



Unemployment Rate Soars for Older Men with Limited Education

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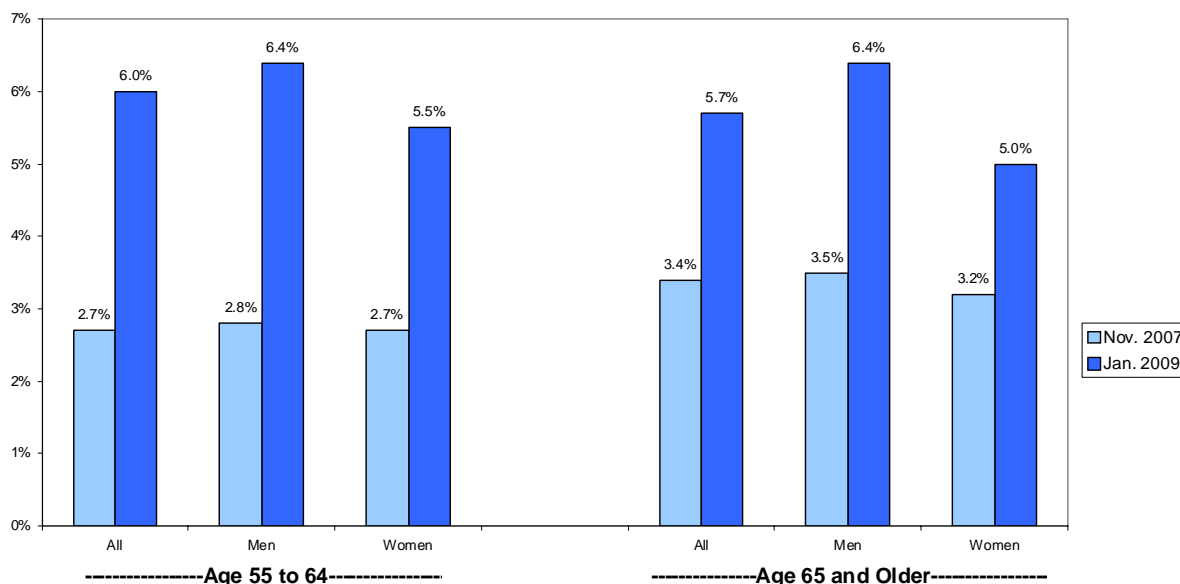
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As the recession enters its 15th month, job losses continue to accelerate. The overall unemployment rate increased to 7.6 percent in January 2009, a 16-year high (Bureau of Labor Statistics 2009a). Rising unemployment is affecting workers in all age groups. Although adults age 55 and older are less likely to be unemployed than younger workers, their unemployment rate surged to 5.9 percent last month, the highest level since 1983.¹ Older men working in construction and manufacturing, those with limited education, and Hispanic men have been hit hardest.

