

# Reasons People Do Not Work: 2004

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## Household Economic Studies

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### Current Population Reports

By  
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At even the busiest times, a large number of working-age people in the United States do not have or want jobs.<sup>1</sup> Whatever the state of the economy, many people, even those who want to work, have been outside the workforce for long periods of time. Whether their joblessness is brief or extended, nonworkers constitute a large and important pool of human resources.<sup>2</sup> Much research has been devoted to studying the characteristics and behavior of workers. Less is known about nonworkers. This is the second report that uses data from the nationwide Survey of Income and Program Participation (SIPP) to fill some of the gaps in this knowledge. It examines several key characteristics of nonworkers, the main reasons they do not work, and some of the connections between their characteristics and their reasons for not working.

Understanding who nonworkers are and why they do not work has many benefits. The labor force, for example, is a dynamic body whose size and composition reflect the collective decisions and opportunities of both workers and nonworkers. The line between the two

groups is continually being crossed from either side and is subject to seasonal and longer-term shifts. Information about nonworkers is important in predicting how changes in conditions of employment, such as pay, benefits, work schedules, child-care arrangements, and transportation, might affect these transitions, and hence the economy as a whole. Studies of nonworkers can also inform programs and policies intended to alleviate unemployment and poverty.

The previous report on this topic from the SIPP (Weismantle, 2001) found that about 55 percent of nonworkers were either retired or going to school; it also revealed a close relationship between age and reasons for not working. The U.S. Bureau of Labor Statistics (BLS) reported (1998) that nonworkers are a disparate group, with a wide variety of reasons for not working; many have relatively low incomes, but many others are well off; most are well educated; a large proportion consists of young people still in school, or older retired people, but about a quarter are in the primary earning ages of 25 to 54 years.<sup>3</sup>

<sup>1</sup> In 2005, for example, on average, about one-third of people 16 years old and over were not employed. See annual-average employment percentages from Table 1, "Employment status of the civilian noninstitutional population, 1940 to date," from U.S. Bureau of Labor Statistics (BLS), *Employment and Earnings*, at <[www.bls.gov/cps/home.htm#annual](http://www.bls.gov/cps/home.htm#annual)>.

<sup>2</sup> Broadly defined, the category of nonworkers includes all people of working age (usually 15 or 16 years of age or older) who do not have or do not want a job (for pay or profit) in a particular time period. People such as homemakers, retirees, and full-time students are often, but not necessarily, members of the group. For the specific definition of nonworkers used in this report, see Footnote 8.

<sup>3</sup> Some studies have focused on male nonworkers. Nonworking men are less likely to be married and more likely to live alone or with relatives than are employed men (Juhn, Murphy, and Topel, 1991; Welch, 1990). Stewart (2006) found that among male nonworkers, a small cadre of marginal workers often do not work for periods of a year or more; the time spent not working decreases with education, more highly educated men are less likely to be frequent or occasional nonworkers, nonworking men are not substituting nonmarket work for market work to any large extent, and nearly half of male nonworkers live with family members and receive substantial or total financial support from them.

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The literature uses various measures of the duration of joblessness to define nonworkers. This duration can be as short as 1 week or as long as 1 year or more. This report defines nonworkers as people 15 years old and over in the civilian noninstitutional population who did not work for at least the 4 consecutive calendar months prior to when they were interviewed in the SIPP.

In a typical week, the majority of people who are not working are classified by the U.S. Department of Labor as being “not in the labor force.”<sup>4</sup> This means that they did not have a job in that week, nor did they actively search for a job in the past 4 weeks. The remaining nonworkers—people who were on layoff from a job or had actively looked for work in the past 4 weeks—are classified as “unemployed” and are represented in the calculation of the unemployment rate.<sup>5</sup> These latter nonworkers are part of the labor force, even though some of them have not worked for a long time. The schematic in the appendix illustrates the relationship between the labor force classifications and the concept of nonworkers used in this report.

So-called “discouraged workers” are included among the nonworkers in the not-in-the-labor-force category. These are people who wanted jobs but were not actively looking for work because they

<sup>4</sup> See the BLS Glossary: <[www.bls.gov/bls/glossary.htm#U](http://www.bls.gov/bls/glossary.htm#U)>.

<sup>5</sup> The official labor force concept applies to people 16 years old and over. The universe of nonworkers studied in this report, however, is people aged 15 years old and over. People 15 years old are included in this universe to be consistent with the standard definition of the universe for statistics on income, which are the main products of the SIPP.

believed that there were no jobs available for them. Like unemployed people, discouraged workers represent a potential loss of production to the economy. The presence of both unemployed people and discouraged workers among the nonworkers of this report testifies to the many variations in labor force involvement among members of the group.<sup>6</sup>

## BACKGROUND

The nonworkers who are studied in this report represent people in the adult (15 years old and over) population of the United States from January to April 2004 who had not worked for at least 4 consecutive calendar months.<sup>7</sup> The data are from the 2004 panel of the SIPP.<sup>8</sup>

<sup>6</sup> For an overview of the economic conditions immediately preceding the period of the survey measurement, see Langdon, Krantz, and Strople (2004) and Krantz, Di Natale, and Krolik (2004).

<sup>7</sup> Specifically, nonworkers in the noninstitutionalized resident population of the United States 15 years old and over, excluding Puerto Rico. These people answered “no” to all of the following survey questions: “Did you have at least one paid job, either full- or part-time, at any time between [month] 1st and today? [Count active duty in the Armed Forces as a paid job]”; “Did you do any work at all that earned some money?”; “Did you do any unpaid work in a family business or farm?”

<sup>8</sup> The SIPP is a longitudinal survey that follows the same panel of individuals over time. The survey is conducted in waves of 4 months’ duration. Data are collected from one-fourth of the sample members in each month of a wave. Sample members are asked about activities during the 4 months prior to the interview, which is known as the “reference period.” The data used in this report were collected during Wave 1 of the 2004 SIPP Panel. Interviews were conducted from February through May 2004, in four separate rotation groups. The nonworkers who are the focus of this report are people who did not work at any time in the 4 months prior to the month they were interviewed; these 4-month periods began in October 2003 and ended in April 2004. Some nonworkers were members of the country’s labor force for at least part of the 4 months, even though they did not work, because they were on layoff from a job or were looking for a job but could not find one.

The report looks at the relationships between main reasons for not working and demographic characteristics and at the connections between these factors and life-cycle events, such as acquiring an education, raising a family, and aging. Because health insurance coverage often depends upon employment or is an incentive to work, the report examines rates of health insurance coverage and participation in government assistance programs among nonworkers.

The data in this report were collected in response to the question “What is the main reason [you] did not work at a job or business [in the last four months].”<sup>9</sup> Respondents were asked to select one reason from among ten categories consisting of economic and noneconomic reasons for not working. Reasons related to the economy were *unable to find work* and *on layoff*. Involuntary noneconomic reasons included the health-related categories *chronic illness or disability*, *pregnancy/childbirth*, and *temporary injury or illness*. Other noneconomic reasons were *going to school*, *retired*, *taking care of children or others*, and *not interested in working*. The final category was the residual *other*.<sup>10</sup>

<sup>9</sup> Except for those in Table 10.

<sup>10</sup> Respondents who selected the *other* category were asked to describe the specific reason they did not work. In the 2004 SIPP, these reasons generally fell into 1 of 5 groupings: (1) doing nonpaid work (volunteer activities, church work, nonprofit work, homemaker); (2) barred from obtaining work (no work permit, cannot speak English, cannot drive/do not have a car, legal problems, unfavorable weather conditions, do not have child care); (3) preparing for/waiting to start a job (seasonal jobs, getting ready to start a new business, in training); (4) choosing to take time off from work (recovering from a death in the family, already receiving income from government assistance or other sources); and (5) unspecified reasons.

The characterization of the responses as “main” reasons affects the interpretation of the resulting data. For example, it cannot be assumed that all nonworkers in the retired category were able to work or that they did not want jobs; some may have retired because of a chronic health condition or disability or because they were unable to find work.

As noted above, this report is the second in a series of reports from the SIPP examining the characteristics of nonworkers. The first report investigated reasons for not working among nonworkers in the first half of 1996, which was a time of rapid growth in both the economy and the labor market (Goodman and Ilg, 1997). A section of this present report compares data from 1996 and 2004. This second report has also been expanded by including a section that compares the reasons for not working of nonworkers with those of people who mixed periods of working with periods of joblessness in 2004.

## HIGHLIGHTS

- Of the 227 million people 15 years and older living in the United States in the first quarter of 2004, approximately 79 million (35 [± 0.3] percent) had not worked at a paid job in the preceding 4 months.<sup>11</sup>
- Nearly 2 in 5 nonworkers (38 [± 0.5] percent) were retired,

and about 1 in 5 (19 [± 0.4] percent) were going to school.

- For nonworkers 25 to 44 years of age, taking care of children or others was the main reason for not working at a paid job (44 [± 1.5] percent), reflecting the importance of this reason among women, who made up nearly three-fourths (71 [± 1.2] percent) of the nonworkers in this age group.
- Nearly 2 out of 5 (38 [± 1.7] percent) nonworkers 45 to 54 years old did not work because of a chronic illness or disability.
- Men nonworkers were more likely than women nonworkers to be retired or going to school.
- Adults with at most a high school diploma were more likely than those with at least some college education not to work because of a chronic illness or disability.
- Among never-married nonworkers, the most common reasons for not working were school attendance and chronic illness or disability.
- About 1 out of 4 nonworkers (26 [± 1.3] percent) 20 to 64 years old were not covered by health insurance.
- Nearly 10 (± 0.5) percent of nonworkers received federal Supplemental Security Income (SSI) benefits, compared with 3 (± 0.1) percent of the total population 20 to 64 years old.

differences between the estimates for two or more groups may not be statistically significant. All comparative statements have undergone statistical testing and are significant at the 90-percent confidence level unless otherwise noted.

## PROFILE OF NONWORKERS

Of the estimated 227 million people 15 years and older who resided in the United States in the first quarter of 2004, nearly 79 million (35 percent) had not worked at a paid job for at least the prior 4 consecutive months. Table 1 and Figure 1 show the distribution of their main reasons for not working.

