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- Since the recession's official end, over 40 percent of the 12.7 million unemployed have been looking for work for more than half a year.
- When unemployment peaked, 5.5 million people were unemployed long term; by February 2012 the number was 5.4 million.

Identifying Those at Greater Risk of Long-Term Unemployment

Gregory Acs and Michael Martinez-Schiferl

In March 2012, 33 months since the recession's official end, over 40 percent of the 12.7 million unemployed Americans had been looking for work for more than half a year. High long-term unemployment poses challenges for those workers as well as the economy as skills may erode while they are out of work, making it increasingly hard for them to find a job.

This brief compares the characteristics of the long-term unemployed with those of the recently unemployed to ascertain which workers are at elevated risk of long-term unemployment. We also compare the long-term unemployed today with the long-term unemployed at the height of the recession to identify groups of workers for whom the risk of long-term unemployment has increased. This brief highlights notable differences in the characteristics of those groups.¹ Findings are based on the Current Population Survey, which provides a snapshot in time of the labor force.

Certain groups of workers—older workers, women, and those with more education—are less likely to become unemployed than other workers but, once they become unemployed, they are disproportionately more likely

to experience long-term unemployment. In addition, older workers, women, and unmarried adults without children have made up increasingly larger shares of the long-term unemployed since the recession's end.

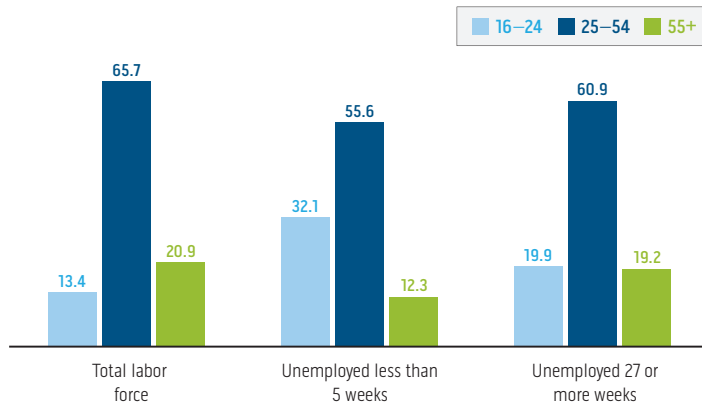
Comparing the Newly Unemployed with the Long-Term Unemployed

Figures 1 through 7 compare the characteristics of the labor force in February 2012 to those of the recently unemployed (unemployed for less than 5 weeks) and the recently unemployed to the long-term unemployed (unemployed for 27 weeks or more).

Older workers (those age 55 and over) are less likely to become unemployed than younger workers but if they do, they are disproportionately more likely to be long-term unemployed than their younger counterparts

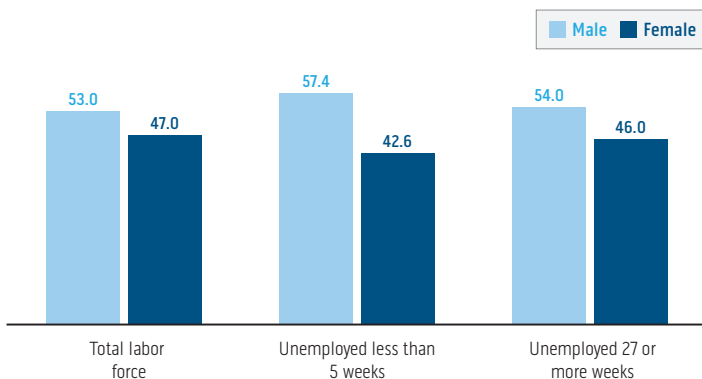
Older workers, women, those with more education, and those who worked in manufacturing are less likely to become unemployed than other workers but once they do, they are disproportionately more likely to experience long-term unemployment.

