

Household survey indicators weaken in 2007

Household survey data show that, in 2007, unemployment rose, employment growth slowed, and the labor force participation rate and employment–population ratio trended down; the data also show that earnings grew faster than inflation over the year

James Marschall Borbely

Unemployment rose in 2007 and employment, as measured by the Current Population Survey (CPS), grew at a slower pace than in the previous year.¹ Both the rate and level of unemployment increased in 2007. In the fourth quarter of 2007, 7.4 million people were unemployed and the unemployment rate was 4.8 percent. The labor force grew over the year at a slightly slower pace than the population; as a result, the labor force participation rate declined in 2007. Reflecting the relatively weak employment growth, the employment–population ratio trended down during the year, from 63.4 percent in the fourth quarter of 2006 to 62.8 percent in the fourth quarter of 2007.

Unemployment levels and rates—both overall and for most major worker groups—were higher in 2007. The unemployment rate for persons aged 16 years and older was 4.8 percent in the fourth quarter of 2007, up from 4.4 percent in the same quarter a year earlier; it remained below the 10-year averages for the 1970s, 1980s, and 1990s. (See chart 1.) The unemployment rate held at 4.5 percent for the first two quarters of 2007 before rising to 4.7 percent in the third quarter. The number of unemployed

persons, at 7.4 million in the fourth quarter of 2007, increased by 600,000 over the year. (See table 1.)

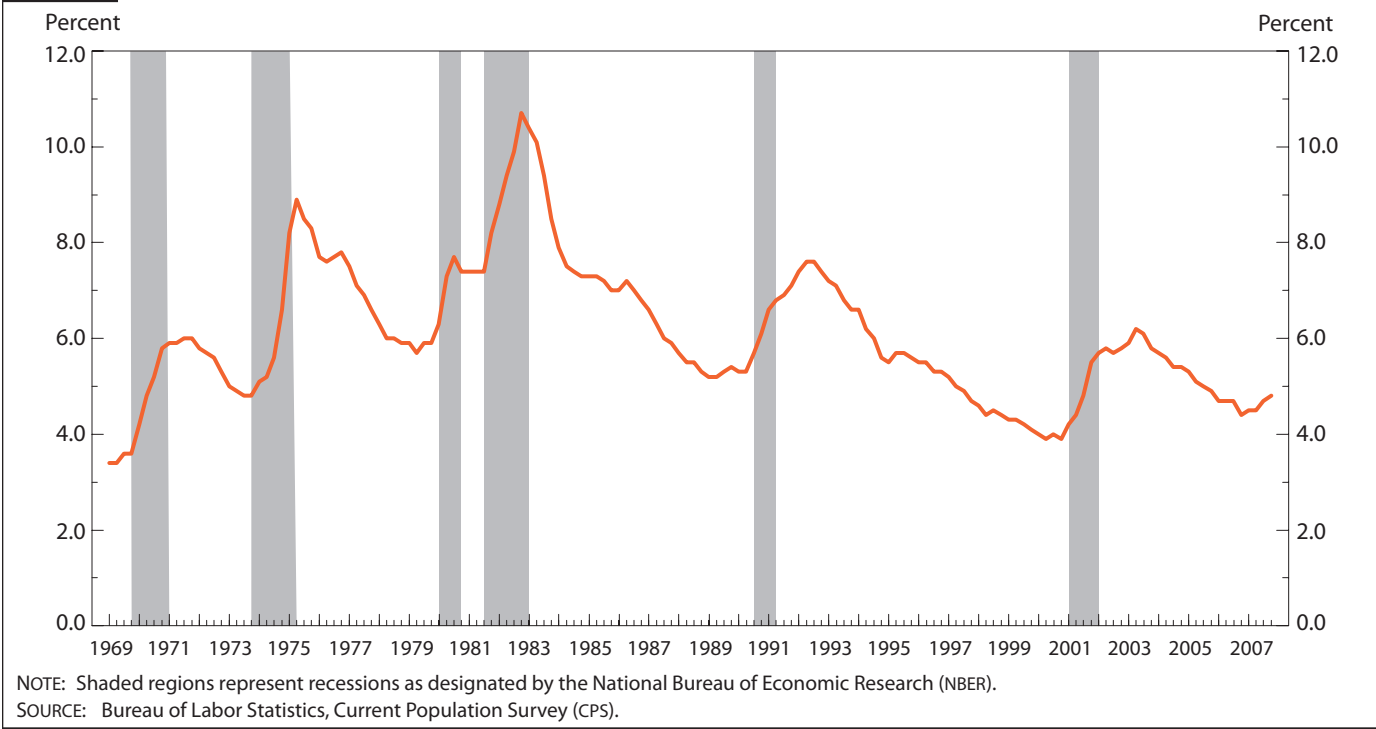
Much like the overall unemployment rate, the rates for most of the major racial and ethnic groups were higher over the year. The increase was greatest for persons of Hispanic or Latino ethnicity, as their unemployment rate rose 1.0 percentage point from the previous year, to 5.9 percent in the fourth quarter of 2007. The unemployment rate for whites increased by 0.4 percentage point over the year, to 4.3 percent. The unemployment rate for Asians was 0.9 percentage point higher than a year earlier, at 3.7 percent (not seasonally adjusted). The unemployment rate for blacks or African Americans was little changed, at 8.6 percent in the fourth quarter of 2007.

