

The Employment Situation, April 2012: Little Encouraging News for Older Workers¹

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- ✓ At 6.3 percent, the April 2012 unemployment rate for the workforce aged 55 and over showed little improvement over the rate for March (6.2 percent) but was somewhat below the rate for April 2011 (6.5 percent).
- ✓ Approximately 2 million people aged 55 or older were unemployed in April.
- ✓ The share of the 55-plus population that was employed dipped from 37.9 percent to 37.7 percent between March and April and was exactly what it was in April 2011.
- ✓ Older jobseekers were unemployed for an average of 60 weeks in April, up from 55.7 weeks in March, and 53.6 weeks one year ago.
- ✓ About 1.2 million older nonagricultural workers, or 4.4 percent, were employed part time because they could not find full-time work.

Employment Change by Sector²

Nonfarm payroll employment rose by only 115,000 in April after increasing by 154,000 in March and by about 1.8 million since April 2011.³ Some of the largest April 2012 gains were in retail trade (29,300), professional and technical services (27,500), and health care (19,000). Government employment fell by 15,000, mainly at the local level.

Unemployment Rates

The seasonally adjusted overall unemployment rate remained little changed, at 8.1 percent in April compared to 8.2 percent in March 9.0 percent in April 2011. About 12.5 million people aged 16 and over reported that they were out of work and looking for a job in April, 173,000 fewer than in March and 1.3 million fewer than a year earlier.

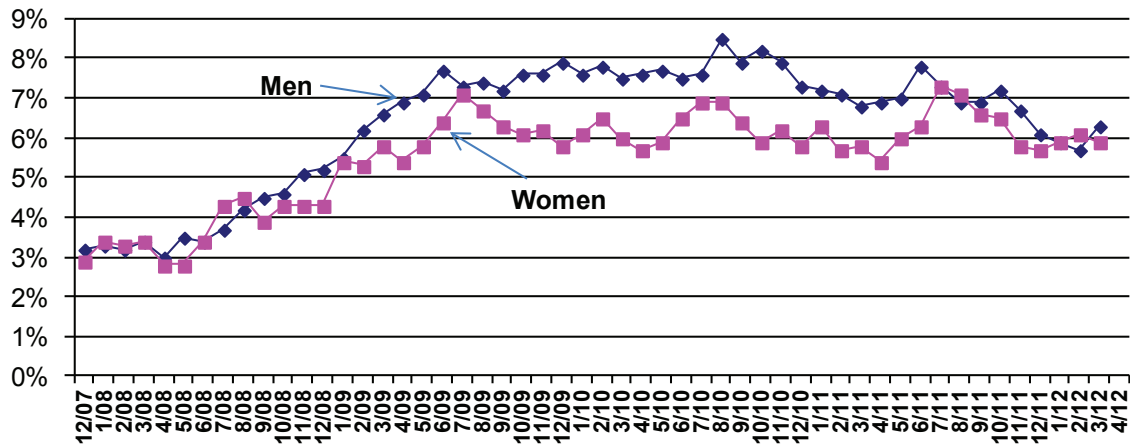
The unemployment rate for people aged 55 or older also changed little over

the month: 6.3 percent in April versus 6.2 percent in March. It was only slightly lower than it had been—6.5 percent—in April 2011. At the start of the recession in December 2007, the unemployment rate for this age group was only 3.2 percent.

Approximately 2 million people aged 55 or older were unemployed in April, 38,000 more than in March and 26,000 more than a year earlier. Unemployment among those aged 25–54, on the other hand, fell by 174,000 between March and April.

Older jobseekers were 16.2 percent of the unemployed in April, a somewhat higher percentage than in March (15.7 percent). The unemployment rate for both older men and older women has risen sharply since December 2007, although the rate for women has generally been lower than that for men.⁴ Recently, the gap between the two has been quite narrow (figure 1).

Figure 1
Unemployment Rates for Men and Women Aged 55 and Over, December 2007–April 2012*



*The rate for women is not seasonally adjusted. See text note 4. Some of the numbers in this figure may differ slightly from earlier versions due to revisions by BLS.

