work fewer hours or trade off better working conditions for less pay. Age was also a significant determinant of who was earning more on their new jobs: 31 percent of the younger reemployed group were earning more compared with 15 percent of those ages 62 to 70.

How Do New Jobs Compare?
Respondents were asked to compare their current jobs with the jobs they had before their most recent unemployment along seven dimensions, grouped into two areas:

- **Attributes**: (1) Use of experience, education, and skills; (2) Autonomy or ability to make decisions; and (3) Level of responsibility; and
- **Quality**: (1) Working conditions; (2) Time off (vacation or sick time); (3) Number of hours required to work; and (4) Time shift.

Job Attributes
- Roughly one-third of the reemployed said their current jobs provide more use of their experience, education, and skills; more autonomy; or more responsibility than their old jobs. These percentages generally exceed the percentage saying “less” for each attribute (figure 2).
- Among the reemployed, the long-term unemployed were more likely than the short-term to say that their current jobs provide “less” for each job attribute.

Job Quality
- Nearly half (49 percent) said their working conditions were better compared with only 17 percent who said worse. More than one-third said the number of hours they worked (37 percent) and their

### Figure 2
**Job Attributes: Current Job Provides Less, Same, or More**

<table>
<thead>
<tr>
<th>Use of Experience, Education, Skills</th>
<th>Less</th>
<th>Same</th>
<th>More</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24%</td>
<td>40%</td>
<td>34%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Autonomy</th>
<th>Less</th>
<th>Same</th>
<th>More</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>28%</td>
<td>38%</td>
<td>33%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Level of Responsibility</th>
<th>Less</th>
<th>Same</th>
<th>More</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>32%</td>
<td>34%</td>
<td>33%</td>
</tr>
</tbody>
</table>

Base: Currently working respondents based on response to Q1 (n=1,254).

Q14. “Compared to the last job you had before your most recent period of unemployment, would you say the job you have now provides more, less, or about the same (level of responsibility, autonomy or ability to make decisions, use of your experience, education, and skills)?”

Source: AARP Public Policy Institute study of unemployment.

Note: Totals may not sum to 100 percent due to rounding and/or missing data.
shift (37 percent) were better compared with 23 and 13 percent, respectively, that said worse. Roughly the same percentage of the reemployed said that time off was better (30 percent) or worse (31 percent) on their current job than their old one (figure 3).

• Among the reemployed, the long-term unemployed and short-term unemployed were about equally likely to say their current jobs’ qualities were better than their old jobs’ qualities. However, across all measures of job quality in the survey, the long-term unemployed were more likely than the short-term unemployed to say their current job was worse than their old one: working conditions (21 percent versus 14 percent); time off (37 percent versus 28 percent); hours worked (29 percent versus 19 percent); and shift (16 percent versus 10 percent).

• As workers age and transition to retirement, they may put more weight on job quality, for example, than pay and benefits. However, we do not find any evidence that this was the case among the reemployed when examined by age group. For example, the percentage of the reemployed that said working conditions, number of hours worked, and shift were better on their new job than their old one did not differ (the differences were not statistically significant) between those ages 45 to 61 and those ages 62 to 70. And a higher percentage of the reemployed ages 45 to 61 (31 percent) than those ages 62 to 70 (22 percent) said their time off was better. Among the reemployed ages 62 to 70, 36 percent identified time off and 30 percent identified number of hours worked as being worse on their current job. By comparison, among the reemployed ages 45 to 61, 30 percent and 22 percent identified these job qualities as being worse off.

Finding Work in a New Occupation

Occupational change was a common occurrence among the reemployed—more than half (53 percent) had an occupation different from the one they had before becoming unemployed. Some of those “occupational transitions” may have been the result of a decision to do work that was more personally rewarding and interesting. In most cases, however, the change was probably necessary to find a job. Almost two-thirds (63 percent) of the long-term unemployed had a job in a different occupation than the one they had before becoming unemployed. By comparison, 46 percent of the short-term unemployed were in a different occupation. Perhaps surprisingly, occupational change did not differ by age. Reemployed women, however, were more likely to find work in a new occupation (56 percent) than men (50 percent), although this difference was not statistically significant.

