

Unemployment in the Great Recession

Single Parents and Men Hit Hard

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Even though the National Bureau of Economic Research determined that the Great Recession officially ended in June 2009, unemployment remains stubbornly high, at 9.1 percent in July 2011.¹ The recession has had a sweeping impact, with the ripple effects of massive job loss reverberating throughout the economy. Nationwide, the unemployed have been jobless for an average of 22.9 weeks.² However, some Americans have been hit harder than others, particularly men, single parents, young adults, and people with less education. This brief examines changes in unemployment patterns by sex, age, education, race and ethnicity, marital status, and parental status paying particular attention to differences by place of residence.³ We analyze data from 2007 and 2010 (the year preceding the official start of the Great Recession and the year immediately following its end), from the Annual Social and Economic Supplement of the Current Population Survey.

Large Rise in Unemployment Across Place

Prior to the recession, unemployment rates in rural America were significantly higher than the rates in central cities and the suburbs (see Figure 1).⁴ However, that changed during the Great Recession. Unemployment rose substantially everywhere, with rates nearly at or higher than 10 percent by 2010. However, the magnitude of the increase was not uniform, with rates rising faster in central cities and the suburbs than in rural places. By 2010, central city unemployment rates closely resembled rural rates, while suburban rates remained significantly lower.

Key Findings

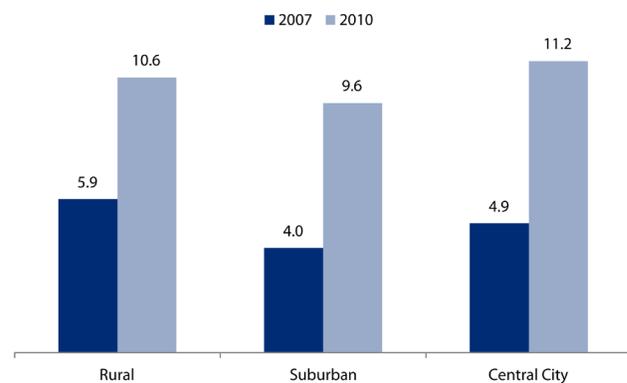
- During the Great Recession, unemployment rose more in central cities and suburban places than in rural places, perhaps because rural unemployment was already high prior to the start of the recession.
- Unemployment is highest among men and among unmarried adults, regardless of place or parenting status. Although this was also true before the recession, gaps between men and women, and the unmarried and married, have widened considerably during the recession.
- Rural areas continue to have the highest unemployment rates for unmarried people; by 2010 their unemployment rates had risen to 16.2 percent in rural America.
- Single mothers have higher unemployment rates than any other women in all places. While single fathers have higher unemployment than married men, their rates are similar to single men without children in rural and suburban areas.

Differences by Sex, Age, Education, and Race-Ethnicity

Unemployment rose more for some groups of Americans than others during the Great Recession. Men, for example, have experienced large increases in unemployment during this period,⁵ rising from 5.1 percent unemployed in 2007 to 11.8 percent in 2010 (see Table 1).⁶ Unemployment was highest among rural men in 2007, but because of large increases in male unemployment in central cities, by 2010, urban unemployment rates matched those of rural men. A slightly different pattern appears for women. While rural and central city women had similar rates in 2007, by 2010, unemployment was highest among central city women.

Another group hit hard by the recession was young adults. In 2007, 8.8 percent of those aged 18 to 25 were unemployed. By 2010, their unemployment rate reached 17 percent. At both times, unemployment was highest among young adults in rural places; by 2010, unemployment among this group reached 19 percent. Conversely, older Americans (aged 50-64) seem to have weathered the recession better than any age

FIGURE 1. PERCENT UNEMPLOYED BY PLACE, 2007 AND 2010



Note: All increases from 2007 to 2010 are statistically significant ($p < 0.05$).

group with the lowest unemployment rate at both points. In 2010, their unemployment rate was nearly 8 percent.

Those with less education typically have higher rates of unemployment and suffer the greatest increases in unemployment during economic downturns.⁷ This pattern is evident during the Great Recession, with unemployment

