A YEAR OR MORE:

THE HIGH COST OF LONG-TERM UNEMPLOYMENT

PEW Economic Policy Group | FISCAL ANALYSIS INITIATIVE

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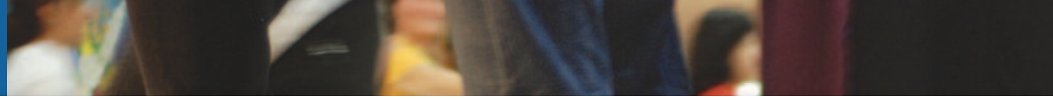

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EXECUTIVE SUMMARY

The federal government defines "long-term unemployment" as a jobless period of six months or longer. In March 2010, over 44 percent of unemployed Americans met or exceeded that standard—the highest rate since World War II.[1] In contrast, during the severe recession of the early 1980s, the percentage of workers unemployed for six months or longer peaked at 26 percent in 1983.[2]

The media have reported the historically high six-month unemployment figure, but a new study by the Pew Fiscal Analysis Initiative goes further by calculating the percentage of people who have been unemployed for a year or more. This analysis further illuminates the extent of the country's long-term unemployment problem and its impact on the nation's fiscal condition.

- According to Pew's analysis of Current Population Survey (CPS) data from December 2009, 23 percent of the nearly 15 million Americans who are unemployed have been jobless for a year or more.[3] That percentage translates into 3.4 million people, roughly equivalent to the population of the state of Connecticut.
- Long-term unemployment cuts across nearly every industry and occupation. Even in fields with overall unemployment rates that are relatively low, workers who are unemployed are remaining so for a long time.
- Long-term unemployment is occurring among people of all ages. While workers 55 or older are less likely to become unemployed, those who do are more likely to stay unemployed for a long period of time. Nearly 30 percent of unemployed people 55 or older have been jobless for a year or longer—a higher rate than any other age group.[4]
- Once a person is out of work, a high level of education provides only limited protection against a long period of unemployment. Twenty-one percent of unemployed workers with a bachelor's degree have been without work for a year or longer, compared to 27 percent of unemployed high school graduates and 23 percent of unemployed high school drop-outs.[5]
- In the current fiscal year, federal spending on unemployment benefits is projected to be five times greater than it was in each of the years immediately preceding the recession. In each fiscal year between 2005 and 2007, annual federal spending on unemployment insurance ranged between $31 and $33 billion.[6] Federal spending on unemployment benefits could reach $168 billion in fiscal year 2010, of which $81 billion represents spending on regular benefits. The remaining $87 billion represents the cost of additional unemployment aid that Congress has approved (or is poised to approve) to help people who have been out of work for six months or longer.[7]

INTRODUCTION

A high rate of long-term unemployment has significant implications for families, government budgets and the country's overall economic and social health.

For individuals, the likelihood of finding a job declines as the length of unemployment increases. People who are unemployed for a long time can lose their job skills. A long unemployment spell can mark them as undesirable, making it more difficult to compete against other job candidates.[8] CPS data suggests that workers who are jobless for the longest duration incur the largest reductions in weekly earnings upon returning to work.[9]

Long-term unemployment also has had a significant impact on the federal budget. To help the millions of people who are stuck on the unemployment rolls, Congress has approved extending unemployment benefits beyond the normal 26-week limit. Those extensions cost nearly $44 billion in fiscal year 2009 alone.[10] The federal government also has increased food assistance and paid for a greater share of health-care coverage for those who have been without work for a long time. Since people pay less in income taxes when they are out of work, long-term unemployment also has reduced federal revenue. For the economy as a whole, unemployment corresponds with lost output: When labor is underutilized, the nation produces fewer goods and services than it is capable of producing.

If the current recovery follows the pattern set by the last two, hiring will remain sluggish for some time. Job losses continued for nearly two years after the 2001 downturn, and overall employment numbers did not return to pre-recession highs until 2005. The Congressional Budget Office (CBO) projects that the unemployment rate will remain above 9 percent through 2011 and that the rate will not decline to 5 percent—the so-called natural rate of unemployment—until 2016.[11]

Pew investigates the populations most affected by long-term unemployment through a new lens by looking at workers who have been unemployed for a year or more and evaluating the fiscal and economic effects.

OVERVIEW OF CURRENT UNEMPLOYMENT AND LONG-TERM UNEMPLOYMENT

The United States is in the midst of one of its worst periods of unemployment since the end of the World War II. The unemployment rate during this recession peaked at 10.1 percent in October 2009, nearly reaching the post-war record of 10.8 percent set in December 1982.[12] According to the Bureau of Labor Statistics (BLS), the overall unemployment rate was 9.7 percent in March 2010. This means there were about 15 million people who were actively searching for employment but were unsuccessful.[13] In February 2010, 13 states and the District of Columbia had an unemployment rate higher than 10 percent, and six states (California, Florida, Michigan, Nevada, Rhode Island, and South Carolina) had a rate of at least 12 percent.[14]

Those figures do not capture the full scope of the problem, since they do not include people who became discouraged and stopped seeking employment, people who decided to retire early rather than keep searching and young people who have delayed their entry into the work force. The figures also exclude people who would prefer full-time employment but have been forced to accept part-time work instead. When those workers are counted in the calculation, the unemployment rate in March 2010 becomes 16.9 percent.[15] This is commonly known as the "underemployment" rate. In the aftermath of the 2001 recession, the comparable rate peaked at 10.4 percent.[16]

From the start of the recession through June 2009—when employment stopped contracting sharply—payroll employment fell by 6.4 million.[17] The cumulative decline of 5.2 percent during this period is the steepest drop in six decades.[18]