The unemployment rates for adult men and adult women rose to 4.3 percent and 4.2 percent, respectively, in the fourth quarter of 2007, up from 3.9 percent in the fourth quarter of 2006. The jobless rate among teenagers (those aged 16 to 19 years) was 16.4 percent in the fourth quarter of 2007, 1.4 percentage points higher than a year earlier.

Education is a major determinant of success and activity in the labor market. Individuals with more education tend to have lower unemployment rates. In 2007, indi-

James Marschall Borbely is an economist in the Division of Labor Force Statistics, Bureau of Labor Statistics. E-mail: borbely.james@bls.gov

Chart 1. Unemployment rate, persons aged 16 years and older, seasonally adjusted, quarterly data, 1969–2007



viduals with less education experienced greater increases in unemployment than their more educated counterparts. In 2007, the unemployment rate for individuals with less than a high school diploma (aged 25 years and older) increased by 1.2 percentage points to 7.5 percent in the fourth quarter. The unemployment rate for high school graduates with no college rose by 0.4 percentage point, to 4.6 percent. Among college graduates, the unemployment rate increased by 0.3 percentage point, to 2.2 percent. The jobless rate for those with some college or an associate degree was little changed over the year and stood at 3.5 percent in the fourth quarter of 2007. (See chart 2.)

The overall civilian labor force increased at a slightly slower pace than the population in 2007, and the participation rate trended down; the rate for teenagers continued to trend down, while the participation rate for those 55 years and older remained on an upward trend. In 2007, the civilian labor force grew by about 1.3 million and the labor force participation rate trended down to 66.0 percent in the fourth quarter, declining from 66.3 in the fourth quarter of the previous year. This decline in the participation rate indicates that the relatively weak growth in the labor force did not keep pace with U.S. civilian population growth in 2007. (See chart 3.)

The labor force participation rates for all major worker

groups edged down or were little changed in 2007. The participation rate for adult men declined by 0.3 percentage point, to 75.8 percent in the fourth quarter, while the rate for adult women was little changed at 60.6 percent. The participation rate for blacks decreased by 1.0 percentage point over the year, to 63.2 percent. The rate for whites declined by 0.3 percentage point, to 66.3 percent in the fourth quarter of 2007. In contrast, the rates for Hispanics or Latinos and for Asians (not seasonally adjusted) showed little change over the year, at 68.7 percent and 66.7 percent, respectively.

As the following tabulation shows, labor force participation rates varied by age (data are seasonally adjusted):

Age	Quarter IV, Quarter IV,		Change
	2006	2007	
Total, 16 years and older.....	66.3	66.0	-0.3
16 to 19 years.....	43.3	41.0	-2.3
16 to 17 years.....	32.4	29.7	-2.7
18 to 19 years.....	56.7	54.4	-2.3
20 to 24 years.....	74.9	74.0	-0.9
25 to 54 years.....	83.1	83.0	-0.1
25 to 34 years.....	83.1	83.1	.0
35 to 44 years.....	84.1	83.8	-0.3
45 to 54 years.....	82.0	82.2	.2
55 years and older.....	38.4	38.8	.4

