

## The Employment Situation, October 2011: Hard to Find a Silver Lining for Older Workers<sup>1</sup>

Sara E. Rix  
AARP Public Policy Institute

- ✓ **At 7.0 percent, the October unemployment rate for the workforce aged 55 and over was an increase from September's 6.7 percent.**
- ✓ **The number of older unemployed rose by 81,000 to nearly 2.2 million in October. Older jobseekers make up more than 15.7 percent of the unemployed.**
- ✓ **Average duration of unemployment for older jobseekers fell from 54.8 weeks to 52.9 weeks between September and October. Involuntary part-time employment declined as well.**
- ✓ **Job growth must strengthen greatly to have a measureable impact on the employment prospects of older workers.**

### Employment Change by Sector<sup>2</sup>

Nonfarm payroll employment rose by 80,000 in October after increasing by 158,000 in September.<sup>3</sup> Health care continued to show growth (11,600), but less than reported the previous month (44,000). Employment in leisure and hospitality also increased (22,000), but government employment declined (-24,000).

### Unemployment Rates

At 9.0 percent, the overall unemployment rate in October was little changed from September's 9.1 percent. Nearly 13.9 million people aged 16 and over reported that they were out of work and looking for a job in October, a decline of 95,000 since September.

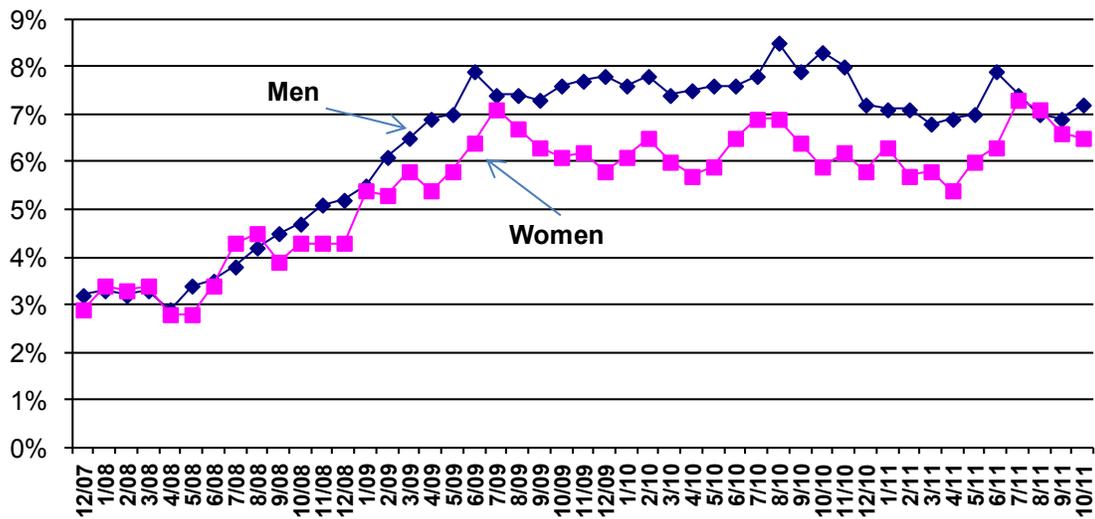
The unemployment rate for people aged 55 or older, however, rose from 6.7 percent in September to 7.0 percent in October. It was more than double what it was (3.2 percent) at the start of the Great Recession in December 2007

and right where it was (also 7.0 percent) in June 2009, the trough, or end, of the recession. 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.

Nearly 2.2 million people aged 55 or older were unemployed in October, 81,000 more than in September. Older people were 15.7 percent of the unemployed in October, not much different from the 15.1 percent in September. The unemployment rate for older men rose from 6.9 percent in September to 7.2 percent in October, while that for older women remained about the same—6.6 percent in September and 6.5 percent in October.<sup>4</sup> (See figure 1.)

