



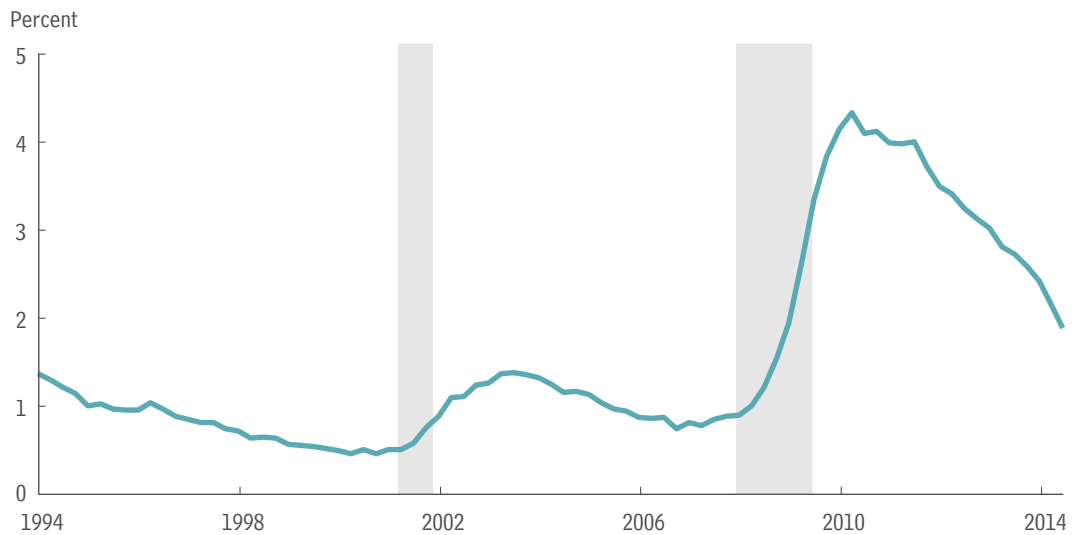
Characteristics of the Long-Term Unemployed in March 2007 and March 2014

House Minority Leader Nancy Pelosi has asked the Congressional Budget Office (CBO) for information about the characteristics of people who have been unemployed for a long time. Specifically, she asked the agency to describe any changes in those characteristics that occurred between March 2007 and March 2014. In answering that question, this document supplements and updates information provided in CBO's *Understanding and Responding to Persistently High Unemployment* (February 2012), www.cbo.gov/publication/42989.

The recent recession and slow recovery led to a high rate of long-term unemployment, which is defined as being out of work for more than 26 consecutive weeks. That rate peaked at 4.3 percent in the second quarter of calendar year 2010 and has fallen considerably since then (see Figure 1). It was 2.4 percent in March 2014 and has since fallen further to 1.9 percent in the third quarter of 2014, still about a percentage point above its average from 2001 to 2007.

In both of the periods that CBO compared (March 2007 and March 2014), people experiencing long-term unemployment were, relative to the overall labor force, more likely to be male, to be young, to be unmarried, to be African American, and to have no postsecondary education (see Table 1).¹ However, the characteristics of the long-term unemployed changed in some ways between the two periods. For example, among people unemployed for more than half a year, some groups accounted for larger shares in 2014 than in 2007—particularly women, people with a college or graduate degree, and people age 55 or older. Also, as typically happens during and after a recession, people who lost a job involuntarily accounted for a larger fraction of the long-term unemployed in 2014 than they did before the recession.

1. The data discussed here are drawn from the Census Bureau's March 2007 and March 2014 Current Population Survey.

Figure 1.**Long-Term Unemployment**

Sources: Congressional Budget Office; Bureau of Labor Statistics.

Notes: The rate of long-term unemployment is the percentage of the labor force that has been out of work for more than 26 consecutive weeks.

Data are quarterly and are plotted through the third quarter of 2014.

Table 1.**Characteristics of the Labor Force and the Unemployed,
March 2007 and March 2014**

Percent

	Labor Force		Unemployed ^a		Long-Term Unemployed ^b	
	March 2007	March 2014	March 2007	March 2014	March 2007	March 2014
Sex						
Male	53	53	59	56	65	56
Female	47	47	41	44	35	44
Educational Attainment						
High school diploma or less	42	37	63	54	63	53
Some college	28	29	24	28	26	27
Bachelor's degree	20	22	9	13	8	15
Graduate degree	10	12	3	5	3	5
Marital Status						
Not married	41	44	63	65	66	63
Married	59	56	37	35	34	37
Race or Ethnicity						
White	69	65	57	53	52	51
Hispanic	14	16	17	19	14	18
Black or African American	11	11	19	21	25	23
Other	6	8	7	8	9	8
Industry						
Service	45	48	38	41	36	40
Manufacturing	11	10	11	8	12	9
Construction	8	7	15	10	10	9
Other	35	35	28	29	30	29
No industry history	0	1	8	11	12	13
Reason for Unemployment						
Lost job involuntarily	c	c	50	55	39	51
Reentered the labor force	c	c	31	27	41	30
Entered labor force for first time	c	c	8	11	12	13
Left job voluntarily	c	c	11	7	8	6
Age						
16 to 24	15	14	31	29	23	22
25 to 54	69	66	58	57	66	59
55 to 69	16	20	11	14	12	19
Region						
South	36	36	34	35	33	36
West	23	23	23	25	22	25
Midwest	23	22	26	22	24	22
Northeast	18	18	17	18	21	18

Source: Congressional Budget Office based on the Census Bureau's March 2007 and March 2014 Current Population Survey.

Note: The labor force comprises people ages 16 and older who have a job or who are jobless but available for work and actively seeking employment.

- a. People are not officially considered unemployed unless they are in the labor force.
- b. The long-term unemployed have been unemployed for more than 26 consecutive weeks. The percentages shown apply to very different numbers of people in 2014 and 2007. In March 2014, about 3.9 million people had been out of work for more than 26 consecutive weeks, compared with 1.3 million in March 2007.
- c. Categories do not apply to all people in the labor force.