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Trends In Long-term Unemployment

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Trends In Long-term Unemployment

Abstract

Long-term unemployment reached historically high levels following the Great Recession of 2007–2009. Both the number and share of the unemployed who are long-term unemployed typically continue to increase after a recession ends, before falling during a labor market recovery. Following this cyclical pattern, long-term unemployment has fallen in recent years, although it remains high by historical standards. Five years after the Great Recession ended, the number of long-term unemployed still made up a larger share of unemployment than during any previous recession.

This Spotlight on Statistics examines trends in long-term unemployment and the characteristics of people who have experienced it.

Keywords

long-term unemployment, recession, Current Population Survey

Comments

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Trends In Long-term Unemployment

Karen Kosanovich and Eleni Theodossiou Sherman

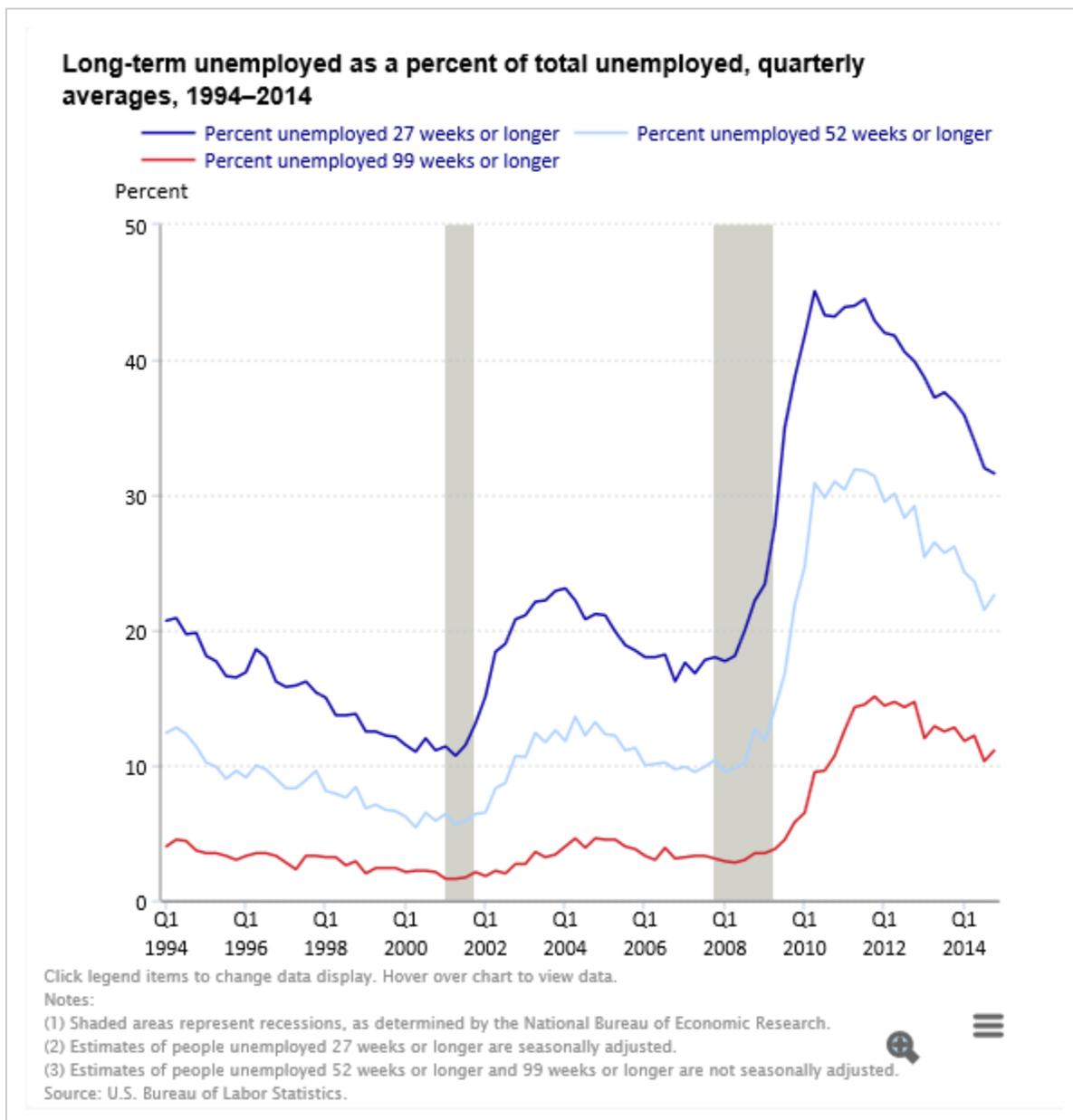
Long-term unemployment reached historically high levels following the Great Recession of 2007–2009. Both the number and share of the unemployed who are long-term unemployed typically continue to increase after a recession ends, before falling during a labor market recovery. Following this cyclical pattern, long-term unemployment has fallen in recent years, although it remains high by historical standards. Five years after the Great Recession ended, the number of long-term unemployed still made up a larger share of unemployment than during any previous recession.

This Spotlight on Statistics examines trends in long-term unemployment and the characteristics of people who have experienced it.