The unemployment rate for the aged 55 and older 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

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



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

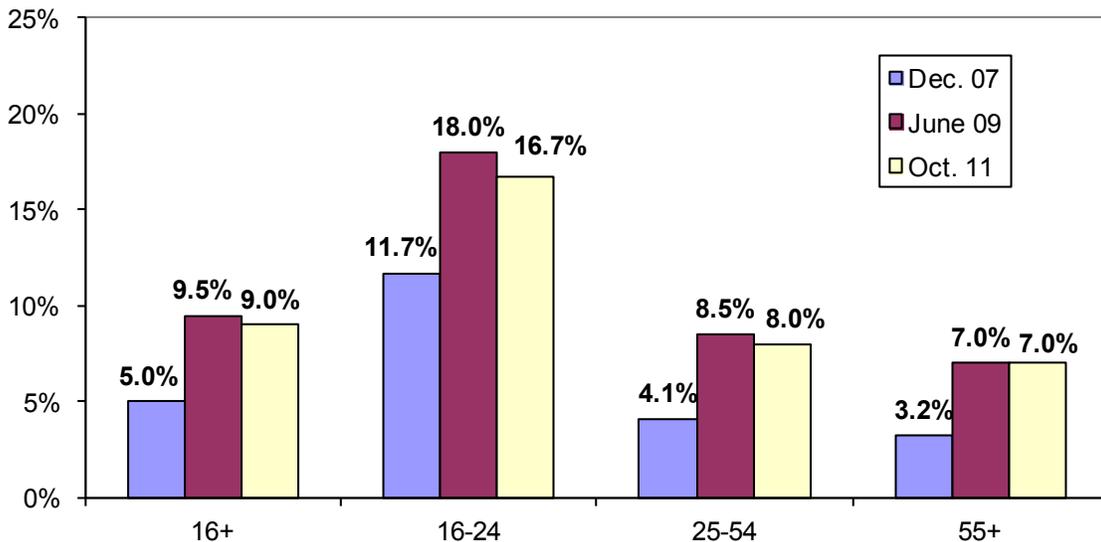
Source: U.S. Department of Labor, Bureau of Labor Statistics, labor force statistics from the Current Population Survey, <http://data.bls.gov/pdq/querytool.jsp?survey=ln>.

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 October. However, average duration of unemployment for

**Figure 2**  
Unemployment Rates by Age, December 2007, June 2009, and October 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 October 2011, by Age Group**  
*(seasonally adjusted)*

Age	Number Employed (000s)			Number Unemployed (000s)			Unemployment Rate		
	Dec. 2007	Oct. 2011	% Change	Dec. 2007	Oct. 2011	% Change	Dec. 2007	Oct. 2011	% Change
<b>Total, 16+*</b>	146,272	140,302	-4.1%	7,664	13,897	81.3%	5.0%	9.0%	80.0%
<b>16–24</b>	19,596	17,754	-9.4%	2,606	3,569	37.0%	11.7%	16.7%	42.7%
<b>25–54</b>	100,465	93,338	-7.1%	4,245	8,147	91.9%	4.1%	8.0%	95.1%
<b>55+</b>	26,240	29,158	11.1%	860	2,187	154.3%	3.2%	7.0%	118.8%

\*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>.

jobseekers aged 55 and over fell last month to 52.9 weeks from 54.8 weeks in September.<sup>5</sup> This compares to 37.3 weeks for the younger unemployed in October, down from 38.6 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.<sup>6</sup> See table 2.)

As of October, more than half of older jobseekers, or 55.5 percent, were “long-term unemployed”; that is, they had

been out of work for 27 or more weeks. This figure was also below that for September, when 60.7 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.

Just what may explain the decline in unemployment duration among older jobseekers requires more scrutiny.