In addition to the high level of overall unemployment, this recession has been characterized by the long periods of time that many people have remained on the unemployment rolls. The federal government defines "long-term unemployment" as a jobless period of six months or longer. In March 2010, over 44 percent of unemployed Americans met or exceeded that standard—the highest rate since World War II.[19] In contrast, during the severe recession of the early 1980s, the percentage of workers unemployed for six months or longer peaked at 26 percent in 1983.[20]

The high long-term unemployment rate represents the continuation of a decades-long trend, one that has worsened after downturns but has persisted even during periods of growth. In March 2004, at its most recent peak, the percentage of people who had been unemployed for at least six months was 23.4 percent. In November 2007, the last month of economic expansion before the current recession, 19.5 percent of the unemployed had been jobless for at least six months (see Figure 1).[21]

Pew's analysis further illuminates this problem by calculating the percentage of people who have been unemployed for a year or more. In December 2009, nearly three and a half million Americans, or 23 percent of the unemployed, had been jobless for a year or longer.[22]

FIGURE 1: Long-Term Unemployment, January 1948–March 2010

Percentage of Total Unemployed

Source: Pew analysis using data from the Bureau of Labor Statistics and the Current Population Survey
Notes: Six-month numbers are seasonally adjusted; one-year numbers are not seasonally adjusted; shaded bars denote recessions; data for one-year unemployment became available in 1994 and is shown through December 2009

CHARACTERISTICS OF THE LONG-TERM UNEMPLOYED

Unemployment typically hits some groups harder than others, and this recession is no exception. Minorities, men, younger workers and less-educated workers are over-represented on the unemployment rolls. In December 2009, the overall unemployment rate for whites was 8.8 percent, but 15.6 percent of African Americans and 12.9 percent of Hispanics were unemployed.[23]

Unemployment among workers between the ages of 20 and 24 rose from 8.7 percent in December 2007 to 14.7 percent in December 2009.[24] The unemployment rate for workers 25 or older without a high-school diploma rose from 8.2 percent in December 2007 to 15.7 percent in December 2009.[25]

Overall, older workers are a small percentage of the unemployed. The unemployment rate for workers older than 55 was 7.0 percent in December 2009, below the national average for all workers.[26] Of all older workers, both employed and unemployed, only 2.1 percent have been out of work for a year or longer, also below the national average for all workers.[27]

However, Pew's analysis of CPS data shows that once older workers become unemployed, they are more likely than younger workers to stay unemployed for a long period of time. Among unemployed people between the ages of 20 and 24, only 18 percent had been out of work for a year or longer in December 2009. The percentage steadily increases with age: More than 29 percent of unemployed people older than 55 had been out of work for a year or more—a higher rate than any younger age group (see Figures 2, 3 and 4).[28]

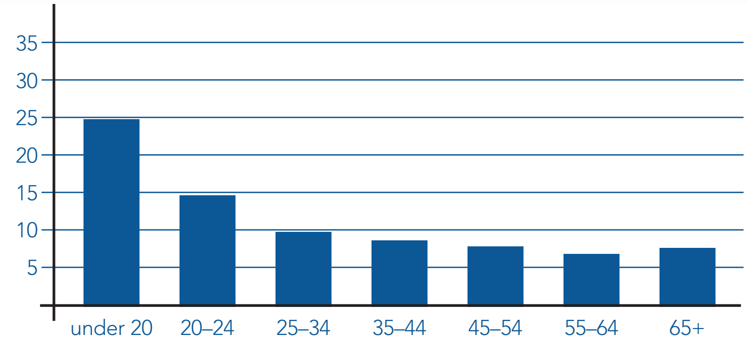
Education strengthens job security: The unemployment rate for adults with a bachelor's degree or higher is less than half that of workers with just a high school diploma. In December 2009, the overall unemployment rate for workers with a bachelor's degree or higher was 4.7 percent, compared to 10.6 percent for high school graduates with no college experience.[29] A little more than 1 percent of all workers with college degrees, whether employed or unemployed, have been out of work for a year or longer. That is less than half the rate of those with just a high school diploma.[30]

However, once a worker becomes jobless, a high level of education provides only limited protection against a long period of unemployment: As of December 2009, 21 percent of jobless workers with a college degree had been unemployed for a year or longer, compared to 27 percent of unemployed workers with only a high school diploma (see Figures 5, 6 and 7).[31]

Long-term unemployment cuts across nearly every industry and occupation. Even in fields with overall unemployment rates that are relatively low, workers who lose their jobs are remaining jobless for a long time. For example, education and health workers have an overall unemployment rate of only 5.6 percent, the lowest rate among the industries that the CPS tracks.[32] But 21.1 percent of the education and health workers who are unemployed have been without work for a year or longer, only slightly less than the one-year unemployment rate across all industries (see Appendix-Table 3).[33]

FIGURE 2: Overall Unemployment Rate, by Age

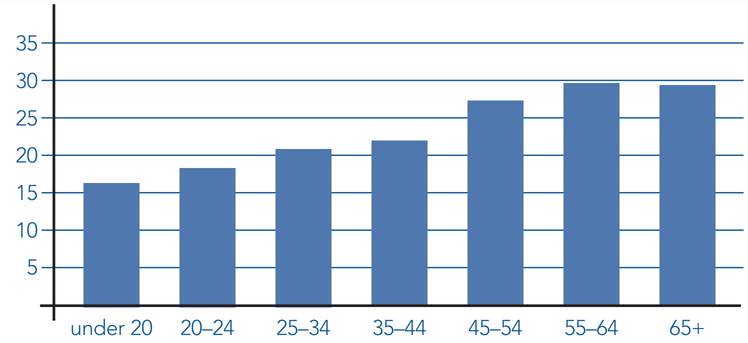
Percentage of Total Labor Force



Source: Pew analysis using data from the Current Population Survey, December 2009
Note: Numbers are not seasonally adjusted