Unemployment Rates Continue to Grow at Older Ages

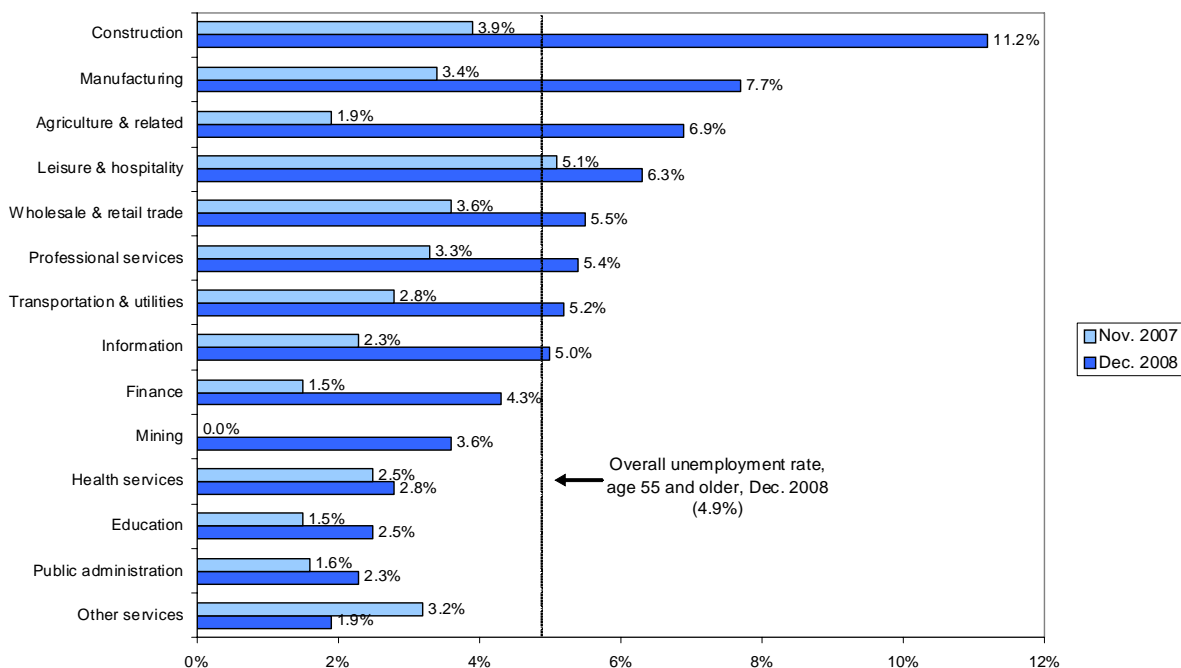
- Last month 1.7 million adults age 55 and older were unemployed, more than twice as many as in November 2007, just before the recession began (Bureau of Labor Statistics 2009b). About 1.3 million adults age 55 to 64 and 373,000 adults age 65 and older were unemployed.²
- The unemployment rate for adults age 55 to 64 increased to 6.0 percent in January 2009 (figure 1), the highest rate since April 1983. Last month the unemployment rate was 6.4 percent for men and 5.5 percent for women.
- At age 65 and older, the January 2009 unemployment rate reached 5.7 percent, a 31-year high. The unemployment rate was higher for men than women.

Figure 1. Unemployment Rates for Older Adults, Nov. 2007 and Jan. 2009



Source: Bureau of Labor Statistics (2009b).
Note: Estimates are not seasonally adjusted.

Figure 2. Unemployment Rates by Industry, Age 55 and Older, Nov. 2007 and Dec. 2008



Source: Authors' calculations from the Current Population Survey.
 Note: Estimates are not seasonally adjusted.

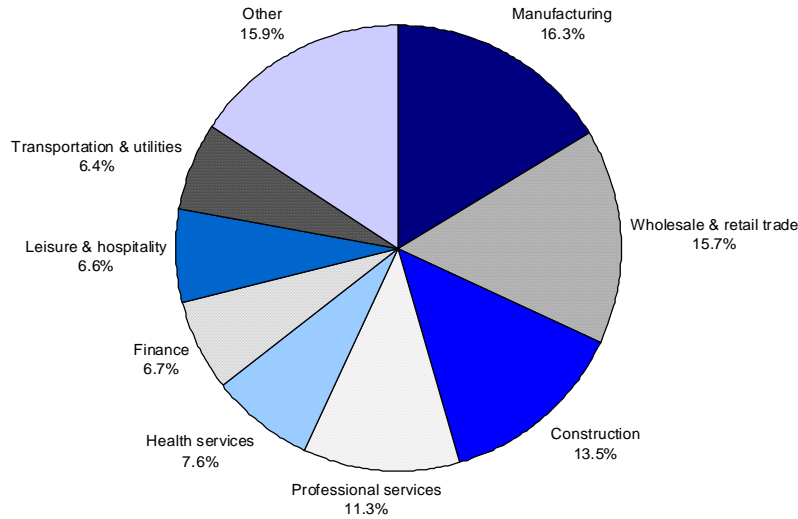
Unemployed Older Workers Are Concentrated in Manufacturing, Trade, and Construction