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

	December 2007	June 2009	September 2011	October 2011
<b>Average Duration of Unemployment</b>				
Less than 55	15.9 wks	21.4 wks	38.6 wks	37.3 wks
55+	20.2 wks	29.9 wks	54.8 wks	52.9 wks
<b>Long-term Unemployed</b>				
Less than 55	16.6%	26.4%	43.4%	41.6%
55+	22.9%	38.2%	60.7%	55.5%

\*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>.

## The Employment Situation, October 2011: Hard to Find a Silver Lining for Older Workers

Some of it may be due to labor force withdrawal: The number of persons aged 55 and over who were not in the labor force rose by 122,000 (not seasonally adjusted) between September and October. An increase in the number of new job losers could be a factor. And perhaps some of the very long-term unemployed managed to find work.

However, 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.

A key point is that the average duration of unemployment for older workers in October once again exceeded one year for older jobseekers, as it has since March 2011. This compares to fewer than five months at the start of the recession. Such information is of

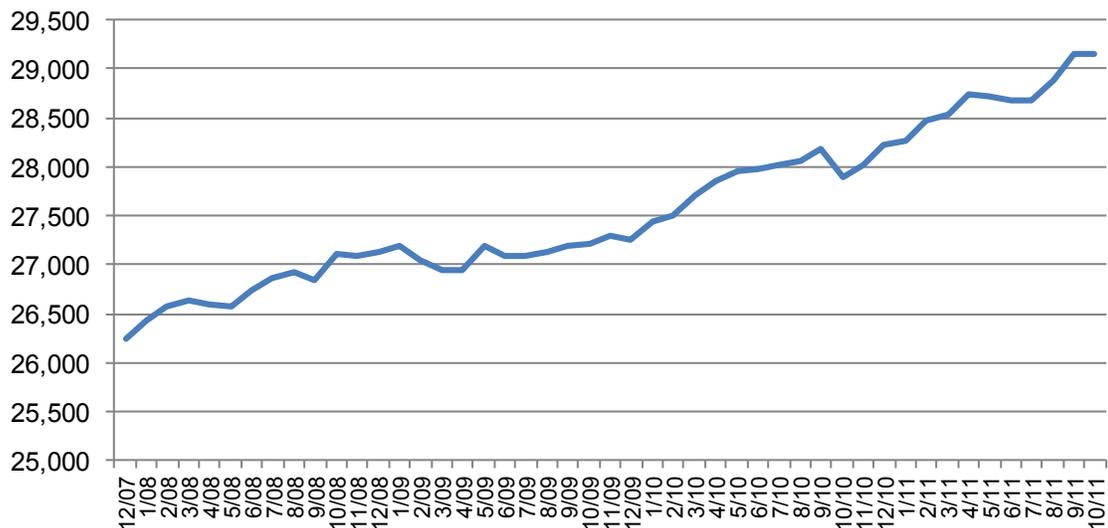
considerable concern because the longer someone is out of work, the lower the probability of finding a job.

### 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 2.9 million, or by 11.1 percent, but employment has fallen among the other age groups (table 1). In addition, older people have experienced the strongest employment growth between June 2009, the end of the recession, and October 2011 (table 3). Between September and October, however, the number of older employed remained at 29.2 million.

Another way of assessing the employment situation is with the employment-to-population ratio, which is the proportion of the working-age

**Figure 3**  
Number of Employed Persons Aged 55 and Over, December 2007–October 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**  
**Selected Employment Indicators, June 2009 (End of the Recession) and**  
**October 2011, by Age Group**  
*(seasonally adjusted)*

Age	Number Employed (000s)			Number Unemployed (000s)			Unemployment Rate		
	June 2009	Oct. 2011	% Change	June 2009	Oct. 2011	% Change	June 2009	Oct 2011	% Change
<b>Total, 16+*</b>	139,978	140,302	0.2%	14,776	13,897	-5.9%	9.5%	9.0%	-5.3%
<b>16–24</b>	17,705	17,754	0.3%	3,896	3,569	-8.4%	18.0%	16.7%	-7.2%
<b>25–54</b>	95,221	93,338	-2.0%	8,846	8,147	-7.9%	8.5%	8.0%	-5.9%
<b>55+</b>	27,090	29,158	7.6%	2,053	2,187	6.5%	7.0%	7.0%	0.0%

\*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>.

