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## Long-Term Unemployment Questions

In April 2010, the Pew Fiscal Analysis Initiative released *A Year or More: The High Cost of Long-Term Unemployment*, which examined the extent of the country's long-term (LT) unemployment problem and its impact on the nation's fiscal condition. The report defined "long-term unemployment" as a jobless period of a year or longer.

This series of charts illustrates different dimensions of the U.S. unemployment challenge, such as who make up the long-term unemployed population, where the long-term unemployed are located, and whether workers are being laid off permanently or temporarily.



► Introduction	
<b>1</b>	How Long Unemployed?
<b>2</b>	Who are the Unemployed?
<b>3</b>	Who are the LT Unemployed?
<b>4</b>	Where are the LT Unemployed?
<b>5</b>	Permanently Unemployed?
► Appendix	

# 1 How Long Have the Unemployed Been Jobless?

## Unemployment by Duration as a Percentage of the Labor Force

The Bureau of Labor Statistics (BLS) announced in January 2012 that the total unemployment rate for December 2011 had fallen to 8.5 percent, the lowest rate since February 2009. While the total

unemployment rate has fluctuated over the past 40 years, the long-term unemployed (which Pew defines as those unemployed for a year or longer) as a percentage of the total unemployed reached

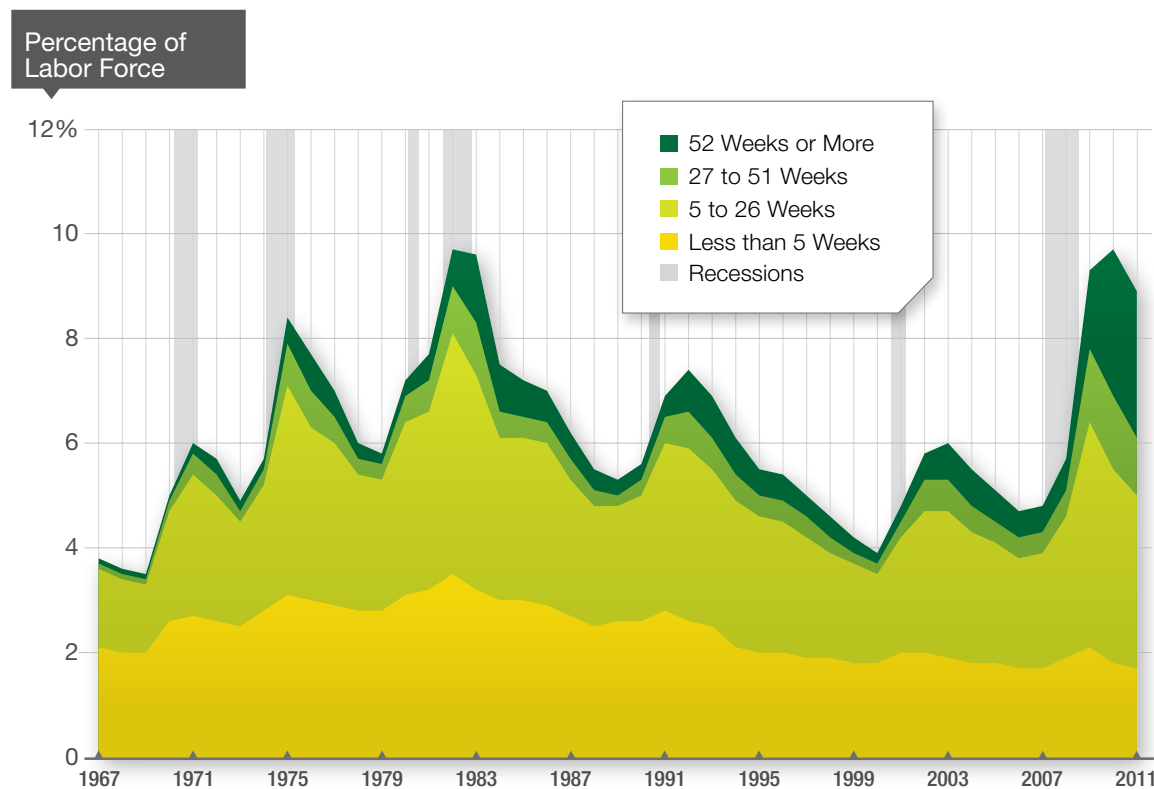
historic highs in the aftermath of the Great Recession.

