

# issues<sup>1</sup> in Labor Statistics

U.S. Department of Labor • U.S. Bureau of Labor Statistics



## *Ranks of Discouraged Workers and Others Marginally Attached to the Labor Force Rise During Recession*

When economic conditions deteriorate, greater attention is paid to persons who are without work and seeking jobs—the unemployed. At such times, there is also greater interest in a group of persons who do not meet the official definition of unemployment but who have shown interest in labor force

participation. These individuals—referred to as “marginally attached to the labor force”<sup>2</sup>—wanted and were available for work and had looked for a job sometime in the prior 12 months. They were not counted as unemployed because they had not actively searched for work in the past 4 weeks.

The number of persons who were marginally attached to the labor force increased sharply during the current recession, rising to 2.1 million in the first quarter of 2009.<sup>1</sup> (See table 1 and charts 1 and 2.) Their number increased by 541,000, or 35 percent, from the first quarter of 2008.<sup>2</sup> By comparison, during that same 1-year period, the number of unemployed rose to 13.5 million, an increase of 5.5 million, or 68 percent.

Among the marginally attached, the number of discouraged workers rose to 717,000 in the first quarter of 2009, a 70-percent increase from the first quarter of 2008. Discouraged workers are persons who are not currently looking for work because they believe that there are no jobs available for them. Relative to their share of the labor force, young people, blacks, and, to a lesser extent, Hispanics and men were over-represented among discouraged

workers in the first quarter of 2009. (See table 2.)<sup>3</sup>

The remaining 1.4 million persons who were marginally attached to the labor force wanted a job but had not looked for work in the past 4 weeks for reasons such as family responsibilities or transportation problems. The number of persons in this group also expanded during 2008, although to a lesser extent (22 percent) than discouraged workers. Compared with the labor force, other marginally attached persons were more likely to be female, black, and under the age of 25.

The marginally attached—including discouraged workers—account for a small proportion of the total number of persons not in the labor force: 2.6 percent of the 81.3 million persons not in the labor force in the first quarter of 2009 were classified as marginally attached. More typically, persons who are not in the labor force do not currently want a job, often because they are retired, attending to family responsibilities, going to school, or too ill or disabled to work.<sup>4</sup>

Because the marginally attached are sometimes considered to be at the edge of labor force participation, they are included, in part or in whole, in three of the

six alternative measures of labor underutilization published monthly by BLS and referred to as U-1 through U-6.<sup>5</sup> Discouraged workers are included in U-4. The U-5 and U-6 measures, which are broader still, include all persons marginally attached to the labor force; U-6 also includes involuntary part-time workers.

All of these data come from the Current Population Survey (CPS), a monthly survey of some 60,000 households that is the source of the national unemployment rate and many other labor market indicators. Information on persons marginally attached to the labor force has been collected since 1994.

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<sup>1</sup> All of the data presented in this report are not seasonally adjusted.

<sup>2</sup> The current recession began in December 2007 (as designated by the National Bureau of Economic Research). Because data on the marginally attached are not available on a seasonally adjusted basis, this report uses over-the-year comparisons. Quarterly averages rather than monthly estimates are used to improve the reliability of the estimates presented.

<sup>3</sup> The five specific reasons for discouragement are 1) thinks no work available, 2) could not find work, 3) lacks schooling or training, 4) employer thinks too young or old, and 5) other types of discrimination.

<sup>4</sup> About 3.6 million persons wanted a job in the first quarter of 2009 but did not meet the criteria to be marginally attached, primarily because they had not looked for work in the past 12 months.

<sup>5</sup> See *The Unemployment Rate and Beyond: Alternative Measures of Labor Underutilization*, Summary 08-06, June 2008, available on the Internet at <http://www.bls.gov/opub/ils/pdf/opbils67.pdf>.

Table 1. Persons not in the labor force, selected quarters, not seasonally adjusted

(Numbers in thousands)

Category	First quarter 2008		First quarter 2009	
	Total	Percent	Total	Percent
Total not in the labor force .....	79,985	100.0	81,253	100.0
Persons who currently want a job .....	4,719	5.9	5,663	7.0
Marginally attached to the labor force, total <sup>1</sup> .....	1,555	1.9	2,096	2.6
Reason not currently looking:				
Discouragement over job prospects <sup>2</sup> .....	421	.5	717	.9
Reasons other than discouragement <sup>3</sup> .....	1,134	1.4	1,379	1.7

<sup>1</sup> Refers to persons who have searched for work during the prior 12 months (but not the prior 4 weeks) and were available to take a job during the reference week. Persons marginally attached to the labor force are a subset of not in the labor force.

