The Employment Situation, May 2012: Good News Is Hard to Find

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- At 6.5 percent, the May 2012 unemployment rate for the workforce aged 55 and older was somewhat higher than April’s rate of 6.3 percent, but below its most recent high of 7.3 percent in August 2010.
- Nearly 2.1 million people aged 55 or older were unemployed in May.
- Older jobseekers were unemployed for an average of 56 weeks in May, down from 60 weeks in April but little changed from one year ago.
- The share of the 55-plus population that was employed stood at 37.9 percent in May, a figure that has remained relatively stable since the start of the recession.
- About 1.2 million older nonagricultural workers, or 4.3 percent, were employed part time because they could not find full-time work.

Employment Change by Sector

Total nonfarm payroll employment rose by only 69,000 in May; April’s gain was not much greater—77,000. May increases were largest in transportation and warehousing (35,600), health care (32,800), and wholesale trade (15,900). Government employment fell at all levels.

Unemployment Rates

The seasonally adjusted overall unemployment rate remained little changed at 8.2 percent in May compared to 8.1 percent in April. Though well above what it was (5 percent) at the beginning of the Great Recession in December 2007, the unemployment rate was still below the high of 10.0 percent it reached in October 2009. About 12.7 million people aged 16 and over reported that they were out of work and looking for a job in May, 220,000 more than in April.

The unemployment rate for people aged 55 or older rose slightly in May to 6.5 percent from 6.3 percent April. In December 2007, the unemployment rate for this age group was only 3.2 percent; however, May’s rate was below its most recent high of 7.3 percent in August 2010.

The unemployment rate for older men rose from 6.3 percent to 7.0 percent between April and May, while that for older women fell slightly from 5.8 percent to 5.6 percent (figure 1). Nearly 2.1 million people aged 55 or older were unemployed in May, 70,000 more than in April. Older jobseekers were 16.5 percent of the unemployed in May.

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 are higher than they were at the start of
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Durability 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 May was still below what it was in December 2007.

All age groups, however, have seen some improvement in employment and unemployment over the past year (table 2).

Duration of Unemployment

Once unemployed, older workers are, on average, out of work longer than their younger counterparts. This pattern continued in May, although the average duration of unemployment for the older unemployed fell from 60 weeks to 56 weeks between April and May. Among younger jobseekers, average

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*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.


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duration of unemployment remained unchanged at 38.5 weeks.

Long-term comparisons of average unemployment duration are not possible. However, the average is considerably higher for both younger and older jobseekers, but especially older ones, than it was in January 2011. It is about where it was one year ago. (See table 3.)

As of May, more than half of all older jobseekers, or 54.9 percent, were “long-term unemployed”; that is, they had been out of work for 27 or more weeks. This, too, represents a slight decrease from April for older workers and no change for their younger counterparts. The percentage of older jobseekers who are among the long-term unemployed (a figure that is not affected by the top coding change in duration of unemployment) has grown significantly. In December 2007, only 22.9 percent of the older unemployed workforce were long-term unemployed. The comparable figure for the end of the recession, June 2009, was 38.2 percent (table 4).

### The Older Employed Population

Despite continuing high unemployment rates, millions of older Americans have

### Table 1

<table>
<thead>
<tr>
<th>Age</th>
<th>Number Employed (000s)</th>
<th>Number Unemployed (000s)</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total, 16+*</td>
<td>146,273</td>
<td>142,287</td>
<td>-2.7%</td>
</tr>
<tr>
<td>16–24</td>
<td>19,599</td>
<td>17,817</td>
<td>-9.1%</td>
</tr>
<tr>
<td>25–54</td>
<td>100,461</td>
<td>94,205</td>
<td>-6.2%</td>
</tr>
<tr>
<td>55+</td>
<td>26,243</td>
<td>30,268</td>
<td>15.3%</td>
</tr>
</tbody>
</table>

*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.