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 October, this ratio was exactly where it was in December 2007 for the aged 55-plus workforce. For other age groups, the ratio has declined and remains well below what it was at the start of the recession. October showed little change in the employment-to-population ratio for prime-age and older people but did rise for the youngest age segment in 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 October 2011, that number had increased by 11 percent to 77.3 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, 31.3 million people aged 55 or older were in the labor force in October. (The labor force participation rate for this age group did not change between September and October.)

### 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

**Table 4**  
**Employment-to-Population Ratio, December 2007, June 2009, September 2011,**  
**and October 2011, by Age Group**  
*(seasonally adjusted)*

Age	December 2007	June 2009	September 2011	October 2011
<b>16+</b>	62.7%	59.4%	58.3%	58.4%
<b>16–24</b>	52.2%	47.1%	45.6%	46.5%
<b>25–54</b>	79.7%	75.9%	74.9%	74.8%
<b>55+</b>	37.7%	37.3%	37.8%	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>.

worker wants part-time work. In October, not quite 1.2 million older nonagricultural workers were working part time because they had no choice,<sup>7</sup> 234,000 fewer than in September. 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 October, they were down to 4.3 percent of all older nonagricultural workers from 5.1 percent in September. Differences by sex were minor—as of October, 4.4 percent of older employed men and 4.1 percent of older employed women were involuntary part-time workers.

Despite the decline, the proportion of older nonagricultural workers working part time for economic reasons in October was still 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. October'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 October, little changed from 4.9 percent in September.<sup>8</sup> In October, 4.4 percent of workers aged 55 and over held more than one job, also not much different from September (4.6 percent). As of October, 4.3 percent of employed older men and 4.6 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 2.8 million in October 2011 but hardly changed between September and October.<sup>9</sup> As of October, 9.8 percent of older nonagricultural workers were self-employed; this was the case for 9.7 percent in September. In December 2007, 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 October, 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 61,000 between September and October but was still nearly double what it had been at the start of the recession (1,520,000 vs. 826,000) and above what it was at the recession's end (1,229,000 in June 2009).<sup>10</sup>

The number of older discouraged workers in October (260,000) was about what it was in September (263,000). In October, discouraged workers were 17.1 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 (16.6 percent). Discouraged workers are not looking for work because

## The Employment Situation, October 2011: Hard to Find a Silver Lining for Older Workers

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.<sup>11</sup> 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<sup>12</sup>

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 23 percent (or by almost 1.4 million workers and jobseekers) since December 2007. As of October 2011, nearly 7.4 million members of the labor force (4.8 percent of the total labor force) were at least 65 years old.

The labor force participation rate for people aged 65 and over was 18.4 percent in October, compared with 18.1 percent in September. The