Working in a new occupation often means lower pay because a worker’s experience may not be as applicable in the new job

Figure 3
Job Quality: Current Job Provides Worse, Same, or Better

<table>
<thead>
<tr>
<th>Working Conditions</th>
<th>Worse</th>
<th>Same</th>
<th>Better</th>
</tr>
</thead>
<tbody>
<tr>
<td>17%</td>
<td>49%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time off</th>
<th>Worse</th>
<th>Same</th>
<th>Better</th>
</tr>
</thead>
<tbody>
<tr>
<td>31%</td>
<td>30%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of Hours</th>
<th>Worse</th>
<th>Same</th>
<th>Better</th>
</tr>
</thead>
<tbody>
<tr>
<td>23%</td>
<td>37%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Shift</th>
<th>Worse</th>
<th>Same</th>
<th>Better</th>
</tr>
</thead>
<tbody>
<tr>
<td>13%</td>
<td>37%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Base: Currently working respondents based on response to Q1 (n=1,254).

Q13. “Compared to the last job you had before your most recent period of unemployment, are the following conditions at your current job much better, somewhat better, about the same, somewhat worse, or much worse: (your health benefits, your retirement benefits, your working conditions, your time off (vacation time or sick time), the number of hours you work, the shift you work)?”

Source: AARP Public Policy Institute study of unemployment.

Note: Totals may not sum to 100 percent due to rounding and/or missing data.
as the old one, or it may mean taking an entry- or lower-level position. The results support this conclusion. Among the reemployed working in new occupations, 40 percent were earning “a lot less” and 17 percent were earning “somewhat less” on their current jobs. By comparison, 18 percent and 20 percent, respectively, of the reemployed working in the same occupations said they were earning “a lot less” or “somewhat less.”

**STEPS TAKEN IN THE SEARCH FOR WORK: WHICH ARE MOST EFFECTIVE?**

Most people have to work at finding a job, and the process can be long, arduous, and disheartening. Many efforts at reemployment never pay off. But some do. Respondents were asked to identify steps they have taken to find a job and which ones were most effective.

We find important differences between the reemployed and the unemployed in the percentage taking particular steps in their search for work. The reemployed were more likely than the unemployed to contact employers directly (48 percent versus 37 percent). They were also more likely to reach out to their networks of contacts to find jobs (45 percent versus 34 percent). By comparison, the reemployed were less likely to rely on relatives and friends to find out about job opportunities (43 percent versus 52 percent).

Figure 4 shows the percentage of the reemployed taking a step who said it was “highly effective” or “somewhat effective.” At the end of each step's
description in the figure, we show the percentage of the reemployed who took that step. The focus is only on the reemployed when considering effectiveness because they had succeeded in finding jobs.

Networking was an important tool. For example, reaching out to their networks of contacts was viewed as the most effective step by the reemployed who took it: 31 percent said it was “very effective” and another 37 percent said it was “somewhat effective.” This step was followed by asking relatives and friends about job opportunities: about 30 percent of the reemployed who did so said it was “very effective” and 28 percent said it was “somewhat effective.” An additional 13 percent found use of social media networks to be “very effective” and 32 percent of users found them to be “somewhat effective.”

The reemployed viewed contacting employers directly as an effective step, with 24 percent saying it was “very effective” and 35 percent saying “somewhat effective.” This step had one of the biggest differences in the percentage of the reemployed (48 percent) and unemployed (37 percent) who took it.

**HOW SOON DID JOBSEEKERS BEGIN TO LOOK?**

Respondents were asked how soon they began their job search after becoming unemployed. Some respondents began looking before their actual job loss. The reemployed were more likely to begin their search sooner than the currently unemployed.

