

Jobs



Employment is the foundation of the standard of living most Americans will enjoy in their working age and retirement. A healthy job market is one where willing workers can find decent employment in a timely fashion. Here are some key findings from a comprehensive look at employment trends:

Job creation: A function of demand

The business cycle from 2000–2007 is the weakest full business cycle on record for job creation, due to the fact that demand was insufficient to drive overall GDP gains that were robust enough to generate strong job growth. The massive job loss during the Great Recession resulted from a dramatic collapse of demand and the associated drop in GDP between 2007 and 2009.

10 million

As of the end of 2011, the United States needed to create roughly 10 million jobs to return to the pre-recession unemployment rate. At the rate of job creation in the first six months of 2012, however, that target would not be reached before 2020.

A close look at the labor market

The widely reported monthly unemployment rate, which only counts people without jobs as unemployed if they are actively looking for work, provides an incomplete snapshot of the labor market's health. A fuller picture of the Great Recession and its aftermath shows:

16.4%

During 2009, the most severe year of the Great Recession, 9.3 percent of the labor force was unemployed *on average*, while 16.4 percent of the labor force experienced a spell of unemployment for some portion of the year.

1 out of 6

The underemployment rate counts part-time workers who want full-time work, jobless workers who want to work but have given up actively searching for work, and those officially considered unemployed. From mid-2009 through the end of 2010, roughly one out of every six workers was underemployed.

15.9%

African Americans typically experience unemployment at a rate twice that of whites. In the aftermath of the Great Recession, annual black unemployment peaked at 15.9 percent in 2010 and 2011.

12.5%

Hispanics experienced the largest increase in unemployment rates resulting from the recession. Their rate more than doubled relative to pre-recession levels, and peaked at an annual rate of 12.5 percent in 2010.

8.0%

White unemployment doubled after the recession began, peaking at an annual rate of 8.0 percent in 2010.

6 million

During the downturn, men lost jobs at more than twice the rate of women (6.1 million jobs to 2.7 million). Between early 2010 and the end of 2011, the trend reversed and men gained 2.3 million of the 3 million jobs added.

Spotlight
**LONG-TERM
UNEMPLOYMENT**

In 2000, 11.4 percent of the unemployed had been out of work long-term (unemployed for more than six months). By 2007 (the peak of the 2000s business cycle), the number had risen to 17.6 percent. By March 2011, an astonishing 45.5 percent of the unemployed had been jobless long-term.

Unemployment may be temporary, but effects are long-lasting

Unemployment and its after-effects, in addition to reduced earnings, often create instability and lead to declines in health and opportunities for the children of unemployed parents.

10.5%

Workers who lost a job from 2007–2009, but who found new full-time work, faced an average wage cut of 10.5 percent—a cut that will reduce subsequent earnings over their work lifetime and reduce the basis for their income in retirement.