Share of long-term unemployed reached a record high in 2010

The long-term unemployed are people who have been looking for work for 27 weeks or longer. After expanding for 3 consecutive years, the number of long-term unemployed reached a record high of 6.7 million—or 45.1 percent of the unemployed—in the second quarter of 2010. Since then, the number has gradually declined to 2.8 million (or 31.6 percent of the unemployed) as of the fourth quarter of 2014.

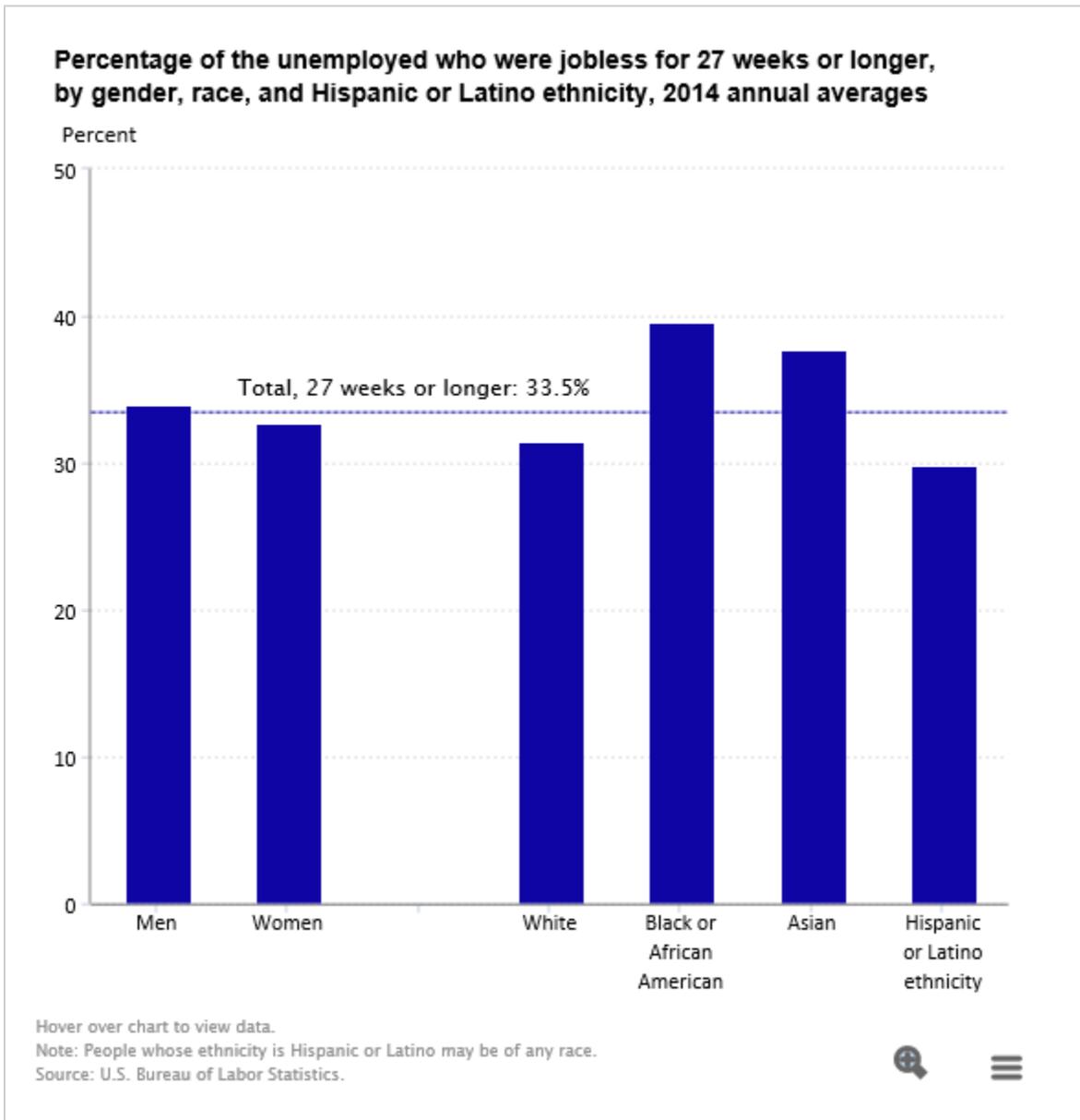
The share of the unemployed who were out of work for 52 weeks or longer reached a record high of 31.9 percent in the second quarter of 2011. The share unemployed for 99 weeks or longer reached a record peak at 15.1 percent in the fourth quarter of 2011. All of these measures of long-term unemployment have trended down since their respective peaks but remain high by historical standards.



Blacks and Asians are more likely to be long-term unemployed

In 2014, 33.5 percent of all unemployed people were jobless for 27 weeks or longer. Men were slightly more likely than women to be unemployed 27 weeks or longer (34.0 versus 32.8 percent).