Significant differences were observed between employment statuses. The reemployed (49 percent) were more likely to have begun their search immediately than the unemployed (35 percent). Meanwhile, the unemployed were much more likely than the reemployed to have waited longer (3 months or more) before beginning their job search (24 percent versus 14 percent). It appears that delaying the job search may not be the best strategy when seeking reemployment.

The most common reason (major or minor) why respondents waited to start looking was because they needed a break (66 percent). Other reasons respondents cited include that they took time to think about what they wanted to do next (57 percent), had savings or other sources of income (56 percent), and found it hard to get motivated (42 percent).

Twenty-five percent of respondents waited to begin their job search because of caregiving responsibilities. About the same number waited because they did not know how to get started.

**HELP DURING THE JOB SEARCH**

Forty-five percent of jobseekers received some type of help during their job search. Assistance with updating or writing a resume was the most common help reported. Emotional support was mentioned by nearly one in five respondents. Help with using online job boards and other online job search websites was mentioned by 19 percent of jobseekers. Assistance with using a computer was mentioned by 12 percent of respondents. Eight percent sought assistance with using LinkedIn, Facebook, and other social media sites. Interestingly, 17 percent of jobseekers did not use a computer to look for work.

Jobseekers who had received help were asked where they got that help. The most common sources of help included family and friends (48 percent), workforce centers/One Stop Job centers (37 percent), and online job-search sites (31 percent). Less common sources of help included career or job coaches (12 percent), libraries (9 percent), educational institutions (6 percent), and job clubs (5 percent).

**IMPROVING JOB SKILLS WHILE UNEMPLOYED**

About one-third (31 percent) of the respondents reported participating in training or education programs in the previous 5 years. Training and education can help workers and jobseekers refresh or enhance their skills, develop new skills, or acquire knowledge that could be useful in their jobs or careers. The reemployed and unemployed were about equally likely to engage in training or education programs and did so more than those who had left the labor force.

Training was seen as helpful, but respondents who engaged in training were more likely to say that it did not help at all than to say it helped a great deal.
in both finding and keeping a job. The currently unemployed were more likely than the reemployed to say their training did not help them at all in their job search (37 percent vs. 26 percent). The training may have aided the reemployed, 25 percent of whom said it helped a great deal in their search (versus 6 percent of both the unemployed and those out of the labor force).

**BARRIERS TO FINDING A JOB**

Jobseekers often face obstacles. Respondents were asked to what extent, if any, a series of barriers impeded their ability to find a job during their most recent period of unemployment (figure 5).

Interestingly, respondents were more likely to identify that “employers think I am too old” was a barrier (major or somewhat) than “I feel I am too old for available jobs” (57 percent versus 51 percent). Older and unemployed respondents were more likely to describe both of these age-related barriers as major. The long-term unemployed were more likely to identify both age-related barriers (“I am too old”: 22 percent; “employers think I am too old”: 32 percent) as major than were the short-term unemployed (“I am too old”: 14 percent; “employers think I am too old”: 20 percent).

About one in five (21 percent) Hispanics identified having difficulty writing and/or speaking English as a major barrier to finding jobs compared to hardly any whites or blacks. Another 19 percent of Hispanics said it was somewhat of a barrier. Only 7 percent of the overall sample did not identify any of the 12 barriers included in the survey as being a major or somewhat of a barrier to finding jobs. In contrast, 75 percent of respondents identified four or more barriers. The unemployed (81 percent) were more likely than the reemployed...