FIGURE 3: Unemployed for One Year or More, by Age

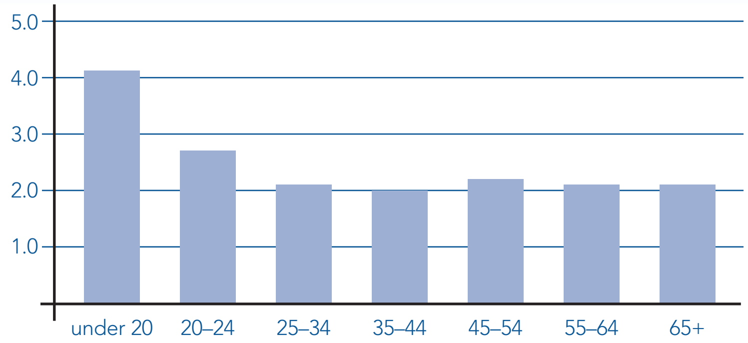
Percentage of Total Unemployed



Source: Pew analysis using data from the Current Population Survey, December 2009
Note: Numbers are not seasonally adjusted

FIGURE 4: Unemployed for One Year or More, by Age

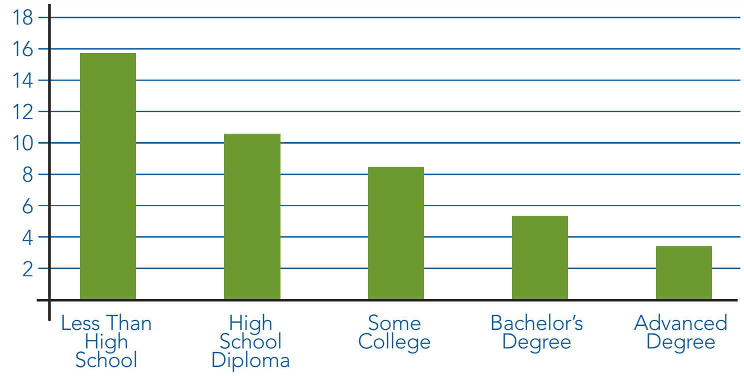
Percentage of Total Labor Force



Source: Pew analysis using data from the Current Population Survey, December 2009
Note: Numbers are not seasonally adjusted

FIGURE 5: Overall Unemployment Rate, by Education

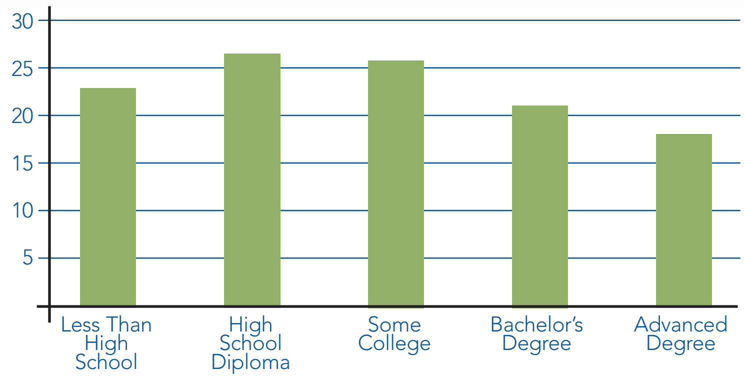
Percentage of Total Labor Force



Source: Pew analysis using data from the Current Population Survey, December 2009
Note: Numbers are not seasonally adjusted

FIGURE 6: Unemployed for One Year or More, by Education

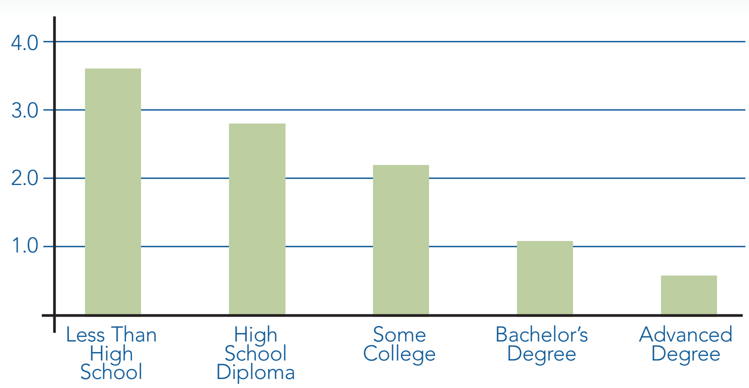
Percentage of Total Unemployed



Source: Pew analysis using data from the Current Population Survey, December 2009
Note: Numbers are not seasonally adjusted

FIGURE 7: Unemployed for One Year or More, by Education

Percentage of Total Labor Force



Source: Pew analysis using data from the Current Population Survey, December 2009
Note: Numbers are not seasonally adjusted

THE FISCAL IMPACT OF LONG-TERM UNEMPLOYMENT

A high rate of long-term unemployment has had a direct impact on the federal budget by prompting the extension of normal unemployment benefits, ratcheting up spending on other government safety-net programs and by reducing taxable wages.

The standard mechanism for providing unemployment compensation is the federal-state Unemployment Insurance (UI) program, which provides unemployment insurance for a maximum of 26 weeks.[34] The benefits vary by state, but weekly benefits generally replace between 50 and 70 percent of wages.[35] State UI taxes levied on employers pay for most of these benefits. In 1970, Congress created the Extended Benefits program, which provides an additional 13 weeks of benefits during times of high unemployment, with the option to extend to 20 weeks when the jobless rate is especially high.[36] States pay for half of this program with UI taxes and the federal government covers the other half using revenue from Federal Unemployment Taxes.[37]

A third program, the Emergency Unemployment Compensation program, is a temporary extension of benefits that Congress approved in 2008. This program offers different levels of benefits based in part on state unemployment rates.[38]