In the fourth quarter of 2007, the labor force participation

Table 1. Employment status of the civilian noninstitutional population aged 16 years and older by selected characteristics, quarterly averages, seasonally adjusted, 2006–07

[In thousands]

Characteristic	Quarter IV 2006	2007				Change, quarter IV 2006 to quarter IV 2007
		Quarter I	Quarter II	Quarter III	Quarter IV	
Total						
Civilian labor force.....	152,414	152,855	152,801	153,191	153,667	1,253
Participation rate.....	66.3	66.2	66.0	66.0	66.0	–3
Employed.....	145,642	145,983	145,905	146,019	146,291	649
Employment–population ratio.....	63.4	63.2	63.0	62.9	62.8	–6
Unemployed.....	6,772	6,873	6,896	7,172	7,375	603
Unemployment rate.....	4.4	4.5	4.5	4.7	4.8	.4
Men, 20 years and older						
Civilian labor force.....	78,130	78,391	78,476	78,611	78,914	784
Participation rate.....	76.1	76.1	75.9	75.8	75.8	–3
Employed.....	75,081	75,196	75,305	75,310	75,536	455
Employment–population ratio.....	73.1	73.0	72.9	72.6	72.6	–5
Unemployed.....	3,049	3,195	3,172	3,301	3,378	329
Unemployment rate.....	3.9	4.1	4.0	4.2	4.3	.4
Women, 20 years and older						
Civilian labor force.....	67,016	67,351	67,292	67,659	67,755	739
Participation rate.....	60.7	60.7	60.5	60.7	60.6	–1
Employed.....	64,387	64,731	64,672	64,884	64,906	519
Employment–population ratio.....	58.3	58.4	58.2	58.2	58.1	–2
Unemployed.....	2,629	2,620	2,620	2,775	2,849	220
Unemployment rate.....	3.9	3.9	3.9	4.1	4.2	.3
Both sexes, 16 to 19 years						
Civilian labor force.....	7,268	7,113	7,033	6,921	6,998	–270
Participation rate.....	43.3	42.1	41.5	40.7	41.0	–2.3
Employed.....	6,174	6,056	5,927	5,826	5,849	–325
Employment–population ratio.....	36.7	35.8	34.9	34.3	34.3	–2.4
Unemployed.....	1,093	1,057	1,105	1,095	1,149	56
Unemployment rate.....	15.0	14.9	15.7	15.8	16.4	1.4
White						
Civilian labor force.....	124,536	124,795	124,663	124,952	125,347	811
Participation rate.....	66.6	66.5	66.3	66.3	66.3	–3
Employed.....	119,635	119,819	119,684	119,681	119,989	354
Employment–population ratio.....	64.0	63.9	63.7	63.5	63.5	–5
Unemployed.....	4,901	4,976	4,980	5,271	5,358	457
Unemployment rate.....	3.9	4.0	4.0	4.2	4.3	.4
Black or African American						
Civilian labor force.....	17,459	17,536	17,448	17,533	17,474	15
Participation rate.....	64.2	64.2	63.6	63.7	63.2	–1.0
Employed.....	15,988	16,121	15,992	16,131	15,962	–26
Employment–population ratio.....	58.8	59.0	58.3	58.6	57.7	–1.1
Unemployed.....	1,471	1,416	1,456	1,402	1,511	40
Unemployment rate.....	8.4	8.1	8.3	8.0	8.6	.2
Asian¹						
Civilian labor force.....	6,795	6,957	7,033	7,106	7,172	377
Participation rate.....	66.4	66.2	66.4	66.6	66.7	.3
Employed.....	6,606	6,750	6,815	6,881	6,908	302
Employment–population ratio.....	64.6	64.2	64.3	64.5	64.3	–3
Unemployed.....	188	207	218	225	264	76
Unemployment rate.....	2.8	3.0	3.1	3.2	3.7	.9

See footnotes at end of table.