<sup>2</sup> Includes the following reasons for not actively looking for work in the prior 4 weeks: Thinks no work available, could not find work, lacks

schooling or training, employer thinks too young or old, and other types of discrimination.

<sup>3</sup> Includes those who did not actively look for work in the prior 4 weeks for such reasons as school or family responsibilities, ill health, and transportation problems, as well as those for whom reason for nonparticipation was not determined.

Table 2. Distribution of persons in the labor force or marginally attached to the labor force by selected characteristics, first quarter 2009, not seasonally adjusted

(Percent distribution)

Characteristic	Labor force <sup>1</sup>	Marginally attached to the labor force <sup>2</sup>		
		Total	Discouraged workers <sup>3</sup>	Other <sup>4</sup>
Total (in thousands) .....	153,659	2,096	717	1,379
Percent .....	100.0	100.0	100.0	100.0
Men.....	53.3	52.7	62.6	47.5
Women .....	46.7	47.3	37.4	52.5
White .....	81.6	69.2	66.9	70.4
Black or African American.....	11.4	22.2	23.6	21.5
Asian.....	4.6	4.4	4.7	4.2
Hispanic or Latino ethnicity.....	14.3	16.8	17.7	16.3
16 to 24 years.....	13.6	29.7	24.4	32.6
25 to 54 years.....	67.7	51.4	54.8	49.7
55 years and older .....	18.7	18.8	20.8	17.8

NOTE: Estimates for the above race groups (white, black or African American, and Asian) do not sum to totals because data are not presented for all races. Persons whose ethnicity is identified as Hispanic or Latino may be of any race.

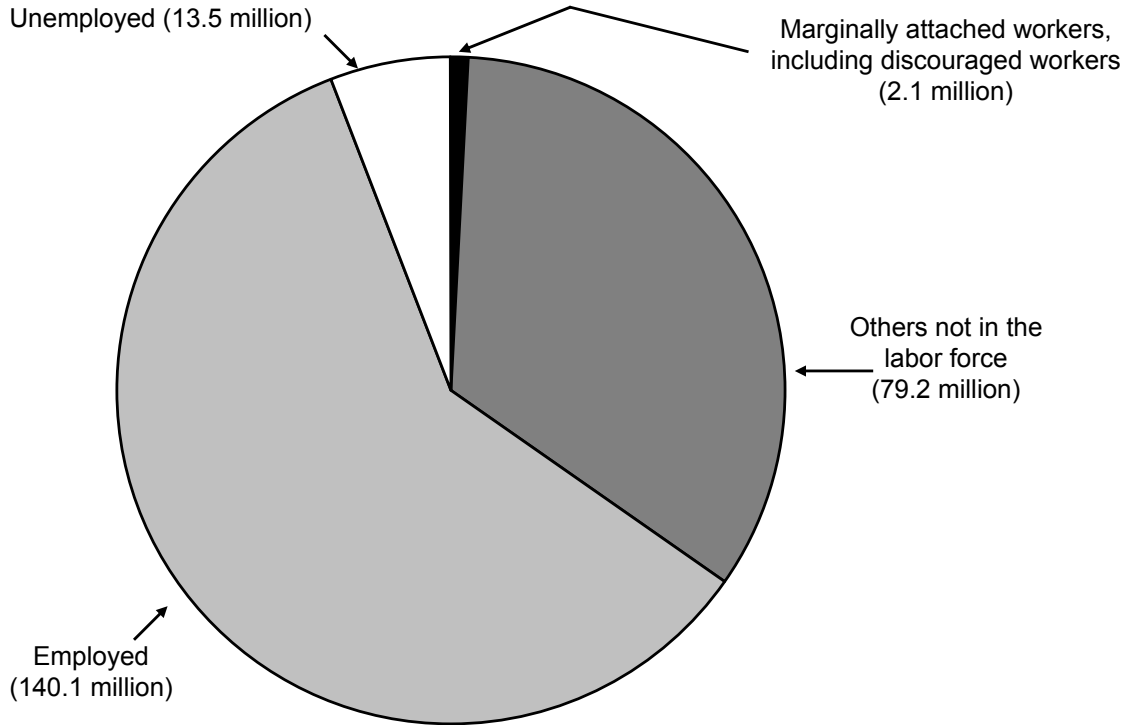
<sup>1</sup> The sum of the employed plus the unemployed.