- The rise in unemployment has hit older workers in construction, manufacturing, and agriculture especially hard. Between November 2007 and December 2008—the most recent data for older adults that can be broken down by industry, education, and race—unemployment rates for adults age 55 and older have more than tripled in agriculture and more than doubled in construction and manufacturing (figure 2). The finance industry also experienced a substantial increase in unemployment. Job losses among older workers in health services, education, and public administration have been modest, however.
- Manufacturing, wholesale and retail trade, and construction accounted for nearly half (45.5 percent) of all unemployed workers age 55 and older in December 2008 (figure 3). About 14 percent of older unemployed workers were in construction, which employed only about 6 percent of the older workforce.

Jobless Rate Surges for Older Men with Limited Education

- The unemployment rate for men age 55 and older who did not complete high school increased 6 percentage points since the recession began (figure 4). These men were slightly more than twice as likely to be unemployed in December 2008 as those with more education. The recession has increased the unemployment rate for male college graduates age 55 and older by only 1.4 percentage points so far.
- The unemployment rate did not increase for women age 55 and older who did not complete high school. Older women are much less likely than older men to work in the hard-hit construction and manufacturing sectors. The unemployment rate increased by 2 percentage points for women with at least a high school diploma, roughly the same increase experienced by their male counterparts.

Figure 3. Industry Mix of Unemployed Adults Age 55 and Older, Dec. 2008

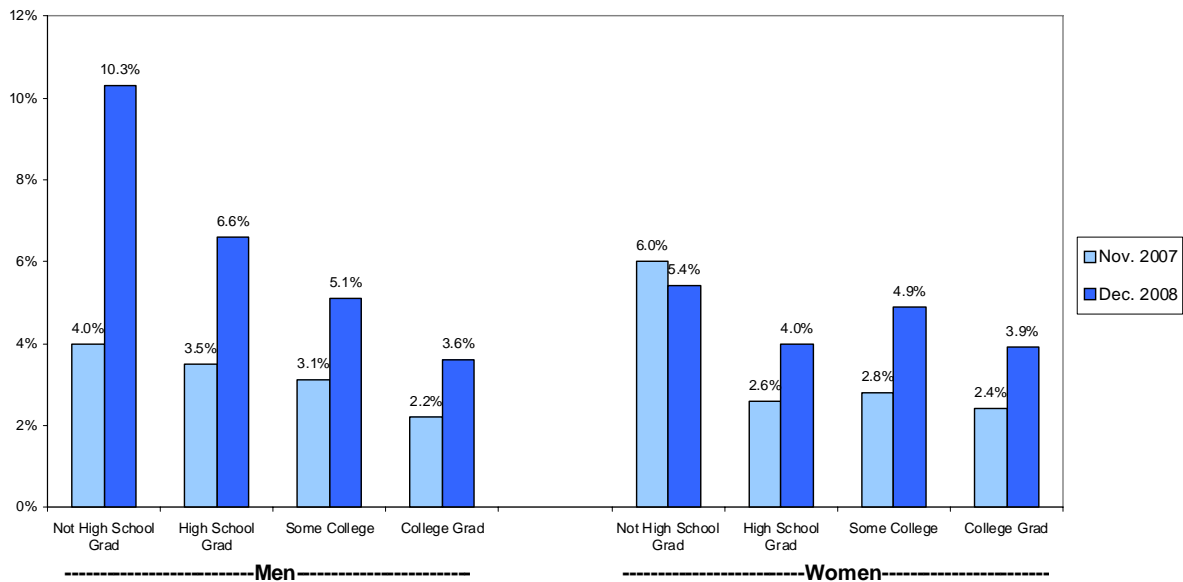


Source: Authors' calculations from the Current Population Survey.
 Note: Estimates are not seasonally adjusted. The "other" category includes the education, agriculture, public administration, mining, information, and other services industries, each of which accounted for fewer than 6 percent of older unemployed adults.