Retirement (38 percent) and school attendance (19 percent) were the most commonly reported reasons. Chronic illness or disability was the main reason for almost 1 in 7 nonworkers (15 percent). Taking care of children or others accounted for 13 percent. Around 6 percent cited an economic reason for not working—about 2 percent were on layoff, and 4 percent were unable to find work. Approximately 2 percent reported a temporary injury or illness as the main cause for being out of work. The remaining 7 percent either were not interested in working or reported an “other” reason.

Table 1 and Figure 1 also present main-reason profiles of nonworkers 20 to 64 years old. The contrast between these profiles and those for nonworkers in general (15 years old and over) reflects the strong connection that exists between reasons and age. For nonworkers 20 to 64 years, the categories *taking care of children or others* (26 percent) and *chronic illness or disability* (25 percent) stand out, while *retired* (14 percent) and *going to school* (10 percent), although still important, assume secondary places.

<sup>11</sup> The estimates in this report (which may be shown in text, figures, and tables) are based on responses from a sample of the population and may differ from actual values because of sampling variability or other factors. As a result, apparent

Table 1.  
**Main Reasons for Not Working: 2004**

(Numbers in thousands)

Reason	15 years old and over				20 to 64 years old			
	Number of people	90-percent confidence interval <sup>1</sup> (±)	Percent	90-percent confidence interval <sup>1</sup> (±)	Number of people	90-percent confidence interval <sup>1</sup> (±)	Percent	90-percent confidence interval <sup>1</sup> (±)
<b>Total .....</b>	<b>78,783</b>	<b>691</b>	<b>100.0</b>	<b>(X)</b>	<b>37,139</b>	<b>537</b>	<b>100.0</b>	<b>(X)</b>
Unable to find work .....	3,424	177	4.3	0.2	2,935	164	7.9	0.4
On layoff .....	1,320	110	1.7	0.1	1,285	109	3.5	0.3
Temporary injury or illness...	1,365	112	1.7	0.1	1,206	106	3.2	0.3
Chronic illness/disability .....	11,591	320	14.7	0.4	9,287	288	25.0	0.7
Pregnancy/childbirth .....	643	77	0.8	0.1	571	73	1.5	0.2
Retired .....	29,895	491	37.9	0.5	5,080	215	13.7	0.5
Going to school .....	15,046	361	19.1	0.4	3,565	181	9.6	0.5
Taking care of children/others .....	10,385	303	13.2	0.4	9,651	293	26.0	0.7
Not interested in working .....	2,847	162	3.6	0.2	1,978	135	5.3	0.4
Other .....	2,266	144	2.9	0.2	1,580	121	4.3	0.3

X Not applicable.

<sup>1</sup> A 90-percent confidence interval is a measure of an estimate's variability. The larger the confidence interval in relation to the size of the estimate, the less reliable the estimate. For more information, see "Standard Errors and Their Use" at <www.census.gov/hhes/www/p60\_229sa.pdf>.

Note: Detailed categories may not add to total because of rounding.

Source: U.S. Census Bureau, Survey of Income and Program Participation, February–May 2004.

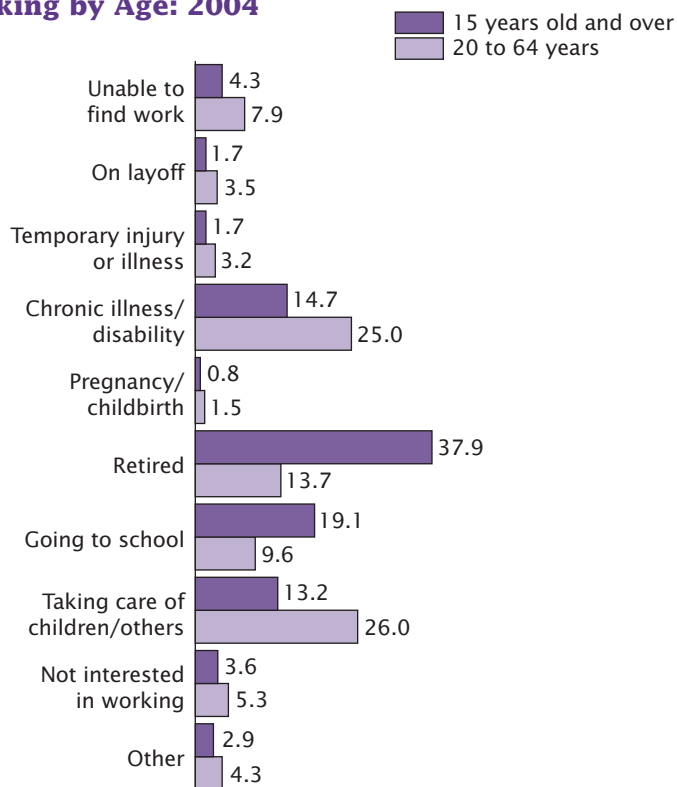
## REASONS AND AGE

Age is generally correlated with life-cycle events, such as pursuing an education, starting a family, experiencing an “empty nest,” and being able to retire with a pension. These events can influence a person’s decisions or opportunities to work. The data in Table 2, which examines the relationship between age and reasons for not working, illustrate how age and characteristics associated with age, such as educational level and marital status, affect such decisions and opportunities.

Table 2 shows that the majority (90 percent) of nonworking teenagers (15 to 19 years old) listed *going to school* as their main reason for not working. School attendance was also the most common reason among 20- to 24-year-olds who did not work (47 percent). For nonworkers in the prime reproductive and family-rearing ages—20 to 24, 25 to 44, and 45 to 54—the category *taking care of children or others* was especially

Figure 1.  
**Distribution of Nonworkers by Main Reasons for Not Working by Age: 2004**

(Percent)



Note: Detailed categories may not add to total because of rounding.

Source: U.S. Census Bureau, Survey of Income and Program Participation, February–May 2004.

Table 2.  
**Main Reasons for Not Working by Age: 2004**

(Numbers in thousands)

Reason	Total	Age in years					
		15 to 19	20 to 24	25 to 44	45 to 54	55 to 64	65 and over
Number							
<b>Total .....</b>	<b>78,783</b>	<b>12,773</b>	<b>4,991</b>	<b>14,070</b>	<b>7,655</b>	<b>10,424</b>	<b>28,871</b>
Unable to find work.....	3,424	401	613	1,402	603	317	88
On layoff.....	1,320	20	139	597	364	185	15
Temporary injury or illness.....	1,365	27	59	547	384	216	132
Chronic illness/disability.....	11,591	154	269	2,711	2,932	3,375	2,149
Pregnancy/childbirth.....	643	71	176	381	14	(X)	(X)
Retired.....	29,895	(X)	(X)	55	559	4,466	24,813
Going to school.....	15,046	11,460	2,324	1,070	144	28	21
Taking care of children/others.....	10,385	244	975	6,137	1,698	842	490
Not interested in working.....	2,847	165	178	464	631	704	705
Other.....	2,266	232	257	705	326	292	457
Percent							
<b>Total .....</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Unable to find work.....	4.3	3.1	12.3	10.0	7.9	3.0	0.3
On layoff.....	1.7	0.2	2.8	4.2	4.8	1.8	0.1
Temporary injury or illness.....	1.7	0.2	1.2	3.9	5.0	2.1	0.5
Chronic illness/disability.....	14.7	1.2	5.4	19.3	38.3	32.4	7.4
Pregnancy/childbirth.....	0.8	0.6	3.5	2.7	0.2	(X)	(X)
Retired.....	37.9	(X)	(X)	0.4	7.3	42.8	85.9
Going to school.....	19.1	89.7	46.6	7.6	1.9	0.3	0.1
Taking care of children/others.....	13.2	1.9	19.5	43.6	22.2	8.1	1.7
Not interested in working.....	3.6	1.3	3.6	3.3	8.2	6.8	2.4
Other.....	2.9	1.8	5.2	5.0	4.3	2.8	1.6
Standard error of percent							
<b>Total .....</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>
Unable to find work.....	0.135	0.284	0.861	0.469	0.571	0.310	0.060
On layoff.....	0.085	0.073	0.433	0.313	0.453	0.241	0.034
Temporary injury or illness.....	0.086	0.073	0.286	0.302	0.462	0.260	0.077
Chronic illness/disability.....	0.234	0.179	0.593	0.616	1.029	0.849	0.285
Pregnancy/childbirth.....	0.059	0.127	0.482	0.253	0.095	(X)	(X)
Retired.....	0.320	(X)	(X)	0.099	0.551	0.898	0.380
Going to school.....	0.259	0.498	1.308	0.414	0.289	0.099	0.034
Taking care of children/others.....	0.223	0.224	1.039	0.775	0.880	0.495	0.141
Not interested in working.....	0.123	0.186	0.489	0.279	0.581	0.457	0.167
Other.....	0.110	0.218	0.582	0.340	0.430	0.299	0.137

X Not applicable.

Note: Detailed categories may not add to total because of rounding.

Source: U.S. Census Bureau, Survey of Income and Program Participation, February–May 2004.

important. It was cited by the largest proportion (44 percent) of nonworkers aged 25 to 44, reflecting the importance of child-rearing and care-giving responsibilities among women, who made up the majority (71 percent) of nonworkers in this age group. It was the second most common reason for nonworkers in the 20- to 24-year-old group (20 percent) and in the

45- to 54-year-old group (22 percent). About 19 percent of nonworkers 25 to 44 years did not work because of a *chronic illness or disability*.

For nonworkers 45 years and older, health and retirement were the dominant reasons for not working. The proportion of nonworkers listing either of these reasons ranged

from 51 percent for 45- to 54-year-olds, to 94 percent for people 65 years and over. Retirement was the reason given by 86 percent of nonworkers 65 years and over.