<sup>2</sup> Refers to persons who have searched for work during the prior 12 months (but not the prior 4 weeks) and were available to take a job during the reference week. Persons marginally attached to the labor force are a subset of not in the labor force.

<sup>3</sup> Includes the following reasons for not actively looking for work in the prior 4 weeks: Thinks no work available, could not find work, lacks schooling or training, employer thinks too young or old, and other types of discrimination.

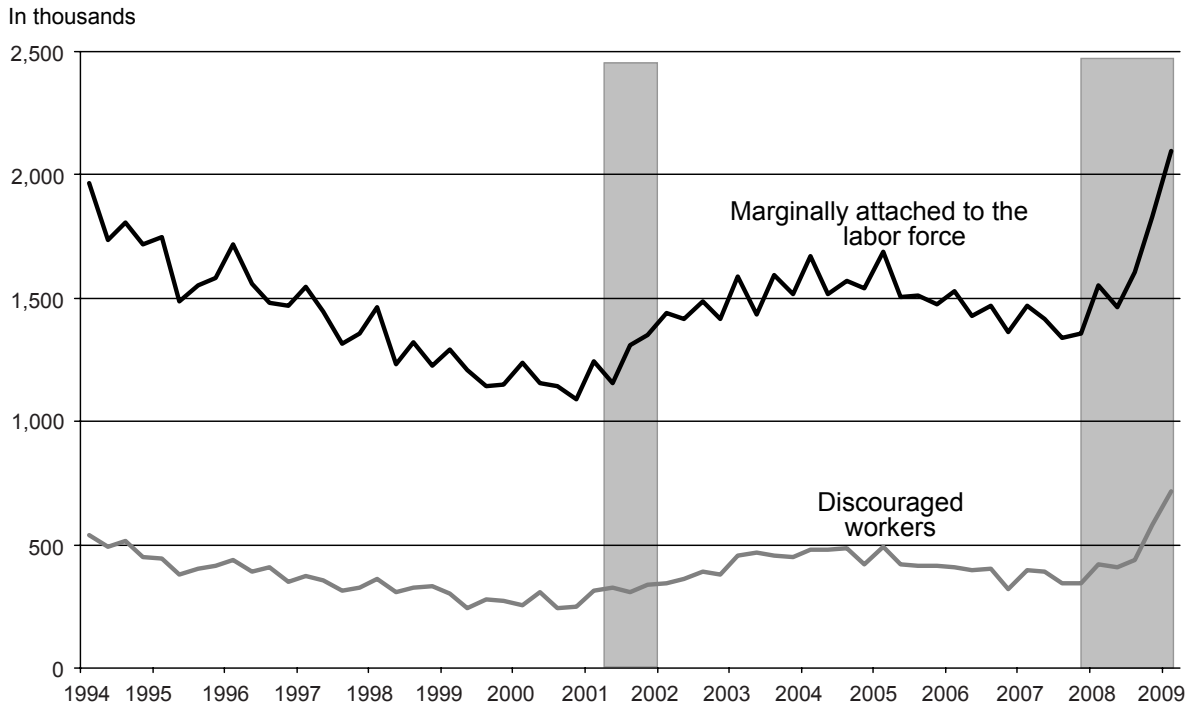
<sup>4</sup> Includes those who did not actively look for work in the prior 4 weeks for such reasons as school or family responsibilities, ill health, and transportation problems, as well as those for which reason for nonparticipation was not determined.

**Chart 1. Distribution of the civilian noninstitutional population 16 years and older, first quarter 2009**



NOTE: Data are not seasonally adjusted.

**Chart 2. Persons not in the labor force, selected indicators, quarterly averages, 1994–2009, not seasonally adjusted**



NOTE: Shaded areas represent recessions as determined by the National Bureau of Economic Research (NBER). NBER has not yet determined an endpoint for the recession that began in December 2007.