The Disadvantage for Older Hispanic and African-American Men Widens

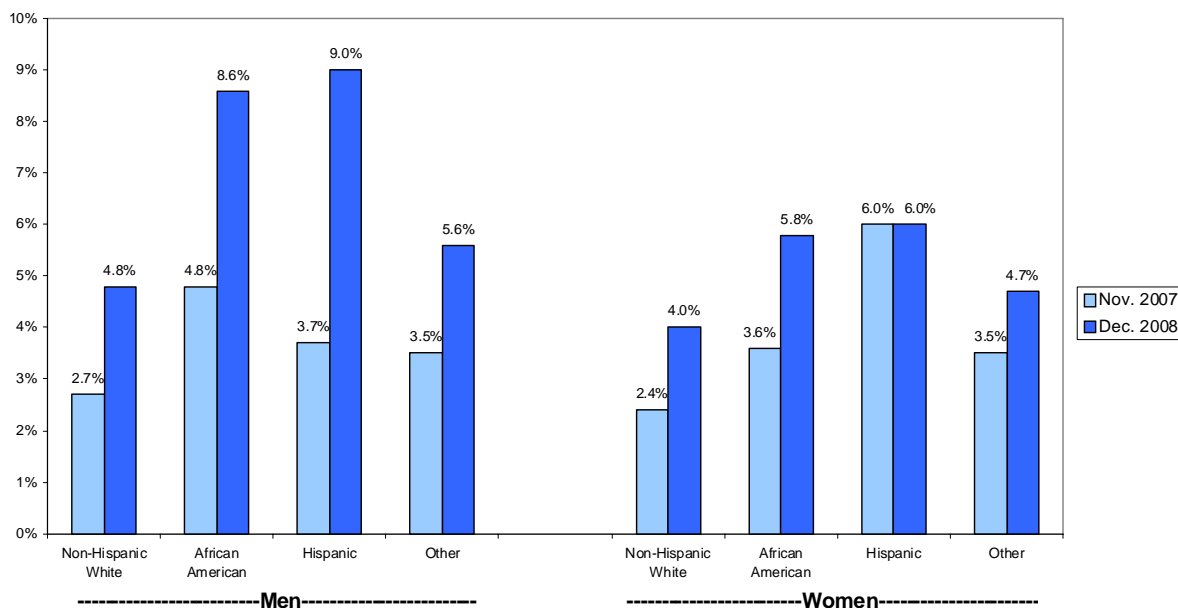
- Between November 2007 and December 2008, older men's unemployment rate increased by about 5 percentage points for Hispanics and by about 4 percentage points for African Americans (figure 5). By comparison, the unemployment rate for older non-Hispanic white men increased by only about 2 percentage points. Older Hispanic men are much more likely than non-Hispanics to work in construction, where job losses have been severe.

Figure 4. Unemployment Rates by Education, Age 55 and Older, Nov. 2007 and Dec. 2008



Source: Authors' calculations from the Current Population Survey.
 Note: Estimates are not seasonally adjusted.

Figure 5. Unemployment Rates by Race and Ethnicity, Age 55 and Older, Nov. 2007 and Dec. 2008



Source: Authors' calculations from the Current Population Survey.
 Note: Estimates are not seasonally adjusted. "Other" includes adults of mixed race.

- Unemployment grew more slowly for older Hispanic and African-American women than for their male counterparts. Nonetheless, these women were more likely to be unemployed than older non-Hispanic white women.

Notes

1. These estimates are not seasonally adjusted.
2. These estimates are based on the authors' computations from the December 2008 Current Population Survey.

References

Bureau of Labor Statistics. 2009a. "The Employment Situation: January 2009." Washington, DC: Bureau of Labor Statistics. <http://www.bls.gov/news.release/pdf/empsit.pdf>.

———. 2009b. "Labor Force Statistics from the Current Population Survey." Washington, DC: Bureau of Labor Statistics. <http://data.bls.gov/PDQ/outside.jsp?survey=ln>.

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The Retirement Policy Program addresses how current and proposed retirement policies, demographic trends, and private sector practices affect the well-being of older individuals, the economy, and government budgets.

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