Pew's analysis of unemployment data from the fourth quarter of 2011 reveals that 4.0 million jobless

workers were without work for a year or more, slightly more than the population of Oregon. That represents 2.6 percent of the labor force and 31.3 percent of the unemployed.

While these numbers have come down from their Great Recession peaks, they are still higher than in any previous recession since World War II.

In 2011, there were more workers who had been unemployed for a year or longer (2.8 percent of the labor force) than workers who had just been laid off (1.7 percent). BLS uses the "Less than 5 Weeks" designation to indicate people who have just been laid off.



SOURCE: Pew analysis of Bureau of Labor Statistics data.

NOTE: Data is shown by year.

Introduction	
<b>1</b>	How Long Unemployed?
<b>2</b>	Who are the Unemployed?
<b>3</b>	Who are the LT Unemployed?
<b>4</b>	Where are the LT Unemployed?
<b>5</b>	Permanently Unemployed?
Appendix	

# 2 Who are the Unemployed?

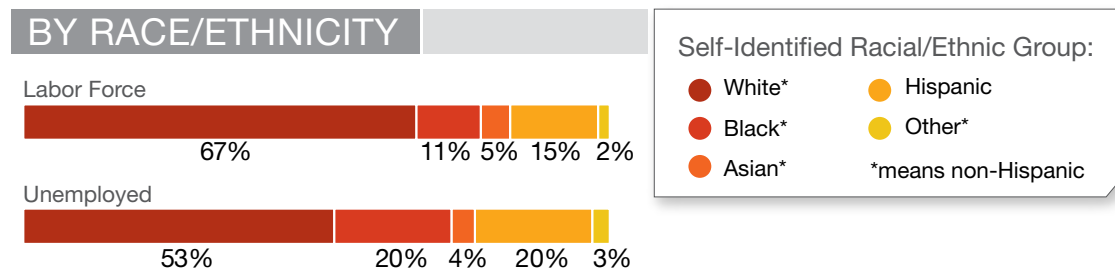
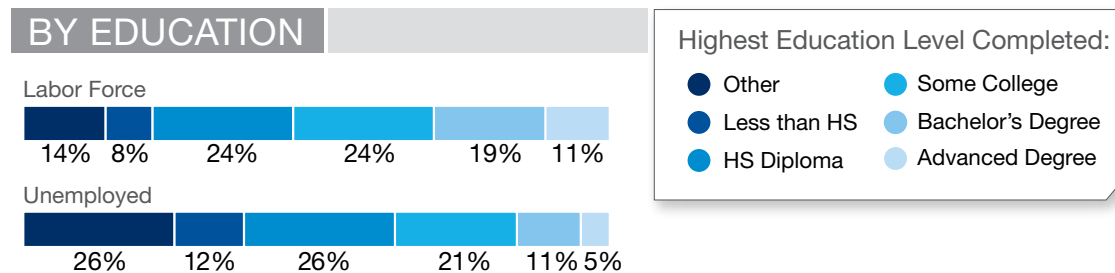
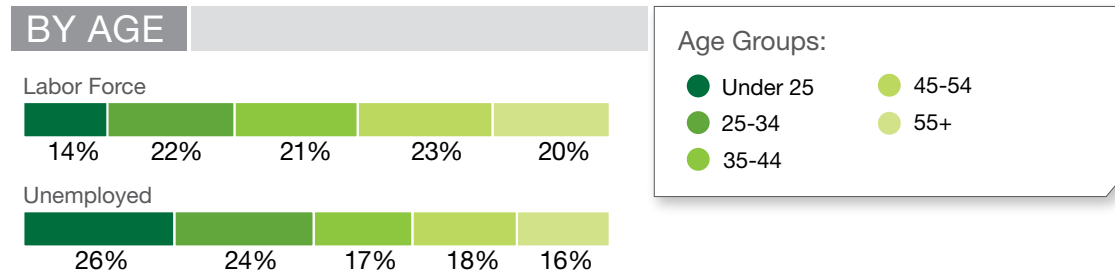
## Labor Force and Unemployed Populations by Age, Education and Race/Ethnicity, Quarter 4, 2011