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**Figure 5**

Major and Minor Barriers to Finding a Job

<table>
<thead>
<tr>
<th>No Jobs Available</th>
<th>36%</th>
<th>35%</th>
</tr>
</thead>
<tbody>
<tr>
<td>I Am Tied to This Area</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Salary Not Adequate</td>
<td>22%</td>
<td>36%</td>
</tr>
<tr>
<td>Employers Think I Am Too Old</td>
<td>26%</td>
<td>31%</td>
</tr>
<tr>
<td>I Feel Too Old for Available Jobs</td>
<td>18%</td>
<td>33%</td>
</tr>
<tr>
<td>Employers Think I Am Overqualified</td>
<td>17%</td>
<td>28%</td>
</tr>
<tr>
<td>My Skills Are Not Suitable</td>
<td>12%</td>
<td>33%</td>
</tr>
<tr>
<td>Employers Require a 4 Yr Degree</td>
<td>23%</td>
<td>20%</td>
</tr>
<tr>
<td>Benefits Not Adequate</td>
<td>14%</td>
<td>28%</td>
</tr>
<tr>
<td>My Skills Are Not up to Date</td>
<td>12%</td>
<td>29%</td>
</tr>
<tr>
<td>I Am Not Physically Able</td>
<td>16%</td>
<td>22%</td>
</tr>
<tr>
<td>I Have Difficulty Writing/Speaking English</td>
<td>1%-5%</td>
<td></td>
</tr>
</tbody>
</table>

Base: Total (n= 2,492).

Q31. “To what extent have any of the following been/were any of the following a barrier to your finding a job during your most recent period of unemployment?”

Source: AARP Public Policy Institute study of unemployment.
(72 percent) and those out of the labor force (74 percent) to identify four or more barriers. Some people may not be able to seek work or do certain types of jobs because of family responsibilities. Twenty-six percent of survey respondents provided unpaid care for a family member or friend during their most recent period of unemployment. Forty percent of those caregivers said doing so affected their ability to look for a job, accept a job, work certain hours or distances away from home, take training classes, and so forth. The most common issues respondents identified were ability to work full time (24 percent), to work only certain hours or shifts (21 percent), to work more than a certain distance from home (19 percent), and to look for a job (18 percent).

**DISCRIMINATION**

Respondents were asked the extent to which five specific types of discrimination (age, sex, race/ethnic, sexual orientation, and discrimination against the unemployed) negatively affected their ability to get a job (figure 6). Forty-four percent of respondents did not identify any discriminatory behaviors as having affected their ability to get a job (i.e., they selected “not at all” or “don’t know”). The unemployed and the long-term unemployed were more likely to identify some type of discrimination as having affected them than the reemployed or short-term unemployed.

Age discrimination was the most prevalent type of discrimination selected. As expected, prevalence increased with age. The currently unemployed and those who were or had been long-term unemployed were more likely than the reemployed and those who were or had been short-term unemployed to say that age discrimination negatively affected their ability to get a job.

Discrimination against the unemployed was more likely to be identified as having had a great effect by the unemployed (12 percent) than the reemployed (5 percent) and by the long-term unemployed (11 percent) than the short-term unemployed (4 percent).

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**Figure 6**

**Extent Discrimination Negatively Affected Ability to Get Job by Type of Discrimination**

<table>
<thead>
<tr>
<th>Type of Discrimination</th>
<th>Not at All</th>
<th>Somewhat</th>
<th>Great Deal</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>31%</td>
<td>20%</td>
<td>36%</td>
<td>11%</td>
</tr>
<tr>
<td>Unemployment</td>
<td>58%</td>
<td>18%</td>
<td>7%</td>
<td>16%</td>
</tr>
<tr>
<td>Race or Ethnicity</td>
<td>75%</td>
<td>9%</td>
<td>4%</td>
<td>11%</td>
</tr>
<tr>
<td>Sex</td>
<td>80%</td>
<td>6%</td>
<td>2%</td>
<td>11%</td>
</tr>
<tr>
<td>Sexual Orientation</td>
<td>85%</td>
<td>3%</td>
<td>1%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Base: Total (n= 2,492).

Q32. “During your current/most recent period of unemployment, to what extent have the following negatively affected your ability to get a job?” (Choices: not at all; somewhat; a great deal; don’t know)

*Source: AARP Public Policy Institute study of unemployment.*

*Note: Totals may not sum to 100 percent due to rounding and/or missing data.*
Nine percent of blacks and 4 percent of Hispanics identified race/ethnic discrimination as having affected them a great deal, compared with 2 percent of whites.

