

The Employment Situation, March 2012: Unemployment Rises for Older Workers¹

Sara E. Rix
AARP Public Policy Institute

- ✓ **The unemployment rate for the workforce aged 55 and over rose from 5.9 percent in February to 6.2 percent in March.**
- ✓ **The employment-to-population ratio for the 55-plus population dipped to 37.9 percent from 38.0 percent.**
- ✓ **Average duration of unemployment for older jobseekers rose from 54.1 weeks to 55.7 weeks between February and March.**

Employment Change by Sector²

Nonfarm payroll employment rose by only 120,000 in March after increasing by 240,000 in February.³ Some of the largest gains were in leisure and hospitality (39,000), manufacturing (37,000), education and health services (37,000), and professional and business services (31,000). Employment in retail trade fell (-33,800).

Unemployment Rates

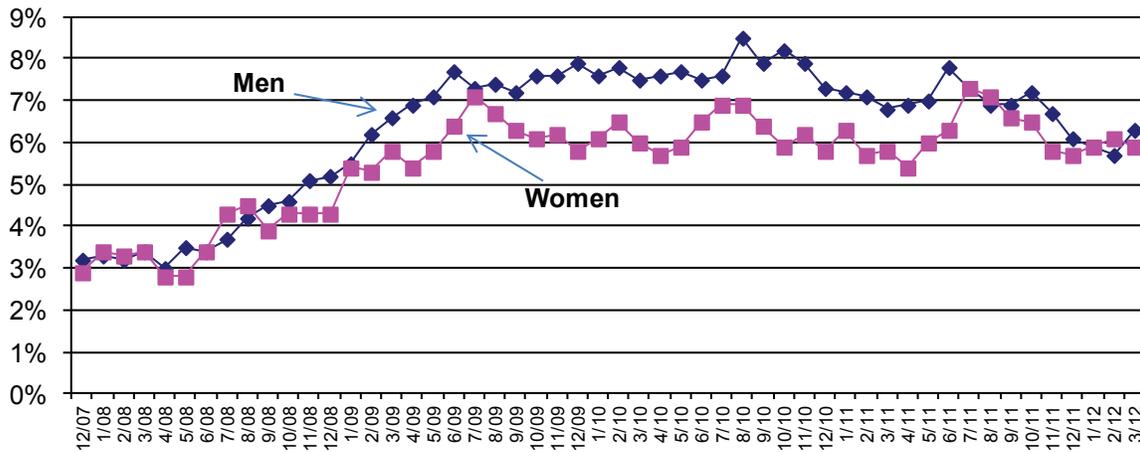
The seasonally adjusted overall unemployment rate remained little changed at 8.2 percent in March compared to 8.3 percent in February. About 12.7 million people aged 16 and over reported that they were out of work and looking for a job in March, 133,000 fewer than in February.

The unemployment rate for people aged 55 or older, however, rose from 5.9 percent in February to 6.2 percent in March. At the start of the Great Recession in December 2007, the unemployment rate for this age group was only 3.2 percent.

Nearly 2 million people aged 55 or older were unemployed in March, 100,000 more than in February. Unemployment among those aged 25–54, on the other hand, fell by 200,000 between February and March. Older jobseekers were 15.7 percent of the unemployed in March, a somewhat higher percentage than in February (14.7). The unemployment rate for older men rose by more than half a percentage point between February and March—from 5.7 percent to 6.3 percent. The rate for older women fell from 6.1 percent to 5.9 percent over the same period.⁴ (See figure 1.)

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 increase greatest for the older workforce (table 1). In all age groups except the oldest in table 1, the

Figure 1
Unemployment Rates for Men and Women Aged 55 and Over, December 2007–March 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 adjustments 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>.

number with jobs in March was still below what it was in December 2007.

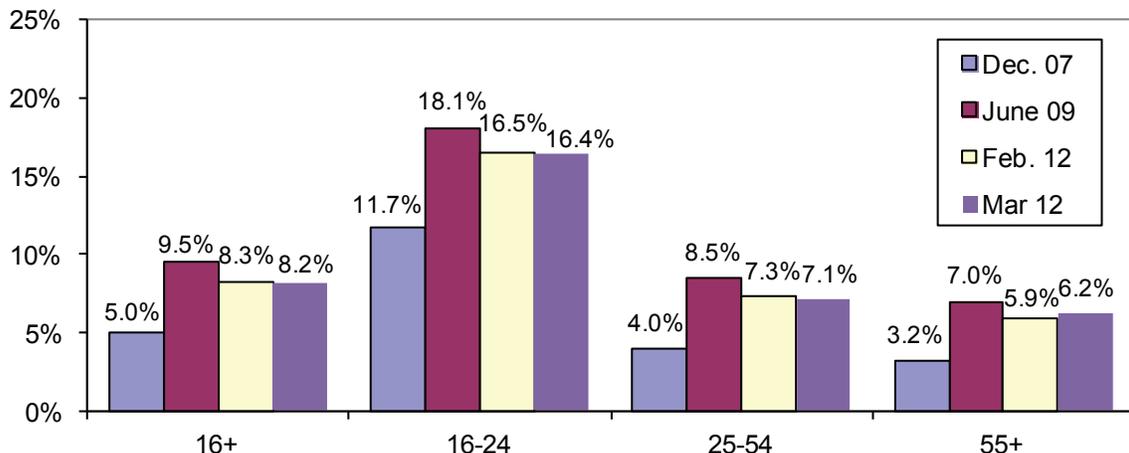
All age groups have seen at least some improvement in their employment situation over the past year (table 2). With respect to the number unemployed and the unemployment rate, however, older labor force participants have experienced less improvement than their younger counterparts. Growth in the

number with jobs has, however, been greatest for those aged 55 and over since March 2011.