The data in Table 2 are cross-sectional estimates and are not intended to predict how reasons for not working will change over the lifetime of any particular

Table 3.  
**Main Reasons for Not Working for Nonworkers 20 to 64 Years by Sex: 2004**

(Numbers in thousands)

Reason	Including taking care of children/others				Excluding taking care of children/others			
	Percent		Standard error of percent		Percent		Standard error of percent	
	Male	Female	Male	Female	Male	Female	Male	Female
<b>Total</b> .....	<b>100.0</b>	<b>100.0</b>	<b>(X)</b>	<b>(X)</b>	<b>100.0</b>	<b>100.0</b>	<b>(X)</b>	<b>(X)</b>
Unable to find work .....	14.1	4.6	0.564	0.250	14.4	7.4	0.576	0.400
On layoff .....	6.1	2.0	0.388	0.167	6.3	3.3	0.398	0.273
Temporary injury or illness .....	4.5	2.6	0.336	0.190	4.6	4.2	0.344	0.306
Chronic illness/disability .....	33.3	20.5	0.764	0.482	34.1	33.5	0.777	0.721
Pregnancy/childbirth .....	(X)	2.4	(X)	0.183	(X)	3.9	(X)	0.296
Retired .....	18.5	11.0	0.629	0.374	19.0	18.0	0.643	0.587
Going to school .....	13.5	7.5	0.554	0.315	13.8	12.3	0.566	0.501
Taking care of children/others.....	2.4	38.8	0.248	0.582	(X)	(X)	(X)	(X)
Not interested in working .....	2.4	6.9	0.248	0.303	2.4	11.3	0.251	0.483
Other .....	5.3	3.7	0.363	0.225	5.4	6.0	0.371	0.363
<b>Number of people</b> .....	<b>13,078</b>	<b>24,062</b>	<b>(X)</b>	<b>(X)</b>	<b>12,762</b>	<b>14,726</b>	<b>(X)</b>	<b>(X)</b>

X Not applicable.

Note: Detailed categories may not add to total because of rounding.

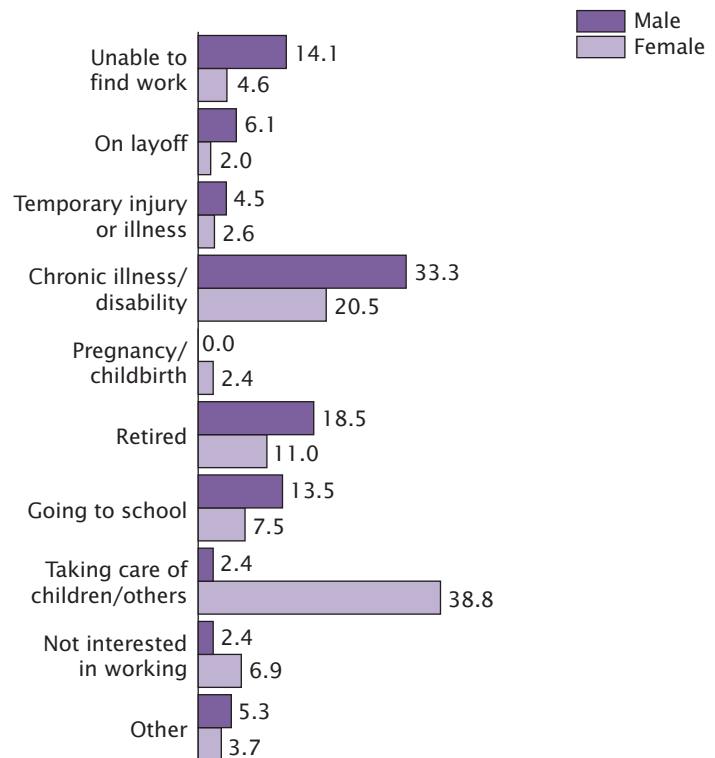
Source: U.S. Census Bureau, Survey of Income and Program Participation, February–May 2004.

cohort. Comparisons across age groups, however, do reveal how the prevalence of a reason varies by age. For example, the importance of *going to school* declines rapidly after the teenage years and continues to diminish across the older age groups. *Taking care of children or others* starts at 20 percent for the 20- to 24-year-old group, peaks at 44 percent for the 25- to 44-year group, falls to 22 percent for the 45- to 54-year group, then declines below 10 percent for ages 55 and above. Health-related reasons increase in prominence with age but begin to decline for people 55 years and older as retirement dominates the distribution of the main reason for not working.

As Table 2 shows, about 11.5 million nonworkers 15 to 19 years old were going to school, and nearly 25 million 65 years and older were retired. Together, these students and retirees made up almost half of all nonworkers (46 percent). The concentration of such a large

Figure 2.  
**Distribution of Nonworkers 20 to 64 Years by Main Reasons for Not Working by Sex: 2004**

(Percent)



Note: Detailed categories may not add to total because of rounding.

Source: U.S. Census Bureau, Survey of Income and Program Participation, February–May 2004.



Table 4.  
**Main Reasons for Not Working for Nonworkers 20 to 64 Years by Race and Hispanic Origin: 2004<sup>1</sup>**

(Numbers in thousands)

Reason	Percent				Standard error of percent			
	White, not Hispanic	Black	Other race <sup>2</sup>	Hispanic origin (any race)	White, not Hispanic	Black	Other race	Hispanic origin (any race)
<b>Total</b> .....	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>
Unable to find work .....	5.7	14.4	9.0	10.1	0.282	0.842	0.950	0.826
On layoff .....	3.4	3.4	4.0	3.2	0.221	0.435	0.653	0.485
Temporary injury or illness .....	2.8	4.6	2.7	3.9	0.203	0.503	0.533	0.528
Chronic illness/disability .....	24.8	36.7	18.4	18.4	0.526	1.154	1.287	1.060
Pregnancy/childbirth .....	1.2	1.6	1.7	2.7	0.133	0.300	0.430	0.444
Retired .....	17.3	9.3	9.2	5.1	0.461	0.696	0.958	0.604
Going to school .....	9.2	10.8	15.1	7.5	0.351	0.744	1.190	0.719
Taking care of children/others.....	25.0	13.5	28.6	40.3	0.527	0.819	1.500	1.342
Not interested in working.....	6.6	2.0	4.9	3.7	0.302	0.338	0.716	0.516
Other.....	4.1	3.5	6.4	5.1	0.240	0.442	0.811	0.599
<b>Number of people</b> .....	<b>23,154</b>	<b>5,438</b>	<b>3,028</b>	<b>5,885</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>

X Not applicable.

<sup>1</sup> Federal surveys now give respondents the option of reporting more than one race. There are two basic ways of defining a race group. A group such as Black may be defined as those who reported Black and no other race (the race-alone or single-race concept) or as those who reported Black regardless of whether they also reported another race (the race-alone-or-in-combination concept). This table shows data using the first approach (race alone). The use of the single-race population does not imply that it is the preferred method of presenting or analyzing data. The Census Bureau uses a variety of approaches. Information on people who reported more than one race, such as White **and** American Indian and Alaska Native, or Asian **and** Black or African American, is available from Census 2000 through the American FactFinder®. About 2.6 percent of people reported more than one race in Census 2000.

<sup>2</sup> Other race includes Asian, American Indian and Alaska Native, Native Hawaiian and Other Pacific Islander, and any combination of these race groups and White or Black.

Note: Detailed categories may not add to total because of rounding.

Source: U.S. Census Bureau, Survey of Income and Program Participation, February–May 2004.

proportion of nonworkers in just two categories tends to obscure the relationships between reasons and characteristics other than age.<sup>12</sup> To unveil some of these other relationships, the remainder of this report focuses on nonworkers in the prime working ages of 20 to 64 years. Figure 1 shows the distribution of 20- to 64-year-old nonworkers by main reasons for not working.

<sup>12</sup> This happens for at least two reasons in viewing data at the level of detail of the tables in this report: first, the specified age groups contain such large proportions of the distributions that it is hard to discern patterns among the other categories; second, correlations between age and other characteristics make it difficult to separate out their respective influences on patterns.

### REASONS FOR NOT WORKING AMONG MEN AND WOMEN

As Table 3 and Figure 2 show, *chronic illness or disability* was the most common reason for not working (33 percent) among male nonworkers 20 to 64 years old, followed by *retired* (19 percent). A combined 20 percent of the group were either *on layoff* or *unable to find work*; 14 percent were *going to school*, possibly to pursue advanced degrees or to update or supplement their skills. For women, *taking care of children or others* was the primary reason for not working (39 percent), followed by *chronic illness or disability* (21 percent).

Male nonworkers 20 to 64 years old were more likely than their female counterparts not to work because of retirement, schooling, or economic reasons. Women, on the other hand, were more likely than men not to work because of dependent care responsibilities (39 percent and 2 percent, respectively). Women were also more likely than men to report *not interested in working* (7 percent compared with 2 percent).

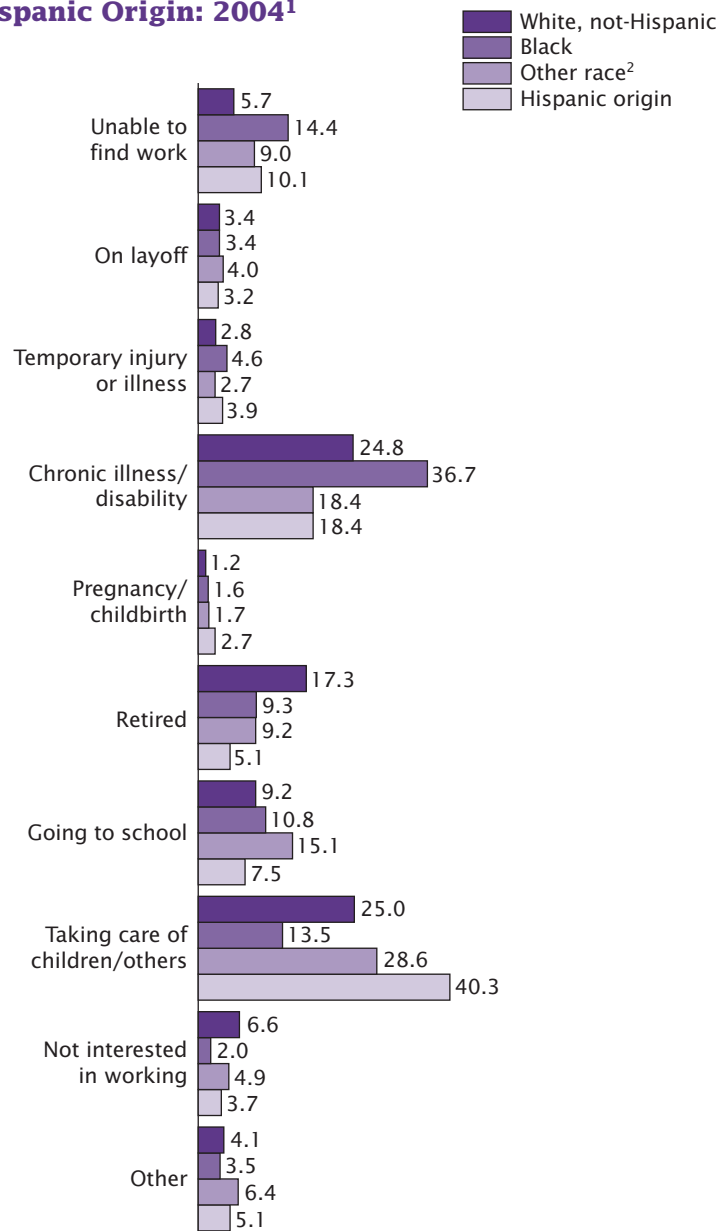
When the category *taking care of children or others* is removed from the distribution, a new picture of differences by sex emerges (Table 3). While the pattern of

reasons for men generally remains the same, among women chronic illness becomes the main reason, rising to the same level found among men (34 percent). The proportion citing retirement becomes comparable for men and women (19 percent of men and 18 percent of women). A pronounced difference remains in the category *not interested in working*, which was cited by approximately 11 percent of women and 2 percent of men. A difference also remains in the economic reasons categories: men (21 percent) were about twice as likely as women (11 percent) not to have worked because they were *unable to find work* or were *on layoff*.