Insight into the question of who are the unemployed can be understood by comparing the characteristics of the labor force as a whole with those who are unemployed

During the fourth quarter of 2011<sup>1</sup>, workers under age 25 represented a larger proportion of the unemployed than of the total labor force: 14 percent of the

total labor force were individuals under age 25 and this group represents 26 percent of the total unemployed. In contrast, workers age 55 and older represented 20

percent of the labor force and 16 percent of the unemployed. Given their representation in the labor force, younger workers were the most likely age category to be unemployed during this period.



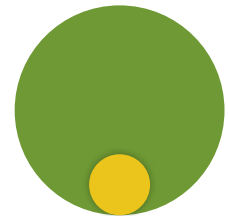
SOURCE: Pew analysis of Current Population Survey data, October through December 2011.

NOTES: Data is not seasonally adjusted. Percentages may not add to 100 percent due to rounding. "HS"= High School. By Education, "Other" includes workers under age 25. By Race/Ethnicity, "Other" includes American Indians, Hawaiians, Pacific Islanders, and those who categorized themselves as more than one race. "Hispanic" includes all self-identified Hispanics of any race.

When considering education levels, workers with a bachelor's or advanced degree made up 31 percent of the total labor force, but represented only 15 percent<sup>2</sup> of the unemployed during the fourth quarter of 2011. Workers who did not attend college comprised 32 percent of the labor force and 38 percent of the unemployed. Individuals with higher levels of education represent a smaller proportion of all unemployed workers than they do of the total labor force.

White workers were the majority of the labor force and the unemployed, but black workers made up a disproportionate share of the unemployed, given their representation in the labor force, during the fourth quarter of 2011. The most likely groups to be unemployed during this period, when considering the composition of the labor force, were blacks and Hispanics. The percentage of black workers who were unemployed during this period was nearly double the percentage in the labor force.

Total U.S. Labor Force  
**154 Million**



**13 Million**  
Unemployed

- Introduction
- 1** How Long Unemployed?
- 2** Who are the Unemployed?
- 3** Who are the LT Unemployed
- 4** Where are the LT Unemployed?
- 5** Permanently Unemployed?
- Appendix

# 3 Who are the Long-Term Unemployed?

## Long-Term Unemployment as a Percentage of the Total Unemployed

In the fourth quarter of 2011, 31 percent of the total unemployed had been jobless for a year or more.<sup>3</sup>

During this period, older workers were the least likely to experience


joblessness.<sup>4</sup> However, among people without jobs, unemployed older workers were the most likely to have been jobless for a year or more. For example, in the fourth quarter

of 2011, more than 42 percent of unemployed workers older than 55 had been out of work for at least a year, a higher percentage than any other age category.