Figure 1. Labor Force and Unemployed Workers by Age (%)



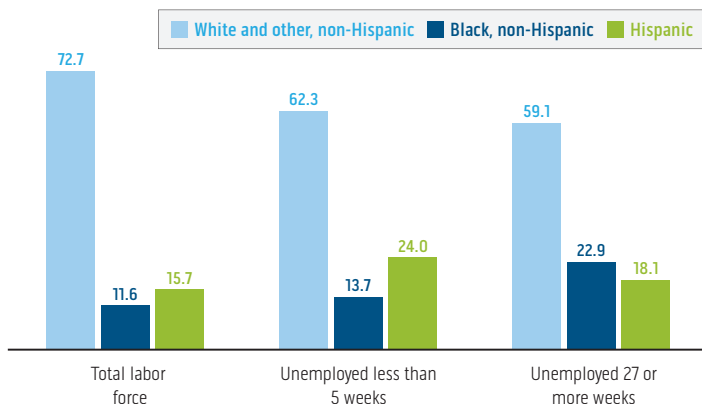
Source: Authors' calculations based on U.S. Census Bureau, Current Population Survey.

Figure 2. Labor Force and Unemployed Workers by Gender (%)



Source: Authors' calculations based on U.S. Census Bureau, Current Population Survey.

Figure 3. Labor Force and Unemployed Workers by Race and Ethnicity (%)



Source: Authors' calculations based on U.S. Census Bureau, Current Population Survey.

(figure 1). For example, workers age 16 to 24 represent 13.4 percent of the labor force but account for 32.1 percent of the newly unemployed. However, younger workers represent only about a fifth (19.9 percent) of the long-term unemployed. In contrast, older workers, who account for a fifth (20.9 percent) of the labor force, represent a larger share (19.2 percent) of the long-term unemployed than of the recently unemployed (12.3 percent).

Women are less likely to be among the recently unemployed than men (42.6 compared with 57.4 percent) even though they represent fairly similar shares of the labor force (47.0 compared with 53.0 percent) (figure 2). Women, however, represent a slightly larger share of the long-term unemployed than of the recently unemployed. Once women become unemployed, they may be at greater risk of long-term unemployment than men.²

Examining racial and ethnic differences reveals that blacks and Hispanics are disproportionately more likely to experience unemployment than whites and that Hispanics are disproportionately more likely to be recently unemployed than both whites and blacks (figure 3). In contrast, blacks represent a disproportionately larger share of the long-term unemployed (22.9 percent) than they do of the recently unemployed (13.7 percent) while Hispanics represent a disproportionately smaller share of the long-term unemployed (18.1 percent) than of the recently unemployed (24.0 percent).

College graduates are much less likely to be unemployed than those with less schooling, accounting for 32.7 percent of the labor force and just 15.6 percent of the newly unemployed (figure 4). However, they make up 18.9 percent of the long-term unemployed, a disproportionately large share. Similarly, those with high school educations represent a larger share of the long-term unemployed than they do of the recently unemployed. In contrast, those without high school

educations make up a much bigger share of the recently unemployed than they do of the labor force (26.1 compared with 9.7 percent) but a smaller share of the long-term unemployed than of the recently unemployed (17.4 compared with 26.1 percent). This shows that less-educated workers are more likely to become unemployed but less likely to stay unemployed than more-educated workers. This could reflect that less-educated workers tend to be younger and may be leaving the labor force for additional schooling rather than remaining unemployed for long periods of time.

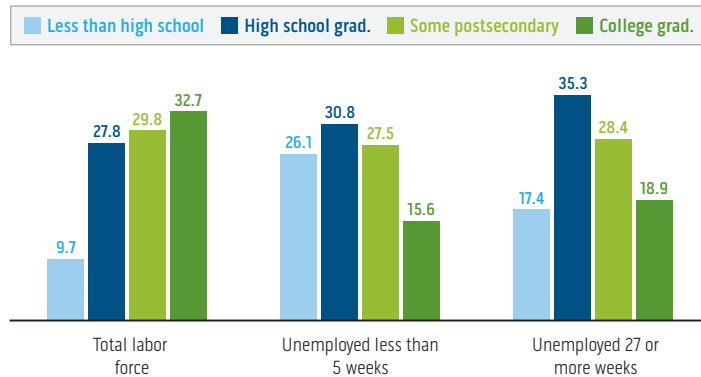
Persons working in manufacturing represent a smaller share of the recently unemployed (8.3 percent) than of the labor force (10.3 percent), but they make up a disproportionately larger share of the long-term unemployed (12.3 percent) (figure 5). Persons in construction make up a larger share of the recently unemployed than of the labor force (14.7 compared with 6.7 percent) but a disproportionately smaller share of the long-term unemployed (10.1 percent).

