

## The Employment Situation, May 2013: Some Good News for Older Workers Tempered by Continuing Problems<sup>1</sup>

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- ✓ At 5.3 percent, the May 2013 unemployment rate for the workforce aged 55 and older was down slightly from 5.5 percent in April and considerably lower than the 6.5 percent in May 2012.
- ✓ Nearly 1.8 million people aged 55 and older were unemployed in May 2013, 65,000 fewer than in April and 333,000 fewer than the previous May.
- ✓ The average duration of unemployment for older jobseekers rose from 50.2 weeks in April to 54.2 weeks in May, close to what it was in May 2012 (56 weeks).

### Employment and Unemployment<sup>2</sup>

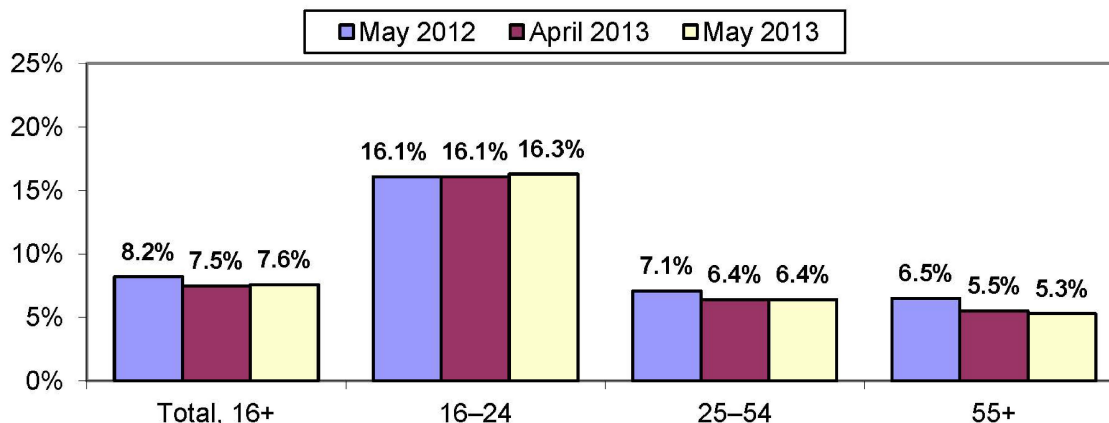
Nonfarm payroll employment increased by an estimated 175,000 in May, up from 149,000 in April, with much of the increase in professional and business services, including temporary help services, as well as in retail trade.<sup>3</sup>

Although the overall unemployment rate remained little changed (7.6 percent in May vs. 7.5 percent in April), that for the

older workforce dipped to 5.3 percent from 5.5 percent (figure 1). The decline was concentrated among women, whose unemployment rate fell from 4.8 percent to 4.3 percent. The rate for older men was 5.8 percent in May, also little changed from April (5.7 percent).<sup>4</sup>

Almost 1.8 million older people were unemployed in May, 65,000 fewer than in April but 333,000 fewer than a year earlier. The number of employed older people rose

**Figure 1**  
Unemployment Rates by Age, May 2012, April 2013, and May 2013\*



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

\*Rates are seasonally adjusted.

by 203,000, and the proportion with jobs (employment-to-population ratio) ticked up to 38.3 percent from 38.2 percent (table 1).

### Duration of Unemployment

Average duration of unemployment for jobseekers aged 55 and older rose from 50.2 weeks to 54.2 weeks between April and May, close to the level it was

throughout most of 2011 and 2012 (figure 2).<sup>5</sup>

Jobseekers under age 55 had been unemployed for an average of 35.9 weeks in May, down from 36.9 weeks the month before (table 2).

As of May, more than half (52.5 percent) of older jobseekers were long-term

**Table 1**  
**Selected Employment Indicators by Age Group, May 2012, April 2013, and May 2013**  
(seasonally adjusted)