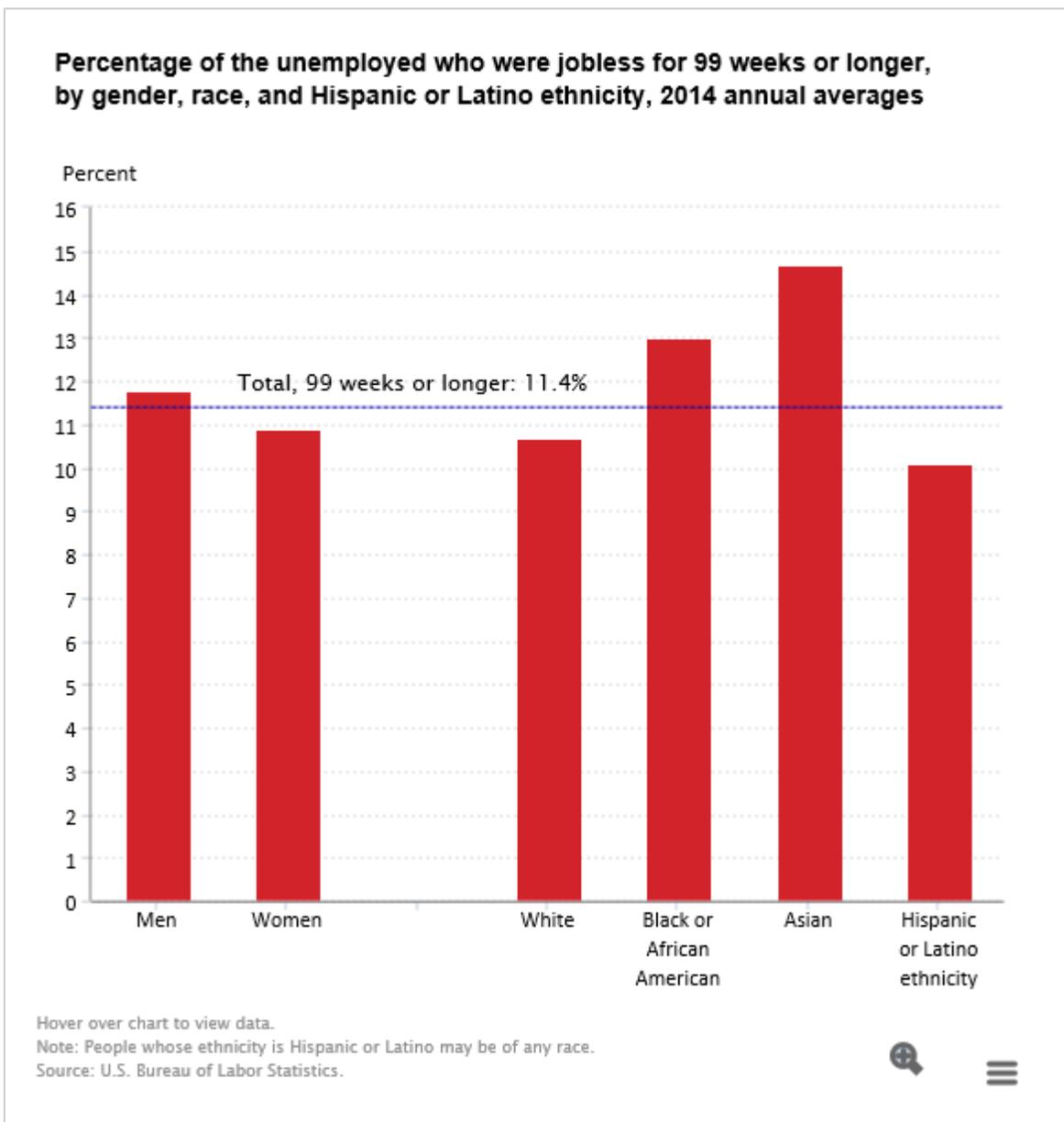
Among the major race and Hispanic ethnicity groups, 39.6 percent of unemployed Blacks or African Americans and 37.7 percent of unemployed Asians had been looking for work for 27 weeks or longer. In contrast, Whites and Hispanics were less likely to be unemployed long term (31.5 and 29.9 percent, respectively).