Those living in the West are more likely to be among the newly unemployed and the long-term unemployed than their representation in the labor force. There are no other notable differences by region for either the newly or long-term unemployed (figure 6).

Married persons without children are less likely to be among the newly unemployed than their share of the labor force suggests, as they account for 28.6 percent of the labor force but only 16.7 percent of the recently unemployed. However, compared with their share of the recently unemployed, they are disproportionately more likely to be among the long-term unemployed (21.4 percent). This may be due to unemployed people being able to rely on their spouses for support while seeking a new job.

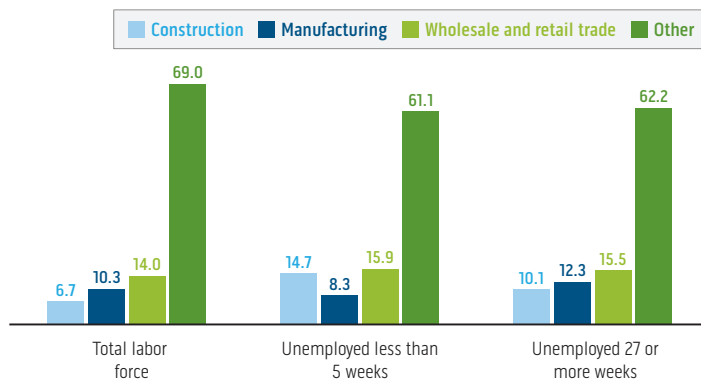
In sum, older workers, women, those with more education, and those who worked in manufacturing jobs are less likely to become

Figure 4. Labor Force and Unemployed Workers by Educational Attainment (%)



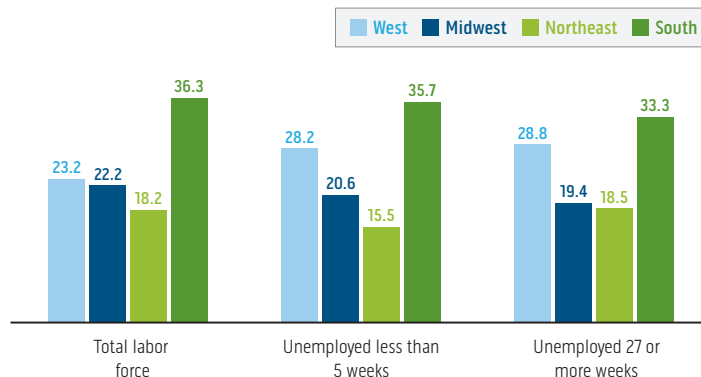
Source: Authors' calculations based on U.S. Census Bureau, Current Population Survey.

Figure 5. Labor Force and Unemployed Workers by Industry (%)



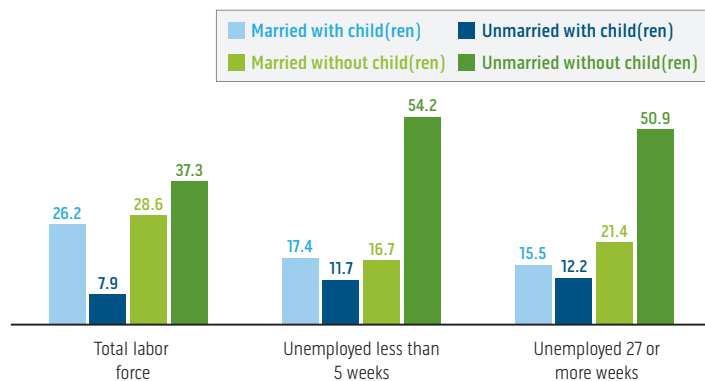
Source: Authors' calculations based on U.S. Census Bureau, Current Population Survey.