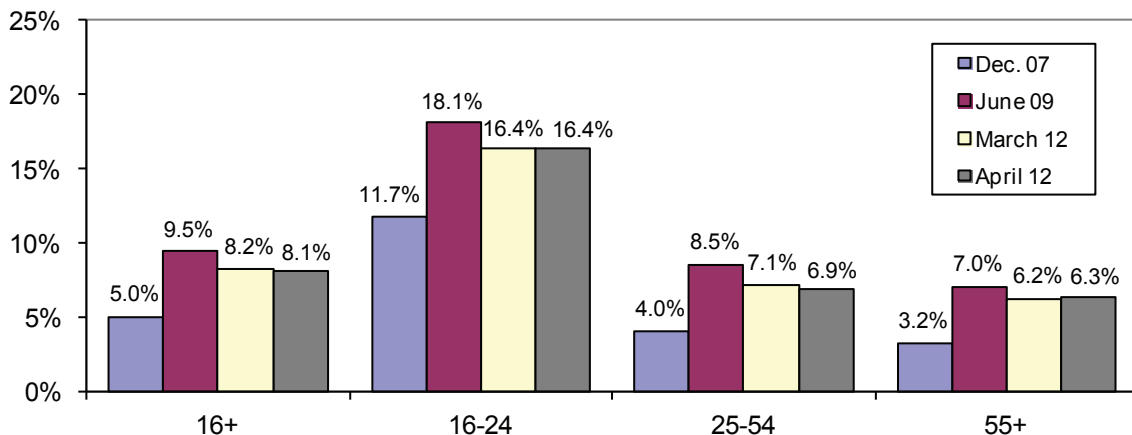
Source: U.S. Department of Labor, Bureau of Labor Statistics, labor force statistics from the Current Population Survey, <http://data.bls.gov/pdq/querytool.jsp?survey=ln>.

The unemployment rate for the workforce aged 55 and older remains lower than rates for the total labor force, prime-age workers (ages 25–54), and, especially, the workforce aged 16–24 (figure 2). For all age groups, both the number of unemployed and the unemployment rate remain well above what they were at the start of the recession, with the increases greatest for the older workforce (table 1). In all

age groups except the oldest in table 1, the number with jobs in April was still below what it was in December 2007.

All age groups, especially the oldest, have seen some improvement in the unemployment rate over the past year (table 2). The rate, however, has fallen more for those under the age of 55, while the number of unemployed has remained relatively flat.

Figure 2
Unemployment Rates by Age, December 2007, June 2009, March 2012, and April 2012*



*Some of the numbers in this figure may differ slightly from earlier versions due to revisions by BLS.

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 April 2012,
by Age Group
(seasonally adjusted)

Age	Number Employed (000s)			Number Unemployed (000s)			Unemployment Rate		
	Dec. 2007	April 2012	% Change	Dec. 2007	April 2012	% Change	Dec. 2007	April 2012	% Change
Total, 16+*	146,273	141,865	-3.0%	7,645	12,500	63.5%	5.0%	8.1%	62.0%
16–24	19,599	17,650	-9.9%	2,600	3,462	33.2%	11.7%	16.4%	40.2%
25–54	100,461	94,128	-6.3%	4,233	7,017	65.8%	4.0%	6.9%	72.5%
55+	26,243	30,038	14.5%	859	2,026	135.9%	3.2%	6.3%	96.9%

*Estimates for specific age groups above may not add up to the total 16+ because the seasonal adjustments are made independently. Some figures in this table differ from those reported previously due to revisions by BLS.

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>.

Duration of Unemployment

Once unemployed, older workers are, on average, out of work longer than their younger counterparts, and this pattern continued in April. Average duration of unemployment for the older unemployed rose from 55.7 weeks in March to 60 weeks in April.⁵ April 2012’s average was also higher than that for April 2011—53.6 weeks. For younger jobseekers, average duration of unemployment rose as well, from 37.3 weeks to 38.5 weeks between March and April 2012. (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 3.)

As of April, more than half of all older jobseekers, or 56.2 percent, were “long-term unemployed”; that is, they had been out of work for 27 or more weeks. This, too, is an increase from March (table 3). The percentage of older 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 3).

Table 2
Selected Employment Indicators, April 2011 and April 2012
(seasonally adjusted)

Age	Number Employed (000s)			Number Unemployed (000s)			Unemployment Rate		
	April 2011	April 2012	% Change	April 2011	April 2012	% Change	April 2011	April 2012	% Change
Total, 16+*	139,628	141,865	1.6%	13,792	12,500	-9.4%	9.0%	8.1%	-10.0%
16–24	17,213	17,650	2.5%	3,672	3,462	-5.7%	17.6%	16.4%	-6.8%
25–54	93,638	94,128	0.5%	8,125	7,017	-13.6%	8.0%	6.9%	-13.8%
55+	28,726	30,038	4.6%	2,000	2,026	1.3%	6.5%	6.3%	-3.1%

*Estimates for specific age groups above may not add up to the total 16+ because the seasonal adjustments are made independently. Some figures in this table differ from those reported previously due to revisions by BLS.