Table 1. Continued—Employment status of the civilian noninstitutional population 16 years and older, by selected characteristics, quarterly averages, seasonally adjusted, 2006–07

[Numbers in thousands]

Characteristic	Quarter IV, 2006	2007				Change, IV 2006 to IV 2007
		Quarter I	Quarter II	Quarter III	Quarter IV	
Hispanic or Latino ethnicity						
Civilian labor force.....	21,007	21,366	21,444	21,756	21,846	839
Participation rate	68.9	69.0	68.6	69.0	68.7	-.2
Employed.....	19,981	20,215	20,235	20,514	20,565	584
Employment–population ratio.....	65.5	65.3	64.8	65.1	64.7	-.8
Unemployed.....	1,026	1,150	1,209	1,242	1,281	255
Unemployment rate.....	4.9	5.4	5.6	5.7	5.9	1.0

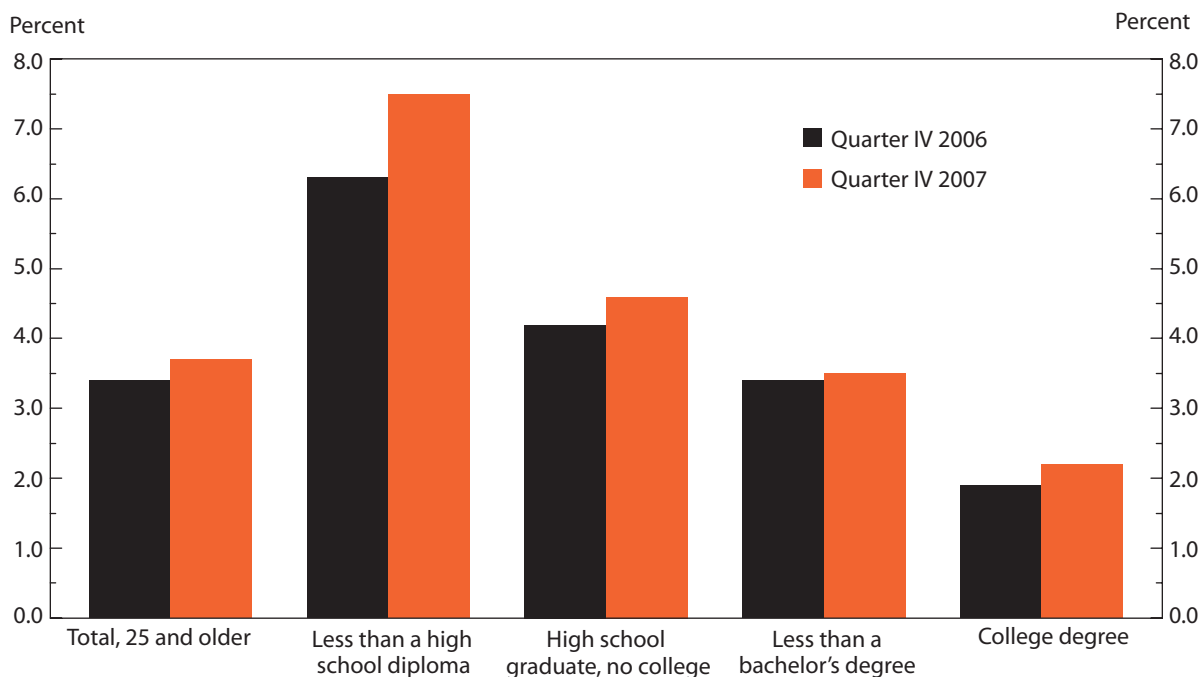
¹ Data for Asians are not seasonally adjusted.

ethnicity may be of any race and are also included in the race groups.

NOTE: Beginning in 2007, data reflect revised population controls. Estimates for race and Hispanic-ethnicity do not sum to totals because data are not presented for all races and because persons of Hispanic

SOURCE: Bureau of Labor Statistics, Current Population Survey.

Chart 2. Unemployment rate by educational attainment for individuals aged 25 years and older, seasonally adjusted, quarter IV 2006 to quarter IV 2007



SOURCE: Bureau of Labor Statistics, Current Population Survey.

rate for teenagers aged 16 to 19 years was 41.0 percent, 2.3 percentage points lower than a year earlier, and down from its most recent high point of 52.6 percent in the second quarter of 2000. The participation rate for young adults (those aged 20 to 24 years) declined by 0.9 percentage point over the year, to 74.0 percent. Young people may be participating in the labor force at a lower rate in recent

years for a number of reasons; examples are that they face greater pressure to do well in school and that they attend college at higher rates.² By comparison, the labor force participation rate for adults aged 25 to 54 years was 83.0 percent at the end of 2007, about unchanged from the previous year. This rate was relatively flat throughout 2007 and remained below the historical highs seen in the late