In each fiscal year between 2005 and 2007, annual federal spending on unemployment insurance ranged between $31 and $33 billion.[39] In fiscal year 2008, however, it rose to $43 billion[40] and reached $119 billion in fiscal year 2009.[41] Federal spending on unemployment benefits could reach $168 billion in fiscal year 2010, a more than fivefold increase from the years immediately preceding the recession.[42]

Regular UI benefits account for $81 billion of that $168 billion. The remaining $87 billion represents the cost of additional unemployment aid that Congress has approved (or is poised to approve) to address the problem of long-term unemployment.[43]

This extra spending is the result of a series of steps Congress has taken to help the unemployed:

- Congress approved the first extensions to Emergency Unemployment Compensation benefits in early 2008. By the end of that year, an unemployed worker could receive benefits of up to 79 weeks in states with unemployment rates above 6 percent, and up to 66 weeks in states with rates below that threshold.[44]
- The American Recovery and Reinvestment Act of 2009 (ARRA), enacted in February 2009, included another extension of benefits. The federal government agreed to cover 100 percent of Extended Benefits program costs, increase weekly benefits by $25 and provide an additional $7 billion to states to encourage them to liberalize their UI eligibility rules. ARRA also exempted the first $2,400 of unemployment benefits from federal income taxes for the 2009 tax year.[45] Altogether, the unemployment assistance in ARRA cost $27 billion in fiscal year 2009 and is projected to cost $31 billion in fiscal year 2010, according to CBO.[46]

- Congress approved additional extensions of benefits in 2009. The Worker, Homeownership, and Business Assistance Act extended UI benefits for one week in all states, an additional 13 weeks in states with 6 percent unemployment and an additional six weeks in states with unemployment rates above 8.5 percent. CBO estimated these extensions would cost the federal government an additional $3 billion in fiscal year 2010.[47] By the end of 2009, unemployed individuals in many states were eligible for up to 99 weeks of unemployment compensation through the various programs and extensions.

- In early 2010, Congress approved extending unemployment benefits through the beginning of April 2010.[48] CBO estimates that this extension will cost about $7 billion in 2010.[49] Finally, the House and Senate have approved legislation that would extend benefit eligibility through the end of 2010. This measure, which has not yet become law, would cost an additional $24 billion in 2010, according to CBO.[50]

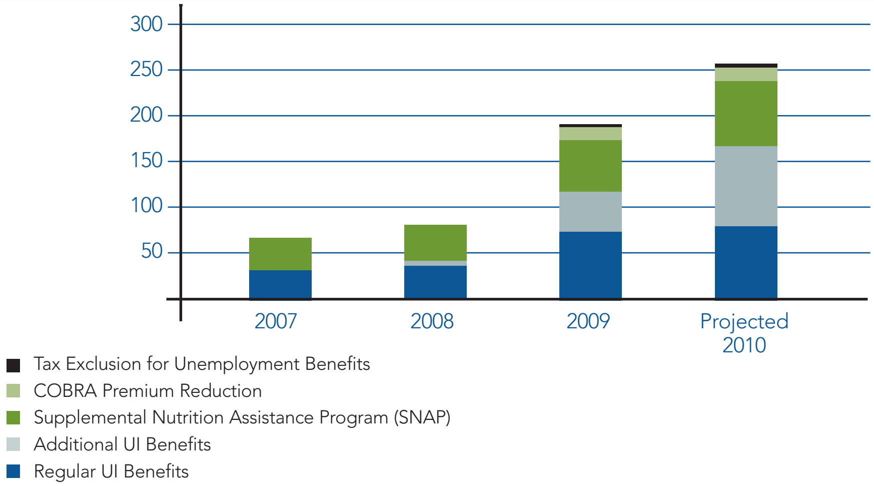
The federal government has provided additional aid to unemployed workers by helping them pay for health insurance under the Consolidated Omnibus Budget Reconciliation Act (COBRA). Generally, COBRA allows people who lose their health coverage when they lose their jobs to continue to pay group rates for insurance, though they must cover the entire cost of the premiums themselves. Under ARRA, the federal government agreed to pay 65 percent of health insurance premiums for a period of up to nine months for workers laid off between September 2008 and the end of 2009. Congress later extended this period to 15 months.[51] According to CBO, the COBRA provision in ARRA cost about $14.3 billion in fiscal year 2009 and will cost $9.2 billion in fiscal year 2010.[52] A proposed extension through the end of 2010 would cost an additional $6 billion.[53]

High unemployment also has contributed to a sharp spike in the number of individuals and families receiving food assistance. Spending on the Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps, rose from $35 billion in fiscal year 2007[54] to $56 billion in fiscal year 2009. CBO estimates that the program will cost $71 billion in fiscal year 2010.[55] Figure 8 illustrates the cumulative effect of the increases in unemployment benefits and selected federal aid.

Long-term unemployment also affects the federal budget on the other side of the fiscal ledger by reducing income tax revenue and the amount of money flowing into the unemployment insurance pool. UI benefits are taxable, but people on the unemployment rolls are receiving only a fraction of the income they would be getting if they were working. As a result, they are paying only a fraction of the taxes.

The recession has caused a precipitous decline in federal income tax receipts. Most of the decline is not due to unemployment; much of it is due to lower wages for workers who still have their jobs, as well as the tax cuts in the various stimulus acts passed in 2009. Nevertheless, rising unemployment—along with its corresponding reduction in personal income—has contributed to the decline.

FIGURE 8: Federal Spending on Unemployment Benefits, COBRA and SNAP, 2007–2010
In Billions of Dollars



Source: Pew analysis using data from the Congressional Budget Office and the Joint Committee on Taxation
Notes: COBRA = Consolidated Omnibus Budget Reconciliation Act of 1986
SNAP = Supplemental Nutrition Assistance Program
UI = Unemployment Insurance

Consider a hypothetical worker earning $50,000 in 2009. After a personal exemption of $3,650 and a standard deduction of $5,700, he would owe $6,356 in federal income taxes (excluding all other credits and deductions). But if the worker lost his job on July 1 and received UI benefits that replaced half of his wages for the remainder of the year, his annual income would decline to about $37,500. ARRA exempts the first $2,400 of UI benefits from taxes. With the personal exemption and standard deduction, he would only owe $3,449 in income taxes—$2,907 less than if he had been employed for the entire year.