Figure 6. Labor Force and Unemployed Workers by Region (%)



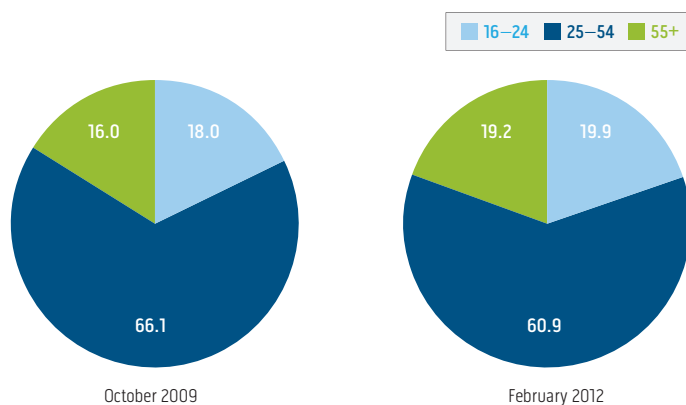
Source: Authors' calculations based on U.S. Census Bureau, Current Population Survey.

Figure 7. Labor Force and Unemployed Workers by Family Type (%)



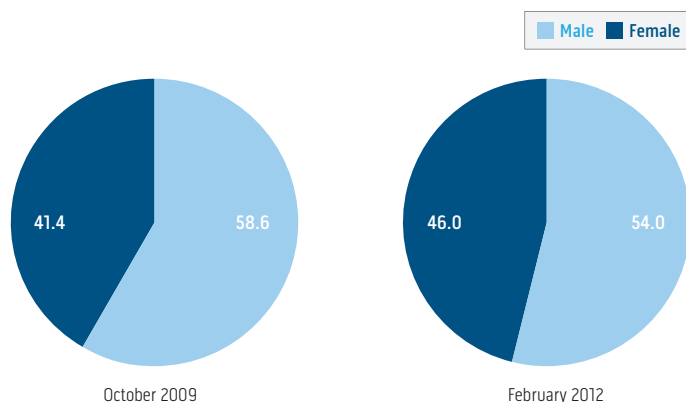
Source: Authors' calculations based on U.S. Census Bureau, Current Population Survey.

Figure 8. The Long-Term Unemployed by Age (%)



Source: Authors' calculations based on U.S. Census Bureau, Current Population Survey.

Figure 9. The Long-Term Unemployed by Gender



Source: Authors' calculations based on U.S. Census Bureau, Current Population Survey.

unemployed than other workers but once they do, they are disproportionately more likely to experience long-term unemployment. Other groups of workers, such as blacks, are disproportionately more likely to be both recently unemployed when compared with their share of the labor force and long-term unemployed when compared with their share of the recently unemployed.

Comparing the Long-Term Unemployed in October 2009 and February 2012

The unemployment rate peaked at 10.0 percent in October 2009, marking the deepest point of the Great Recession for the labor market. In October 2009, 5.5 million people were long-term unemployed; by February 2012 the number had shrunk only slightly to 5.4 million, a decrease of only 2.2 percent. Figures 8 to 14 compare the characteristics of the long-term unemployed in October 2009 and February 2012 to help identify demographic groups for whom the risk of long-term unemployment has increased.

Since October 2009, those age 55 and older have become a larger share of the long-term unemployed, growing from 16.0 percent in October 2009 to 19.2 percent in February 2012, (figure 8). Those age 25 to 54 have become a smaller share of the long-term unemployed shrinking 5.2 percentage points from 66.1 to 60.9 percent.

At the depth of the recession, women accounted for only 41.4 percent of the long-term unemployed; this increased significantly to 46.0 percent in February 2012, an increase of 4.6 percentage points (figure 9).

Although figure 10 shows some movement in the racial and ethnic composition of the long-term unemployed, the differences are not statistically significant.

Since October 2009, college graduates have become a significantly larger share of the long-term unemployed, growing from 15.6 to 18.9 percent, an increase of 3.3 percentage

points (figure 11). Other changes by educational attainment were not significant.