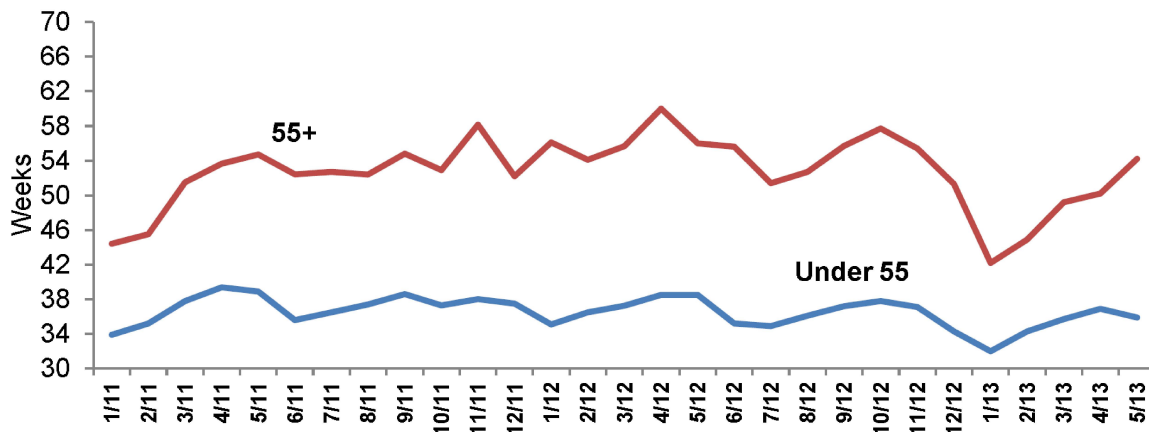
Indicator	Age	Date			Percent Change	
		May 2012	April 2013	May 2013	Monthly April 2013–May 2013	Annual May 2012–May 2013
Population (in 000s)	16–24	38,784	38,857	38,858	0.0%	0.2%
	25–54	124,363	124,380	124,388	0.0%	0.0%
	55+	79,819	81,937	82,117	0.2%	2.9%
Labor Force (in 000s)	16–24	21,266	21,314	21,345	0.1%	0.4%
	25–54	101,426	100,822	101,072	0.2%	-0.3%
	55+	32,376	33,109	33,248	0.4%	2.7%
Labor Force Participation Rate (%)	16–24	54.8	54.9	54.9	0.0%	0.2%
	25–54	81.6	81.1	81.3	0.2%	-0.4%
	55+	40.6	40.4	40.5	0.2%	-0.2%
Employment (in 000s)	16–24	17,835	17,888	17,857	-0.2%	0.1%
	25–54	94,227	94,393	94,569	0.2%	0.4%
	55+	30,283	31,285	31,488	0.6%	4.0%
Share of Population Employed (%)*	16–24	46.0	46.0	46.0	0.0%	0.0%
	25–54	75.8	75.9	76.0	0.1%	0.3%
	55+	37.9	38.2	38.3	0.3%	1.1%
Unemployed (in 000s)	16–24	3,431	3,425	3,488	1.8%	1.7%
	25–54	7,199	6,429	6,503	1.2%	-9.7%
	55+	2,093	1,825	1,760	-3.6%	-15.9%
Unemployment Rate (%)	16–24	16.1	16.1	16.3	1.2%	1.2%
	25–54	7.1	6.4	6.4	0.0%	-9.9%
	55+	6.5	5.5	5.3	-3.6%	-18.5%
Not in Labor Force (in 000s)**	16–24	17,665	18,136	17,677	-2.5%	0.1%
	25–54	22,998	23,633	23,256	-1.6%	1.1%
	55+	47,304	48,667	48,696	0.1%	2.9%

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

\*Employment-to-population ratio.

\*\*Not seasonally adjusted.

**Figure 2**  
Average Duration of Unemployment in Weeks by Age, January 2011–May 2013\*



Source: Calculated from U.S. Department of Labor, Bureau of Labor Statistics, Labor Force Statistics, Table A-36 in *Employment and Earnings Online* at <http://www.bls.gov/opub/ee/archive.htm>.

\*Averages are not seasonally adjusted.

unemployed; that is, they had been out of work for 27 or more weeks. This was essentially unchanged from April.

### Other Employment Indicators

- At 4.3 percent, the proportion employed part time for economic reasons (i.e., because of slack working conditions or because they could not find full-time work) was unchanged in May but still substantially higher than it was at the start of the recession. At that time, only 2.4 percent of older nonagricultural workers were working part time because they could not get full-time work.
- In May, the number of older, unincorporated self-employed workers in nonagricultural industries was just over 3 million, down by about 19,000 from the month before
- and 41,000 from a year earlier.<sup>6</sup> As of May, 9.7 percent of older nonagricultural workers were self-employed, a slight drop from April (9.9 percent) and May 2012 (10.3 percent). Indeed, for most of the 5-plus years since the start of the Great Recession, this figure has hovered around 10 percent.
- 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 shown little fluctuation in years). The number of older people out of the labor force but expressing interest in work rose by nearly 40,000 in May and was about 85,000 higher than a year earlier. Approximately 1.6 million older non-labor-force participants said that they wanted a job in May.<sup>7</sup>

**Table 2**  
Average Duration of Unemployment, Jobseekers Under Age 55 and Aged 55+, May 2012, April 2013, and May 2013  
(not seasonally adjusted)

Age	May 2012	April 2013	May 2013
<b>Less than 55</b>	38.5 weeks	36.9 weeks	35.9 weeks
<b>55+</b>	56.0 weeks	50.2 weeks	54.2 weeks

Source: Calculated from *Employment and Earnings Online*, May 2012 at [http://www.bls.gov/opub/ee/2012/cps/tablea36\\_201205.pdf](http://www.bls.gov/opub/ee/2012/cps/tablea36_201205.pdf); April 2013 at [http://www.bls.gov/opub/ee/2013/cps/tablea36\\_201304.pdf](http://www.bls.gov/opub/ee/2013/cps/tablea36_201304.pdf); and May 2013 at <http://www.bls.gov/web/empsit/cpseea36.pdf>.

- At 214,000, the number of older “discouraged” workers in May was below the 271,000 for April but slightly above the figure from a year earlier (209,000). May’s discouraged workers were 13.5 percent of those older Americans who said that they wanted a job but were not looking—lower than in April 2012 (17.5 percent).<sup>8</sup> The number of discouraged is still well above what it was when the recession began in 2007, at which time only 53,000 older people were classified as discouraged workers.