### REASONS AMONG RACE GROUPS AND HISPANICS

For nonworkers 20 to 64 years old, regardless of race or Hispanic origin, *taking care of children or others* and *chronic illness or disability* were the most common reasons for not working (Table 4 and Figure 3). For Black nonworkers, *chronic illness or disability* was the dominant reason (37 percent, compared with 25 percent for non-Hispanic Whites and 18 percent for Hispanics). This result is consistent with the rates of chronic illness and severe disabilities among Blacks in general (National Center for Health Statistics, 2006), and with the finding from the Centers for Disease Control that, in 2003, Blacks had higher rates of death than people of other races and Hispanics for most major illnesses, including diseases of the heart, stroke, and cancer (Centers for Disease Control and Prevention, 2004). Other reasons Blacks gave for not working included *unable to find work* (14 percent) and *taking care of children or others* (14 percent). White non-Hispanics and Blacks were more likely (17 percent and 9 percent, respectively) than Hispanics

Figure 3.  
**Distribution of Nonworkers 20 to 64 Years by Main Reasons for Not Working by Race and Hispanic Origin: 2004<sup>1</sup>**  
(Percent)



<sup>1</sup> Federal surveys now give respondents the option of reporting more than one race. There are two basic ways of defining a race group. A group such as Black may be defined as those who reported Black and no other race (the race-alone or single-race concept) or as those who reported Black regardless of whether they also reported another race (the race-alone-or-in-combination concept). This table shows data using the first approach (race alone). The use of the single-race population does not imply that it is the preferred method of presenting or analyzing data. The Census Bureau uses a variety of approaches. Information on people who reported more than one race, such as White **and** American Indian or Alaska Native, or Asian **and** Black or African American, is available from Census 2000 through the American FactFinder®. About 2.6 percent of people reported more than one race in Census 2000.

<sup>2</sup> Other race includes Asian, American Indian or Alaska Native, Native Hawaiian and other Pacific Islander, and any combination of these race categories and White and Black. Note: Detailed categories may not add to total because of rounding.

Source: U.S. Census Bureau, Survey of Income and Program Participation, February–May 2004.



Table 5.  
**Main Reasons for Not Working for Nonworkers 20 to 64 Years by Marital Status: 2004**

(Numbers in thousands)

Reason	Percent				Standard error of percent			
	Married	Widowed	Divorced/ separated	Never married	Married	Widowed	Divorced/ separated	Never married
<b>Total</b> .....	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>
Unable to find work .....	4.9	4.8	8.1	14.9	0.277	1.082	0.693	0.677
On layoff .....	2.9	2.5	5.0	4.1	0.213	0.792	0.553	0.376
Temporary injury or illness .....	2.7	4.5	5.2	3.1	0.208	1.055	0.566	0.332
Chronic illness/disability .....	17.4	40.0	49.3	26.1	0.485	2.490	1.270	0.836
Pregnancy/childbirth .....	1.7	0.4	1.1	1.5	0.167	0.310	0.263	0.232
Retired .....	18.0	29.2	12.1	2.7	0.491	2.313	0.829	0.307
Going to school .....	3.5	1.1	2.7	28.1	0.236	0.519	0.415	0.856
Taking care of children/others.....	37.9	7.6	10.5	10.7	0.620	1.346	0.781	0.589
Not interested in working.....	7.1	6.0	2.0	3.2	0.328	1.204	0.351	0.337
Other.....	3.7	4.1	4.0	5.6	0.242	1.005	0.496	0.438
<b>Number of people</b> .....	<b>21,025</b>	<b>1,328</b>	<b>5,317</b>	<b>9,470</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>

X Not applicable.

Note: Detailed categories may not add to total because of rounding.

Source: U.S. Census Bureau, Survey of Income and Program Participation, February–May 2004.

(5 percent) not to work because of retirement. A large percentage of Hispanic nonworkers (40 percent) cited *taking care of children or others*.

## REASONS AND MARITAL STATUS

Married nonworkers were nearly four times as likely as divorced nonworkers and also nearly four times as likely as never-married nonworkers to be out of the workforce because of caregiving

activities (See Table 5 and Figure 4).<sup>13</sup> Nonworkers who were divorced, separated, or widowed were more likely to be out of work because of *chronic illness or disability* than were nonworkers who were married or had never been married (Table 5).

A common reason for not working among never-married nonworkers was *going to school* (28 percent)—

<sup>13</sup> Women constituted 73 percent of married nonworkers.

a likely manifestation of the relatively youthful composition of this group (42 percent were 20 to 24 years old). *Chronic illness or disability* was cited by 26 percent of never-married nonworkers. For divorced or separated nonworkers, as for widowed nonworkers, *chronic illness or disability* was the most common reason for not working (49 percent and 40 percent, respectively); retirement was also important (12 and 29 percent, respectively).

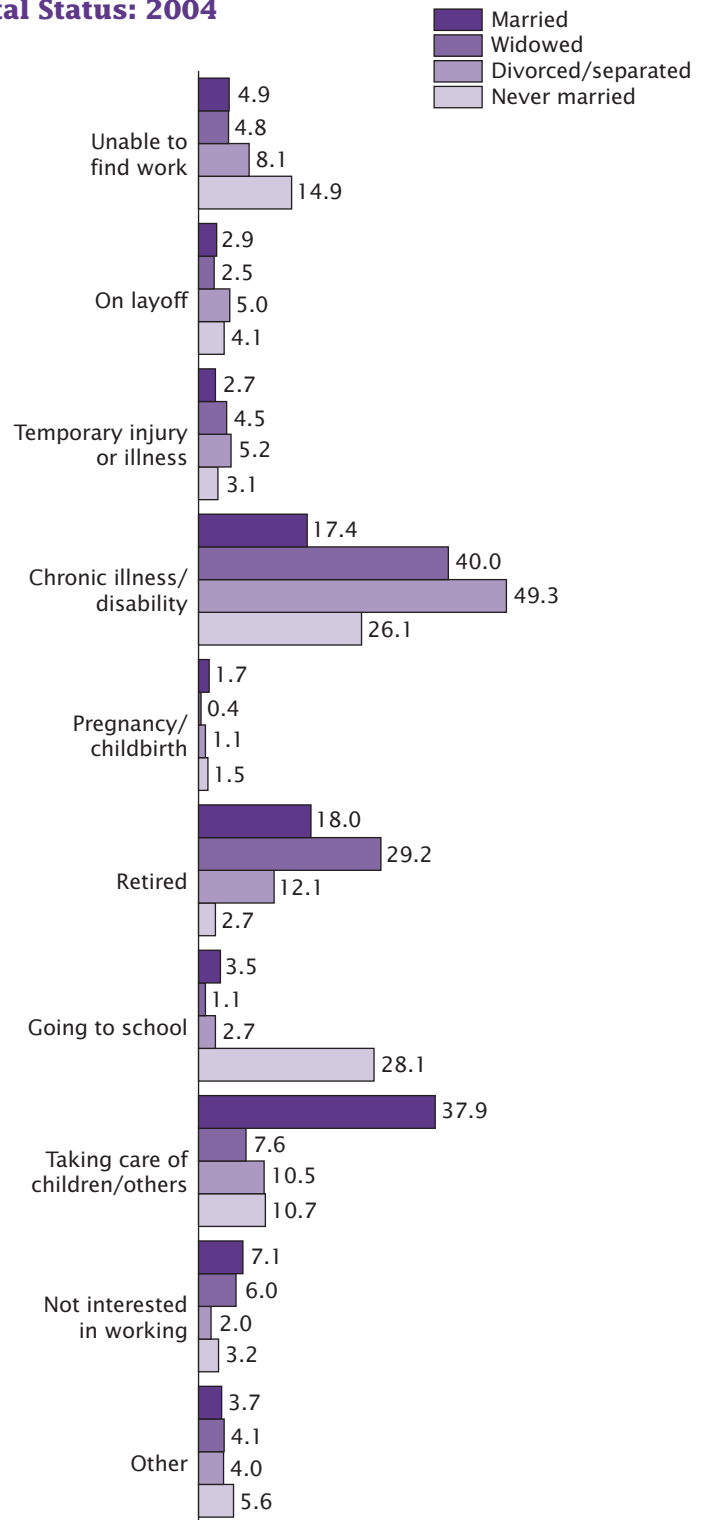
## REASONS AND EDUCATION

As can be calculated from Table 6, among nonworkers 20 to 64 years old, those with a high school diploma or with less education were more likely than those with at least some college education to be out of work because of a *chronic illness or disability* (31 percent compared with 19 percent).<sup>14</sup> Across all the educational categories in Table 6 and Figure 5, *taking care of children or others* was among the top two reasons for not working. For nonworkers with a bachelor's degree, *taking care of children or others* topped the list (35 percent), followed by *retired* and *going to school* (18 percent and 12 percent, respectively). Nonworkers with graduate or professional degrees were more likely than nonworkers with lower levels of education to be retired (31 percent).

