The Employment Situation, June 2014: Five Years after the Official End of the Great Recession, Many Indicators Are Looking Up

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- The unemployment rate for the workforce aged 55 and older fell to 4.4 percent in June from 4.6 percent in May, remaining well below what it had been 1 year earlier, when 5.3 percent of the older workforce was without a job but looking for one.
- An estimated 1.5 million people aged 55 and older were unemployed in June, about 53,000 fewer than in May and 270,000 fewer than the previous June.
- The average duration of unemployment for older jobseekers fell to 48.1 weeks from 52.5 weeks between May and June but was virtually identical to what it was 1 year earlier.
- The proportion of older people with jobs in June (38.2 percent) was unchanged from May and about what it was in June 2013.

Overview

The Great Recession officially ended exactly 5 years ago, although employment conditions continued to deteriorate for some time thereafter. Nonfarm payroll employment fell through the end of 2009. The unemployment rate for older Americans—3.2 percent at the start of the recession in December 2007—reached a high of 7.4 percent in August 2010.

The proportion of older jobseekers who were among the long-term unemployed (27 or more weeks) approached 61 percent in September 2011 and remained at 50 percent or more for most of the following 2 years. Many older dislocated workers became discouraged and gave up the job search, opting to collect early, permanently reduced Social Security benefits.

By June 2014, however, the unemployment rate for the aged 55 and older population was down to 4.4 percent. Still, nearly half of those who remained unemployed had been out of work for at least 27 weeks.

Employment and Unemployment

The overall employment picture appeared rather bright in June, according to a number of indicators published by the Bureau of Labor Statistics (BLS). Nonfarm payroll employment, as reported by establishments, rose by an estimated 288,000, more than May’s increase of 224,000. Gains were especially pronounced in professional and business services (67,000), retail trade (40,200), and leisure and hospitality (39,000). Government employment, mainly local, showed
improvement as well. As was the case in May, employment was higher than it had been at the start of the Great Recession in December 2007 and well above what it was at the recession’s end (figure 1).

The June unemployment rate for the aged 16 and older labor force fell to 6.1 percent from May’s 6.3 percent. At the same time, the labor force participation rate—the percent working or looking for work—remained unchanged at 62.8 percent, lower than it had been in June 2013 (63.5 percent). The number of people not in the labor force rose between May and June by more than 110,000. The proportion employed (employment-to-population ratio), which inched upward to 59 percent from 58.9 percent in May, is still well below what it had been at the recession’s onset (62.7 percent).

The unemployment situation improved somewhat for older workers as well. Their unemployment rate fell from 4.6 percent to 4.4 percent between May and June (table 1), although the drop was limited to older women (4.6 percent to 4.1 percent). Older men experienced an increase in unemployment (4.6 percent to 4.9 percent). Nearly 1.5 million older people were unemployed in June, 53,000 fewer than in May and some 270,000 fewer than a year earlier. At the same time, however, the number of older people who were out of the labor force rose by nearly 600,000, more than 40 percent of whom were under age 65.

The labor force participation rate for the aged 55-plus population remained flat at 40 percent between May and June and down from the previous June’s 40.4 percent.

Employment in the older population rose between May and June by 67,000, but this had no impact on the employment-to-population ratio. The proportion employed was the same in May and June (38.2 percent) and virtually unchanged over the course of the past year.

Duration of Unemployment

At 48.1 weeks in June, the average duration of unemployment for older jobseekers was lower than in May, when it was 52.5 weeks (table 2 and

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**Figure 1**

Nonfarm Payroll Employment, December 2007–June 2014*

*(seasonally adjusted; numbers in thousands)*

![Graph showing nonfarm payroll employment from December 2007 to June 2014.](image)


*Numbers for May 2014 and June 2014 are preliminary and may be revised.*
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Jobseekers under age 55 had been unemployed for an average of 28.5 weeks in June, down from 32.8 weeks in May.

As of June, almost 47 percent of older jobseekers were long-term unemployed—that is, they had been out of work and looking for a job for 27 weeks or more—not much changed from May (46 percent) or June 2013 (47.4 percent).