More than one in ten unemployed in 2014 were jobless for 99 weeks or longer

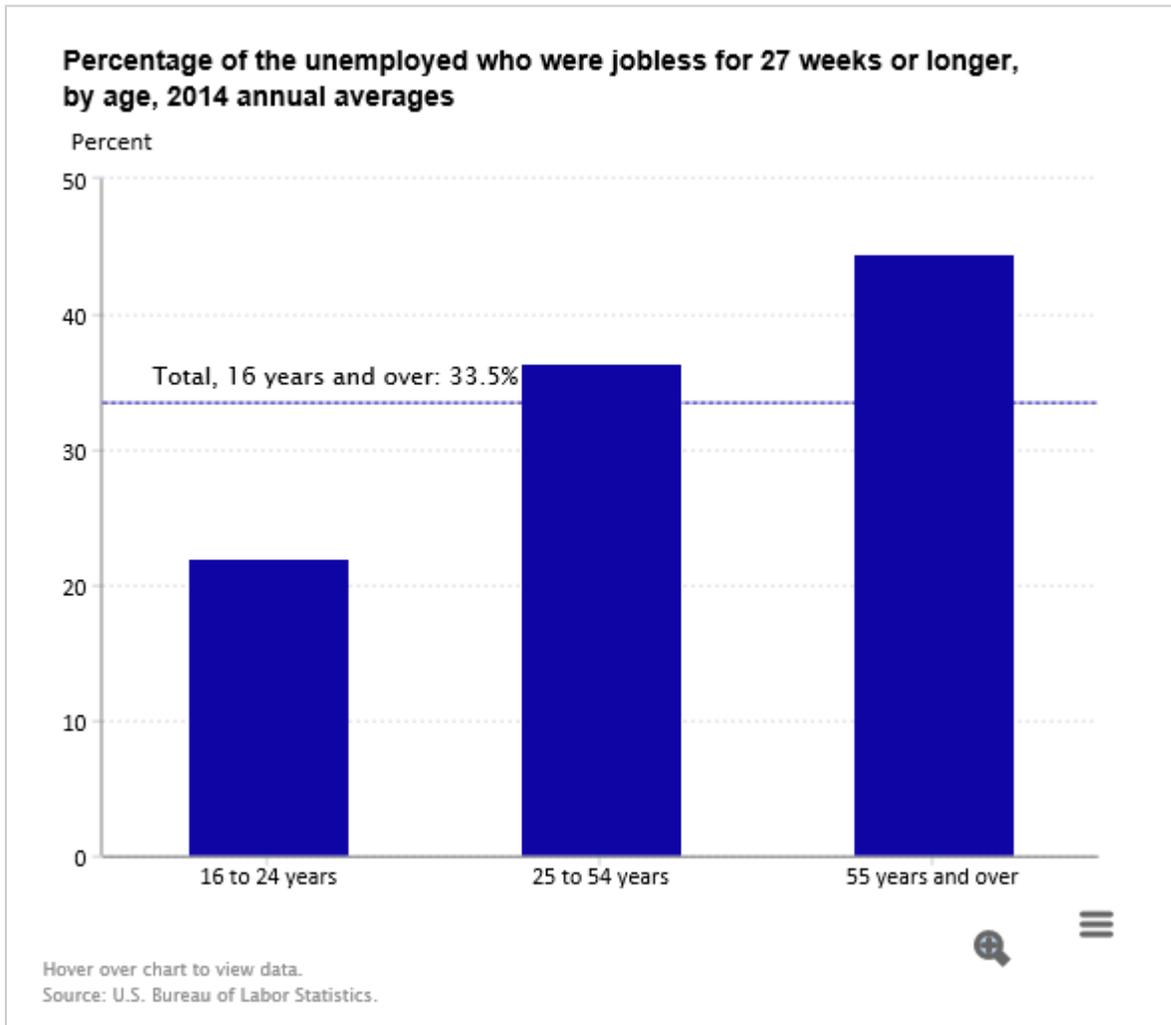
The labor market downturn that began with the recent recession was marked by a historic increase in extreme long-term unemployment—people who were looking for work for 99 weeks or more. The incidence of extreme long-term unemployment has fallen in recent years but remains high by historical standards. In 2014, 11.4 percent of all unemployed people had been looking for work for 99 weeks or longer.

Men were more likely than women to be unemployed 99 weeks or longer (11.8 versus 10.9 percent). Unemployed Asians and blacks (14.7 and 13.0 percent, respectively) were more likely to be jobless for 99 weeks or longer than unemployed Whites (10.7 percent) and Hispanics (10.1 percent).



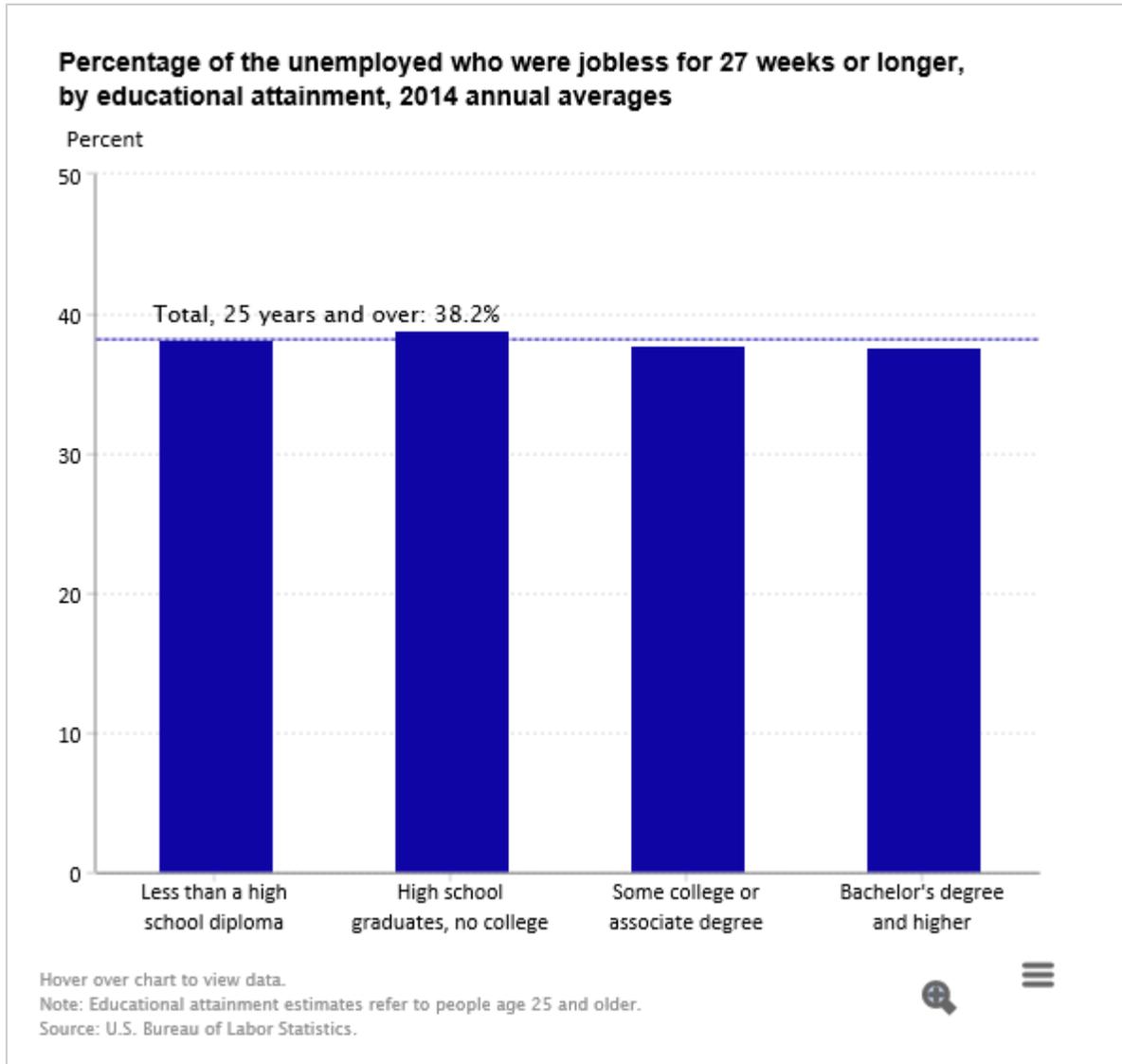
Older people are more likely than younger people to be unemployed long term