1990s. The participation rate for adults aged 55 years and older had been trending up for several years and continued to do so in 2007, increasing by 0.4 percentage point, to 38.8 percent. Between the fourth quarters of 1995 and 2007, the labor force participation rate for those 55 years and older increased by 8.6 percentage points. Several factors may have contributed to the recent rise in labor force participation among older individuals; including the gradual increase in the normal retirement age for receiving Social Security benefits, a decline in the number of individuals covered by defined-benefit plans, and decreased availability of employer-provided retiree health benefits.³

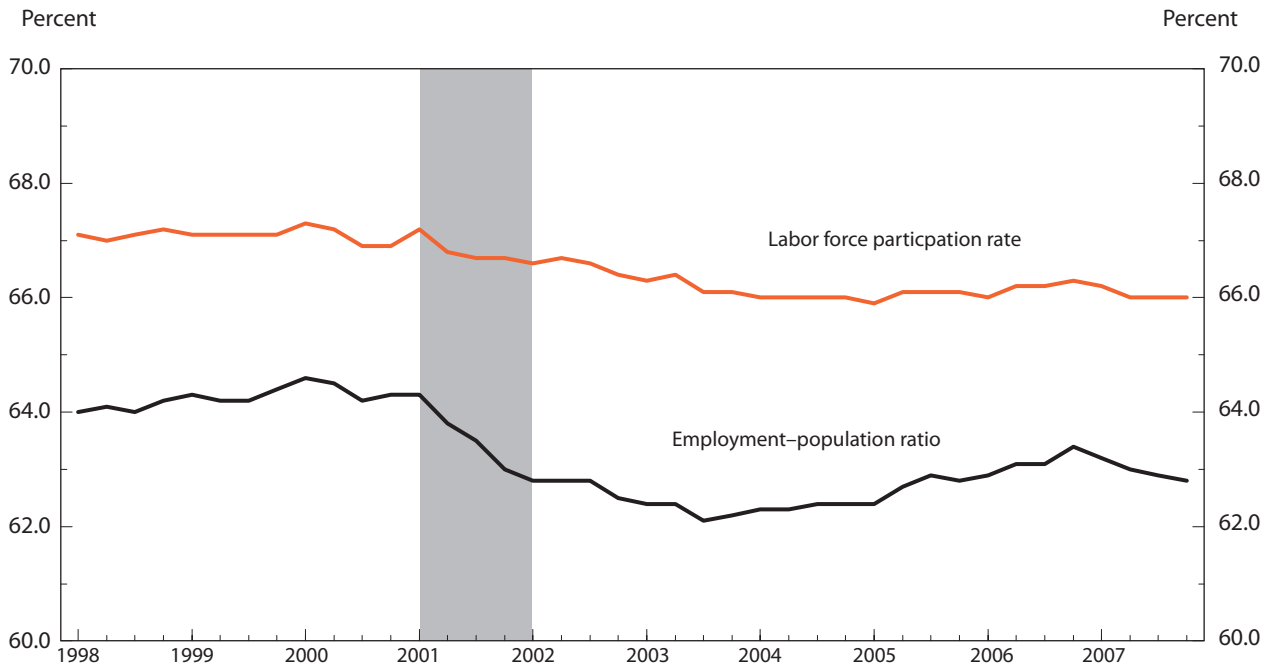
Employment increased at a slower pace in 2007 and the employment-population ratio declined. The number of employed persons, as measured by the CPS, was 146.3 million in the fourth quarter of 2007; the over-the-year increase of 649,000 was relatively small compared with that of 2006, when employment grew by 3.0 million. (For a comparison of the concept of employment as defined by the household and establishment surveys, see the box on page 8.) In 2007, the employment gain for adult men was 455,000, compared with an increase of 1.6 million in 2006. Em-

ployment among adult women increased by 519,000 in 2007, after rising by 1.2 million in 2006. By comparison, employment among teens declined by 325,000 during 2007, after edging up by 164,000 in 2006.