Other Employment Indicators
- Almost 4.5 percent of older workers were employed part time for economic reasons (i.e., because of slack working conditions or because they could not find full-time work) in June, a higher figure than in May (3.7 percent) or at the start of the recession (2.4 percent). Older women were more likely than older men to be working part-time for economic reasons in June (5.2 percent and 3.9 percent, respectively).
- The number of older, unincorporated self-employed workers in nonagricultural industries was about 2.9 million in June; these self-employed were 9.3 percent of the older nonagricultural workforce, a percentage that has fluctuated relatively little for years.
- Most older people who are out of the labor force say that they do not want a job (97 percent in June, a figure that has remained remarkably stable since the start of the recession). The number of older people who were out of the labor force but interested in work was 1.6 million in June. At 198,000, the number of older “discouraged” workers was somewhat higher in June than in May (163,000) but lower than the 276,000 of a year earlier. This figure remains well above what it was when the recession began in 2007, at which time only 53,000 older people were not working for economic reasons.

### Table 1
Unemployment Rate for the Labor Force Aged 16+ and 55+, June 2013, May 2014, and June 2014

<table>
<thead>
<tr>
<th>Age and Sex</th>
<th>June 2013</th>
<th>May 2014</th>
<th>June 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total, 16+</td>
<td>7.5%</td>
<td>6.3%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Total, 55+</td>
<td>5.3%</td>
<td>4.6%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Men, 55+</td>
<td>5.5%</td>
<td>4.6%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Women, 55+</td>
<td>5.2%</td>
<td>4.6%</td>
<td>4.1%</td>
</tr>
</tbody>
</table>


### Table 2
Duration of Unemployment among Younger and Older Jobseekers, June 2013, May 2014, and June 2014

<table>
<thead>
<tr>
<th>Age</th>
<th>June 2013</th>
<th>May 2014</th>
<th>June 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Duration of Unemployment*</td>
<td>Under age 55 55+</td>
<td>31.8 weeks 48.2 weeks</td>
<td>32.8 weeks 52.5 weeks</td>
</tr>
<tr>
<td>% Long-term Unemployed*</td>
<td>Under age 55 55+</td>
<td>32.6% 47.4%</td>
<td>33.7% 46.0%</td>
</tr>
</tbody>
</table>


*Not seasonally adjusted.
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■ About 4.7 percent of older workers held more than one job in June, no change from May and about what it was in June 2013. Older women were somewhat more likely than older men to be multiple jobholders (4.6 percent and 4.0 percent, respectively).

A Closer Look at the Older Workforce

Workers and jobseekers aged 55 to 64 account for three-fourths of the older labor force. Their labor force participation rate is about three and a half times higher than that for people aged 65 and older (63.9 percent vs. 18.3 percent in June).

The share with jobs varies dramatically by age as well, with those aged 55 to 64 far more likely to be employed. However, the proportion employed in this age group was lower in June (61.2 percent) than at the start of the recession (62.2 percent) but higher than at the recession’s end (60.7 percent). For those aged 65 and older, the June employment rate was actually higher than it was at the start or end of the recession (17.4 percent, up from 15.6 percent in June 2009 and 15.8 percent in December 2007).

Both age groups were more likely to be unemployed than they were at the start of the recession—4.2 percent vs. 3 percent for the 55–64 age group and 4.7 percent vs. 3.3 percent for those aged 65 and older. The June rate for both age groups was, however, well below what it had been at the end of the recession (6.8 percent for both age groups in June 2009).

As of June, nearly 46 percent of the younger group and 49 percent of the older were long-term unemployed. Although these figures are still high, more than half of jobseekers in both age groups have been among the long-term unemployed at various times since the Great Recession.

Conclusion

June 2014 marked the fifth year since the official end of the Great Recession. Recovery has been slow and, for many unemployed workers, uncertain.
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However, June also saw the sixth month of impressive job growth in 2014. Still, nearly 9.4 million Americans—1.5 million of them aged 55 or older—were unemployed. Almost half of older jobseekers were among the long-term unemployed, whose chances of finding jobs, particularly good jobs, remain problematic.

**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.

The next update of this Fact Sheet will report on the employment situation as of September 2014.

**Endnotes**

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


3 In June, BLS reported an estimated 217,000 increase in nonfarm payroll employment for May. That preliminary figure has been revised upward. June’s estimate may be revised as well.

4 Figure 2 data go back only 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](http://www.bls.gov/cps/duration.htm).

5 Refers to nonagricultural workers. Data are not seasonally adjusted.

6 BLS publishes monthly self-employment figures 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.

7 Data in this section are not seasonally adjusted.

8 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/lcharacteristics.htm#discouraged](http://www.bls.gov/cps/lcharacteristics.htm#discouraged). The numbers on discouraged workers are not seasonally adjusted.

9 Data in this section are not seasonally adjusted.