



Unemployment Snapshot

Why We Need Strong Public Policy to Ensure a Robust Workforce

For more than two years, the nation’s unemployment average has hovered around 9 percent or more, reaching double digits in 2010. Research shows persistently high unemployment has negative long-term social and economic consequences for individuals, families and the nation. If we allow prolonged high levels of joblessness to persist, we risk the deterioration of communities as well as the nation’s position as a global economic force. For the short- and long-term health of the nation, federal policymakers must address the jobs crisis with a heightened sense of urgency.

5 to 1¹	Jobs are scarce: For every job opening, there are nearly five unemployed workers. Close to 14 million Americans are unemployed and actively searching for work. ² The national unemployment rate has hovered around 9 percent or more since April 2009 ³ , and in 11 states unemployment exceeds 10 percent . ⁴
6.2 million	Long-term unemployment remains high. About 6.2 million workers have been unemployed long-term or for six months or more (44 percent of those unemployed). ⁵ Among them, 4.5 million have been jobless for a year or more. ⁶
58 %	Percent of population working has declined. Only 58 percent of the population is working, the lowest employment-to-population ratio since 1983. ⁷
31.5 %	More workers are settling for part-time work. Almost 20 percent (26.7 million) of employed workers are working part-time ⁸ and 8.4 million (31.5 percent) of them work part-time involuntarily ⁹ because their hours have been cut or they can’t find full-time work. ¹⁰ In 2009, 45 percent of part-time workers were the primary wage earner in the family. This is almost double the rate in 1969. ¹¹
500,000	Least educated workers are hit the hardest. Since January 2010, there has been a net loss of 500,000 jobs for people with high school diplomas or less but a net gain of 1.2 million jobs for college graduates. ¹² In 2010, workers with only a high school diploma made up one-fourth of the labor force, but more than one-third of the total, long-term and very-long-term unemployed populations. ¹³ The unemployment rate for workers with only a high school degree is double (9.3 percent) that for those with a bachelor’s degree or higher (4.3 percent). For workers without a high school diploma, it is 15 percent . ¹⁴
15.9 %	Racial and ethnic disparities persist. The unemployment rate for blacks and Hispanics is significantly higher than it is for whites. The current unemployment rate is 15.9 percent for blacks, 11.3 percent for Hispanics, and 8.1 percent for whites. ¹⁵
44.8 %	Youth can’t find work. In July 2011, only 44.8 percent of all 16-to-24 year olds were employed, a significant decline from the 57.7 percent youth workforce participation rate a decade earlier. ¹⁶

Investing in the workforce pays off

4.3 million	Job training helps workers re-train for existing jobs in the economy. Title I of the Workforce Investment Act (WIA) served 8 million jobseekers in 2010, more than half of which (4.3 million) found work despite continued high unemployment. ¹⁷
265,000	Work sharing saves jobs. In 2009 and 2010, work sharing programs saved 265,000 jobs , according to the U.S. Department of Labor. Twenty-three states have implemented work sharing, a federal-state unemployment insurance program that provides some employers with an alternative to layoffs. Both Congress and the Obama Administration have taken notice of this powerful tool to address high unemployment and introduced bills and included it in the President’s FY 2012 budget. ¹⁸
260,000	Subsidized jobs help put low-income people to work. The Temporary Assistance for Needy Families

	Emergency Contingency Fund (TANF EF) created more than a quarter of a million subsidized jobs for youth and adults, the majority of which were in the private sector. Thirty-nine states created programs between February 2009 and September 2010 with \$1.3 billion . ¹⁹
181,766	Basic skills services help low-skilled workers prepare for work or education. Adult Education programs helped 181,766 students increase their basic skills and find or keep their current job in 2008-2009. ²⁰ In addition 50,000 adult education students transitioned to postsecondary education or training in 2008-2009. ²¹
8 million	Student aid helps low-income students access critical postsecondary education. In 2009-2010, 8 million low-income students received Pell grants enabling them to gain the postsecondary credentials needed to access good jobs. ²²
1 %	The nation must invest more to boost the labor market. The United States invested less than 1 percent of gross domestic product (\$908 per labor market participant) on labor market policies in 2008. This is 9.3 percent less than the average amount spent by other OECD countries. ²³

¹ CLASP calculations using “Table A-1. Employment status of the civilian population by sex and age,” *Monthly Employment Situation* and “Table 1. Job openings levels and rates by industry and region, seasonally adjusted,” *Job Openings and Labor Turnover*, U.S. Bureau of Labor Statistics (BLS), August 10, 2011.