### Labor Force Trends by Age Group

As workers age, they tend to retire, many because of ill health or job loss, others because they are ready for something other than paid employment. At ages 55 to 64, about two-thirds of Americans are in the labor force; that is, they are working or looking for work. By ages 70 to 74, that figure falls to less than one in five. Over the past two decades, however, there has been an increase—in some cases, a sharp increase—in the labor force participation rates of older age groups, even those aged 75 and older (figure 3).

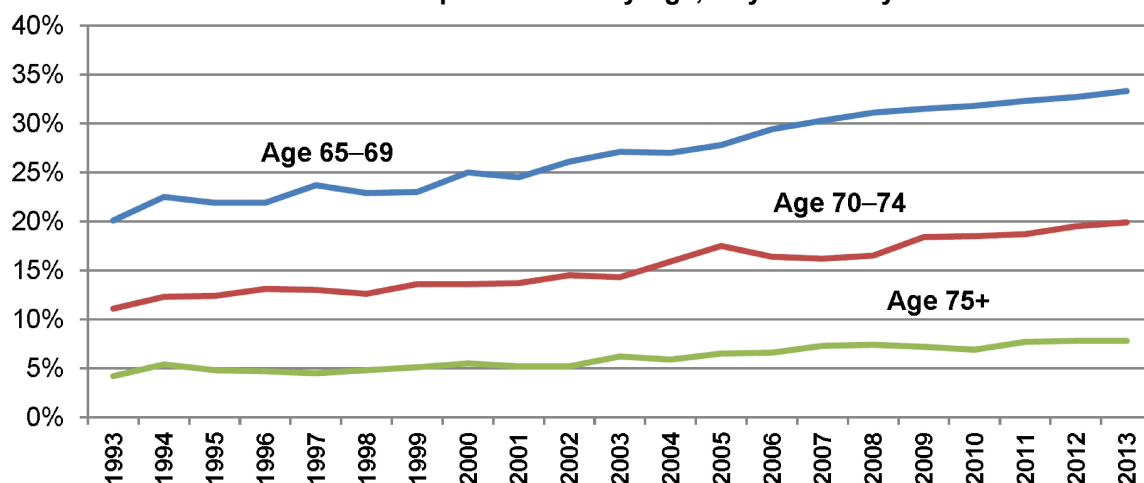
### Concluding Observations

Millions of older Americans have remained employed since the onset of the recession, and many are pushing back their retirement date, which may lead to a more financially secure old age than would otherwise have been the case.

Job losers, however, are another story. Although the unemployment rate for older Americans fell slightly in May, and the number and proportion with jobs increased somewhat, the problem of long-term unemployment for older Americans showed no signs of improvement.

Added to the employment barriers older jobseekers have long faced—e.g., age discrimination and employer concerns about technological competence, cost, and ability to learn—is the fact that unemployment itself, particularly prolonged unemployment, greatly diminishes the chances that an employer will even consider hiring an older (or younger) jobless person. As the period of unemployment lengthens, skills continue to atrophy, making it even less likely that many of the older unemployed workers will ever find employment on their own.

**Figure 3**  
**Labor Force Participation Rates by Age, May 1993–May 2013**



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

\*Figures are for May of each year and are not seasonally adjusted.

**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 and do fluctuate substantially over the short term because of sampling error or

the small number of individuals in a particular category who may have been interviewed. Numbers over a longer period (e.g., beginning to end of the recession) or annually adjusted figures generally provide a more reliable picture.

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## 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—May 2013*, USDL-13-1102 (Washington, DC: BLS, June 7, 2013); tables in BLS’s *Employment and Earnings Online* at <http://www.bls.gov/opub/ee/archive.htm>, various years; BLS tables at <http://www.bls.gov/web/empstoc.htm> and <http://www.bls.gov/webapps/legacy/cesbtab1.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 differ from those reported in earlier Fact Sheets because of adjustments by BLS.

<sup>3</sup> The numbers in this paragraph are preliminary and may be revised. The initial estimate for April was 165,000, which has been scaled back to 149,000.

<sup>4</sup> The unemployment rate for men aged 55 and older is seasonally adjusted; the rate for women aged 55 and older is not. According to BLS, unemployment for women in this age group does not appear to show seasonal variation.

<sup>5</sup> Figure 2 data only go back to January 2011 because that was when BLS changed its top coding of duration of unemployment from 2 years to 5 years. Before this change, any duration of unemployment greater than 2 years was coded as 2 years. 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>6</sup> Monthly self-employment figures are published by 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.) Self-employment figures are not seasonally adjusted.

<sup>7</sup> Data in this section are not seasonally adjusted.

<sup>8</sup> Discouraged workers are not looking for work because they believe that no work is available or that there are no jobs for which they would qualify (e.g., employers would find them too old, they lack the necessary schooling/training). They 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 4 weeks). See BLS at <http://www.bls.gov/cps/lfcharacteristics.htm#discouraged>. The numbers on discouraged workers are not seasonally adjusted.

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