TABLE 1: UNEMPLOYMENT PATTERNS BY PLACE AND DEMOGRAPHICS 2007-2010

	All Places			Rural			Suburban			Central City		
	2007	2010	Percentage Point Change	2007	2010	Percentage Point Change	2007	2010	Percentage Point Change	2007	2010	Percentage Point Change
TOTAL	4.6	10.2	5.6	5.9	10.6	4.7	4.0	9.6	5.6	4.9	11.2	6.3
Sex												
Men	5.1	11.8	6.8	6.7	12.8	6.2	4.5	11.0	6.5	5.3	12.8	7.5
Women	4.0	8.4	4.4	5.0	8.1	3.1	3.4	8.0	4.6	4.6	9.4	4.8
Age												
18-25	8.8	17.0	8.2	11.5	19.1	7.7	7.7	16.5	8.8	9.2	16.8	7.5
26-35	4.6	10.6	6.0	6.2	12.1	5.9	4.2	10.0	5.8	4.5	10.8	6.3
36-49	3.7	9.0	5.4	4.6	9.1	4.5	3.1	8.3	5.2	4.0	10.4	6.4
50-64	3.2	7.7	4.5	4.2	6.9	2.7	3.0	7.6	4.6	3.6	8.9	5.3
Education												
Less than High School	10.8	19.8	9.0	14.4	19.9	5.5	9.6	19.1	9.5	10.3	19.9	9.7
High School Graduate	5.5	13.7	8.1	6.5	12.6	6.1	4.9	13.5	8.6	6.3	15.3	9.0
Some College	4.1	9.4	5.3	4.3	9.4	5.1	4.0	8.8	4.8	4.5	10.9	6.4
College Graduate	1.9	4.9	2.9	1.8	3.6	1.8	1.8	4.9	3.1	2.1	5.5	3.3
Race/Ethnicity												
White, non-Hispanic	3.8	8.6	4.8	5.3	9.7	4.4	3.4	8.3	4.8	3.7	8.5	4.8
Black, non-Hispanic	7.9	16.5	8.6	9.7	18.7	9.0	6.3	15.1	8.9	9.1	17.2	8.2
Other, non-Hispanic	4.8	9.6	4.8	11.2	16.2	5.0	3.6	8.2	4.6	4.3	9.3	5.0
Hispanic	5.5	13.0	7.5	6.1	10.0	3.9	5.6	12.9	7.3	4.7	13.1	8.3
Marital Status												
All Married	2.8	7.0	4.2	3.5	6.8	3.4	2.5	6.7	4.2	3.0	6.7	3.7
All Single	7.0	14.2	7.3	9.6	16.2	6.6	6.3	13.7	7.5	7.6	14.4	6.8
Parenting Status												
With Children	4.3	10.7	6.4	5.5	9.4	3.9	3.6	8.7	5.1	5.2	10.8	5.6
Without Children	4.7	9.4	4.7	6.1	11.3	5.2	4.3	10.2	5.9	4.8	11.4	6.7

Note: All data are weighted. All estimates are restricted to respondents aged 18-64 who are currently in the labor force (working or seeking work). "Without children" refers to respondents who report having no children under 18 living in the household with them. All percentage point changes are statistically significant ($p < 0.05$).

among those without a high school degree rising from just over 10 percent in 2007 to nearly 20 percent in 2010. A similar rise is evident among high school graduates, with unemployment increasing 8 percentage points during the recession to nearly 14 percent in 2010. However, these shifts are not uniform across place. In rural places, the unemployment rate in 2007 was already quite high among those without a high school degree (estimated at 14.4 percent) and grew by 5.5 percentage points during the recession. This increase is less substantial than the increase among people without a high school degree who live in suburban and central city areas, whose unemployment rose nearly 10 percentage points.

Although unemployment rose only modestly among college graduates, by 2010 their unemployment rate had more than doubled from 1.9 percent to 4.9 percent. While unemployment increased by less than 2 percentage points for rural college graduates, suburban and central city college graduates were harder hit. Given that unemployment for these groups increased by more than 3 percentage points, it is clear that during this recession, even college graduates were not immune to increased unemployment.

In 2007 and 2010, black non-Hispanics had higher rates of unemployment than white non-Hispanics, across all places. Respondents classified as “other, non-Hispanic”⁸ began with significantly higher rates of unemployment than white respondents in rural and suburban places, but by 2010 these heightened rates remained only in rural areas. For Hispanics, unemployment was significantly higher than rates among whites in the suburbs and central cities, though similar to whites in rural places at both times.⁹

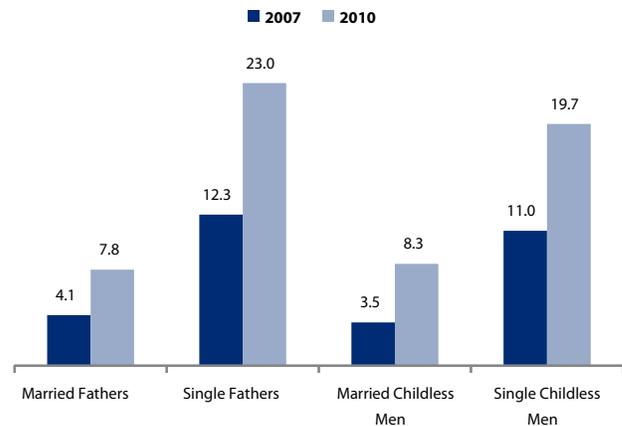
Single People Hit Hard

Single people consistently have higher unemployment rates than married people. This pattern is seen for both 2007 and 2010, and across all places. Moreover, because unemployment increased faster among the unmarried than others, their disadvantage became all the more apparent by 2010. In that year, unemployment rates among the unmarried were more than double those of married people, reaching an estimated 16.2 percent in rural places, 13.7 percent in suburban places, and 14.4 percent in central cities (see Table 1).