Persons working in construction and manufacturing are faring better than they were at the depth of the recession. In October 2009, those in construction accounted for 14.5 percent of the long-term unemployed; by February 2012, they were just 10.1 percent, a 4.4 percentage point reduction (figure 12). Unemployed individuals who had been working in manufacturing also shrunk as a share of the long-term unemployed from 16.3 to 12.3 percent, falling by 4.0 percentage points. The share of the long-term unemployed that had worked in industries other than construction, manufacturing, and wholesale and retail trade grew from 54.4 to 62.2 percent, an increase of 7.8 percentage points.

The composition of the long-term unemployed by region remained relatively stable between October 2009 and February 2012. Although figure 13 shows small changes in the proportions by region, these differences are not significant.

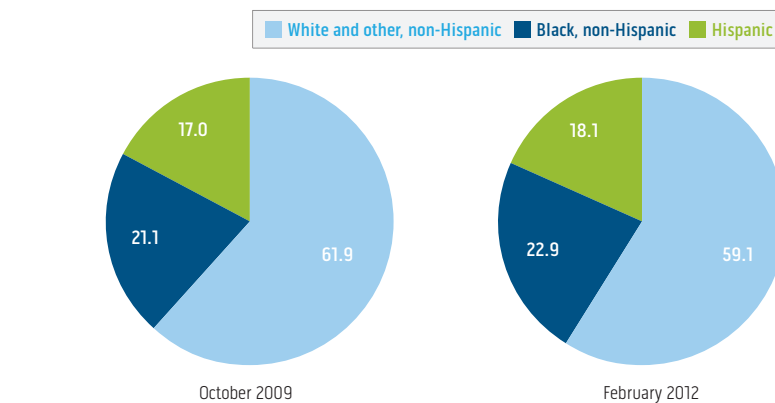
Since October 2009, those unmarried and with children have become a slightly larger proportion of the long-term unemployed, growing from 9.9 to 12.2 percent—an increase of 2.3 percentage points (figure 14). At the same time, married persons with children have become a smaller proportion of the long-term unemployed, shrinking from 19.3 to 15.5 percent—a 3.8 percentage point decrease.

In summary, older workers, women, and unmarried adults with children have made up increasingly larger shares of the long-term unemployed since the recession's end.

Discussion

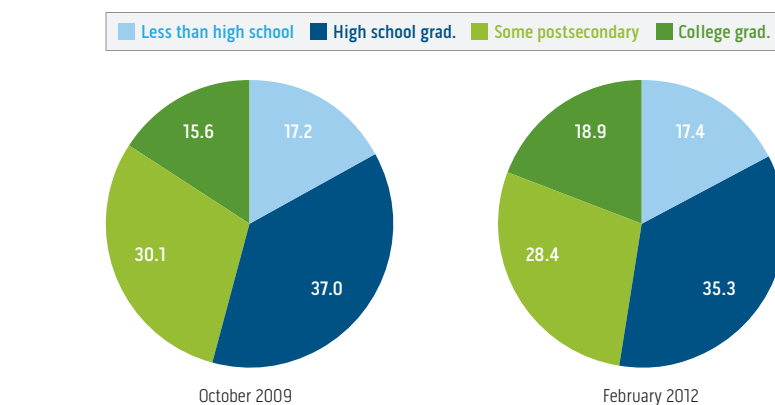
Almost three years after the end of the Great Recession, long-term unemployment remains a substantial problem in the United States. Certain population groups are disadvantaged in the labor market and more likely to experience unemployment than others, and as such, they represent a larger share of both the

Figure 10. The Long-Term Unemployed by Race and Ethnicity (%)