Duration of Unemployment

Once unemployed, older workers are, on average, out of work longer than their younger counterparts, and this pattern continued in March. After falling somewhat in February, average

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



*Some of the numbers in this figure may differ slightly from earlier versions due to adjustments 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 March 2012, by Age Group
(seasonally adjusted)

Age	Number Employed (000s)			Number Unemployed (000s)			Unemployment Rate		
	Dec. 2007	March 2012	% Change	Dec. 2007	March 2012	% Change	Dec. 2007	March 2012	% Change
Total, 16+*	146,273	142,034	-2.9%	7,645	12,673	65.8%	5.0%	8.2%	64.0%
16-24	19,599	17,706	-9.7%	2,600	3,474	33.6%	11.7%	16.4%	40.2%
25-54	100,461	94,267	-6.2%	4,233	7,191	69.9%	4.0%	7.1%	77.5%
55+	26,243	30,140	14.8%	859	1,988	131.4%	3.2%	6.2%	93.8%

*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 adjustments 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 for the older unemployed rose from 54.1 weeks to 55.7 weeks in March. For younger jobseekers, average duration of unemployment rose from 36.5 weeks to 37.3 weeks.⁵ (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 March, more than half of all older jobseekers, or 53.3 percent, were “long-term unemployed”; that is, they had been out of work for 27 or more weeks. This, too, is an increase from February (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).

Average duration of unemployment for older jobseekers first exceeded one year in March 2011. This compares to fewer than five months at the start of the recession. The high percentages of long-term unemployed remain a cause for concern because the longer a worker is unemployed, the lower the probability of finding a job.

Table 2
Selected Employment Indicators, March 2011 to March 2012
(seasonally adjusted)

Age	Number Employed (000s)			Number Unemployed (000s)			Unemployment Rate		
	March 2011	March 2012	% Change	March 2011	March 2012	% Change	March 2011	March 2012	% Change
Total, 16+*	139,764	142,034	1.6%	13,628	12,673	-7.0%	8.9%	8.2%	-7.9%
16-24	17,337	17,706	2.1%	3,683	3,474	-5.7%	17.5%	16.4%	-6.3%
25-54	93,935	94,267	0.4%	7,967	7,191	-9.7%	7.8%	7.1%	-9.0%
55+	28,541	30,140	5.6%	1,977	1,988	0.6%	6.5%	6.2%	-4.6%

*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 adjustments 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, February 2012, and March 2012**
(not seasonally adjusted)

	December 2007	June 2009	February 2012	March 2012
Average Duration of Unemployment				
Less than 55	15.9 wks	21.4 wks	36.5 wks	37.3 wks
55+	20.2 wks	29.9 wks	54.1 wks	55.7 wks
Long-term Unemployed				
Less than 55	16.6%	26.4%	38.2%	39.5%
55+	22.9%	38.2%	52.1%	53.3%

*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>.

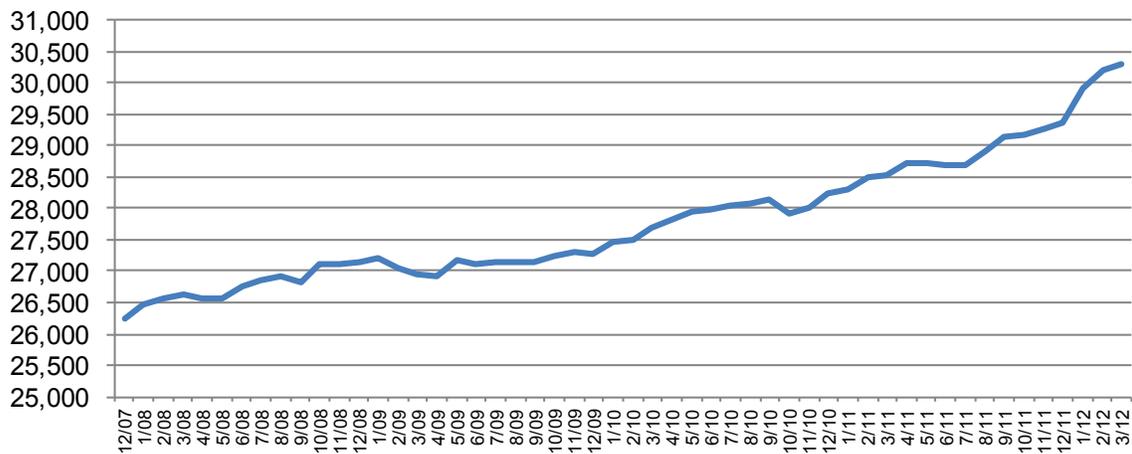
The Older Employed Population

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 3.9 million, or by nearly 15 percent

(table 1). Between February and March, however, the number of older employed fell by 47,000.