**CHANGING STRATEGY IN THE SEARCH FOR WORK**

Broadening their job search by looking for a job in a different field was the most common response overall (by 41 percent) for both the currently reemployed and the unemployed (43 percent of each). For both, this was followed by looking for a job with lower pay or benefits (37 percent of the reemployed and 39 percent of the unemployed). Perhaps jobseekers became more realistic as time went on about the probability of finding the types of jobs and pay they had had before becoming unemployed.

Nearly one in five (18 percent) admitted that they stopped looking for work, a step that was substantially more common among the unemployed (27 percent) and those out of the labor force (41 percent) than the currently reemployed (only 6 percent). The unemployed and those out of the labor force were also more likely than the reemployed to scale back their job search (19 percent and 16 percent versus 5 percent).

**JOB SEARCH REGRETS**

Relatively few jobseekers or former jobseekers (only 18 percent) admitted that there were things they wished they had done differently while looking for work during their current or most recent spell of unemployment. The currently unemployed were, however, more likely than the reemployed to say so (24 percent versus 14 percent, respectively). One possible reason for the low regrets among the reemployed and those out of the labor force is that they more likely ended up where they wanted to be—reemployed or retired, for example, and so saw little need at this point to have made a change in strategy. The long-term unemployed were more likely than the short-term to wish they had done something differently (21 percent versus 14 percent).

The most common regret (46 percent) among all respondents involved the aggressiveness of the job search. Others wished that they had looked for a job in a different occupation (36 percent) and a different industry (32 percent). Some jobseekers felt that they would have benefited from more help with the search, itself, in developing a job search approach, or receiving assistance with resume writing or interviewing. Roughly one-fourth of all respondents with any regrets had these items on their “wished they had done” list. At the bottom of the list was help with online networks such as LinkedIn or Facebook (13 percent), perhaps indicating a preference for in-person, rather than online, networking.

**REJECTING A JOB OFFER**

Interestingly, 18 percent of respondents said they had rejected a job offer. The most common reasons for having rejected an offer included that the job did not pay enough (47 percent), respondents did not like the job (25 percent), the job did not offer the hours respondents wanted (23 percent), the job was temporary (20 percent), and respondents did not like the commute (20 percent).

The respondents who rejected job offers tended to be younger (under age 62), reemployed, and to have experienced short-term unemployment. That might explain why only 11 percent of those who did reject a job offer regretted doing so—they had a shorter unemployment experience and ultimately might have made the right decision because they later found work. Those most likely to regret rejecting a job offer were the long-term unemployed.

**OTHER REGRETS**

When asked whether there was anything they wished they had done differently over their working lives or careers to better position themselves for dealing with unemployment, 52 percent said “yes.” The most common answer—65 percent—was a wish that they had saved more money. Also of note, 48 percent wished they had gone back to school to complete or get another degree, and 38 percent wished they had chosen a different field. The unemployed and the long–term unemployed were more likely than the other groups to wish they had chosen a different field. Those who elected that regret also tended to be younger (56 percent were ages 45 to 54).
WHO RECOVERS?
Recovering from unemployment means more than just finding a job. Although, for most unemployed workers, getting back to work probably paves the way to other types of recovery, such as financial recovery. The reemployed were about three times as likely as the unemployed to report that they had recovered financially from their unemployment (27 percent versus 9 percent). The unemployed were also more likely than the reemployed to think they will never recover (29 percent versus 17 percent). Surprisingly, though, about equal percentages of both the reemployed (43 percent) and unemployed (45 percent) had not yet recovered but expected that they would.8

The short-term unemployed were more likely than the long-term unemployed to say they had recovered financially from their unemployment experience (25 percent versus 17 percent). Nearly 3 out of 10 (28 percent) long-term unemployed expected never to recover—a much higher percentage than the short-term unemployed (16 percent).

Looking toward the future, another question asked if retirement plans had changed as a result of unemployment. For nearly half of the respondents (48 percent), retirement plans had not changed as a result of their unemployment. However, 37 percent expected to retire later than planned. The reemployed and those who have been long-term unemployed were more likely to select “retire later” than the unemployed and short-term reemployed. Twenty seven percent of the unemployed reported expecting to retire sooner as a result of their unemployment compared with only 5 percent of the reemployed. The percentage of respondents who intended to retire sooner than planned increased with age.