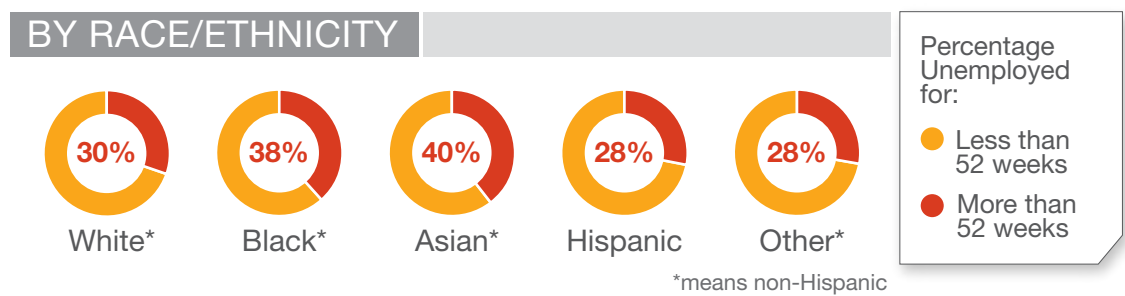
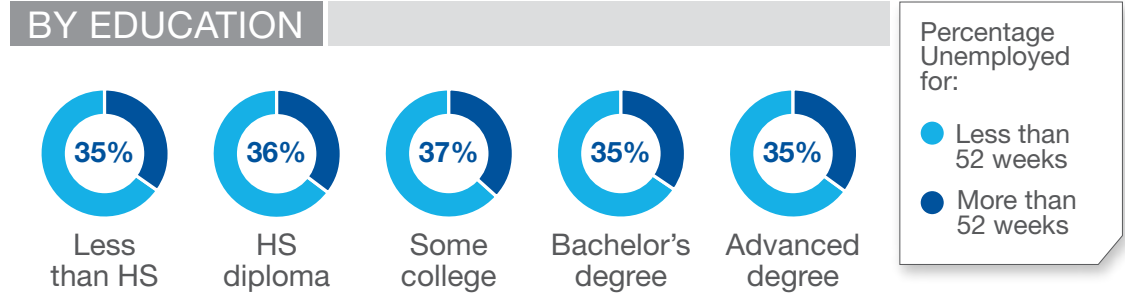
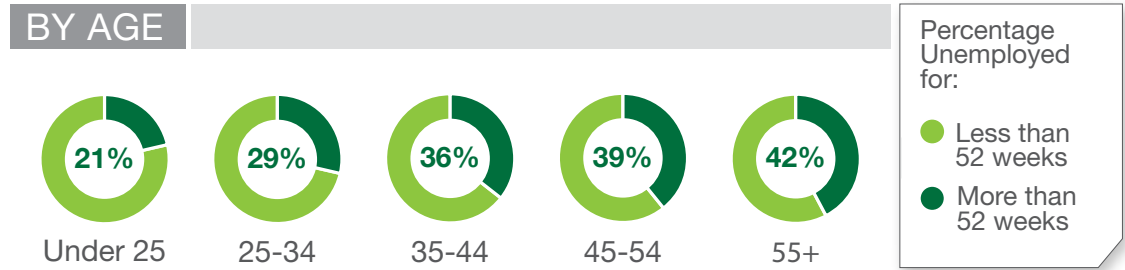
Although individuals with higher levels of education represent a smaller proportion of all unemployed workers<sup>5</sup>, among those who are unemployed, long-term joblessness is distributed across all education levels. In the fourth quarter of 2011, 35 percent of unemployed workers with a bachelor's degree had been without work for a year or longer, compared to 36 percent of high school graduates, and 35 percent of those who had not completed high school.

During the fourth quarter of 2011, blacks and Hispanics made up a larger percentage of the unemployed than they did of the labor force.<sup>6</sup> However, among those without jobs, unemployed Asians and blacks were the most likely to have been unemployed for a year or longer: Nearly 40 percent of unemployed Asians and blacks had been jobless for a year or more, higher than any other race or ethnicity during the fourth quarter of 2011.<sup>7</sup> By contrast, unemployed Hispanics were the least likely race or ethnicity to have been jobless for a year or longer: 28 percent of unemployed Hispanics were jobless for a year or more.

Unemployed  
**13 Million**



**4 Million**  
Long-Term Unemployed



SOURCE: Pew analysis of Current Population Survey data, October through December 2011.

NOTES: Data is not seasonally adjusted. "HS"= High School. Education categories include workers age 25 and over. "Other" includes American Indians, Hawaiians, Pacific Islanders, and those who categorized themselves as more than one race. "Hispanic" includes all self-identified Hispanics of any race.