Another way of assessing the employment situation is with the employment-to-population ratio, or proportion of the working-age population with jobs. Table 4 provides the employment-to-population ratio for four age groups: 16+, 16–24, 25–54, and 55+. March’s ratio for the aged 55-

Figure 3
Number of Employed Persons Aged 55 and Over, December 2007–March 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>.

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plus workforce was slightly higher than it had been in December 2007, while it was still well below what it was at the start of the recession for the other age groups. March did see a slight increase in the ratio for the 25–54 segment of the population but a slight deterioration for those aged 55 and over.

In and Out of the Labor Force

As noted in earlier Fact Sheets, 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 March 2012, that number had increased by more than 14 percent to 79.5 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 30.9 million. But as it was, with a March participation rate of 40.4 percent—no change from February—32.1 million people aged 55 or older were in the labor force in March.

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 March, almost 1.3 million older nonagricultural workers were working part time because they had no choice,⁷ about 58,000 fewer than 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 March, they were 4.5 percent of all older nonagricultural workers, little changed from February’s 4.7 percent. Employed older women were somewhat more likely than men to be involuntary part-time workers in March (4.8 percent vs. 4.3 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 March 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—5.0 percent—were multiple jobholders in March, about what it was in February (5.1 percent).⁸ In March, 4.9 percent of

Table 4
Employment-to-Population Ratio, December 2007, June 2009, February 2012,
and March 2012, by Age Group*
(seasonally adjusted)

Age	December 2007	June 2009	February 2012	March 2012
16+	62.7%	59.4%	58.6%	58.5%
16–24	52.2%	47.1%	45.9%	45.7%
25–54	79.7%	75.9%	75.6%	75.8%
55+	37.7%	37.4%	38.0%	37.9%

*Some of the numbers in this table differ slightly from earlier versions due to adjustments 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>.

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workers aged 55 and over held more than one job, again about the same percentage as in February (4.8 percent); 4.8 percent of employed older men and 5.1 percent of employed older women held more than one job in March.

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 almost 2.9 million in March 2012, about 47,000 fewer than the month before.⁹ As of March, 9.7 percent of older nonagricultural workers were self-employed, down from 9.9 percent in February. 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 March, 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 February and then fell by another 107,000 in March, when approximately 1.5 million older non-labor force participants said that they wanted a job. 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.¹⁰

The number of older discouraged workers showed little change between February and March (261,000 to 256,000). In March, discouraged workers were 17.5 percent of the population of older people who were not in the labor force but who wanted a job, only slightly higher than in February (16.6 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 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 March 2012, nearly 7.7 million members of the labor force (5 percent of the total labor force) were at least 65 years old.

In March, 18.6 percent of people aged 65 and over were in the labor force, little changed from 18.5 percent in February. The March unemployment rate for this age group was 5.9 percent, down from 6.3 percent in February (some of which may have been due to the increase in the number not in the labor force). At the start of the recession, only 3.3 percent in this age group were unemployed.

Duration of unemployment for jobseekers aged 65 and over averaged 48.3 weeks in March, lower than the 50.8 weeks recorded for February.¹³

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(Duration of unemployment for this age group averaged 20.2 weeks in December 2007.) Long-term unemployment was also slightly below what it was in February for jobseekers aged 65 and over—48.9 percent had been out of work for more than six months in March, compared to 51.1 percent in February. 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

Although the employment situation for older workers seemed somewhat encouraging in January and February, the picture was not as bright in March. The unemployment rate for the aged 55 and over workforce rose from 5.9 percent to 6.2 percent. Older female unemployment fell somewhat, but the number of older male jobseekers was about 9 percent higher than it had been the month before. Average duration of unemployment and the percentage of long-term unemployed in the older population rose, while the number with jobs and the employment-to-population ratio were both down slightly. On a more

positive note, the proportion of older involuntary part-time workers and the number of older discouraged workers remained fairly steady.

Of particular concern is the persistence of long-term unemployment in the older workforce. More than half of jobseekers aged 55 and older have been looking for work for at least a year, a figure that remains stubbornly high. The long-term unemployed are at risk of skills erosion and weakening labor force attachment, which further undermine the probability that they will find work. Many of these jobseekers may withdraw from the labor force without ever becoming reemployed.

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—March 2012*, USDL-12-0614 (Washington, DC: BLS, April 6, 2012); 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 BLS earlier reported an increase of 227,000 in nonfarm payroll employment for February. This figure was revised upward to 240,000. March figures are 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.” Before this change, any duration of unemployment greater than two

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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 and the note of caution following the Concluding Observations.

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AARP Public Policy Institute
601 E Street, NW, Washington, DC 20049
www.aarp.org/ppi
202-434-3910, ppi@aarp.org
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