The incidence of long-term unemployment increases with age. In 2014, for example, 22.1 percent of the unemployed under age 25 had looked for work for 27 weeks or longer, compared with 44.6 percent of those 55 years and older.



Long-term unemployment does not vary by education

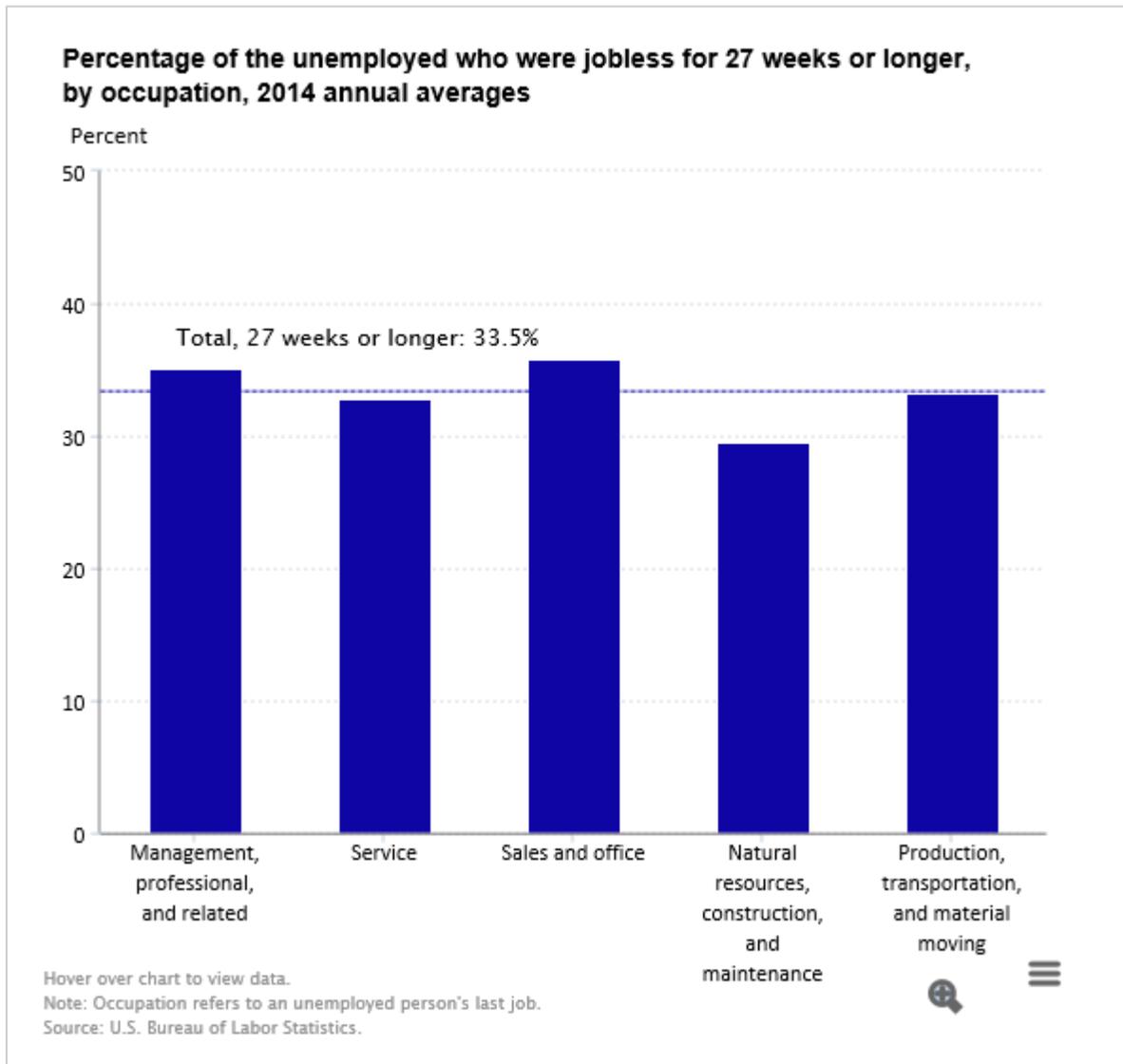
The percentage of the unemployed who were jobless for 27 weeks or longer was about the same across the major educational attainment categories in 2014.



