

National Employment Law Project

Economic Policy Institute

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LONG-TERM UNEMPLOYMENT ROSE AGAIN IN 2003

Severe unemployment grows fastest among well-educated and experienced workers

Newly released unemployment figures show that the trend toward growing long-term unemployment continued last year, the second year after the recession ended. Unemployment lasting half a year or longer grew to 22.1% of all unemployed in 2003, according to new data from the Bureau of Labor Statistics, up from 18.3% in 2002, and the highest rate since 1983.

A new report, co-authored by economist Sylvia Allegretto of the Economic Policy Institute and Policy Analyst Andrew Stettner of the National Employment Law Project, reveals that two categories of workers are having an especially hard time finding new work: those with college degrees and those 45 and older, with years of experience to offer potential new employers.

“The new data show us an economy that is just not generating enough high-quality jobs to get highly educated and highly experienced workers back to work,” said Allegretto.

In “Educated, Experienced, and Out of Work: Long-term Joblessness Continues to Plague the Unemployed,” Allegretto and Stettner document the rapid rise in long-term unemployment from 2000 to 2003 among different age, education, occupation, industry, gender, and racial groups. Overall, the number of unemployed people who have been out of work at least six months or longer grew 198.2% in this period, from just over 649,000 in 2000 to nearly 2 million in 2003. Unemployment among some groups of workers rose even faster, however.

“Long-term unemployment proved unrelenting through the end of 2003—growing far longer than in prior economic cycles,” continued Stettner. “These findings have major consequences for the current debate in Congress about whether to restore federal jobless benefits cut off to these workers in December.”

Specific findings in the joint EPI and NELP analysis of the Current Population Survey Data for 2003 include:

- Among workers 45 and older, long-term unemployment rose 217.6% from 2000 to 2003, with 27.2 % of that increase coming from 2002 to 2003. As a share of the total number of unemployed, the long-term unemployed in this age group increased by 9.7%.
- For college educated workers, long-term unemployment rose much faster than for less educated workers. For those with a Bachelor’s degree or higher, the increase was 299.4%, while for workers with a high school diploma or less, the increase was 156.1%.
- The industries where long-term unemployment rose the fastest are manufacturing, with a 259.0% increase; professional and business services, 285.3%; and the information industry, with a 353.6% rise in long-term unemployment.
- Among occupation groups the three largest increases occurred in sales and related occupations, with a 231.1% increase; management, business and financial, with a 308.5% rise; and professional and related occupations, where long-term unemployment increased 339.2%.
- Long-term unemployment grew faster among men (213.6%) than women (178.8%).
- From 2000 to 2003 long-term unemployment grew 162.0% for black and 102.8% for Hispanic workers.