Moreover, a spell of long-term unemployment can depress a person's wages in future jobs. When a worker is out of a job, he or she loses out on the opportunity to gain work experience and accumulate skills. This "unemployment scarring" can have a dramatic effect on future income. One study found that on average, U.S. workers who lost a full-time job between 2001 and 2003 and found a new job by the time they were interviewed in 2004 earned about 17 percent less per week than they would have earned if they had retained their old job.[56]

Many media reports have focused on the human toll of long-term unemployment, particularly its impact on individuals and families. Far less attention has been paid to the fiscal impact of this problem. It has been substantial: The government has spent tens of billions of dollars to help the unemployed, and it is likely to spend billions more before the economy fully recovers.

THE POSSIBLE PERSISTENCE OF LONG-TERM UNEMPLOYMENT

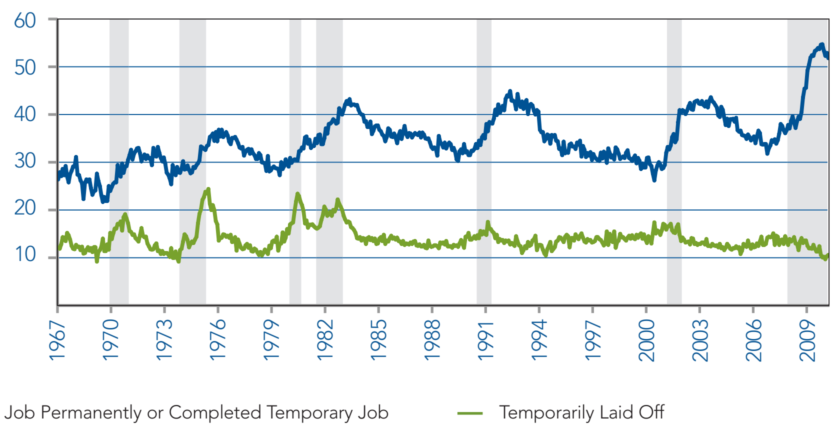
There are several reasons to believe that the high rate of long-term unemployment will persist for some time.

First, during the recent recession average weekly hours worked in the private sector fell sharply to a level significantly below that of previous recessions. As the economy recovers, firms may respond by boosting the hours of existing workers, rather than hiring new ones.[57]

Second, in the recent recession a relatively large percentage of the unemployed were let go permanently, as opposed to being laid off temporarily. In the 1970s and 1980s, the manufacturing sector was larger and many unemployed line workers were called back to their plants when business picked up. During the downturn of the early 1980s, for example, the average monthly percentage of the unemployed who were on temporary layoff was about 20 percent. In contrast, in 2009 the comparable rate was about 11 percent (see Figure 9).[58]

FIGURE 9: Reasons for Unemployment, January 1967–March 2010

Percentage of Total Unemployed



Source: Bureau of Labor Statistics
Notes: Shaded bars denote recessions; percentages do not add up to 100 percent because BLS also categorizes unemployed persons as "job leavers," "reentrants" and "new entrants," and those categories are not included here

Many of the permanent job losses have been in the manufacturing sector. For more than half a century manufacturing jobs have been shrinking as a percentage of total U.S. employment. In recent decades, increased productivity and foreign competition have accelerated the trend, but the last two recessions have hit manufacturing especially hard. In contrast to previous recoveries, many of the manufacturing jobs that were lost during the 2001 recession did not return once the economy bounced back.[59]

Finally, the steep decline in home values during this recession, combined with the high loan-to-value ratios on many mortgages before the downturn, may contribute to long-term unemployment by making it difficult for people to relocate.

Many Americans owe more on their mortgages than their houses are worth: In the fourth quarter of 2009, more than 11.3 million, or 24 percent, of all residential properties with mortgages had negative equity.[60] These homeowners will lose money on the sale of their homes, which could make it difficult for them to move to an area with better job prospects.

In many respects this recession is unprecedented and thus forecasting the recovery is particularly difficult. However, if the recovery from this recession follows the pattern set by the last two, Gross Domestic Product (GDP) and job growth will be sluggish for some time. GDP rose by only 2.6 percent in the four quarters following the recession of 1990-1991, and there was little job growth. The recovery from the 2001 recession was even slower. In the six quarters following that downturn, real GDP grew by 2.1 percent and employment *declined* by more than one million.[61]

SUMMARY AND CONCLUSIONS

The nation's long-term unemployment rate is historically high, and it has had a substantial impact on families, government budgets and the country's overall economic health. Pew's finding that nearly a quarter of the unemployed have been out of work for a year or more casts new light on the extent of the problem.

Federal spending on unemployment benefits could reach $168 billion in fiscal year 2010, more than five times the cost of benefits in the years immediately preceding the downturn.[62] More than half of that amount represents the cost of extended benefits. The federal government's decision to help unemployed workers pay for health insurance cost an additional $14.3 billion in fiscal year 2009, and could cost as much as $15 billion in fiscal year 2010.[63] The high long-term unemployment rate also has spurred increased spending on other government safety-net programs and contributed to a decline in federal tax receipts.

The country may have to contend with a high rate of long-term unemployment for some time. In the 1970s and 1980s, many workers were laid off temporarily and rehired once business picked up again. Many of those who lost their jobs in the recent recession were let go permanently and will not be called back once the economy improves.