Long-term unemployment varies by occupation

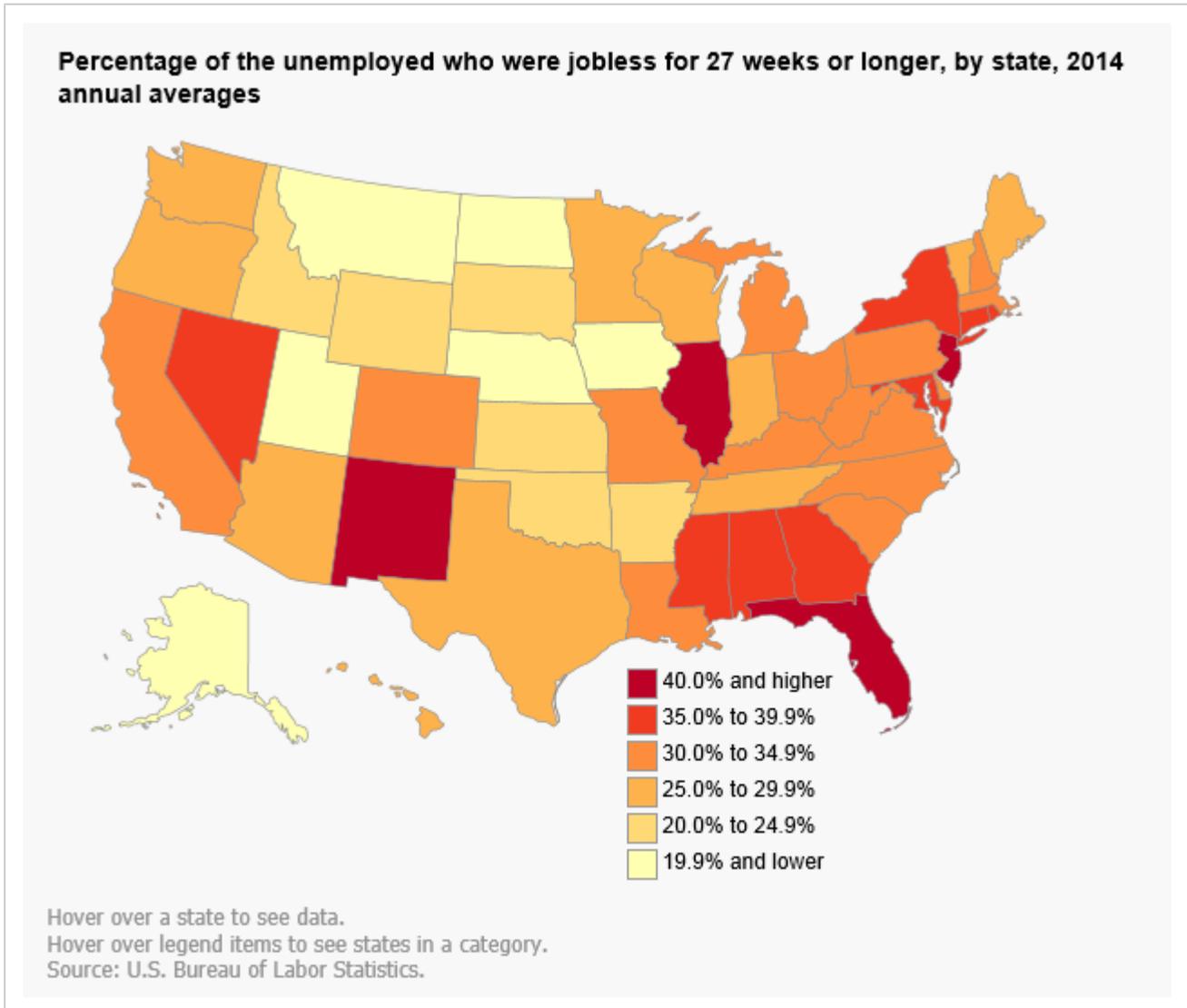
Long-term unemployment varies by the kind of work a person did in his or her last job. In 2014, 29.6 percent of the unemployed who worked in natural resources, construction, and maintenance occupations had been looking for work for 27 weeks or longer—the least likely of all occupation groups to be long-term unemployed.

Unemployed people whose last jobs were in sales and office occupations and in management, professional, and related occupations were more likely to be long-term unemployed than those unemployed from jobs in service occupations and in natural resources, construction, and maintenance occupations.



Long-term unemployment varies considerably by state

In 2014, North Dakota (13.1 percent) had the lowest percentage of the unemployed who had been jobless for 27 weeks or longer. The District of Columbia had the highest percentage (49.2 percent).