Single Parents Hit Harder

Single fathers in rural areas registered the single largest increase in unemployment throughout the recession, rising almost 11 percentage points to 23 percent in 2010 (see Figure 2).¹⁰ Although single fathers have high rates of unemployment, so do single childless men, and both groups experienced significant increases in unemployment during

FIGURE 2. PERCENT UNEMPLOYED BY MARITAL AND PARENTING STATUS, RURAL AREAS, 2007 AND 2010



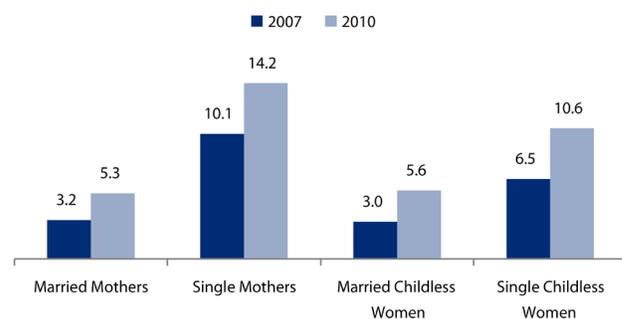
Note: Increases from 2007 to 2010 are statistically significant ($p < 0.05$).

the recession. By 2010, rates of unemployment among single fathers and single childless men were similar in rural and suburban areas.

Figure 3 shows that in both 2007 and 2010, rural single mothers had higher unemployment rates than any other rural women. Not only was their unemployment rate high, but it rose the most during the recession. By 2010, unemployment was equally high among single mothers across rural, suburban, and central cities. This pattern's consistency across place (high initial unemployment with large increases between years) suggests that single mothers may have fared among the worst during the recession.

Because characteristics predicting unemployment are closely related to each other—for example, single parents tend to have lower education levels and also tend to be younger—we used a multivariate regression analysis to ascertain the independent effects of the characteristics on the likelihood of being unemployed. This type of analysis allows us to statistically control for each of the other factors,

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Note: Increases from 2007 to 2010 are statistically significant ($p < 0.05$).

thus pinpointing the singular effect on unemployment of a particular characteristic.¹¹ Our findings from these analyses demonstrate that regardless of age, education, or race-ethnicity, single parents face higher odds of being unemployed than married people without children. This means that the age, education, and other demographic characteristics of single parents are not the sole driving force behind their elevated unemployment rates. Instead, rising unemployment may be related to the types of jobs that single parents hold. Analyses show that single parents are disproportionately represented in construction or manufacturing, two industries that experienced major declines during the recession, and in wholesale/retail sales, an industry known for irregular hours and inconsistent scheduling.¹²

Conclusion

Although all groups examined in this brief faced rising unemployment during the recession, increases have been much larger for men, young adults, the least educated, and single parents. For young adults who finished high school during the recession, opportunities to find a job were scarce. This is particularly disturbing in that not only are these youths losing income in the short term, but may also suffer from “long-term ‘scarring’ in terms of lost wages.”¹³ In most cases, unemployment was high among the young and less-educated groups in 2007, only to increase rapidly by 2010. In addition, although married parents certainly lost jobs during the recession, single parents saw a larger increase in unemployment.

The longer people are out of work, the more likely their job skills are to become obsolete. For single parents, finding a job can be difficult, and accepting one may be even harder, given that single parents bear the full responsibility of household and childrearing duties, which may impede their ability to sustain work commitments. Long-term unemployment only compounds this difficulty.¹⁴ As the average unemployed person in central cities is without work for more than six months, with rural and suburban workers not far behind (just over five months),¹⁵ long-term unemployment is clearly not uncommon. For these types of workers, ensuring that unemployment benefits remain available is critical. For those with children, providing adequate funding for child care subsidies is key so that parents can search for and secure work. Additional programs like a TANF emergency fund may also soften the blow of long-term unemployment for families.

