

The current economic crisis and unemployment in the multi-generational workforce

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THE CURRENT ECONOMIC CRISIS AND UNEMPLOYMENT IN THE MULTI- GENERATIONAL WORKFORCE

During the current economic crisis, older workers have experienced rates of unemployment that are higher than in the years prior to the crisis. However, workers in all age groups have been adversely affected, with younger groups actually experiencing higher rates of unemployment. Older workers may be out of the workforce longer after losing a job, and their re-employment rates are lower. Older workers are also more likely to become “discouraged” about their prospects.

How has the current economic crisis affected the jobs of older workers?

“Nearly 1 in 10 (9%) adults ages 45+ report having lost a job in the last 12 months,” according to a 2008 AARP survey on the economic slowdown.¹

According to a 2009 analysis of Bureau of Labor Statistics (BLS) data, in December 2008, “326,000 adults age 65 and older were unemployed, 60% more than in November 2007. The December 2008 unemployment rate for adults age 65 and older reached 5.1%, a 31-year high. The age-65-and-older unemployment rate has increased by 1.7 percentage points since November 2007, the last month before the current recession began.”²

The unemployment rate for the total labor force was 7.2% in December 2008, while the rate for persons aged 55 and over was 4.8%, according to a 2009 analysis of BLS data.³

Have older workers been impacted to a greater or lesser extent than other age groups?

A June 2009 analysis of BLS employment data shows that “workers with less job experience are particularly hard hit—those aged 16–24 face an unemployment rate of 17.8%; 25–54 year olds are seeing 8.5%; and those over 54 are at 7% (up 6.2, 4.5, and 3.9 percentage points, respectively, since the start of the recession).”⁴

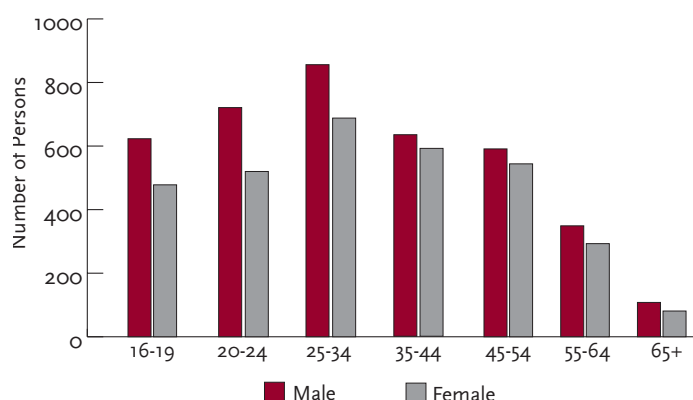
“In October 2008, the unemployment rate for the aged 55 and older labor force was 4.5%, compared to 5.5% for those aged 25–54 and 6.5% for the labor force as a whole,” according to 2008 analysis of Bureau of Labor Statistics data. Between September and October 2008, workers aged 55 and older and those aged 25–34 experienced the sharpest increases in unemployment, over 10 percent, compared to ages 35–44 and 45–54, for whom the rate of unemployment increased less than 4%.⁵

According to 2008 BLS data, the number of unemployed persons was highest among those aged 25–34, with 1,119,000 men and 830,000 women reporting being unemployed during some period of that year. In contrast, for persons aged 55–64, the numbers of unemployed were 425,000 for men and 377,000 for women.⁶ See Figure 1

According to a 2009 MetLife Survey, Generations X and Y have been hardest hit, with 23% of GenXers and 21% of GenYers having lost a job themselves as a result of the current economic crisis, compared to 16% of Boomers and 10% of Silents.”⁷

According to a 2008 Pew Research Center survey, 21% of workers ages of 18–29 were fired or laid off in the past year. For 30–49-year-olds, the percentage was 15%; for those aged 50–64, 11% and for 65 and older, 3%. Younger workers are particularly vulnerable; “about one-in-five adults under the age of 30 was fired or laid off last year.”⁸

Figure 1. Unemployed Persons in 2008 by Age and Gender



Source: Bureau of Labor Statistics (2008)

How successful have older workers been, compared to other age groups, in re-entering the work force after losing a job during the current economic crisis?

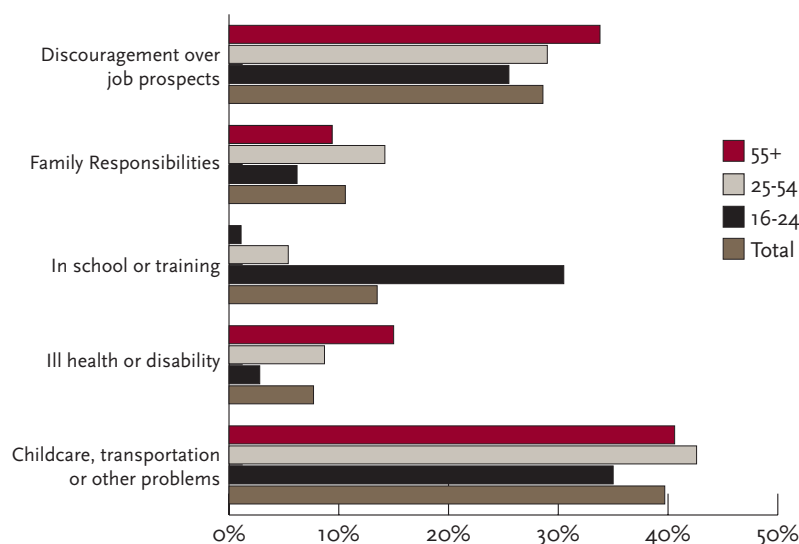
According to a 2008 BLS report, “reemployment rates for workers ages 20-24 and 25-54 were 68 and 73%, respectively. Reemployment rates for older workers—ages 55-64 and 65 years and over—were 61 and 18%, respectively.”⁹

“Sixteen percent of respondents in the 45-54 and 55-64 age groups reported having lost a job during the past 12 months. Of those, 28% of those 45-54 and 30% of those 55-64 reported finding another job after having lost a job,” according to a 2009 AARP survey of adults ages 45 and older.¹⁰

“In December 2008, 32% of job seekers aged 55 and over, 23% of those ages 25-54, and 18% of those under age 25 had been unemployed for 27 weeks or more,” according to a 2008 analysis of BLS data.³

According to 2008 Current Population Survey data, among persons not in the labor force in 2008 who were available for work but not actively looking for work, 33% of those aged 55 and over reported being discouraged over job prospects, compared to 28% of those aged 25-54 and 25% of those aged 16-24.¹¹ See Figure 2

Figure 2. Percentage of persons who are available to work but not actively looking, by age and reasons, 2008



Source: Bureau of Labor Statistics (2008)

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