² “Table A-1,” *Monthly Employment Situation*, BLS, August 2011.

³ *Labor Force Statistics from the Current Population Survey*, BLS, Data extracted August 24, 2011.

⁴ “Table 3. Civilian labor force and unemployment by state and selected area, seasonally adjusted,” *Regional and State Employment and Unemployment (Monthly)*, BLS, August 19, 2011.

⁵ “Table A-12: Unemployed persons by duration of unemployment,” *Monthly Employment Situation*, BLS, August 2011.

⁶ Joint Economic Committee Chairman Senator Bob Casey’s Staff, “Addressing Long-Term Unemployment After The Great Recession: The Crucial Role Of Workforce Training,” U.S. Congress Joint Economic Committee, August 2011, http://jec.senate.gov/public/?a=Files.Serve&File_id=97c2e98e-a791-47fc-a324-6b407948e083.

⁷ *Labor Force Statistics from the Current Population Survey*, BLS, Data extracted August 31, 2011.

⁸ Part-time in this instance means the individual worked less than 35 total hours. This is an underestimate of total number of individuals with part-time jobs because it does not include those people who combine multiple part-time jobs.

⁹ The largest reasons these individuals were only part-time because of economic reasons were: slack work or business condition and could only find part-time work.

¹⁰ CLASP calculations using “Table A-1,” and “Table A-8. Employed persons by class of worker and part-time status,” *Monthly Employment Situation*, BLS, August 10, 2011.

¹¹ Analysis of CPS data by Luke Shaefer, following “Part-time workers: some key differences between primary and secondary earners,” in *Monthly Labor Review*, U.S. Department of Labor, U.S. Bureau of Labor Statistics, October 2009, <http://www.bls.gov/opub/mlr/2009/10/mlr200910.pdf>.

¹² McKinsey Global Institute calculations using BLS data. See: Michael Hirsh and Fawn Johnson, “Desperately Seeking Skills: How and unqualified workforce is prolonging America’s economic misery,” *National Journal*, August 3 2011.

¹³ Joint Economic Committee Chairman Senator Bob Casey’s Staff, “Addressing Long-Term Unemployment After The Great Recession.”

¹⁴ “Table A-4. Employment status of the civilian population 25 years and over by educational attainment,” *Employment Situation*, BLS, August 2011.

¹⁵ “Table A-2. Employment status of the civilian population by race, sex, and age,” and “Table A-3. Employment status of the Hispanic or Latino population by sex and age,” BLS, August 2011.

¹⁶ *Labor Force Statistics from the Current Population Survey*, BLS, Data extracted August 24, 2011.

¹⁷ CLASP calculations using *Workforce System Results*, U.S. Department of Labor, Employment and Training Administration, December 2010, http://www.doleta.gov/performance/results/quarterly_report/Dec_31_2010/DOL_QuarterlyReport_Final_12_31_2010.pdf#page=6.

¹⁸ U.S. Department of Labor data as cited in Neil Ridley, “Program to Avert Layoffs Gains Traction,” Center for Law and Social Policy, July 08, 2011, http://www.clasp.org/issues/in_focus?type=employment_strategies&id=0025.

¹⁹ Donna Pavetti, Liz Schott, and Elizabeth Lower-Basch, *Creating Subsidized Jobs for Low-Income Parents: The Legacy of the TANF Emergency Fund*, Center on Budget and Policy Priorities and the Center for Law and Social Policy, February 2011, <http://www.clasp.org/admin/site/publications/files/Subsidized-Employment-Paper-Final.pdf>.

²⁰ “Adult Education: A Good Investment in National Priorities,” National Coalition for Literacy, <http://www.national-coalition-literacy.org/advocacy/AdultEducationSupportsNationalPriorities.pdf>.

²¹ “Adult Education: A Good Investment in National Priorities.”

²² *2009-2010 Federal Pell Grant Program End-of-Year Report*, U.S. Department of Education, Office of Federal Student Aid.

²³ Joint Economic Committee Chairman Senator Bob Casey’s Staff, “Addressing Long-Term Unemployment After The Great Recession.”