Job Losses Mount, Enduring and Deep

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Off the Charts
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THE rise in unemployment that has occurred in the current recession has been hardest on young workers, while having a smaller effect on older workers than previous downturns. Women have been more likely than men to hold on to their jobs.

The overall unemployment rate, which reached 10.2 percent on a seasonally adjusted basis last month, remains below the post-World War II peak of 10.8 percent, reached in late 1982. But the proportion of workers who have been out of work for a long time is higher now than it has ever been since the Great Depression.

The persistence of joblessness for so many people — 5.6 million Americans have now been out of work for more than half a year even though they have continued to seek employment — may provide the greatest challenge for the Obama administration if it decides to seek a new economic stimulus program.

The short-term unemployment rate — the proportion of the work force that has been jobless for less than 15 weeks — has begun to decline, however, and stood at 4.5 percent in October after peaking at 4.9 percent in May.

That decline is a signal that the recession, which officially began in December 2007, probably has ended. In past recessions since World War II, the National Bureau of Economic Research has always dated the end within two months of the peak in short-term joblessness.

Over the last three years — since October 2006 — the overall unemployment rate has risen by 5.8 percentage points. That is the largest such increase since the Great Depression, providing another indication of the rapidity and severity of the current downturn.

Before this cycle, the sharpest 36-month increase since World War II was a 4.9 percentage point rise in the period that ended November 1982.

The accompanying charts show the short- and long-term unemployment rates during the three cycles since World War II when the unemployment rate rose above 8 percent, and reflect how different groups of workers fared in each.

Each of the charts begins in the month when the broadest measure of employment — the proportion of people over age 16 with jobs — hit a cyclical peak. The first two end when that measure reached a cyclical low, several months after the recession was later deemed to have ended. The final chart runs through October, the latest month available.

With each chart are calculations on the proportion of jobs that were added or lost from the peak through the bottom for differing groups of workers.

This cycle has been the worst over all, with the government's household survey in October finding 7.7 million fewer jobs than in December 2006, when the employment-to-population ratio reached its high for the current cycle. The declines during the two earlier cycles, from November 1973 to June 1975 and from December 1979 to March 1983, were 0.8 percent and 2.0 percent, respectively.

Women have held on to jobs better than men have during this downturn, reflecting a pattern that prevailed during the previous cycles.

One major difference is how older workers have fared. The number of jobs held by men over 55 is up 5.6 percent since the cycle began, and the number of jobs held by women of that age has risen by 9.3 percent.

There are fewer jobs for workers age 54 to 64 than when the cycle began, but that group has done much better than younger workers.

By contrast, younger workers were more likely to hold on to their jobs in the two previous downturns.

It is not clear why that pattern has changed. It is against federal law to discriminate against older workers, but that law was passed in 1967, before either of the previous downturns. It could be that the plunge in real estate and stock prices in 2008 led fewer older workers to decide to retire.

The proportion of the work force out of work for more than 15 weeks reached 5.7 percent in October, well above the 4.2 percent figure reached in 1982. That had been the highest such figure since the government began calculating the number in 1948.

The proportion that has been out of work for at least 27 weeks — half a year — is now 3.6 percent, also a record.

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