Long-term unemployment cuts across nearly every industry and occupation. Even in fields with overall unemployment rates that are relatively low, workers who become unemployed are remaining jobless for long periods of time. Workers older than 55 and those who are highly educated are less likely to become unemployed, but many of them are experiencing long jobless spells once they become unemployed.

In conclusion, long-term unemployment is affecting millions of American families, government budgets and the economy as a whole. Policy makers have sought to help the long-term jobless by extending unemployment benefits and other safety-net programs. Despite increasing fiscal restraints, they will be under pressure to take additional action before the recovery takes hold and the long-term unemployment rate returns to a lower level.

APPENDIX TABLES

TABLE 1: UNEMPLOYMENT BY AGE

	Under 20	20–24	25–34	35–44	45–54	55–64	65+	Total
IN THOUSANDS								
Employed	4,272	12,343	29,875	30,831	33,325	21,114	6,193	137,953
Unemployed								
Less than 26 weeks	1,039	1,463	1,993	1,790	1,516	774	268	8,844
27-51 weeks	141	268	592	530	591	339	71	2,532
52 weeks or more	231	390	681	661	793	468	141	3,364
Total	**1,412**	**2,120**	**3,267**	**2,981**	**2,900**	**1,581**	**479**	**14,740**
Labor Force	5,684	14,463	33,141	33,812	36,225	22,695	6,672	152,693
AS PERCENTAGE OF LABOR FORCE								
Unemployed								
Less than 26 weeks	18.3	10.1	6.0	5.3	4.2	3.4	4.0	5.8
27-51 weeks	2.5	1.9	1.8	1.6	1.6	1.5	1.1	1.7
52 weeks or more	4.1	2.7	2.1	2.0	2.2	2.1	2.1	2.2
AS PERCENTAGE OF UNEMPLOYED								
Unemployed								
Less than 26 weeks	73.6	69.0	61.0	60.0	52.3	49.0	55.9	60.0
27-51 weeks	10.0	12.6	18.1	17.8	20.4	21.4	14.8	17.2
52 weeks or more	16.4	18.4	20.9	22.2	27.3	29.6	29.3	22.8

Source: Pew analysis using data from the Current Population Survey, December 2009
Note: Numbers are not seasonally adjusted; numbers may not equal totals due to rounding

TABLE 2: UNEMPLOYMENT BY EDUCATION

	Less than High School	High School Diploma	Some College	Bachelor's Degree	Advanced Degree	Other	Total
IN THOUSANDS							
Employed	10,123	33,803	33,660	28,131	15,620	16,615	137,953
Unemployed							
Less than 26 weeks	1,164	2,236	1,684	912	347	2,502	8,844
27-51 weeks	296	708	644	352	123	409	2,532
52 weeks or more	432	1,062	808	338	104	621	3,364
Total	**1,892**	**4,005**	**3,135**	**1,602**	**574**	**3,532**	**14,740**
Labor Force	12,015	37,808	36,796	29,733	16,194	20,147	152,693
AS PERCENTAGE OF LABOR FORCE							
Unemployed							
Less than 26 weeks	9.7	5.9	4.6	3.1	2.1	12.4	5.8
27-51 weeks	2.5	1.9	1.7	1.2	0.8	2.0	1.7
52 weeks or more	3.6	2.8	2.2	1.1	0.6	3.1	2.2
AS PERCENTAGE OF UNEMPLOYED							
Unemployed							
Less than 26 weeks	61.5	55.8	53.7	56.9	60.4	70.8	60.0
27-51 weeks	15.7	17.7	20.5	22.0	21.5	11.6	17.2
52 weeks or more	22.9	26.5	25.8	21.1	18.1	17.6	22.8

Source: Pew analysis using data from the Current Population Survey, December 2009
Notes: Education data only includes workers age 25 and over; "Other" includes individuals under age 25; numbers are not seasonally adjusted; numbers may not equal totals due to rounding

TABLE 3: UNEMPLOYMENT BY INDUSTRY

	Agriculture, Forestry & Fishing	Mining	Construction	Manufacturing	Wholesale & Retail Trade	Transportation & Utilities	Information	Financial Activities	Professional & Business	Education & Health	Leisure & Hospitality	Other Service	Other	TOTAL
IN THOUSANDS														
Employed	1,189	667	6,956	12,878	18,523	5,425	2,755	8,624	12,907	20,081	11,301	5,758	30,889	137,953
Unemployed														
Less than 26 weeks	251	51	1,266	882	1,097	295	149	368	887	745	1,093	286	1,474	8,844
27-51 weeks	16	24	364	406	301	109	36	141	277	188	245	94	330	2,532
52 weeks or more	25	15	414	460	453	135	71	157	321	250	285	133	646	3,364
Total	**292**	**89**	**2,044**	**1,747**	**1,851**	**539**	**256**	**665**	**1,486**	**1,183**	**1,624**	**513**	**2,451**	**14,740**
Labor Force	1,481	756	9,000	14,625	20,374	5,964	3,011	9,289	14,393	21,265	12,924	6,271	33,340	152,693
AS PERCENTAGE OF LABOR FORCE														
Unemployed														
Less than 26 weeks	17.0	6.7	14.1	6.0	5.4	4.9	4.9	4.0	6.2	3.5	8.5	4.6	4.4	5.8
27-51 weeks	1.1	3.2	4.0	2.8	1.5	1.8	1.2	1.5	1.9	0.9	1.9	1.5	1.0	1.7
52 weeks or more	1.7	2.0	4.6	3.1	2.2	2.3	2.3	1.7	2.2	1.2	2.2	2.1	1.9	2.2
AS PERCENTAGE OF UNEMPLOYED														
Unemployed														
Less than 26 weeks	85.9	56.7	62.0	50.5	59.3	54.7	58.2	55.3	59.7	63.0	67.3	55.7	60.2	60.0
27-51 weeks	5.6	26.8	17.8	23.2	16.3	20.2	14.2	21.2	18.7	15.9	15.1	18.3	13.5	17.2
52 weeks or more	8.5	16.5	20.2	26.3	24.5	25.0	27.6	23.5	21.6	21.1	17.6	26.0	26.4	22.8