<sup>14</sup> In 2004 the most common occupational groups for men with educational attainment up to a high school diploma were "installation, maintenance, and repair occupations" and "construction and extraction occupations" (U.S. Census Bureau, *Educational Attainment in the United States: 2004*, Current Population Survey, Internet release: March 2005, at <[www.census.gov/population/socdemo/education/cps2004/tab06-01.pdf](http://www.census.gov/population/socdemo/education/cps2004/tab06-01.pdf)>, Table 6).

Figure 4.  
**Distribution of Nonworkers 20 to 64 Years by Main Reasons for Not Working by Marital Status: 2004**

(Percent)



Note: Detailed categories may not add to total because of rounding.

Source: U.S. Census Bureau, Survey of Income and Program Participation, February–May 2004.

Table 6.  
**Main Reasons for Not Working for Nonworkers 20 to 64 Years by Education Level Completed: 2004**

(Numbers in thousands)

Reason	Percent					Standard error of percent				
	Less than high school completion	High school diploma	Some college/2-year degree or certificate	Bachelor's degree	Graduate-level or professional degree	Less than high school completion	High school diploma	Some college/2-year degree or certificate	Bachelor's degree	Graduate-level or professional degree
<b>Total .....</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>
Unable to find work .....	9.3	9.8	6.2	6.6	5.2	0.595	0.533	0.401	0.710	1.006
On layoff .....	2.6	4.3	3.5	3.1	3.1	0.329	0.365	0.302	0.495	0.792
Temporary injury or illness .....	3.5	4.0	3.1	2.0	1.2	0.378	0.352	0.288	0.402	0.501
Chronic illness/disability .....	36.0	27.3	22.8	10.3	10.1	0.984	0.801	0.695	0.873	1.374
Pregnancy/childbirth .....	2.2	1.1	1.4	1.5	1.9	0.302	0.188	0.196	0.352	0.615
Retired .....	6.6	13.8	14.4	18.2	30.9	0.507	0.620	0.582	1.106	2.104
Going to school .....	2.9	3.6	18.2	12.0	10.1	0.342	0.335	0.639	0.932	1.371
Taking care of children/others .....	27.6	25.8	22.0	35.0	26.5	0.917	0.786	0.686	1.368	2.008
Not interested in working .....	5.1	6.2	4.7	5.8	4.5	0.449	0.435	0.349	0.670	0.946
Other .....	4.3	4.1	3.7	5.5	6.5	0.414	0.357	0.311	0.652	1.123
<b>Number of people .</b>	<b>8,168</b>	<b>10,620</b>	<b>12,521</b>	<b>4,173</b>	<b>1,657</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>

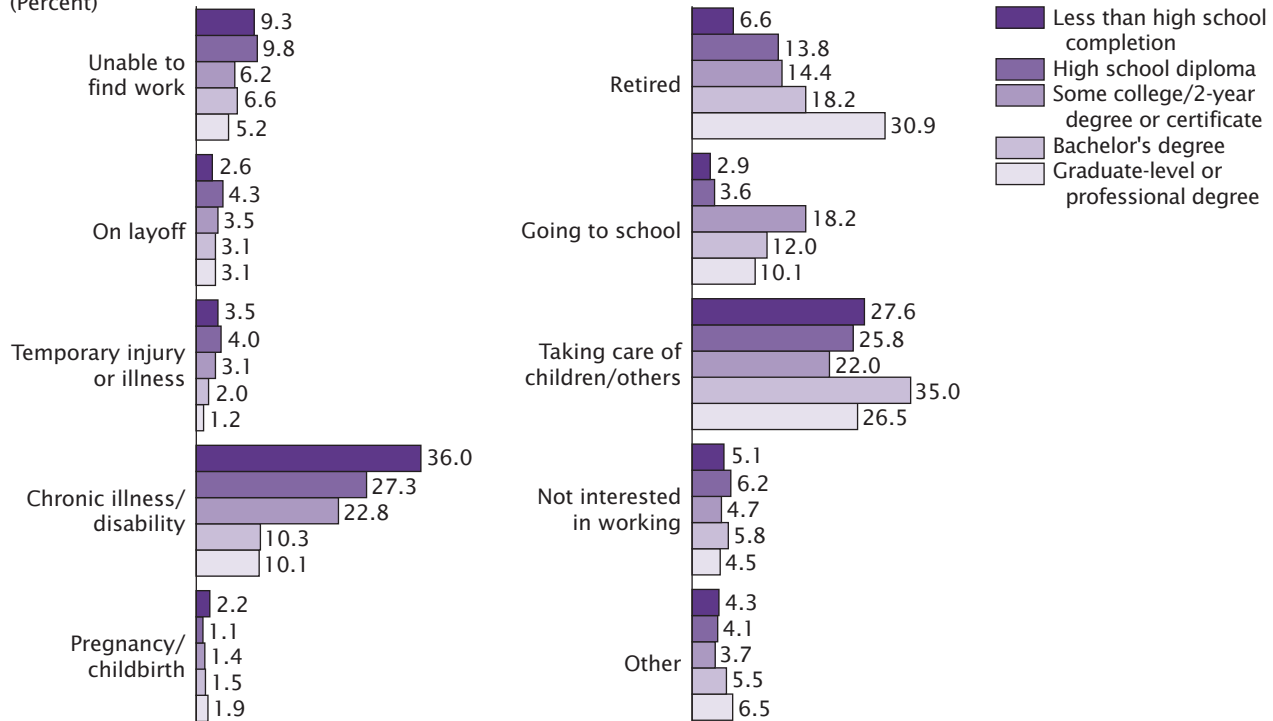
X Not applicable.

Note: Detailed categories may not add to total because of rounding.

Source: U.S. Census Bureau, Survey of Income and Program Participation, February–May 2004.

Figure 5.  
**Distribution of Nonworkers 20 to 64 Years by Main Reasons for Not Working by Education Level Completed: 2004**

(Percent)



Note: Detailed categories may not add to total because of rounding.

Source: U.S. Census Bureau, Survey of Income and Program Participation, February–May 2004.

Table 7.  
**Main Reasons for Not Working by Age and Health Insurance Coverage: 2004**

(Numbers in thousands)

Reason	15 years old and over				20 to 64 years old			
	Percent		Standard error of percent		Percent		Standard error of percent	
	Covered	Not covered	Covered	Not covered	Covered	Not covered	Covered	Not covered
<b>Total .....</b>	<b>85.2</b>	<b>14.8</b>	<b>0.231</b>	<b>0.231</b>	<b>74.4</b>	<b>25.6</b>	<b>0.413</b>	<b>0.413</b>
Unable to find work .....	43.5	56.5	1.547	1.547	40.4	59.6	1.654	1.654
On layoff .....	51.7	48.3	2.512	2.512	51.3	48.7	2.547	2.547
Temporary injury or illness .....	67.2	32.8	2.320	2.320	64.5	35.5	2.517	2.517
Chronic illness/disability .....	89.5	10.5	0.520	0.520	87.4	12.7	0.630	0.630
Pregnancy/childbirth .....	76.8	23.2	3.041	3.041	77.4	22.6	3.196	3.196
Retired .....	97.5	2.5	0.166	0.166	89.4	10.6	0.789	0.789
Going to school .....	85.0	15.0	0.532	0.532	74.5	25.5	1.334	1.334
Taking care of children/others.....	73.2	26.8	0.793	0.793	72.5	27.5	0.830	0.830
Not interested in working.....	77.0	23.0	1.440	1.440	72.0	28.0	1.844	1.844
Other.....	63.2	36.8	1.850	1.850	54.1	45.9	2.290	2.290
<b>Number of people .....</b>	<b>67,111</b>	<b>11,672</b>	<b>(X)</b>	<b>(X)</b>	<b>27,646</b>	<b>9,493</b>	<b>(X)</b>	<b>(X)</b>

X Not applicable.

Note: Detailed categories may not add to total because of rounding.

Source: U.S. Census Bureau, Survey of Income and Program Participation, February–May 2004.

## MEDICARE AND HEALTH INSURANCE

In the United States, health insurance coverage and employment are often intertwined, while older people often get health coverage from Medicare. Tables 7 and 8 and Figure 6 focus on the health insurance coverage of nonworkers during the 4-month period when they were not working. The tables show

data for all nonworkers 15 years and older, as well as for nonworkers 20 to 64 years of age. The following discussion reports the findings for the latter group.

Of the roughly 37 million nonworkers 20 to 64 years old in 2004, nearly 10 million (26 percent) lacked health insurance coverage (Table 7). About 60 percent of nonworkers reporting *unable to find*

*work* lacked coverage, as did approximately 50 percent of nonworkers citing *on layoff*. In contrast, the large majority of *retired* nonworkers (89 percent) and those reporting *chronic illness or disability* (87 percent) had coverage. About 28 percent of nonworkers *not interested in working* lacked coverage.