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
Average Duration* of Unemployment and Percentage Long-term Unemployed,**
Jobseekers Under Age 55 and Aged 55+,
December 2007, June 2009, March 2012, and April 2012***
(not seasonally adjusted)

	Dec. 2007	June 2009	March 2012	April 2012
Average Duration of Unemployment				
Less than 55	15.9 wks	21.4 wks	37.3 wks	38.5 wks
55+	20.2 wks	29.9 wks	55.7 wks	60.0 wks
Long-term Unemployed				
Less than 55	16.6%	26.4%	39.5%	41.9%
55+	22.9%	38.2%	53.3%	56.2%

*See text note 6 for a description of BLS's January 2011 change in top coding duration of unemployment.

**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, Table A-36, at <http://www.bls.gov/cps/tables.htm>.

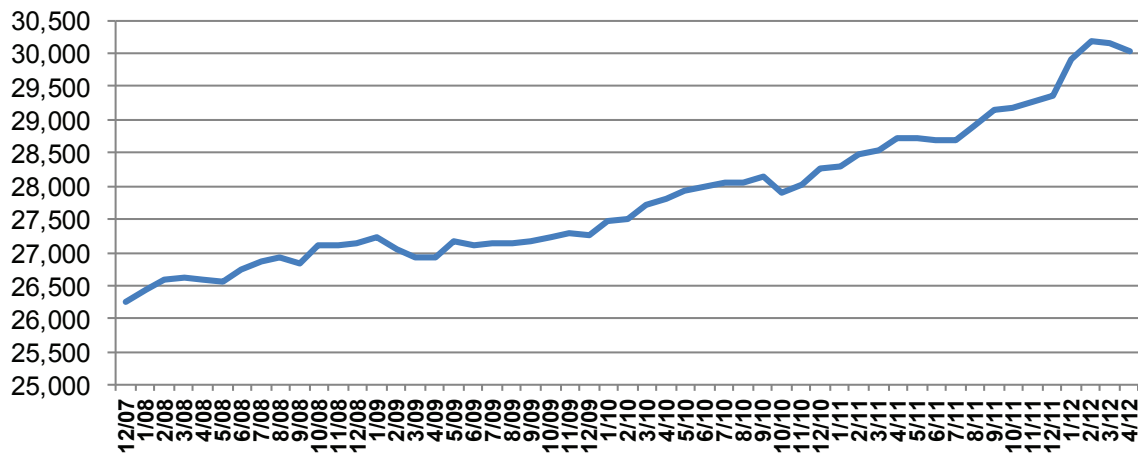
The Older Employed Population

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 3.8 million, or by more than 14 percent

(table 1). Over the past month, however, the number of older employed fell by 102,000; this number was 1.3 million higher than it had been in April 2011.

Another way of assessing the employment situation is with the share or proportion of an age group that is employed (the employment-to-population ratio). Table 4 provides the seasonally adjusted proportions for four age groups:

Figure 3
Number of Employed Persons Aged 55 and Over, December 2007–April 2012*
(in thousands)



*The numbers in the figure may differ slightly from those that appear in earlier versions due to adjustment by BLS.

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 4
Share of the Population Employed (Employment-to-Population Ratio), December 2007, June 2009, April 2011, March 2012, and April 2012, by Age Group*
(seasonally adjusted)

Age	December 2007	June 2009	April 2011	March 2012	April 2012
16+	62.7%	59.4%	58.4%	58.5%	58.4%
16–24	52.2%	47.1%	45.1%	45.7%	45.5%
25–54	79.7%	75.9%	75.1%	75.8%	75.7%
55+	37.7%	37.4%	37.7%	37.9%	37.7%

*Some of the numbers in this table differ slightly from earlier versions due to revisions by BLS.

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>.

16+, 16–24, 25–54, and 55+. April’s ratio for the aged 55-plus workforce was just what it had been in December 2007, 37.7 percent, while the proportion was still well below what it was at the start of the recession for the other age groups.