Source: Pew analysis using data from the Current Population Survey, December 2009
Note: Numbers are not seasonally adjusted; numbers may not equal totals due to rounding

TABLE 4: UNEMPLOYMENT BY OCCUPATION

	Management & Professional	Service	Sales & Office	Farming, Fishing, & Forestry	Construction & Maintenance	Production, Transportation & Material Moving	Other	TOTAL
IN THOUSANDS								
Employed	52,131	24,216	33,296	869	11,748	15,692	-	137,953
Unemployed								
Less than 26 weeks	1,413	1,829	1,853	204	1,565	1,345	634	8,844
27-51 weeks	515	352	595	15	454	442	160	2,532
52 weeks or more	581	566	736	23	542	638	278	3,364
Total	**2,509**	**2,747**	**3,184**	**242**	**2,560**	**2,425**	**1,072**	**14,740**
Labor Force	54,640	26,963	36,480	1,111	14,309	18,117	1,072	152,693
AS PERCENTAGE OF LABOR FORCE								
Unemployed								
Less than 26 weeks	2.6	6.8	5.1	18.3	10.9	7.4		5.8
27-51 weeks	0.9	1.3	1.6	1.4	3.2	2.4		1.7
52 weeks or more	1.1	2.1	2.0	2.1	3.8	3.5		2.2
AS PERCENTAGE OF UNEMPLOYED								
Unemployed								
Less than 26 weeks	56.3	66.6	58.2	84.3	61.1	55.5		60.0
27-51 weeks	20.5	12.8	18.7	6.3	17.7	18.2		17.2
52 weeks or more	23.1	20.6	23.1	9.5	21.2	26.3		22.8

Source: Pew analysis using data from the Current Population Survey, December 2009
Note: Numbers are not seasonally adjusted; numbers may not equal totals due to rounding

NOTES

1. U.S. Department of Labor, Bureau of Labor Statistics, *The Employment Situation*, Table A-12 (March 2010). This rate is seasonally adjusted. The Department of Labor only began keeping unemployment records in their current form in 1948. However, the overall unemployment rate in the immediate post-World War II period was low: In both 1946 and 1947, it was 3.9 percent.
2. U.S. Department of Labor, Bureau of Labor Statistics, *Historical Data*, Table A-12. The recession of the early 1980s lasted for 16 months.
3. Pew calculation from the Current Population Survey in December 2009. The CPS data are not seasonally adjusted. The December figures are used because there are only small differences in December between the seasonally adjusted and non-seasonally adjusted measures of the share of unemployed workers who have been without a job for six months or longer. Other recent months present qualitatively similar results.
4. *Ibid*.
5. *Ibid*.
6. Congressional Budget Office, *The Budget and Economic Outlook* (September 2008), p. 8; (August 2007), p. 12; (August 2006), p. 12.
7. The estimate for regular benefits is from: Congressional Budget Office, *An Analysis of the President's Budgetary Proposals for Fiscal Year 2011* (March 2010), Supplemental Data on Unemployment Compensation.

   The estimate for additional unemployment benefits is from three sources. The estimate for the cost of benefit eligibility through February is from: Congressional Budget Office, *An Analysis of the President's Budgetary Proposals for Fiscal Year 2011* (March 2010), Supplemental Data on Unemployment Compensation. The estimate for the cost of extending benefit eligibility through April 5, 2010 is from: Congressional Budget Office, *H.R. 4691, Temporary Extension Act of 2010, as introduced on February 25, 2010*. Finally, the estimate for the projected cost of a bill extending benefit eligibility through the end of 2010, which the House and Senate have passed separately, but which had not yet become law at the time of publication, is from: Congressional Budget Office, *Budgetary Effects of the American Workers, State, and Business Relief Act of 2010, H.R. 4213, as passed by the Senate on March 10, 2010*.
8. Christopher A. Pissarides, "Loss of Skill During Unemployment and the Persistence of Employment Shocks," *The Quarterly Journal of Economics,* Vol. 107, No. 4, (November 1992), p. 1381.
9. Congressional Budget Office, *Long-Term Unemployment* (October 2007), p. 11.
10. Congressional Budget Office, *The Budget and Economic Outlook: Fiscal Years 2010 to 2020* (January 2010), p. 5. This figure includes $27 billion from the American Recovery and Reinvestment Act and $17 billion for other extensions.
11. Congressional Budget Office, *The Budget and Economic Outlook: Fiscal Years 2010 to 2020* (January 2010), p. 25.
12. U.S. Department of Labor, Bureau of Labor Statistics, *The Employment Situation* (November 2009) and *Historical Data*.
13. U.S. Department of Labor, Bureau of Labor Statistics, *The Employment Situation* (March 2010).
14. U.S. Department of Labor, Bureau of Labor Statistics, *Regional and State Employment and Unemployment Summary* (March 2010).
15. U.S. Department of Labor, Bureau of Labor Statistics, *The Employment Situation,* Table A-15 (March 2010).

16 *Ibid., Historical Data,* Table A-15 (seasonally adjusted). The Bureau of Labor Statistics began tracking this statistic in its current form in 1994.

17 U.S. Department of Labor, Bureau of Labor Statistics, *The Employment Situation*. (January 2010), p. 2.

18 Congressional Budget Office, *The Budget and Economic Outlook: Fiscal Years 2010 to 2020* (January 2010), p. 34.

19 U.S. Department of Labor, Bureau of Labor Statistics, *The Employment Situation*, Table A-12 (March 2010). This rate is seasonally adjusted.