Table 8.  
**Main Reasons for Not Working for Nonworkers Covered by Health Insurance by Type of Health Insurance Coverage: 2004<sup>1</sup>**

(Numbers in thousands)

Reason	15 years old and over					20 to 64 years old				
	Medicare	Medicaid	Private insurance	Military related	Any type <sup>2</sup>	Medicare	Medicaid	Private insurance	Military related	Any type <sup>2</sup>
	Percent									
<b>Total .....</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Unable to find work.....	0.3	4.2	1.9	1.0	2.2	0.5	5.6	4.0	2.5	4.3
On layoff .....	0.1	0.7	1.2	0.5	1.0	–	1.3	2.9	0.8	2.4
Temporary injury or illness...	0.5	3.0	1.1	1.0	1.4	1.9	4.7	2.3	2.4	2.8
Chronic illness/disability .....	16.0	38.6	8.6	13.8	15.5	85.0	57.1	16.6	26.7	29.3
Pregnancy/childbirth .....	–	2.0	0.5	0.3	0.7	–	3.1	1.1	0.7	1.6
Retired .....	78.1	16.0	46.9	53.7	43.4	9.8	2.6	22.0	24.4	16.4
Going to school .....	0.1	21.0	21.3	14.1	19.0	0.3	5.0	11.7	11.8	9.6
Taking care of children/others .....	1.6	11.1	12.4	9.9	11.3	1.5	17.8	28.9	22.6	25.3
Not interested in working .....	2.1	1.2	4.0	3.8	3.3	0.6	0.8	7.0	4.8	5.1
Other .....	1.3	2.3	2.1	1.8	2.1	0.4	2.1	3.5	3.5	3.1
<b>Number of people .....</b>	<b>30,679</b>	<b>14,133</b>	<b>48,746</b>	<b>3,862</b>	<b>67,111</b>	<b>3,638</b>	<b>7,921</b>	<b>19,568</b>	<b>1,467</b>	<b>27,646</b>
Percent of all nonworkers .....	38.9	17.9	61.9	4.9	85.2	9.8	21.3	52.7	4.0	74.4
	Standard error of percent									
<b>Total .....</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>	<b>(X)</b>
Unable to find work.....	0.055	0.307	0.114	0.291	0.104	0.222	0.471	0.256	0.740	0.223
On layoff .....	0.023	0.130	0.090	0.206	0.071	0.000	0.229	0.219	0.413	0.168
Temporary injury or illness...	0.077	0.260	0.085	0.295	0.082	0.409	0.436	0.195	0.726	0.182
Chronic illness/disability .....	0.382	0.748	0.232	1.014	0.255	1.080	1.016	0.485	2.109	0.500
Pregnancy/childbirth .....	0.000	0.216	0.057	0.149	0.060	0.000	0.355	0.136	0.390	0.138
Retired .....	0.431	0.563	0.413	1.465	0.349	0.900	0.326	0.540	2.047	0.407
Going to school .....	0.028	0.626	0.339	1.023	0.277	0.159	0.445	0.420	1.538	0.324
Taking care of children/others .....	0.129	0.483	0.273	0.879	0.223	0.373	0.785	0.592	1.996	0.478
Not interested in working .....	0.149	0.166	0.162	0.563	0.125	0.231	0.184	0.332	1.017	0.243
Other .....	0.119	0.231	0.119	0.396	0.102	0.181	0.293	0.241	0.873	0.190

– Represents zero or rounds to zero.

X Not applicable.

<sup>1</sup> People may be covered by more than one type of health insurance.

<sup>2</sup> Any type includes any combination of the types of health insurance mentioned here and other types not mentioned.

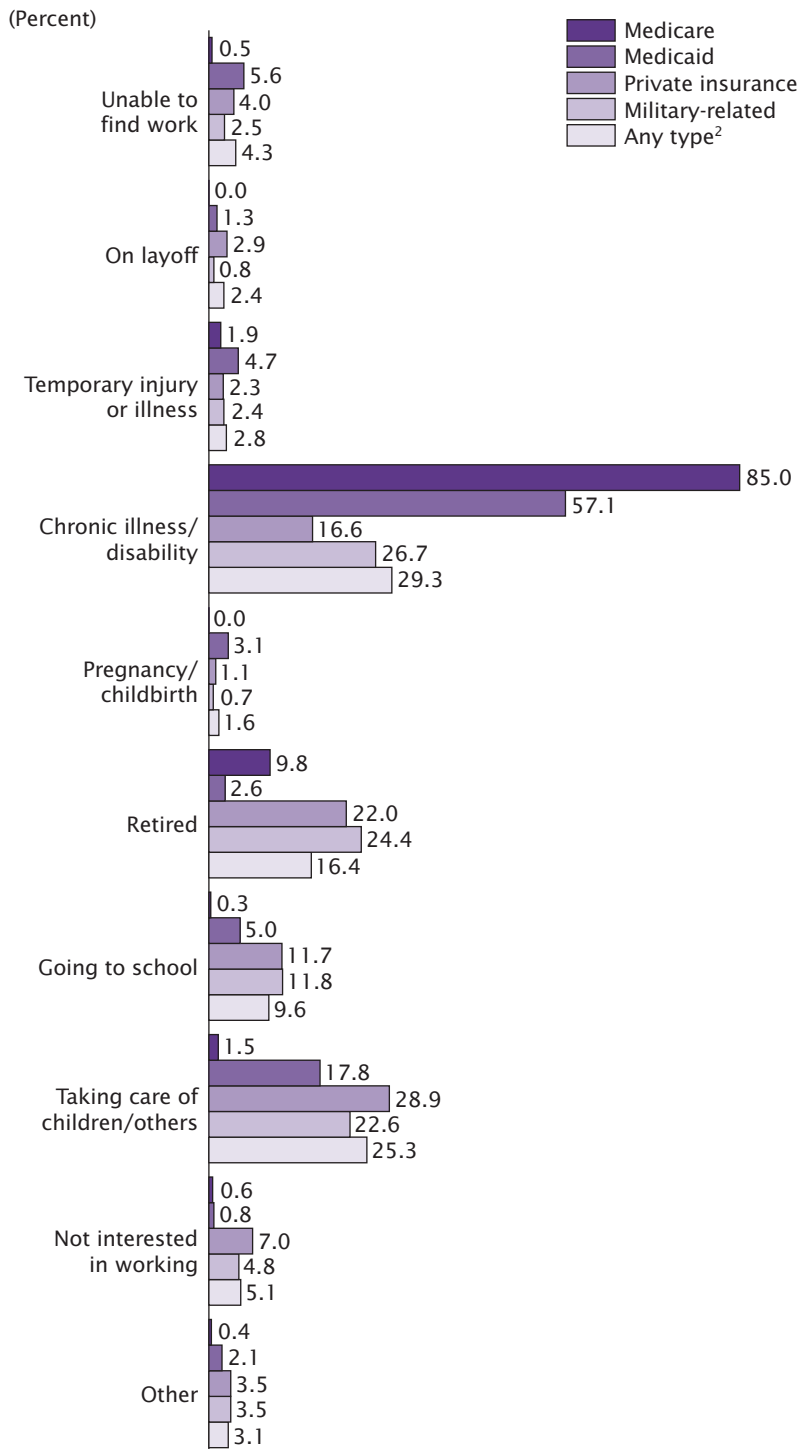
Note: Detailed categories may not add to total because of rounding.

Source: U.S. Census Bureau, Survey of Income and Program Participation, February–May 2004.

Approximately 53 percent (20 million people) of nonworkers 20 to 64 years old were covered by private insurance, either purchased individually or obtained through the employment of a relative (Table 8 and Figure 6).<sup>15</sup> About 31 percent (12 million) were covered by either Medicaid or Medicare. The majority of nonworkers covered by Medicare or Medicaid gave *chronic illness or disability* as the main reason for being out of work (85 percent of Medicare-covered; 57 percent of Medicaid-covered). About 30 percent of nonworkers covered by private insurance were taking care of children or others. Small percentages of nonworkers with private insurance (7 percent) or with military-related insurance (5 percent) reported that they were not interested in working—some may have been covered by another member of their household and did not need a job to acquire insurance.

<sup>15</sup> People may have more than one type of health insurance.

Figure 6.  
**Distribution of Nonworkers 20 to 64 Years by Main Reasons for Not Working by Type of Health Insurance Coverage: 2004<sup>1</sup>**



<sup>1</sup> People may be covered by more than one type of health coverage.

<sup>2</sup> Any type includes any combination of the types of health insurance mentioned here and other types not mentioned.

Note: Detailed categories may not add to total because of rounding.

Source: U.S. Census Bureau, Survey of Income and Program Participation, February–May 2004.



Table 9.  
**Government Program Participation for the Total Population and Nonworkers by Type of Program: 2004**

(Numbers in thousands)

Program	15 years old and over						20 to 64 years old					
	Total			Nonworkers			Total			Nonworkers		
	Total <sup>1</sup>	Per-cent <sup>1</sup>	Stan-dard error of per-cent	Total <sup>1</sup>	Per-cent <sup>1</sup>	Stan-dard error of per-cent	Total <sup>1</sup>	Per-cent <sup>1</sup>	Stan-dard error of per-cent	Total <sup>1</sup>	Per-cent <sup>1</sup>	Stan-dard error of per-cent
<b>Number of people . . . . .</b>	<b>226,590</b>	<b>100.0</b>	<b>(X)</b>	<b>78,783</b>	<b>100.0</b>	<b>(X)</b>	<b>171,640</b>	<b>100.0</b>	<b>(X)</b>	<b>37,139</b>	<b>100.0</b>	<b>(X)</b>
<b>Non-Means-Tested Cash Transfer Benefits</b>												
Social security . . . . .	49,386	21.8	0.158	35,085	44.5	0.323	17,259	10.1	0.133	8,394	22.6	0.396
U.S. govt. railroad retirement pay . . . . .	366	0.2	0.015	305	0.4	0.040	125	0.1	0.012	76	0.2	0.043
State unemployment compensation . . . . .	7,326	3.2	0.068	2,267	2.9	0.109	6,669	3.9	0.085	1,875	5.0	0.208
Workers' compensation . . . . .	1,020	0.5	0.026	614	0.8	0.057	906	0.5	0.032	519	1.4	0.111
Other government disability or survivors' benefits . . . . .	1,750	0.8	0.034	1,218	1.5	0.080	931	0.5	0.032	513	1.4	0.111
<b>Means-Tested Noncash Transfer Benefits</b>												
Food stamps . . . . .	9,981	4.4	0.079	5,805	7.4	0.170	7,897	4.6	0.092	4,003	10.8	0.294
Energy assistance . . . . .	5,822	2.6	0.061	3,744	4.8	0.138	4,022	2.3	0.067	2,180	5.9	0.223
Housing assistance . . . . .	7,824	3.5	0.070	5,029	6.4	0.159	5,181	3.0	0.075	2,663	7.2	0.245
Free or reduced school lunch . . . . .	24,680	10.9	0.120	10,011	12.7	0.217	19,097	11.1	0.139	5,831	15.7	0.345
Free or reduced school breakfast . . . . .	14,710	6.5	0.095	6,500	8.3	0.179	11,393	6.6	0.110	3,941	10.6	0.292
<b>Means-Tested Cash Transfer Benefits</b>												
Temporary Assistance for Needy Families (TANF/AFDC) . . . . .	2,296	1.0	0.038	1,368	1.7	0.085	1,715	1.0	0.044	887	2.4	0.145
Federal Supplemental Security Income (SSI) . . . . .	8,004	3.5	0.071	5,377	6.8	0.164	5,889	3.4	0.080	3,504	9.4	0.277
State Supplemental Security Income (State SSI) . . . . .	224	0.1	0.012	167	0.2	0.030	176	0.1	0.014	122	0.3	0.054
Women, Infants, and Children (WIC) Nutrition Program . . . . .	7,016	3.1	0.066	2,461	3.1	0.113	6,157	3.6	0.082	1,914	5.2	0.210
General assistance . . . . .	409	0.2	0.016	272	0.3	0.038	298	0.2	0.018	180	0.5	0.066
Other welfare . . . . .	715	0.3	0.022	331	0.4	0.042	519	0.3	0.024	172	0.5	0.064

X Not applicable.