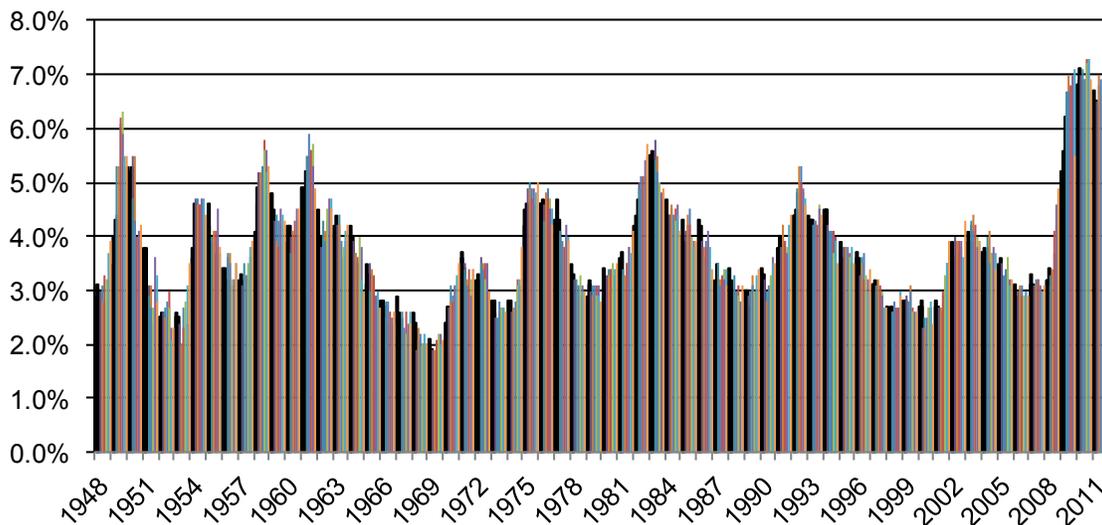
unemployment rate for this age group was 6.9 percent in October, about what it was in September (6.8 percent) but more than double the rate in December 2007, when only 3.3 percent were unemployed.

Duration of unemployment for jobseekers aged 65 and over averaged 49.9 weeks in October, several weeks below the 54.7 for September.<sup>13</sup> (Duration of unemployment for this age group averaged 20.2 weeks in December 2007.) Long-term unemployment was also considerably lower for jobseekers aged 65 and over—48.6 percent had been out of work for more than six months in October compared to 58.5 percent in September. 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, inched up again in October. For the older population, the sustained high unemployment rates they have been experiencing have been historic highs (figure 4). Average duration of

**Figure 4**  
Unemployment Rates for Persons Aged 55 and Over, January 1948–October 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>.

## The Employment Situation, October 2011: Hard to Find a Silver Lining for Older Workers

unemployment did fall somewhat in October, but that does not necessarily mean that older jobseekers are finding work any sooner. Some very long-term unemployed might, for example, have given up looking.

Yet, more than 2 million older Americans are looking for work. By persisting in their search for a job, they are indicating that they want and need to work. They are not financially prepared

for retirement. Longer work lives can be good for them, their communities, and the economy as a whole.

Nonfarm payroll employment continued its upward trend in October, but the number of added jobs was only 81,000 last month. The 16-plus population itself increased by nearly 200,000. Much more robust employment growth is needed to put a sizable percentage of older *and* younger Americans back to work.

---

### Endnotes

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

<sup>2</sup> Statistics in this Fact Sheet are from U.S. Department of Labor, Bureau of Labor Statistics (BLS), *The Employment Situation—October 2011*, USDL-11-1576 (Washington, DC: BLS, November 4, 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.

<sup>3</sup> On October 2, BLS reported a job gain of 103,000 for September. That preliminary estimate has been revised upward to show an increase of 158,000 in payroll employment for the month. The October figure is preliminary and may be adjusted as well.

<sup>4</sup> 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.

<sup>5</sup> Duration of unemployment figures are not seasonally adjusted.

<sup>6</sup> 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>.

<sup>7</sup> Involuntary part-time figures are not seasonally adjusted.

<sup>8</sup> Multiple jobholder figures are not seasonally adjusted.

<sup>9</sup> Self-employment figures are not seasonally adjusted.

<sup>10</sup> Data in this section are not seasonally adjusted.

<sup>11</sup> 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>.

<sup>12</sup> Data in this section are not seasonally adjusted.

<sup>13</sup> See note 6.

Fact Sheet 243, November, 2011

AARP Public Policy Institute  
601 E Street, NW, Washington, DC 20049  
[www.aarp.org/ppi](http://www.aarp.org/ppi)  
202-434-3910, [ppi@aarp.org](mailto:ppi@aarp.org)  
© 2011, AARP.  
Reprinting with permission only.