

# Discouraged workers: how strong are their links to the job market?

*More than half of the discouraged workers have not looked for work in more than a year; while some of them return to work or resume job search, the majority seldom test the job market*

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In line with the cyclical ups and downs in the number of unemployed, the number of discouraged workers, that is, persons who report they want to work but are not looking for a job because they think they could not find one, has also exhibited large swings over the last decade and a half. For example, during the early 1970's, when the number of unemployed fluctuated in the 4- to 5-million range, the number of discouraged workers oscillated between 600,000 and 800,000. When the number of unemployed climbed past the 10-million mark, as it did in the 1982-83 period, the number of discouraged workers rose to the 1.6- to 1.8-million range.

Given the fairly strong cyclical sensitivity in the number of discouraged workers,<sup>1</sup> one might conclude that they have strong links to the job market, that they test it periodically, and that they are ready to jump back into it if they believe jobs are available. However, an indepth look at available data on the behavior of discouraged workers leads to a quite different conclusion. While some of them may, indeed, keep

a close eye on the job market, the majority appear to have few, if any, concrete contacts with it. For example, of the discouraged workers interviewed over the late 1970's and early 1980's, two-thirds or more reported that generally more than a year had gone by since they last held a job. And special surveys conducted over this period showed that less than half of them had made any jobseeking efforts during the year preceding their interview. More importantly, according to a special study of data for the 1976-77 and the 1982-83 periods, only a minority of these persons re-entered the job market in the 1-year period following their original classification as discouraged.

## **Little recent work experience**

Discouraged workers can be divided into three roughly equal groups in terms of their recent work history. As shown in table 1, about one-third reported, for the 1979-83 period, that they have either never worked at all or that more than 5 years have gone by since they last held a job. Another one-third report that their last job dates back from 1 to 5 years. Thus, only one-third are found to have held a job in the 1-year period preceding the interview in which they are identified as discouraged workers.

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Another surprising finding emerges when one examines the cyclical changes in these three groups of the discouraged worker population over the 1979–83 period. Given the sharp cutbacks in employment in various industries over this period, one would expect that most of the increase in the number of discouraged workers would have been accounted for by persons with fairly recent work experience—that is, persons who lost jobs and quickly lost hope of finding new ones. However, such was not the case. The largest increases were posted by the two groups of discouraged with the least or most remote work experience. And among the discouraged with the most recent experience (those who had worked during the previous 12 months) only a little more than half cited economic problems as the main reason for leaving the last job.

Of course, even if certain discouraged workers have no recent work experience, they can still be sincere in reporting that they want a job and in perceiving that their search for one would be futile. For example, a detailed breakdown of the data in table 1 shows that a majority of the discouraged with no previous work experience whatsoever are youths who would apparently like to land their first job. Given the very high rates of unemployment among youths in recent years, it is not surprising that some, although desirous of work, were not confident enough of their prospects to initiate (or resume) the job search process.

The same detailed data also show a large concentration of women 25 to 55 years among the discouraged whose last job dates back more than 5 years earlier. Although we know little about the work history of these women, we suspect they may have left the labor force during their childbearing and childrearing years. They would “now” like to rejoin the labor force but may be deterred by their belief that they could not find a suitable job.

So, by itself, the fact that many discouraged workers have little or no recent work experience does not allow us to question their desire to work. But there is other evidence—namely, the fact that they seldom test the job market—which leads us to question at least the “intensity” of their desire for jobs.

**Table 1. Discouraged workers by when last worked and, for those who worked the previous year, reasons for leaving last job, 1979–83**  
[Numbers in thousands]

When last worked and reason for leaving last job	1979	1980	1981	1982	1983
Total	766	993	1,103	1,567	1,641
Never worked	101	155	141	223	229
Last worked more than 5 years ago	158	217	221	339	332
Last worked 1 to 5 years ago	251	288	366	536	625
Worked last year	255	334	375	469	454
Left job because of:					
School, family	40	54	63	62	57
Health	16	10	15	12	10
Retirement	8	8	11	17	16
Economic problems	125	180	202	268	280
Other reasons	67	82	83	109	92

## Few job search efforts

It is generally assumed that a worker becomes discouraged over job prospects after failing in repeated efforts to find work. Indeed, discouraged workers are popularly described as persons who “have simply given up the search for work.” But, again, the data do not conform to such description.

While discouraged workers are not questioned regularly as to when they last looked for work, such questions are asked in special surveys. In these surveys, less than half of the discouraged report having tested the job market over the preceding year.