<sup>1</sup> Detailed categories may not add up to total because of rounding and because some people do not participate in any program, while others may be in more than one program.

Source: U.S. Census Bureau, Survey of Income and Program Participation, February–May 2004.

## PARTICIPATION IN GOVERNMENT TRANSFER PROGRAMS

Government transfer programs can provide financial support to workers and nonworkers. Table 9 and Figures 7 and 8 compare nonworkers with the population in general with respect to participation in

such programs, which are classified by whether the program benefit is means tested and, if it is, by whether the benefit is provided in cash or in some other form (noncash).<sup>16</sup>

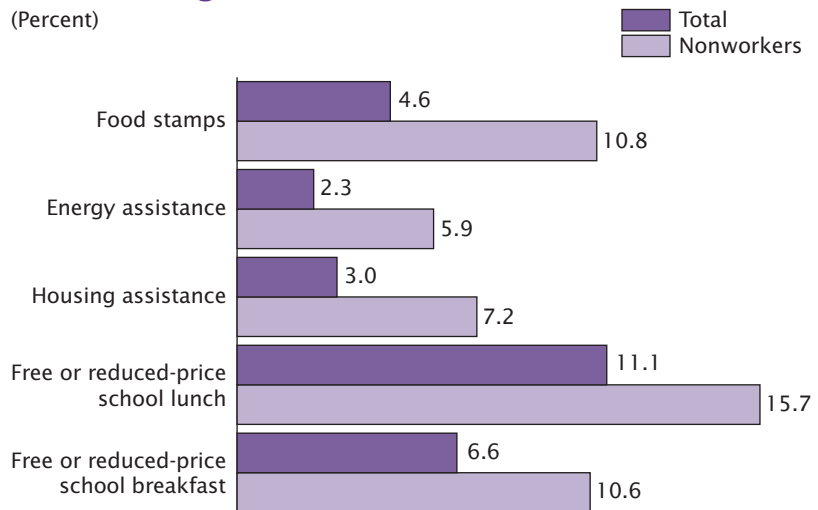
<sup>16</sup> Means-tested programs require that the income or assets of an individual or family must be below specified thresholds to qualify for benefits.

For the non-means-tested programs, Table 9 shows that approximately 23 percent of nonworkers 20 to 64 years received social security benefits, compared with 10 percent of the corresponding population at large. For the other non-means-tested programs in the table, the participation rates of

nonworkers 20 to 64 years old differed slightly from those of all adults in that age group.

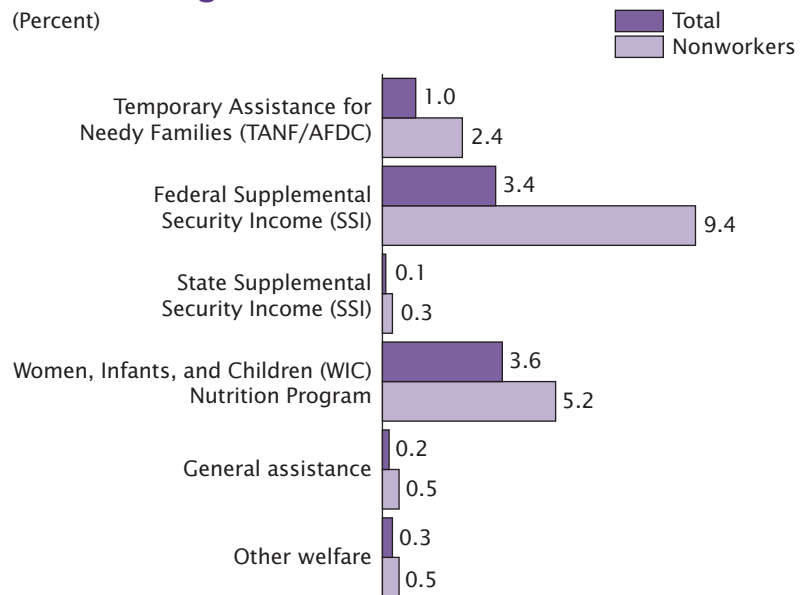
For the means-tested noncash programs, Table 9 and Figure 7 reveal that about 16 percent of nonworkers 20 to 64 (nearly 6 million) lived in households where they themselves or someone else received a free or reduced-price school lunch (compared with 11 percent of the general population); 11 percent lived where someone received a free or reduced-price school breakfast (7 percent of the general population); and 11 percent where someone received food stamps (5 percent of the general population). Energy assistance was the least commonly received noncash benefit among nonworkers 20 to 64, obtained by 6 percent of them compared with 2 percent of all adults 20 to 64 years. Table 9 and Figure 8 show that the largest difference in participation between nonworkers and the general population involved federal Supplemental Security Income (SSI) benefits. Nearly 10 percent of nonworkers aged 20 to 64 years (about 3.5 million) received these benefits, compared with 3 percent of the general population in this age group (about 6 million).

Figure 7.  
**Participation Rates of Total Population 20 to 64 Years and of Nonworkers 20 to 64 Years in Means-Tested Noncash Transfer Programs by Type of Transfer Program: 2004**



Source: U.S. Census Bureau, Survey of Income and Program Participation, February–May 2004.

Figure 8.  
**Participation Rates of Total Population 20 to 64 Years and of Nonworkers 20 to 64 Years in Means-Tested Cash Transfer Programs by Type of Transfer Program: 2004**



Source: U.S. Census Bureau, Survey of Income and Program Participation, February–May 2004.

Table 10.

**Longest Spell Without a Job (in Months) by Layoff/Looking-for-Work Status for Nonworkers and Partial Workers: 2004<sup>1</sup>**

(Numbers in thousands)

Longest spell	15 years old and over			20 to 64 years old		
	Total	Percent	Standard error of percent	Total	Percent	Standard error of percent
<b>Total.....</b>	<b>89,995</b>	<b>100.0</b>	<b>(X)</b>	<b>46,078</b>	<b>100.0</b>	<b>(X)</b>
Longest spell lasted 1 month .....	4,139	100.0	(X)	3,376	100.0	(X)
On layoff or looking for work.....	1,520	36.7	1.388	1,356	40.2	1.563
No time on layoff or looking for work .....	2,619	63.3	1.388	2,020	59.8	1.563
Longest spell lasted 2 consecutive months .....	4,159	100.0	(X)	3,216	100.0	(X)
On layoff or looking for work.....	1,446	34.8	1.368	1,267	39.4	1.596
No time on layoff or looking for work .....	2,713	65.2	1.368	1,950	60.6	1.596
Longest spell lasted 3 consecutive months .....	2,914	100.0	(X)	2,346	100.0	(X)
On layoff or looking for work.....	1,165	40.0	1.681	1,028	43.8	1.898
No time on layoff or looking for work .....	1,748	60.0	1.682	1,317	56.1	1.898
Longest spell lasted entire reference period .....	78,783	100.0	(X)	37,139	100.0	(X)
On layoff or looking for work.....	6,867	8.7	0.186	5,502	14.8	0.342
No time on layoff or looking for work .....	71,916	91.3	0.186	31,637	85.2	0.342

X Not applicable.

<sup>1</sup> Figures are based on a 4-month reference period (a composite of the 4-month reference periods of the four rotation groups of the 2004 SIPP panel that are described in footnote 8, on page 2). For this and other reasons, they cannot be used directly to produce measurements comparable with those such as the unemployment rate or the employment/population ratio for a given month or for an average month derived from data collected in the Current Population Survey (CPS) and published by the U.S. Bureau of Labor Statistics.

Note: Detailed categories may not add to total because of rounding.

Source: U.S. Census Bureau, Survey of Income and Program Participation, February–May 2004.

**DURATION OF JOBLESSNESS**

The nonworkers who are the focus of this report make up the larger portion of the entire population of people who did not work at some time in the measurement (reference) period. The smaller portion, who may be termed “partial workers”—in recognition of their having worked in at least part of the measurement period—did not work for shorter intervals of time. This section compares nonworkers with groups of partial workers.

Table 10 compares nonworkers with partial workers, by the longest spell of consecutive months in the reference period that they went without working and by *on layoff/looking for work* status, which is explained

below.<sup>17</sup> The data provide a snapshot of the dynamic and interactive relationship between working and not working over a 4-month period.<sup>18</sup> By definition, partial workers entirely populate the first three spell-length categories in the table; nonworkers constitute the entire fourth category (their spell lasted the entire reference period).

The SIPP did not ask partial workers about their reasons for not working. The data collected in the SIPP about each individual's employment status

classification, nevertheless, does provide some information about this topic, for both nonworkers and partial workers. For people who did not work in a given month, this classification describes whether or not they looked for work or were on layoff from a job at any time in the month.<sup>19</sup> People in the *on layoff/looking for work* category represent the minimum number for whom the economy may have been a factor leading to joblessness. An individual's *on layoff/looking for work* status provides some

<sup>17</sup> A spell is defined as a period of time in which a given activity or status—in this case, not working—occurs continuously. Most partial workers had only one such spell in the period. How long the spell may have existed before the reference period began or extended beyond its end is not considered.

<sup>18</sup> For a study of nonworkers over longer periods of time, see Stewart, 2004.

<sup>19</sup> There are eight categories of the monthly employment status variable in the SIPP. The first five are categories of workers. The last three are: (6) no job all month; on layoff or looking for work all month; (7) no job all month, at least one, but not all weeks, on layoff or looking for work; and (8) no job all month, no time on layoff or looking for work.