Table 5 looks at “younger” and “older” workers within the 55-plus workforce—ages 55–64 and 65+. The falloff in employment after age 65 is stark as workers move into retirement. Nonetheless, the share employed in that age group was higher in April than it was at the start of the recession; it was lower, however, for the younger segment.⁷

In and Out of the Labor Force

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 April 2012, that number had increased by about 10 million, or more than 14 percent, to 79.6 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 31 million. But as it was, with a participation rate of 40.3 percent, nearly 32.1 million people aged 55 or older were in the labor force in April.⁸

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 April, just over 1.2 million older nonagricultural workers were working part time because they had no choice,⁹ about 48,000 fewer than the month before. These workers, also known as involuntary

Table 5
Share of the Population Employed (Employment-to-Population Ratio), December 2007, June 2009, April 2011, April 2011, March 2012, and April 2012, Ages 55–64 and 65+*
(not seasonally adjusted)

Age	December 2007	June 2009	April 2011	March 2012	April 2012
55–64	62.2%	60.7%	60.4%	60.5%	60.4%
65+	15.8%	15.6%	16.9%	17.5%	17.4%

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>.

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 April, they were 4.4 percent of all older nonagricultural workers, little changed from March’s 4.5 percent. Employed older women were once again slightly more likely than men to be involuntary part-time workers in April (4.6 percent vs. 4.2 percent, respectively), but the difference, which tends to fluctuate from month to month, was small.

The proportion of older nonagricultural workers working part time for economic reasons in April remained higher than 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.

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 April, about the same level as in March (5.0 percent).¹⁰ In April, 4.6 percent of workers aged 55 and over held more than one job, only slightly below the figure for March (4.9 percent); older men and women were equally likely to be multiple jobholders in April—4.7 percent and 4.6 percent, respectively.

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 3.0 million in April 2012, about 146,000 more than the month before.¹¹ As of April, 10.2 percent of older nonagricultural workers were self-employed, up from 9.7 percent in March. In December 2007, 10 percent of older nonagricultural workers were unincorporated self-employed.

Interest in Working

Most older people who are out of the labor force say that they do not want a job (97 percent in April, 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 in March but rose by 116,000 in April, when approximately 1.6 million older non-labor force participants said that they wanted a job now. At the start of the recession, 826,000 older non-labor force participants reported wanting a job; by the recession’s end in June 2009, that number had risen to 1.2 million.¹²

The number of older discouraged workers also rose between March and April (from 256,000 to 315,000). In April, discouraged workers were almost 20 percent of the population of older people who were not in the labor force but who wanted a job, somewhat higher than in March (17.5 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.¹³ When the recession began in December 2007, only 53,000 older people were classified as discouraged workers.

A Look at the Aged 65-plus Workforce¹⁴

The labor force participation rate of people aged 65 and over has increased markedly in recent years. In 2011, an average of 17.9 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 28 percent (or by almost 1.7 million workers and jobseekers) since December 2007. As of April 2012, nearly 7.7 million members of the labor force (5 percent of the total labor force) were at least 65 years old.

In April, 18.5 percent of people aged 65 and over were in the labor force, little changed from 18.6 percent in March but higher than the 18.0 percent for April 2011. The April 2012 unemployment rate for this age group was 5.9 percent, unchanged from March and about what it was a year ago (5.8 percent). At the start of the recession, only 3.3 percent in this age group were unemployed.

Average duration of unemployment for jobseekers aged 65 and over in April was well above what was reported for March—59.3 weeks vs. 48.3 weeks.¹⁵ (Duration of unemployment for this age group averaged 20.2 weeks in December 2007.) Long-term unemployment was also substantially higher for jobseekers aged 65 and over—57.4 percent had been out of work for more than six months in April, compared with 48.9 percent in March. 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 employment news in April was not particularly encouraging, especially for older workers and jobseekers. The unemployment rate of 6.3 percent for

those aged 55 and over showed no improvement over the rate for March, although it was slightly lower than it had been a year earlier. Average duration of unemployment for older jobseekers was up to 60 weeks; the number of long-term unemployed had risen as well. There were more older people saying they would like to be working even though they were no longer in the labor force and seeking employment; in fact, the number of older people who were out of the labor force rose by 270,000 between March and April. How much of this increase might be due to jobseeking discouragement as opposed to other reasons (ready to retire, for example) is not known. The number of older discouraged workers was up in April. The proportion of older involuntary part-time workers was virtually unchanged.

The persistence of long-term unemployment remains a matter of great concern. The longer workers are unemployed, the harder it for them to overcome negative assumptions on the part of employers about why they haven't found work. In addition, skills atrophy. Many jobseekers—particularly older ones—become discouraged and drop out of the labor force, with potentially devastating consequences for current and future retirement financial well-being.

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 over a longer period or annually adjusted figures generally provide a more reliable picture.