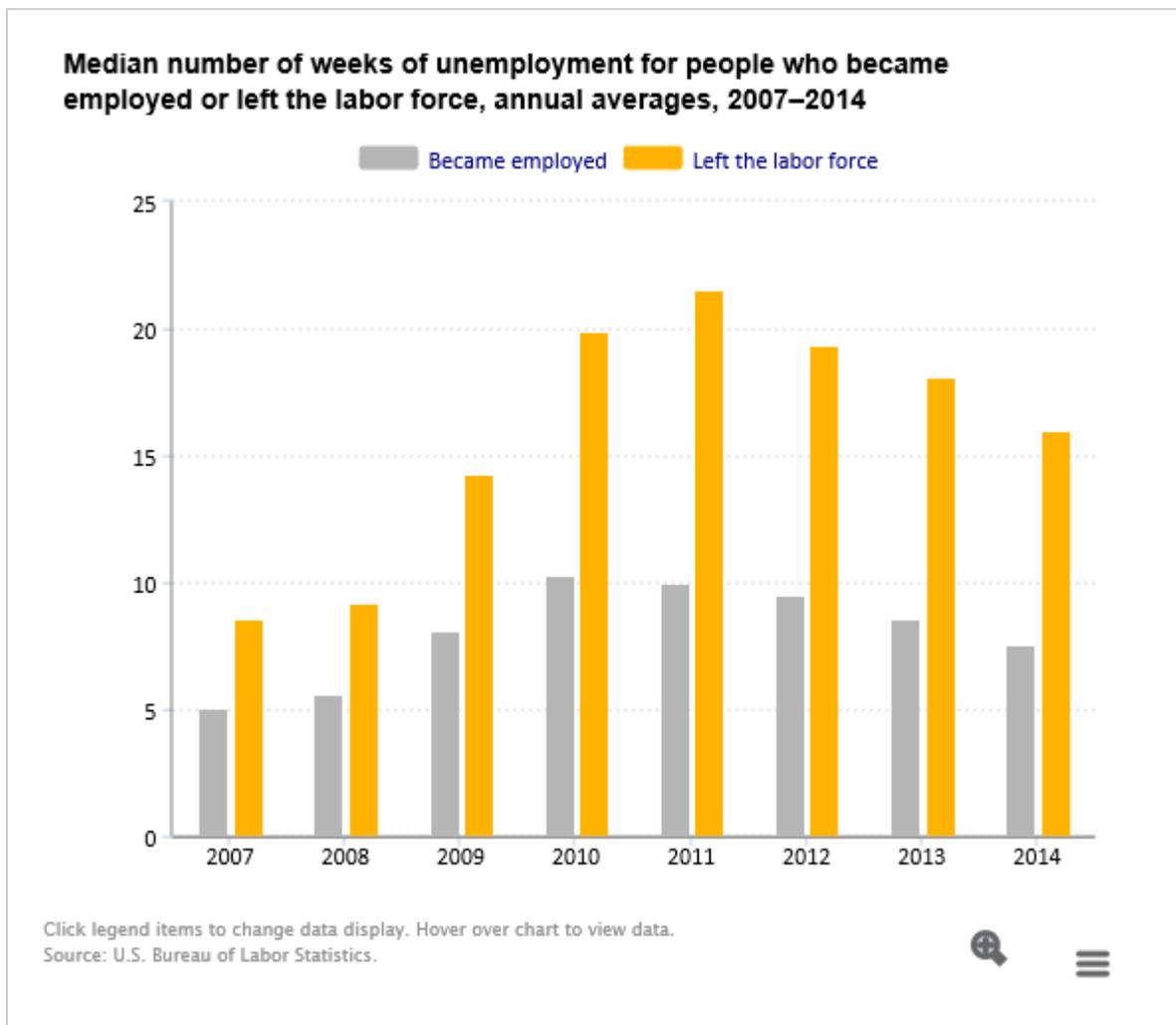


A successful job search took twice as long in 2010 as it did in 2007

In recent years, unemployed people have spent fewer weeks looking for work before finding a job or leaving the labor force.

Emphasizing the severity of the 2007-2009 recession, the length of time it took an unemployed person to find a job doubled from a median of 5.1 weeks in 2007 to 10.3 weeks in 2010. Since 2010, a successful job search has taken less time, reaching a 7.6-week median in 2014.