### Table 2

<table>
<thead>
<tr>
<th>Age</th>
<th>Number Employed (000s)</th>
<th>Number Unemployed (000s)</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total, 16+*</td>
<td>139,808</td>
<td>142,287</td>
<td>1.8%</td>
</tr>
<tr>
<td>16–24</td>
<td>17,228</td>
<td>17,817</td>
<td>3.4%</td>
</tr>
<tr>
<td>25–54</td>
<td>93,982</td>
<td>94,205</td>
<td>0.2%</td>
</tr>
<tr>
<td>55+</td>
<td>28,708</td>
<td>30,268</td>
<td>5.4%</td>
</tr>
</tbody>
</table>

*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.

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
4 million, or 15 percent. (See table
1.)

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 5 provides that
percentage for four age groups: 16+,
16–24, 25–54, and 55+. The figure has
remained relatively stable since the
start of the recession for those aged 55
and older. In contrast, the percentage
employed in younger age groups fell
during the recession and remains lower
than it was in December 2007 (table
4). Both the oldest and youngest segments
of the population saw some increase in
this percentage in May.

### Table 3

<table>
<thead>
<tr>
<th>Average Duration of Unemployment</th>
<th>January 2011</th>
<th>May 2011</th>
<th>April 2012</th>
<th>May 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 55</td>
<td>33.9 wks</td>
<td>38.9 wks</td>
<td>38.5 wks</td>
<td>38.5 wks</td>
</tr>
<tr>
<td>55+</td>
<td>44.4 wks</td>
<td>54.7 wks</td>
<td>60.0 wks</td>
<td>56.0 wks</td>
</tr>
</tbody>
</table>

*See text note 6 for an explanation of BLS in the top coding of duration of unemployment. As a result of this change, comparable data go back only to January 2011.


### 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 May, just over 1.2 million older nonagricultural workers were working part time because they had no choice, virtually unchanged from 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 May, they were 4.3 percent of all older nonagricultural workers. Differences by sex were small—4.6 percent of older men in nonagricultural industries and 3.9 percent of older women were involuntary part-time workers in May.

The proportion of older nonagricultural workers working part time for economic...
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reasons in May 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 May, little changed from the start of the recession (5.2 percent). In May, 4.8 percent of workers aged 55 and over held more than one job; older men and women were equally likely to be multiple jobholders.

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

<table>
<thead>
<tr>
<th>Age</th>
<th>December 2007</th>
<th>June 2009</th>
<th>April 2012</th>
<th>May 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>16+</td>
<td>62.7%</td>
<td>59.4%</td>
<td>58.4%</td>
<td>58.6%</td>
</tr>
<tr>
<td>16–24</td>
<td>52.2%</td>
<td>47.1%</td>
<td>45.5%</td>
<td>45.9%</td>
</tr>
<tr>
<td>25–54</td>
<td>79.7%</td>
<td>75.9%</td>
<td>75.7%</td>
<td>75.7%</td>
</tr>
<tr>
<td>55+</td>
<td>37.7%</td>
<td>37.4%</td>
<td>37.7%</td>
<td>37.9%</td>
</tr>
</tbody>
</table>

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

workers in nonagricultural industries increased from fewer than 2.6 million in December 2007 to nearly 3.1 million in May 2012, about 39,000 more than the month before. As of May, 10.3 percent of older nonagricultural workers were self-employed. This figure has fluctuated around 10 percent since the start of the recession.

Interest in Working

Most older people who are out of the labor force say that they do not want a job (97 percent in May, 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 showed little change between April and May, when 1.5 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.

The number of older discouraged workers fell by more than 100,000 between April and May (from 315,000 to 209,000). In May, discouraged workers were about 14 percent of the population of older people who were not in the labor force but who wanted a job, down from 20 percent in April. 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. When the recession began in December 2007, only 53,000 older people were classified as discouraged workers.