Table 11.  
**Main Reasons for Not Working for Nonworkers 20 to 64 Years: 1996 and 2004**

(Numbers in thousands)

Reason	1996			2004		
	Number of people	Percent	Standard error of percent	Number of people	Percent	Standard error of percent
<b>Total .....</b>	<b>32,081</b>	<b>100.0</b>	<b>(X)</b>	<b>37,139</b>	<b>100.0</b>	<b>(X)</b>
Unable to find work .....	2,292	7.1	0.268	2,935	7.9	0.259
On layoff .....	681	2.1	0.150	1,285	3.5	0.176
Temporary injury or illness .....	1,234	3.8	0.200	1,206	3.2	0.170
Chronic illness/disability .....	7,216	22.5	0.435	9,287	25.0	0.416
Pregnancy/childbirth .....	570	1.8	0.138	571	1.5	0.118
Retired .....	4,298	13.4	0.355	5,080	13.7	0.330
Going to school .....	3,138	9.8	0.309	3,565	9.6	0.283
Taking care of children/others .....	8,534	26.6	0.460	9,651	26.0	0.422
Not interested in working .....	2,471	7.7	0.278	1,978	5.3	0.216
Other .....	1,647	5.1	0.230	1,580	4.3	0.194

X Not applicable.

Note: Detailed categories may not add to total because of rounding.

Source: U.S. Census Bureau, Survey of Income and Program Participation, April–July 1996 and February–May 2004.

indication of his or her involvement with the labor force. For nonworkers, the data in the *on layoff/looking for work* categories are not necessarily related to the categories of reasons for not working presented in the previous sections of this report.

Table 10 shows that 1-month to 4-month spells of not working are not rare events among people 20 to 64 years old. Over the 4-month reference period of the SIPP, about 46.1 million people in this age group—or 27 percent of the total group population of 171.6 million (Table 9)—did not work for at least 1 full calendar month. Nonworkers whose longest spell lasted the entire reference period composed the large majority (81 percent) of these jobless people. The sizes of the three groups of partial workers were much smaller, ranging from

5 percent to 7 percent of the jobless.<sup>20</sup>

Nonworkers were less likely than partial workers to be on layoff or looking for work: about 15 percent were in this category, compared with around 40 percent of each of the three partial-worker groups. These differences suggest that nonworkers in general may be less attached than partial workers to the labor market and more insulated from economic influences to work or to seek work. This suggestion is consistent with the fact that partial

<sup>20</sup> The figures in Table 10 are based on a 4-month reference period (a composite of the 4-month reference periods of the four rotation groups of the 2004 SIPP panel that are described in Footnote 8). For this and other reasons, they cannot be used directly to produce measurements comparable to those such as the unemployment rate or the employment/population ratio for a given month or for an average month derived from data collected in the CPS and published by the BLS.

workers had a direct encounter with the labor market through the possession of a job at some point in the reference period and that about three-quarters of the nonworkers, as discussed in the previous sections of this report, indicated that their main reason for not working involved chronic illness or disability, retirement, school attendance, or caregiving. The similarity among the partial-worker groups in the proportion who were on layoff or looking for work may mean that, among partial workers, the ratio of people who are not working for economic reasons to those who are not working for noneconomic reasons is relatively constant, at least over a 4-month period, but further investigation of this topic is beyond the scope of this report.<sup>21</sup>

<sup>21</sup> For a longitudinal analysis of spells of unemployment using the SIPP, see Gottschalck, 2006.

## COMPARISON OF REASONS FOR NOT WORKING: 1996 and 2004

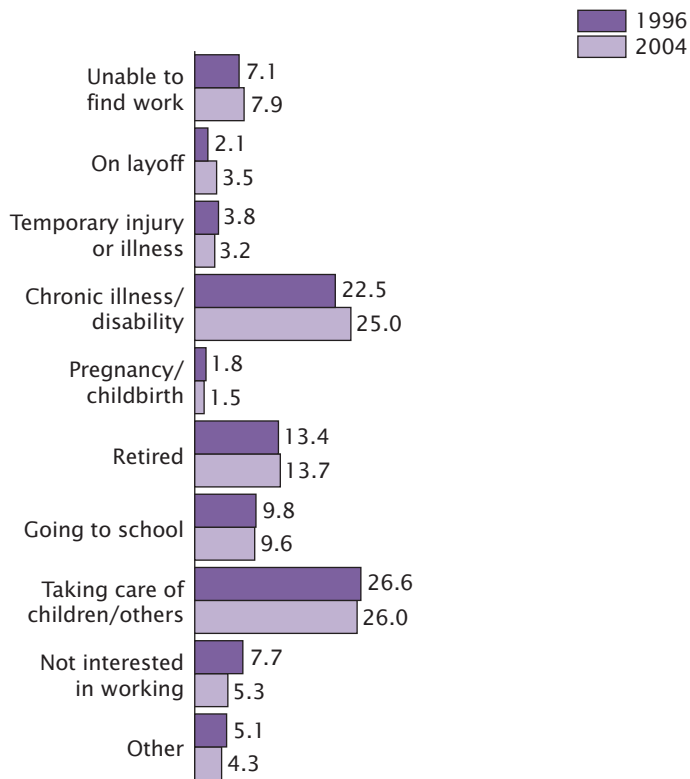
As noted previously, this is the second report about nonworkers

based on data from the SIPP. The first report examined the characteristics of people who were nonworkers in March through June of 1996. The 1996 group is the counterpart of the 2004 group of

nonworkers who are the primary focus of this present report. This correspondence provides an opportunity to compare the main reasons for not working of nonworkers in time periods separated by nearly a decade.<sup>22</sup>

Figure 9.  
**Distribution of Nonworkers 20 to 64 Years by Main Reasons for Not Working: 1996 and 2004**

(Percent)



Note: Detailed categories may not add to total because of rounding.

Source: U.S. Census Bureau, Survey of Income and Program Participation, April–July 1996 and February–May 2004.

Table 11 and Figure 9 reveal that the main-reason-for-not-working distributions of the 1996 and 2004 groups are similar. A smaller percentage of the 1996 group was out of work because of *chronic illness or disability* (23 percent, compared with 25 percent for the 2004 group), and slightly more were in the category *not interested in working* (8 percent in 1996, compared with 5 percent in 2004). The proportion citing either of the economic-related reasons, *unable to find work* or *on layoff*, was lower for the 1996 group (9 percent) than for the 2004 group (11 percent). In both years, major reasons for not working were *chronic illness or disability*, *taking care of children or others*, or *retired*.

<sup>22</sup> The comparability of the data for 1996 with those for 2004 may be affected, among other things, by differences between the seasons of the year that are included in their reference periods, by changes between 1996 and 2004 in the age composition of the population, and by differences in economic conditions between the times the data were collected.

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## SOURCE AND ACCURACY OF ESTIMATES

### Source of the Data

The population represented (population universe) in the 2004 SIPP is the civilian noninstitutionalized population living in the United States. The SIPP is a longitudinal survey conducted at 4-month intervals. The data in this report were collected from February through May 2004 in the first wave (interview) of the 2004 SIPP. For the 2004 SIPP Panel, approximately 62,700 housing units and other dwellings were in sample for Wave 1. Of the 51,400 eligible units, 43,700 units were interviewed. All household members age 15 and older were eligible to be interviewed, with proxy response permitted for household members not available at the time of interview. The institutionalized population, which is excluded from the population universe, is composed primarily of the population in correctional institutions and nursing homes (91 percent of the 4.1 million institutionalized population in Census 2000).



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## Accuracy of the Estimates

Statistics from surveys are subject to sampling and nonsampling errors. All comparisons presented in this report have taken sampling error into account and are significant at the 90-percent confidence level unless otherwise noted. This means the 90-percent confidence interval for the difference between the estimates being compared does not include zero.

Nonsampling errors in surveys may be attributed to a variety of sources, such as how the survey is designed, how respondents interpret questions, how able and willing respondents are to provide correct answers, and how accurately the answers are coded and classified. The Census Bureau employs quality control procedures throughout the production process, including the overall design of surveys, the wording of questions, review of the work of interviewers and coders, and statistical review of

reports to minimize these errors. The SIPP weighting procedure uses ratio estimation, whereby sample estimates are adjusted to independent estimates of the national population by age, race, sex, and Hispanic origin. This weighting partially corrects for bias due to undercoverage, but biases may still be present when people who are missed by the survey differ from those interviewed in ways other than age, race, sex, and Hispanic origin. How this weighting procedure affects other variables in the survey is not precisely known. All of these considerations affect comparisons across different surveys or data sources.

For further information on the source of the data and accuracy of the estimates, including standard errors and confidence intervals, go to [www.bls.census.gov/sipp/sourceac/2004sanda.pdf](http://www.bls.census.gov/sipp/sourceac/2004sanda.pdf) or contact Mahdi Sundukchi of the Census Bureau's Demographic

Statistical Methods Division at [mahdi.s.sundukchi@census.gov](mailto:mahdi.s.sundukchi@census.gov) or 301-763-4228.

Additional information on the SIPP can be found at the following Web sites:

[www.sipp.census.gov/sipp/](http://www.sipp.census.gov/sipp/)  
(main SIPP Web site)

[www.sipp.census.gov/sipp/workpapr/wp230.pdf](http://www.sipp.census.gov/sipp/workpapr/wp230.pdf)  
(SIPP Quality Profile)

[www.sipp.census.gov/sipp/usrguide/sipp2001.pdf](http://www.sipp.census.gov/sipp/usrguide/sipp2001.pdf)  
(SIPP User's Guide)

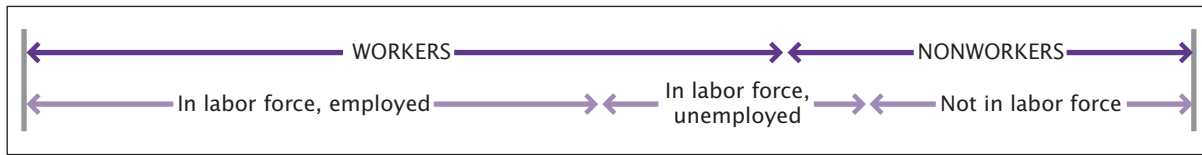
For further information on the content of the report, contact Thomas Palumbo of the Census Bureau's Housing and Household Economic Statistics Division at [thomas.j.palumbo@census.gov](mailto:thomas.j.palumbo@census.gov) or 301-763-3230.

## SUGGESTED CITATION

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## APPENDIX

### Relationship Between Labor Force Concept and Nonworker Concept



Space between vertical lines represents the civilian noninstitutionalized population 16 years old and over.

Note: Not drawn to scale.

Source: U.S. Census Bureau.

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