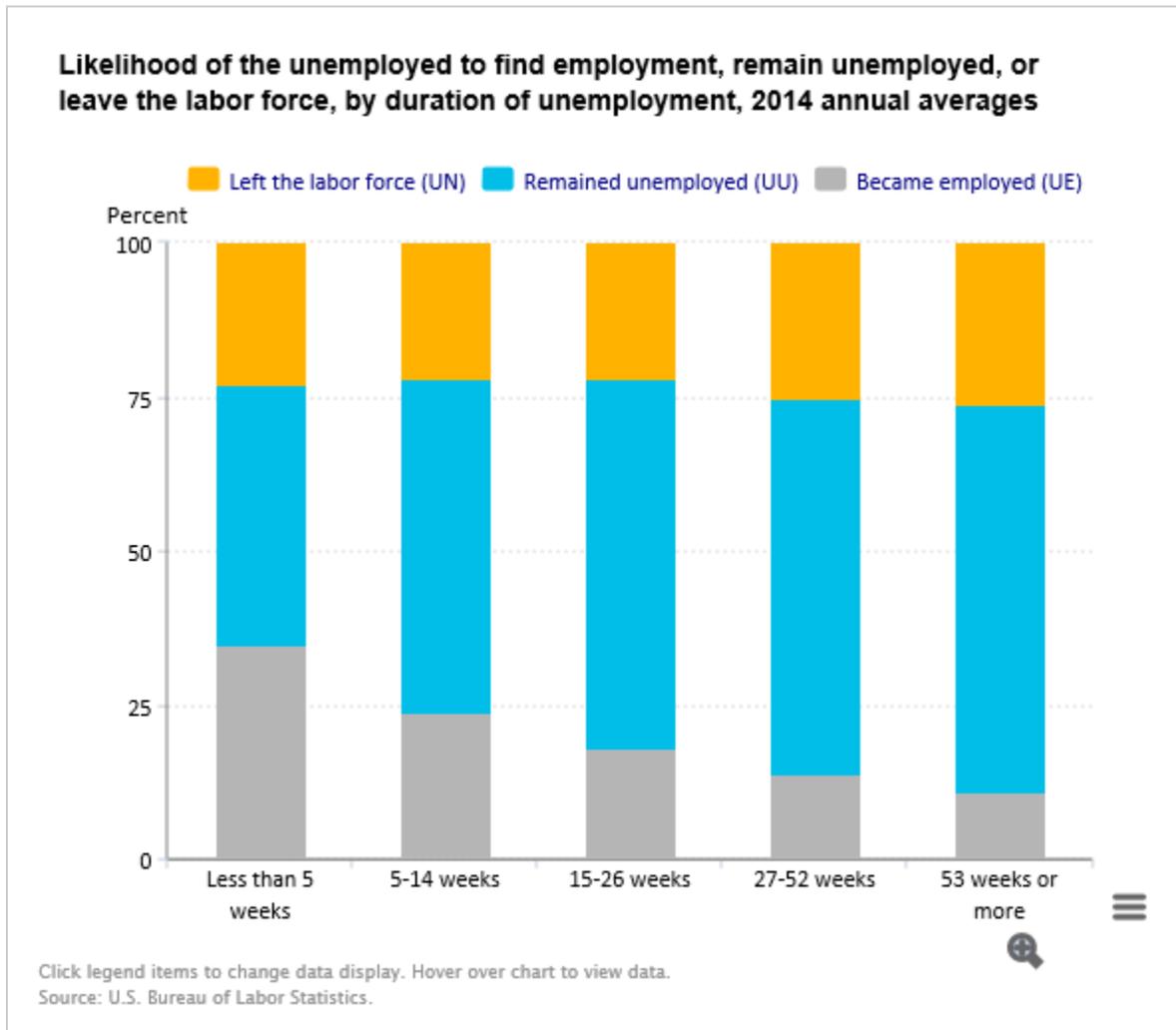
Unemployed people who left the labor force—that is, they stopped looking for work before finding a job—spent a median of 8.6 weeks looking for work in 2007. By 2011, the median had climbed to 21.6 weeks before starting to decline. It reached 16.0 weeks in 2014.



Finding a job is less likely the longer you are unemployed

As the duration of unemployment increases, the likelihood of becoming employed in the following month declines. In 2014, about 35 percent of people who had been out of work less than 5 weeks found work in the next month; about 11 percent of people who had been out of work for 1 year or longer became employed in the following month.

Regardless of how long they have been looking for work, roughly one-fourth of those unemployed in 2014 left the labor force the following month.



More information

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The U.S. Bureau of Labor Statistics (BLS) uses the Current Population Survey (CPS) to measure unemployment each month. The survey asks people questions about their jobs, their search for work, and other labor market activity. People are classified as unemployed if they do not have a job, are currently available for work, and have actively looked for work in the prior 4 weeks or are waiting to be recalled from a temporary layoff. BLS does not use information from unemployment insurance programs to measure the national unemployment rate or the number of long-term unemployed. A person can be unemployed even if he or she does not receive unemployment insurance benefits. Learn more about [How the Government Measures Unemployment](#).

The estimates in this Spotlight on Statistics describing unemployed people who find jobs, leave the labor force, or remain unemployed over the month (slides 9 and 10) are unpublished research series on labor force status flows derived from the CPS. BLS does not publish these estimates in the monthly [Employment Situation](#) news release.

A wide variety of information about [unemployment](#), including long-term unemployment, is available from the CPS. Resources include time-series data, tables, charts, and articles like the ones identified below. State estimates are available from the [Local Area Unemployment Statistics program](#).

You can read more about long-term unemployment in the following articles:

- Job search of the unemployed by duration of unemployment ([PDF](#))
- How long before the unemployed find jobs or quit looking? ([PDF](#))
- Ranks of those unemployed for a year or more up sharply ([PDF](#))
- Long-term unemployment experience of the jobless ([PDF](#))
- Record unemployment among older workers does not keep them out of the job market ([PDF](#))
- A glance at long-term unemployment in recent recessions ([PDF](#))

Note: Data in this Spotlight on Statistics are the latest available when published. Internet links may lead to more recent data.

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