20 U.S. Department of Labor, Bureau of Labor Statistics, *Historical Data,* Table A-12.

21 21 U.S. Department of Labor, Bureau of Labor Statistics, *The Employment Situation,* Table A-12 (November 2007 and March 2004).

22 Pew calculation using data from the Current Population Survey, December 2009.

23 U.S. Department of Labor, Bureau of Labor Statistics, *The Employment Situation,* (December 2009). All of the unemployment rates in this section are not seasonally adjusted, to be consistent with the one-year calculation.

24 U.S. Department of Labor, Bureau of Labor Statistics, *The Employment Situation,* Historical Database.

25 U.S. Department of Labor, Bureau of Labor Statistics, *The Employment Situation,* Table A-4 (December 2009 and December 2007).

26 U.S. Department of Labor, Bureau of Labor Statistics, *The Employment Situation,* Table A-4 (December 2009).

27 Pew calculation using data from the Current Population Survey, December 2009.

28 *Ibid*.

29 U.S. Department of Labor, Bureau of Labor Statistics, *The Employment Situation,* Table A-4 (December 2009).

30 Pew calculation using data from the Current Population Survey, December 2009.

31 *Ibid*.

32 U.S. Department of Labor, Bureau of Labor Statistics, *The Employment Situation,* Table A-14 (December 2009).

33 Pew calculation using data from the Current Population Survey, December 2009.

34 U.S. Department of Labor, *State Unemployment Insurance Benefits Fact Sheet* (updated January 13, 2010).

35 U.S. Department of Labor, Employment and Training Administration, *Comparison of State Unemployment Insurance Laws,* Table 3-5 (updated January 1, 2009).

36 U.S. Department of Labor, *Unemployment Extended Benefits Fact Sheet* (updated November 19, 2009).

37 Congressional Research Service, *Temporary Programs to Extend Unemployment Compensation* (updated January 24, 2003), p. 1.

38 U.S. Department of Labor, *Emergency Unemployment Compensation 2008 (EUC) Program* (accessed at http://www.ows.doleta.gov/unemploy/pdf/euc08.pdf).

39 Congressional Budget Office, *The Budget and Economic Outlook* (September 2008), p. 8; (August 2007), p. 12; (August 2006), p. 12.

40 Congressional Budget Office, *The Budget and Economic Outlook* (August 2009), p. 18.

41 Congressional Budget Office, *The Budget and Economic Outlook: Fiscal Years 2010 to 2020* (January 2010), pp. 4.

42 See Note 7.

43 *Ibid*.

44 Congressional Budget Office, *H.R. 6867, Unemployment Compensation Extension Act of 2008* (December 22, 2008).

45 U.S. Department of Labor, *Information Related to the American Recovery and Reinvestment Act of 2009*. Accessed at http://www.dol.gov/recovery/implement.htm.

46 Congressional Budget Office, *The Budget and Economic Outlook: Fiscal Years 2010 to 2020* (January 2010), p. 96.

47 *Ibid.*, p. 9.

48 United States Congress, *Temporary Extension Act of 2010* (March 2, 2010). See http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_public_laws&docid=f:publ144.111.

49 Congressional Budget Office, *H.R. 4691, Temporary Extension Act of 2010, as introduced on February 25, 2010*.

50 Congressional Budget Office, *Budgetary Effects of the American Workers, State, and Business Relief Act of 2010, H.R. 4213* as passed by the Senate on March 10, 2010.

51 U.S. Department of Labor, *Fact Sheet: COBRA Premium Reduction*.

52 Congressional Budget Office, *H.R. 1, American Recovery and Reinvestment Act of 2009,* Title III, Health Insurance Assistance (February 13, 2009), p. 4. In subsequent reports, (see *The Budget and Economic Outlook: Fiscal Years 2010 to 2020, Appendix* ACBO confirmed the accuracy of the 2009 cost estimate.

53 Congressional Budget Office, *H.R. 4691, the Temporary Extension Act of 2010*. As introduced on February 25, 2010. Joint Committee on Taxation. Estimated Revenue Effects of the Revenue Provisions Contained in the American Workers, State, and Business Relief Act of 2010 (March 10, 2010), p. 5.

54 Congressional Budget Office, *The Budget and Economic Outlook: Fiscal Years 2008 to 2018,* (January 2008), p. 56.

55 Congressional Budget Office, *Analysis of the President's Budgetary Proposals for Fiscal Year 2011,* (March 2010); Supplemental Table on Mandatory Spending.

56 Henry S. Farber, "What Do We Know About Job Loss in the United States? Evidence from the Displaced Workers Survey 1984-2004," *Economic Perspectives,* Federal Reserve Bank of Chicago, vol. 29, no. 2 (2005), p. 25.

57 Congressional Budget Office, *Policies for Increasing Economic Growth and Employment in 2010 and 2011* (January 2010), p. 9.

58 U.S. Department of Labor, Bureau of Labor Statistics, *Historical Data*, Table A-11.

59 Congressional Budget Office, *Factors Underlying the Decline in Manufacturing Employment Since 2000* (December 23, 2008), p. 1.

60 These numbers come from a report released on February 23, 2010 by First American CoreLogic. The estimate is based on 47 million properties with a mortgage, which accounts for over 85 percent of all mortgages in the U.S.

61 Congressional Budget Office, *The Budget and Economic Outlook: Fiscal Years 2010 to 2020* (January 2010), p. 34.

62 See Note 7.

63 Congressional Budget Office, *H.R. 1, American Recovery and Reinvestment Act of 2009,* Title III, Health Insurance Assistance (February 13, 2009), p. 4. Congressional Budget Office, *H.R. 4691, Temporary Extension Act of 2010, as introduced on February 25, 2010*. Joint Committee on Taxation, *Estimated Revenue Effects of the Revenue Provisions Contained in the American Workers, State, and Business Relief Act of 2010* (March 10, 2010), p. 5.

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