- Introduction
- 1** How Long Unemployed?
- 2** Who are the Unemployed?
- 3** Who are the LT Unemployed?
- 4** Where are the LT Unemployed?
- 5** Permanently Unemployed?
- Appendix

# 4 Where are the Long-Term Unemployed?

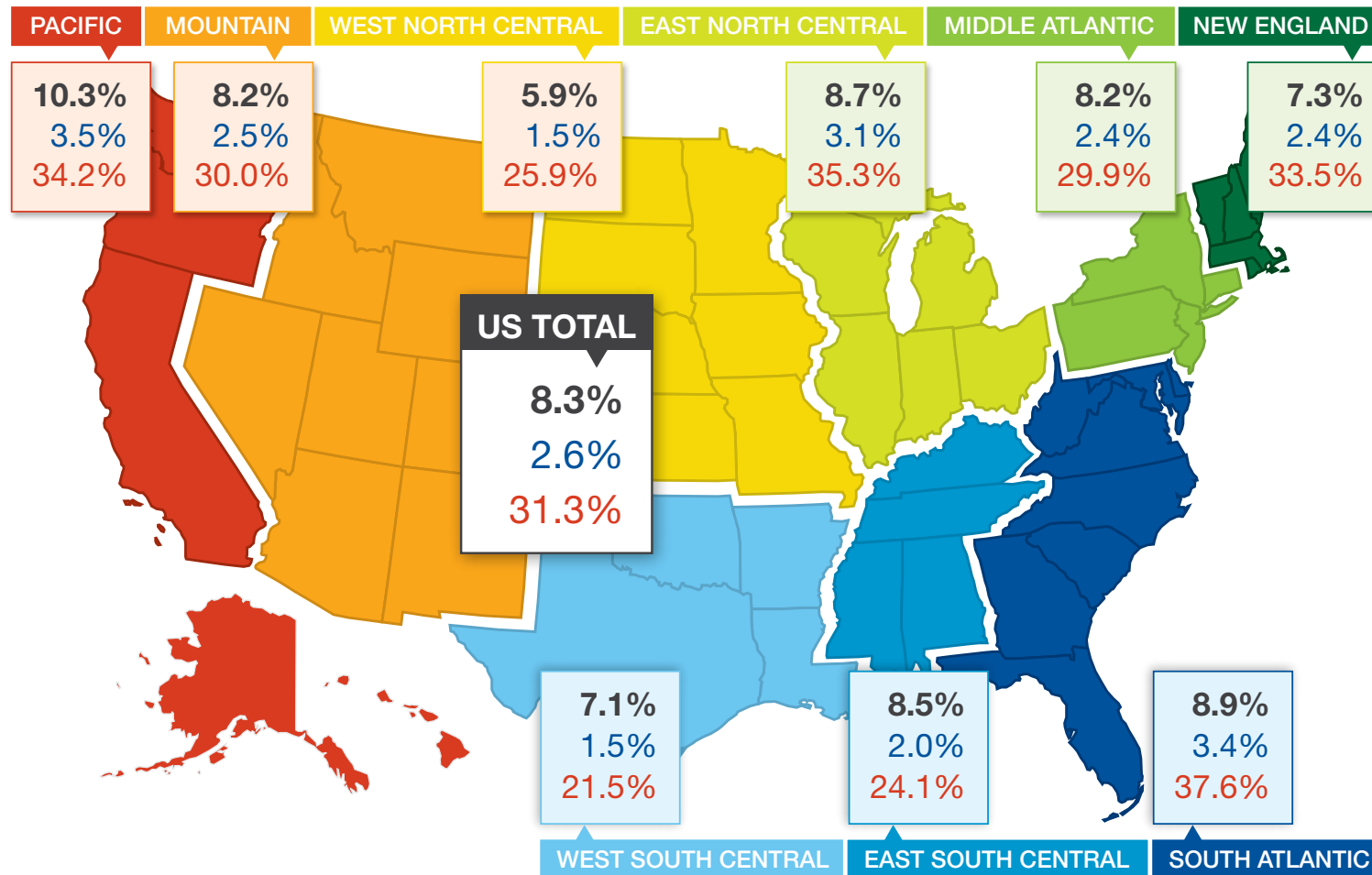
## Total and Long-Term Unemployment by Census Division, Quarter 4, 2011