Even individuals with higher-level skills and more education are likely to face challenges, especially if their jobs have disappeared and they need to find employment in new sectors or industries. Additionally, these higher skilled workers might be working fewer hours than they would like, or at jobs they are overqualified for, just to continue to bring in

income. The Workforce Investment Act (WIA), an important resource for job seekers, offers employment counseling, job-readiness and skills training, identification of job opportunities, job referrals, and job search/placement activities.¹⁶ WIA better positions participants to find work, and helps them to do those jobs when they are hired. WIA was originally scheduled to be renewed in 2003, but while Congress has continued to fund WIA, it is still considering what program changes to include in a full reauthorization. This reauthorization could happen as early as the end of 2011, but perhaps more likely will not happen until at least 2012.

Data

This brief uses data from the U.S. Census Bureau’s Current Population Survey’s (CPS) Annual Social and Economic Supplement (ASEC), conducted in March 2007 and March 2010. The CPS provides a nationally representative sample of approximately 50,000 households and the individuals in those households, and collects demographic, economic, and employment information, as well as participation in select government assistance programs. Analyses presented in this brief are limited to those aged 18-64 and in the labor force (working or seeking work) at the time of the CPS interview. Comparisons presented in the text are statistically significant at the 0.05 level.

ENDNOTES

1. Bureau of Labor Statistics, “The Employment Situation,” *Economic News Release* (Washington, DC: U.S. Department of Labor, August 5, 2011).
2. Carsey Institute analysis of 2010 CPS data, available upon request.
3. We use the labor force status recode, which is available for each civilian aged 15 and older. It refers to labor force status during the survey week. See CPS Technical Documentation, available at www.nber.org/cps/cpsmar10.pdf. Unemployment in this brief is limited those in the workforce, aged 18-64.
4. We define “rural” as nonmetropolitan, “suburban” as the balance of a core-based statistical area, and “central city” as the principal city of a core-based statistical area.
5. This phenomenon has led many in the media to refer to this recession as a “mancession.” See Catherine Rampell, “The Mancession,” *New York Times*, August 10, 2009. Available at <http://economix.blogs.nytimes.com/2009/08/10/the-mancession/>.
6. Estimates presented here are based on our analysis of Current Population Survey data, ASEC supplements for a nationally representative sample of Americans aged 18-64. Although similar to official Bureau of Labor Statistics (BLS)

unemployment data, our exclusion of those aged 16-17 may account for instances of divergence with the official rates.

7. Rebecca Blank and Heidi Shierholz, “Explaining Gender Differences in Employment and Wage Trends among Less Skilled Workers.” In *Working and Poor: How Economic and Policy Changes Are Affecting Low-Wage Workers*, edited by Rebecca M. Blank, Sheldon H. Danziger, and Robert F. Schoeni (New York: Russell Sage Foundation, 2005), pp. 23-58.

8. Includes respondents who are American Indian/Alaskan Native, Asian, Hawaiian-Pacific Islander, or multi-racial.

9. Although the rural unemployment rate appears much higher among Hispanics than among whites, the small minority population in rural areas means that this difference is not statistically significant.

10. Single fathers are defined in the CPS as unmarried men residing with their own children under age 18. It is worth noting that many of these men may be residing with a cohabiting partner, perhaps even the child’s mother.

11. Carsey Institute analysis of CPS data; available upon request.

12. Carsey Institute analysis of Bureau of Labor Statistics and CPS data; available upon request. Analyses of Bureau of Labor Statistics (BLS) data show that of the eight major industries, construction and manufacturing were the only two to experience a decline in jobs of more than 10 percent from December 2007 to June 2009. For source on retail hours, see U.S. Department of Labor, *Occupational Outlook Handbook: 2009* (New York: Skyhorse Publishing, 2008).

13. Harry J. Holzer, “Avoiding a Lost Generation: How to Minimize the Impact of the Great Recession on Young Workers,” *Testimony Before the Joint Economic Committee of the U.S. Congress*, May 26, 2010. Accessed August 5, 2011, http://jec.senate.gov/public/?a=Files.Serve&File_id=6e19b1e9-ed31-4b6d-b413-3b837faa88a3.

14. Kisha Bird and Rhonda Tsoi-A-Fatt, “A Crisis Ignored,” *Fact Sheet* (Washington, DC: Center on Law and Social Policy, 2010).

15. Central city workers are unemployed for an average of 24.6 weeks, significantly longer than the time that rural and suburban unemployed spend jobless (21.8 and 22.8 weeks, respectively; statistically similar). Carsey Institute analysis of 2010 CPS data, available upon request.

16. See “Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue,” *Report to Congressional Addressees GAO-11-218SP* (Washington, DC: U.S. Government Accountability Office, 2011), p. 141. Accessed August 5, 2011, www.gao.gov/new.items/d11318sp.pdf.

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