A Closer Look at the Older Workforce

The older labor force is dominated by workers and jobseekers aged 55–64; three-fourths fall into this age group. Their labor force participation rate is nearly three and a half times higher than that for people aged 65 and older (64.1 percent vs. 18.8 percent in May). That rate, however, has grown less for the younger component than the older (table 6).

The share with jobs (the employment-to-population ratio) varies dramatically as well. And although both age groups (55–64 and 65+) have seen increases in the number employed since the start of the recession, the increase has been greater for the older group. In fact, job growth has increased substantially more than population growth for those aged 65 but far less so for those aged 55–64. As a result, the percentage employed has risen from 15.8 percent to 17.5 percent among Americans aged 65 and older between December 2007 and May 2012. Over the same period, that figure fell from 62.2 percent to 60.8 percent for the younger segment.

Both age groups have seen more than a doubling in the number of unemployed since the start of the recession and about a doubling of the unemployment rate; in May, 6.0 percent of the workforce aged 55–64 and 6.5 percent of the workforce aged 65+ were officially unemployed. Average duration of unemployment was about the same for both age groups—above one year (table 6). More than half of the unemployed in both age groups were long-term unemployed, up from under one-fourth at the start of the recession.

Concluding Observations

Once again, the employment news for older workers left much to be desired. The unemployment rate of 6.5 percent for the aged 55-plus workforce, while below what it was throughout much of the recession, inched upward between April and May. Average duration of unemployment remained above one year, and a majority of older jobseekers were
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Table 6

<table>
<thead>
<tr>
<th>Indicator</th>
<th>55–64</th>
<th>65+</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Labor force participation rate</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 2007</td>
<td>64.1%</td>
<td>16.3%</td>
</tr>
<tr>
<td>May 2012</td>
<td>64.5%</td>
<td>18.8%</td>
</tr>
<tr>
<td><strong>Number employed (in 000s)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 2007</td>
<td>20,533</td>
<td>5,787</td>
</tr>
<tr>
<td>May 2012</td>
<td>23,227</td>
<td>7,300</td>
</tr>
<tr>
<td><strong>Share of the population employed</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 2007</td>
<td>62.2%</td>
<td>15.8%</td>
</tr>
<tr>
<td>May 2012</td>
<td>60.8%</td>
<td>17.5%</td>
</tr>
<tr>
<td><strong>Number unemployed (in 000s)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 2007</td>
<td>642</td>
<td>197</td>
</tr>
<tr>
<td>May 2012</td>
<td>1,480</td>
<td>507</td>
</tr>
<tr>
<td><strong>Unemployment rate</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 2007</td>
<td>3.0%</td>
<td>3.3%</td>
</tr>
<tr>
<td>May 2012</td>
<td>6.0%</td>
<td>6.5%</td>
</tr>
<tr>
<td><strong>Percentage long-term unemployed</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 2007</td>
<td>22.7%</td>
<td>23.4%</td>
</tr>
<tr>
<td>May 2012</td>
<td>54.3%</td>
<td>56.6%</td>
</tr>
</tbody>
</table>

*Long-term unemployed: 27 or more weeks.


among the long-term unemployed, that is, they had been out of work for six months or more.

On a more positive note, the share of the older population with jobs (employment-to-population ratio) has held its own since the start of the recession and was actually somewhat higher in May than in April. The proportion of older involuntary part-time workers showed no increase in May, and the number of older discouraged workers—although subject to considerable fluctuation on a month-to-month basis—fell sharply. If these developments continue, the overall employment picture for the older worker could look brighter in coming months.

The persistence of long-term unemployment, however, remains a matter of great concern because of the diminishing probability of finding work and the risk that these workers will give up the search and leave the labor force for good.

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.
Endnotes

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


3 BLS earlier reported an increase of 115,000 in nonfarm payroll employment for April. This figure has been revised downward to 77,000. April 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 This is because of changes by the Bureau of Labor Statistics in its top coding of duration of unemployment. 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 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.