In the fourth quarter of 2011<sup>8</sup>, the Pacific division had the highest long-term unemployment rate as a percentage of its labor force (3.5 percent); Pew defines long-term

unemployment as a jobless period of a year or longer. By contrast, the national long-term unemployment rate was 2.6 percent. Other divisions hit hard by long-term

unemployment were the South Atlantic (3.4 percent) and the East North Central (3.1 percent). The West South Central and East

South Central had the lowest long-term unemployment rates (21.5 percent and 24.1 percent, respectively) as a percentage of the total unemployed.



In U.S. Census Divisions:

- Total Unemployment Rate
- Long-Term Unemployment as Percentage of Labor Force
- Long-Term Unemployment as Percentage of Total Unemployed

- Introduction
- 1 How Long Unemployed?
- 2 Who are the Unemployed?
- 3 Who are the LT Unemployed
- 4 Where are the LT Unemployed?
- 5 Permanently Unemployed?
- Appendix

SOURCE: Pew analysis of Current Population Survey data, October through December 2011.

NOTE: Data is not seasonally adjusted.

# 5 Are Workers Being Laid Off Permanently?

## Permanent and Temporary Layoffs as a Percentage of the Total Unemployed

The Great Recession and its aftermath saw a significant increase in the percentage of layoffs that were permanent as opposed to temporary. The percentage of jobless workers on permanent layoffs peaked in the fourth quarter of 2009 at about 54 percent. In the same quarter, individuals on temporary layoffs (unemployed

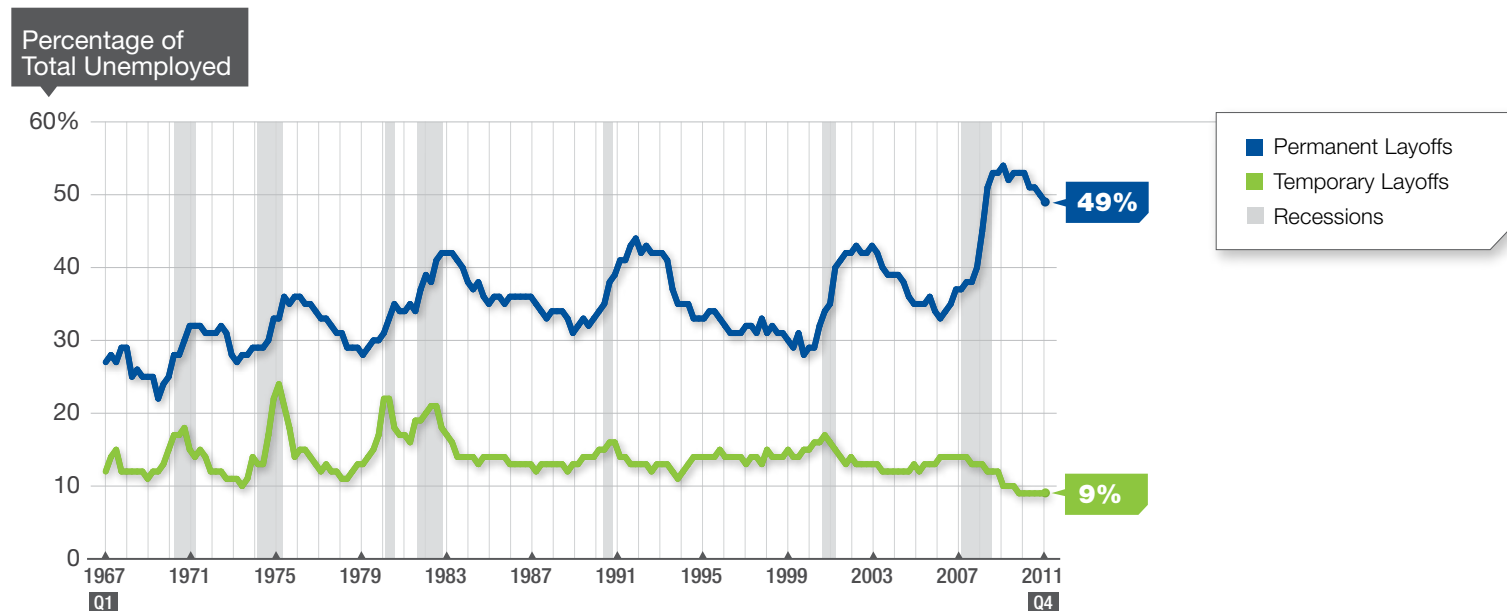
individuals who were expecting to return to work for the same employer)<sup>9</sup> made up about 10 percent of the unemployed. Both percentages have declined since this peak.