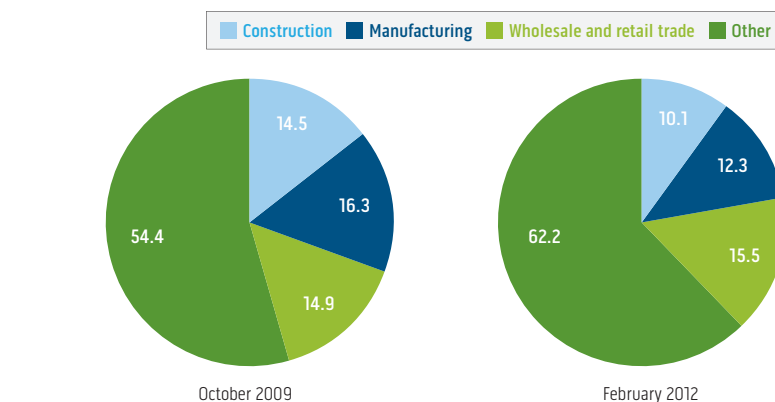
Source: Authors' calculations based on U.S. Census Bureau, Current Population Survey.

Figure 11. The Long-Term Unemployed by Educational Attainment (%)



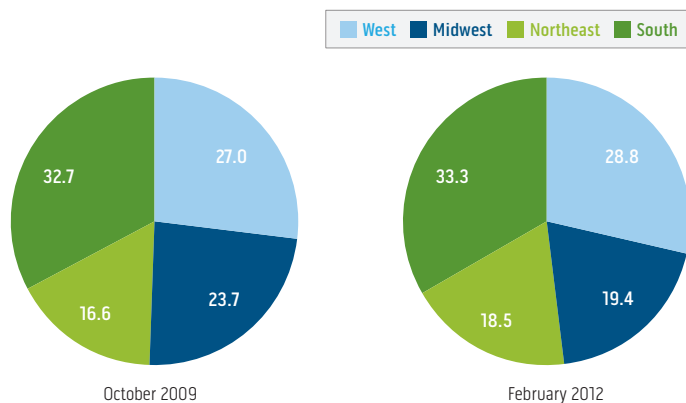
Source: Authors' calculations based on U.S. Census Bureau, Current Population Survey.

Figure 12. The Long-Term Unemployed by Industry (%)



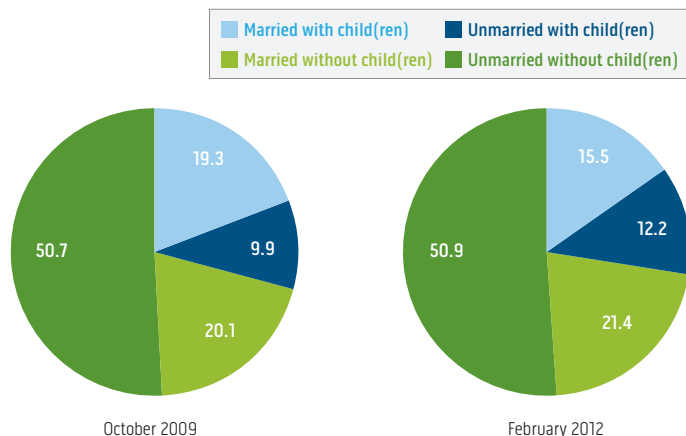
Source: Authors' calculations based on U.S. Census Bureau, Current Population Survey.

Figure 13. The Long-Term Unemployed by Region (%)



Source: Authors' calculations based on U.S. Census Bureau, Current Population Survey.

Figure 14. The Long-Term Unemployed by Family Type (%)



Source: Authors' calculations based on U.S. Census Bureau, Current Population Survey.

recently unemployed and the long-term unemployed than they do of the labor force. Those groups include younger, less-educated, and nonwhite workers. However, when other groups, including older workers, women, and those with college educations, do lose their jobs, they have a disproportionately high chance of becoming long-term unemployed. In addition, for those three groups the risk of long-term unemployment has increased from the depths of the recession in 2009 to 2012. ■

Notes

1. The findings discussed in the text are statistically significant with one exception that falls just below conventional levels of significance.
2. This difference falls just below conventional levels of statistical significance ($p = 0.12$).

About the Authors

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Unemployment and Recovery Project

This brief is part of the Unemployment and Recovery project, an Urban Institute initiative to assess unemployment's effect on individuals, families, and communities; gauge government policies' effectiveness; and recommend policy changes to boost job creation, improve workers' job prospects, and support out-of-work Americans.

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