For example, in a special supplement to the Current Population Survey conducted both in September and October of 1978,<sup>2</sup> the persons identified as discouraged workers were asked, among other things, when they had last looked for work. The findings are summarized in the following tabulation which shows the percent of discouraged workers interviewed in September and October 1978 who had recently searched for work:

	Searched for work during previous—		
	3 months	6 months	12 months
Total discouraged	34.2	39.8	44.2
Reason:			
Job-market factors	40.4	48.3	52.4
Personal factors	18.3	18.3	23.7

Of all discouraged workers, one-third reported that they had tested the job market over the previous 3 months; 40 percent had done so over the previous 6 months, and 44 percent had looked for work at anytime during the previous year.<sup>3</sup> The proportion with any job search efforts was particularly low—about one-fifth—among those persons citing “personal factors” (age problems, skill or education deficiencies, or other personal handicaps) as the reason for their discouragement.

Roughly the same results were obtained from the Methods Development Survey, a small experimental survey conducted over several years by the Bureau of the Census.<sup>4</sup> This survey also revealed that about two-fifths of the discouraged workers had tested the job market in the 6-month period preceding their interview.

## Post-interview behavior

Given the structure of the Current Population Survey—in which the households falling in the sample are interviewed in the same calendar months for 2 consecutive years—it is possible, through computer matching of individual reports, to determine what the persons who were classified as discouraged workers in the initial year of interviewing were doing 1 year later, and whether they had worked during the intervening 1-year period. Such matching, which had pre-

viously been done with data for the 1976–77 period, when both unemployment and the number of discouraged workers were relatively low, was recently repeated with data for the 1982–83 period, when the ranks of unemployed and discouraged were much greater. Both sets of data indicate little labor force activity over these periods among persons who, in the initial year, were classified as discouraged workers.

As shown in table 2, of the roughly 1.7 million persons classified as discouraged in the second half of 1982, about one-fifth were employed 1 year later, nearly one-fifth were looking for work, while the remainder were still out of the labor force. And of those not in the labor force, only about one-fourth still reported themselves as discouraged.

Persons who, in the second half of 1982, attributed their discouragement to job-market factors (“could not find job” or “think no job available”) were somewhat more likely to be either employed or still discouraged 1 year later than were those who had attributed their discouragement to personal factors (skill problems, age problems, or other personal handicaps). Likewise, among those who had been discouraged in 1982, the men were more likely to be in the labor force 1 year later than were the women. But even among these men, more than one-half were still out of the labor force when interviewed in 1983.

Some of the persons who were discouraged in the second half of 1982 and still inactive in the second half of 1983 did have temporary employment in between. But the proportions were small—one-tenth for those still out of the labor force the following year, and less than one-fourth for those who were then looking for work.

These findings are in line with those obtained from the tracking of discouraged workers over the 1976–77 period. Although the economic situation was then more favorable than over the 1982–83 period, it did not result in many discouraged workers returning to the job market. Only 20 percent of those who had been discouraged in 1976 were employed 1 year later and only 15 percent were looking for work. The balance, about two-thirds, were still out of the labor force, although a small fraction of them reported they had worked during the 1-year period between the two interviews.<sup>5</sup>

### Factors affecting reentry

Recent work experience appears to be the main factor affecting the probability of reentry into the labor force among discouraged workers. Although only a small proportion of the discouraged return to the job market, those who report in the initial interview that they had worked during the previous 12 months—and who generally make up about one-third of the total—are far more likely to be employed 1 year later than are those with more remote work experience.

For example, of all persons classified as discouraged in the second half of 1982, the proportion employed in the second half of 1983 was 33 percent for those who had held

**Table 2. Discouraged workers in the second half of 1982 distributed by their labor force status in the second half of 1983, and by original reason for discouragement**

Reason for discouragement	Number (thousands)	Status in second half of 1983					
		Total	Em- ployed	Un- employed	Not in labor force		
					Total	Dis- courage d	Other
Total .....	1,693	100.0	19.9	17.8	62.3	17.0	45.4
Personal factors .....	442	100.0	12.6	19.7	67.7	10.6	57.2
Job-market factors .....	1,251	100.0	22.8	17.0	60.1	19.5	40.6
Men .....	577	100.0	25.2	20.7	54.1	18.6	35.5
Personal factors .....	161	100.0	21.7	20.9	57.4	13.0	44.4
Job-market factors .....	416	100.0	26.7	20.6	52.7	21.0	31.7
Women .....	1,116	100.0	17.4	16.4	66.1	16.2	49.9
Personal factors .....	281	100.0	7.5	19.0	73.5	9.3	63.7
Job-market factors .....	835	100.0	21.1	15.4	63.5	18.9	44.6

a job in the 12-month period preceding their initial interview. For those with more remote work experience (or none at all), the proportion who actually had a job in 1983 was only 15 percent.

