

Age and Gender Differences in Long-Term Unemployment: Before and After the Great Recession

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The Great Recession caused a surge in unemployment. In the last quarter of 2009, the unemployment rate reached its peak at 9.9 percent. At that time, the average duration of unemployment spells (continuous time in unemployment) was 30 weeks. It would rise further—to 40 weeks—by the second quarter of 2010. Behind those averages are important differences in the changing incidence and duration of unemployment across age groups and by gender. In this essay, we focus on changes in the age distribution of long-term unemployment (LTU), the component of unemployment that grew to prominence during the Great Recession and its aftermath. In particular, we consider the differences between unemployed male and female workers. We also compare years before and after the Great Recession.¹

The table shows the share of unemployed workers in LTU for different age and gender groups. Here, LTU is defined as workers in continuous unemployment for 27 weeks (6 months) or longer. The table shows the results for two periods: 2006-07 and 2012-13, the two years before and the two years after the Great Recession. This approach

allows us to circumvent the temporary disruption of the recession per se. We report the results for all workers for both periods and then divide the results across six age groups and by gender. The fourth column in both sub-panels of the table shows the differences in the LTU-to-unemployment ratios of male and female workers.

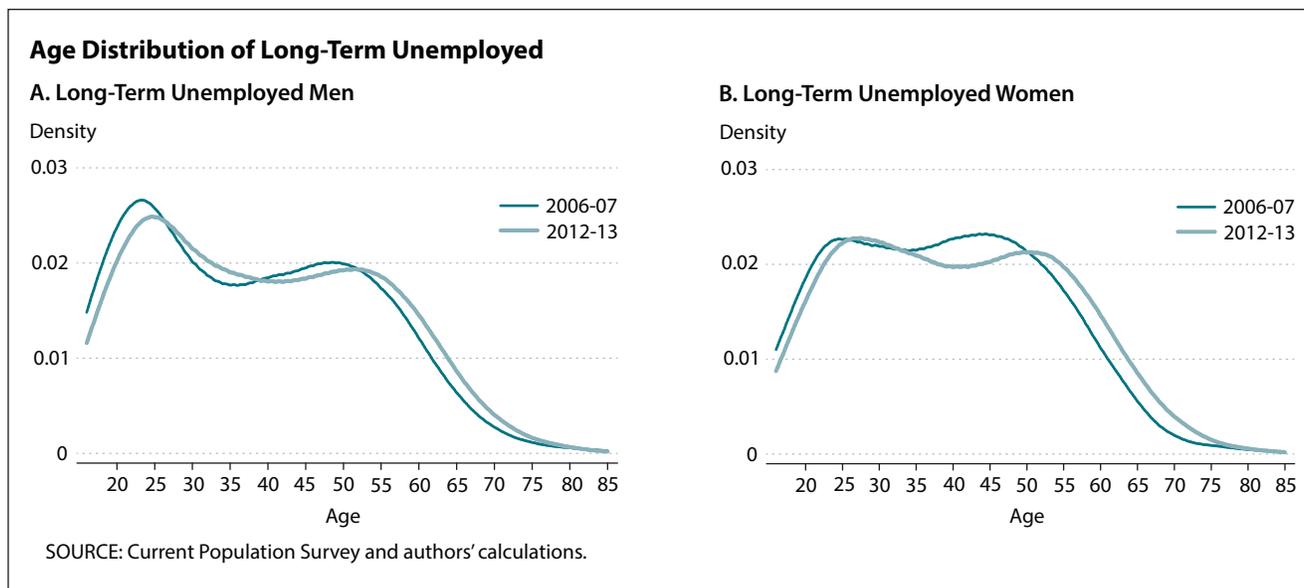
Long-term unemployment increased disproportionately for older women after the Great Recession.

A number of interesting patterns arise. First, there are important differences in the LTU-to-unemployment ratios across age groups. For both periods, the ratios increase with age except for the oldest workers, for whom there seems to be a decline. These patterns largely hold for both genders and both periods. Second, the LTU-to-unemployment ratios are higher for males of all ages in the first period. The gap between males and females in the

Share of Unemployed in Long-Term Unemployment by Age and Gender

Age (yr)	2006-07				2012-13			
	LTU share (%)				LTU share (%)			
	Both	Male	Female	Male-female difference	Both	Male	Female	Male-female difference
16-19	9	10	8	2	19	21	17	4
20-29	15	16	13	3	34	35	31	4
30-39	18	18	18	0	42	42	42	0
40-49	21	21	21	0	45	44	45	-1
50-64	26	28	23	5	50	50	50	0
≥65	19	23	14	9	49	48	50	-2
All ages	17	18	16	2	39	40	39	1

SOURCE: Current Population Survey and authors' calculations.



incidence of LTU is largest for those 65 years of age and older. The likelihood of older men entering LTU is 9 percentage points higher than for their female counterparts. For the second period, however, this is true only for the younger groups. Instead, older female workers are 2 percentage points more likely to enter LTU, conditional on being unemployed.

A third, salient finding shown in the table is how dramatically the ratios increased from 2006-07 to 2012-13. The incidence of LTU among the unemployed more than doubled for almost all age groups. The most marked increase, 2.6 times higher in the second period, occurs among those aged 65 and older. A fourth, and the most dramatic change, is in the ratios for older women. The LTU-to-unemployment ratio for women aged 65 and older moved from 14 percent to 50 percent, overtaking the incidence of LTU (relative to unemployment) for men of the same age. The worsening of labor market conditions in the latter period seems to have hit older female workers much harder. The large increase in LTU, however, might be subject to significant sampling errors, as the number of Current Population Survey respondents in LTU quickly falls as we break down the sample across genders and age groups.

Further examination of the composition in the age distribution for workers in LTU is both useful and complementary to our previous findings. The figure shows the age distribution of long-term unemployed men (Panel A) and women (Panel B) before and after the Great Recession.

Interestingly, the age compositions of men and women in LTU differ. Broadly speaking, there are many more young (<30 years old) male unemployed workers in LTU than women, while for older workers (>30 years old) the two distributions seem similar.

However, the figure shows interesting differences in the shifts experienced by both gender groups after the Great Recession. Panel A shows a moderate post-recession drop in the incidence of LTU for male workers aged 40 to 50. This is accompanied by an increase in the share in LTU for younger (25 to 40 years) and older (50+ years) male unemployed workers. In stark contrast, Panel B shows, after the Great Recession, that the drop in the incidence of LTU for female workers aged 40 to 50 was much larger and that the distribution shifted more substantially toward older female unemployed workers (50+ years). This finding confirms the asymmetries across genders in the changes in the incidence of LTU.

In sum, men and women of all ages experienced a rise in LTU after the Great Recession. In this essay, we document the lesser-known fact that LTU affected older women more strongly. This group experienced a remarkable change: from a low pre-recession LTU-to-unemployment ratio of 14 percent to a post-recession rate of 50 percent. ■

Note

¹ The data in our analysis are from basic monthly surveys in the Current Population Survey.