CONCLUSION
This Insight on the Issues underscores the fact that unemployment continues to be a serious problem in this country. Since the end of the Great Recession, millions of experienced workers have found themselves out of a job and forced to start over at a time in their careers when they should have been enjoying their peak earning years and stable employment. The unprecedented job losses of recent years affected people of all ages, education levels, industries, and occupations.

Although unemployment rates have been falling, the lower rates mask the reality that many people, particularly those ages 50 and older, are still facing. This reality includes continued unemployment, underemployment, and discrimination in the search for work. Those who manage to find a job often accept lower pay and benefits. Many apparently have to change occupations to get a job. And as this study shows, those who were long-term unemployed were more likely than those short-term unemployed to have to “settle” for a less desirable job. Older workers still seeking work risk becoming long-term unemployed if that has not happened already. But some unemployed have succeeded in finding work with better pay and benefits and more favorable working conditions. Others may be satisfied with lower wages and fewer benefits if it means more flexible work options that enable them to better combine paid work and family responsibilities.

As the results of this study indicate, the unemployment experiences of older workers are varied and their outcomes uncertain. More detailed analyses of the data are needed to help us better understand the plight of the older unemployed even as the economy recovers and to develop meaningful policies and programs to help them. The rich source of data collected for this study will be further examined toward that end. As we see in our data, the road to reemployment is long indeed and the struggle continues for many. Our inquiry has just begun.

ACKNOWLEDGMENTS
The authors wish to thank their AARP colleagues Rebecca Perron and S. Kathi Brown who assisted in developing the survey, offered valuable advice on sample selection and questionnaire design, and reviewed draft reports. They are also grateful to AARP colleagues Deborah Banda, Mark Bagley, Mary Liz Burns, Tara Coates, Jon Dauphine, Carlos Figueiredo, and Dave Nathan, as well as Public Policy Institute Senior Vice President Susan Reinhard and Policy, Research, and International Affairs Chief Public Policy Officer Debra Whitman for their assistance and support.

2 Unless otherwise noted, all differences discussed in this Insight on the Issues were statistically significant at the 95 percent confidence level.

3 The Bureau of Labor Statistics (BLS) defines long-term unemployment as being out of work, but looking for a job for 27 weeks or more, which is different from that used for the survey. The survey asked respondents how long their current or most recent unemployment lasted in months, instead of weeks, to simplify the calculation for respondents. As a result, we use a slightly different definition of long-term unemployment than the BLS—more than 6 months.


5 A high percentage of the reemployed (15 percent) were working in temporary jobs compared to the total workforce.

6 Preference for a full-time job decreases with age: 53 percent of the reemployed ages 45 to 61 wanted a full-time position compared with 29 percent ages 62 to 70. Preference for a full-time job was higher among the reemployed that experienced long-term unemployment than those that had been short-term unemployed (52 percent compared to 43 percent), although the difference was not statistically significant.

7 Respondents were asked if the following were barriers: My skills are not up to date; My skills are not suitable for another job; There are no jobs available; Available jobs do not offer adequate salary; Available jobs do not offer adequate benefits; Employers feel I am overqualified; Employers require a 4-year degree; I feel too old for available jobs; Employers feel I am too old; I have difficulty writing and/or speaking English; I am tied to this area and cannot relocate; and I am not physically able to do many jobs that may be available.

8 The “does not apply response” was included because some respondents, it was assumed, would not suffer financially during unemployment—they left a job voluntarily and had sufficient resources to stay afloat during their job search; they had retired and were not looking for a job because they needed to work but because they wanted to work; or a spouse’s income was all that the household needed.

About the Future of Work@50+

This report is part of the Future of Work@50+ Initiative. This is a multiyear initiative that examines the challenges and opportunities facing older workers. For other reports and information, visit: http://www.aarp.org/futureofwork.