Relative to the dominant role of recent employment, other variables on which data are gathered through the Current Population Survey appear to have much less influence on the probability of labor force reentry for discouraged workers. For example, among those who had been discouraged in 1982 but were found to be employed in 1983, 87 percent had reported in their initial interview that they planned to seek work over the next 12 months. But even among those still out of the labor force in 1983, the proportion that had reported in 1982 that they were planning to seek work was also quite high—73 percent. So, it appears that the alleged intention of a discouraged worker to enter the labor force is a very weak indicator of his or her future labor force status.

### Weak link to job market

In conclusion, several sets of data—covering periods of relatively low as well as very high unemployment—show that a large proportion of persons classified as discouraged workers in the Current Population Survey have rare contacts with the job market. For many, the last job dates back many years. More than half report no jobseeking efforts in the year preceding the interview. And those without any recent work experience when first identified as discouraged appear quite unlikely to make any subsequent forays into the job market. This indicates that many of the discouraged, although expressing their desire for a job and their intention to look for one, find it very difficult to translate their sentiments into concrete and productive jobseeking efforts.

The evidence presented here supports the present practice of not including discouraged workers in the labor force. It also supports the recommendation made by the National Commission on Employment and Unemployment Statistics that the measurement of discouraged workers should be limited to those who have made some efforts to find a job during the preceding 6-month period.<sup>6</sup> □

<sup>1</sup>The cyclical sensitivity of the discouraged workers' series has been examined by Paul O. Flaim in "Discouraged workers and changes in unemployment," *Monthly Labor Review*, March 1973, pp. 95–103, as well as by Carol M. Ondeck, "Discouraged workers' link to jobless rate reaffirmed," *Monthly Labor Review*, October 1978, pp. 40–42.

<sup>2</sup>The Current Population Survey has a sample of about 60,000 households, and is conducted monthly by the Bureau of the Census for the Bureau of Labor Statistics.

<sup>3</sup>For a more detailed description of these numbers, see Harvey R. Hamel, "Two-fifths of discouraged sought work during prior 6-month period," *Monthly Labor Review*, March 1979, pp. 58–60.

<sup>4</sup>The experimental survey is the "Methods Development Survey" con-

ducted by the Census Bureau to test new approaches that might be introduced into the Current Population Survey. The experimental survey was begun in May 1978, but the special questions on discouraged workers were introduced in "Phase II," which began in December 1979.

<sup>5</sup>See Barbara Cottman Job, "How likely are individuals to enter the labor force?" *Monthly Labor Review*, September 1979, pp. 28–34.

<sup>6</sup>National Commission on Employment and Unemployment Statistics, *Counting the Labor Force* (Washington, Government Printing Office, 1979). For a summary of the commission's recommendations, see Robert L. Stein, "National Commission recommends changes in labor force statistics," *Monthly Labor Review*, April 1980, pp. 11–21.

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### Stress and satisfaction

It has been shown that man has to contend both with a physical component of his working environment and a psychosocial component; that conditions in either or both may be unacceptably stressful; and that work, whether physical or skilled, may itself constitute an unacceptable stress. One must also recognize that, in the terms defined, stress is always present to a greater or lesser degree and that, paradoxically, the total absence of apparent stress becomes in itself a stress. Thus, on the one hand, stress can be considered as a load, increasing to an overload, arising from addition to the man-machine-environment complex of qualities which are undesirable from the human point of view, such as intolerable working conditions, harsh supervision, or unreasonable working hours. On the other hand, removal of desirable attributes by, for example, the creation of a stultifying environment, with reduced stimulation and inherently boring work, can act as a kind of negative loading which can be equally stressful. The stress experienced by an individual lies somewhere on the continuum between that arising from removal of desirable qualities and that arising from the addition of undesirable qualities. Thus, there is some point where his stress level can be optimum.

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*Human Stress, Work and Job Satisfaction:  
A Critical Approach* (Washington, International  
Labor Office, 1983), p. 55.

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