By contrast, during the downturn of the early 1980s, the average quarterly percentage of the

unemployed who were on temporary layoffs was about 20 percent, while those on permanent layoffs comprised approximately 38 percent.

Some of this shift could be attributed to the long-term decline in employment in manufacturing industries, as compared to other

industries.<sup>10</sup> In times of recession, the manufacturing industry generally has more temporary layoffs as workers are called back to their plants once production picks up. However, the last two recessions have hit manufacturing especially hard, and many of the manufacturing jobs that were lost have not returned.<sup>11</sup>



SOURCE: Pew Analysis of Bureau of Labor Statistics.

NOTES: Data is shown by quarter. Percentages do not add up to 100 percent because other reasons for unemployment are not shown, including individuals who have completed temporary jobs, job leavers, reentrants, and new entrants.

- Introduction
- 1 How Long Unemployed?
- 2 Who are the Unemployed?
- 3 Who are the LT Unemployed?
- 4 Where are the LT Unemployed?
- 5 Permanently Unemployed?
- Appendix

# Appendix

## Endnotes

1 Pew uses quarterly data for its analysis, based on monthly Current Population Survey data, to determine a three month average of unemployment statistics. The data are aggregated quarterly to reduce statistical noise. Duplicative records are removed. Data is not seasonally adjusted.

2 Percentages may not match chart due to rounding. For example, workers with a bachelor's degree made up 10.6 percent of the unemployed and workers with an advanced degree made up 4.7 percent of the unemployed.

3 Pew uses quarterly data for its analysis, based on monthly Current Population Survey data, to determine a three month average of unemployment statistics. The data are aggregated quarterly to reduce statistical noise. Duplicative records are removed. Data is not seasonally adjusted.

4 See Chart 2.

5 See Chart 2.

6 See Chart 2.

7 For additional informational information on unemployed Asians in the labor force, see United States Department of Labor, "[The Asian-American Labor Force in the Recovery](#)," July 2011.

8 Pew uses quarterly data for its analysis, based on monthly Current Population Survey data, to determine a three month average of unemployment statistics. The data are aggregated quarterly to reduce statistical noise. Duplicative records are removed. Data is not seasonally adjusted.

9 Bureau of Labor Statistics, "[Glossary](#)."

10 Gary Burtless, "[Trends in the Structure of the Labor Market and Unemployment: Implications for U.S. Unemployment Insurance](#)," U.S. Department of Labor and Impaq International (September 2008), p. ii.

11 Congressional Budget Office, "[Factors Underlying the Decline in Manufacturing Since 2000](#)," December 23, 2008, p.1.

The Pew Fiscal Analysis Initiative seeks to increase fiscal accountability, responsibility, and transparency by providing independent and unbiased information to policy makers and the public as they consider the major policy issues facing our nation. For additional information, please visit [www.pewtrusts.org](http://www.pewtrusts.org) or contact Samantha Lasky at [slasky@pewtrusts.org](mailto:slasky@pewtrusts.org) or 202-540-6390.

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## ► Introduction

**1** How Long Unemployed?

**2** Who are the Unemployed?

**3** Who are the LT Unemployed

**4** Where are the LT Unemployed?

**5** Permanently Unemployed?

## ► Appendix