In the fourth quarter of 2007, the number of employed whites was 120.0 million, 354,000 higher than a year earlier, a much lower increase than the 2.1 million gain in employment among whites in 2006. Employment among Hispanics or Latinos rose by 584,000 in 2007, to 20.6 million, considerably less than the increase of 1.0 million in 2006. Following a job gain of 530,000 in 2006, employment among blacks was about unchanged, at 16.0 million, in 2007. Employment among Asians increased by 302,000 over the year (not seasonally adjusted).

Reflecting the relatively slow employment growth in 2007, the overall employment-population ratio (the proportion of the population who are employed) trended down during the year. The ratio had been on an upward trend since the third quarter of 2003, increasing from 62.1 percent to 63.4 percent in the fourth quarter of 2006. (See chart 3.) In the fourth quarter of 2007, the employment-population ratio was 62.8 percent, 0.6 percentage point lower than a year earlier. Over the year, the employment-

Chart 3. Labor force participation rate and employment-population ratio, seasonally adjusted, quarterly data, 1998–2007



NOTE: Shaded regions represent recessions as designated by the National Bureau of Economic Research.
SOURCE: Bureau of Labor Statistics, Current Population Survey.

Differences between employment estimates from the establishment and household surveys

The Bureau of Labor Statistics produces two monthly employment series that are independently obtained: the estimate of total nonfarm jobs derived from the Current Employment Statistics (CES) program, also called the establishment or payroll survey; and the estimate of total civilian employment based on the Current Population Survey (CPS), also called the household survey.

These surveys use different definitions of employment, as well as different survey and estimation methodologies. The CES survey is a survey of employers that provides a measure of the number of payroll jobs in nonfarm industries. The CPS is a survey of households that provides a measure of employed persons aged 16 years and older in the civilian noninstitutional population. Employment estimates from the CPS give information about workers in both the agricultural and nonagricultural sectors and in any type of work arrangement: wage and salary jobs (including employment in a private household), self-employment, and unpaid work of at least 15 hours a week in a business or farm operated by a family member. CES payroll employment estimates are restricted to nonagricultural wage and salary jobs and exclude private household workers. As a result, employment estimates from the CPS are higher than those from the CES survey. In the CPS, however, employed persons are counted only once, regardless of whether they hold more than one job during the survey reference period. By contrast, because the CES survey counts the number of jobs rather than persons, multiple jobholders are counted once for each nonfarm job they hold.

The reference periods for the surveys also differ. In the CPS, the reference period is the calendar week that includes the 12th day of the month. In the CES survey, employers report the number of workers on their payrolls for the pay period that includes the 12th of the month. Because pay periods vary in length among employers and may be longer than 1 week, the CES employment estimates can reflect a longer reference period.

For purposes of comparison, however, some adjustments can be made to CPS employment estimates to make them more similar in definitional scope to CES employment. The Bureau routinely carries out these adjustments to evaluate how the two employment series are tracking. The long-term trends in the two surveys' employment measures are quite comparable. Nonetheless, throughout the history of the surveys, there have been periods when the trends diverged or when growth in one series significantly outpaced growth in the other. For example, during the late 1990s CES employment grew more rapidly than CPS employment. Conversely, following the end of the 2001 recession, CPS employment began to trend upward while CES employment continued to decline for a number of months.

The Bureau publishes a monthly report with the latest trends and comparisons of CES and CPS employment. (See "Employment from the BLS household and payroll surveys: summary of recent trends," on the Internet at http://www.bls.gov/web/ces_cps_trends.pdf.) This report includes a summary of possible causes of differences in the surveys' employment trends, as well as links to additional research on the topic.

population ratio for adult men fell by 0.5 percentage point, to 72.6 percent, while the ratio for women was about unchanged at 58.1 percent. In 2007, the teen employment-population ratio trended down. In the fourth quarter, the employment-population ratio among teenagers was 34.3 percent, 2.4 percentage points lower than in the fourth quarter of 2006.

During 2007, the Hispanic or Latino employment-population ratio declined by 0.8 percentage point, to 64.7 percent.

The ratio for blacks fell by 1.1 percentage points, to 57.7 percent over the year, and the ratio for whites (63.5 percent) was down by half a percentage point. The employment-population ratio for Asians (64.3 percent, not seasonally adjusted) was essentially unchanged over the year.

The employment-population ratio decreased at all levels of educational attainment in 2007. For high school graduates and college graduates age 25 and over, the employment-population ratios each fell by 0.6 percentage

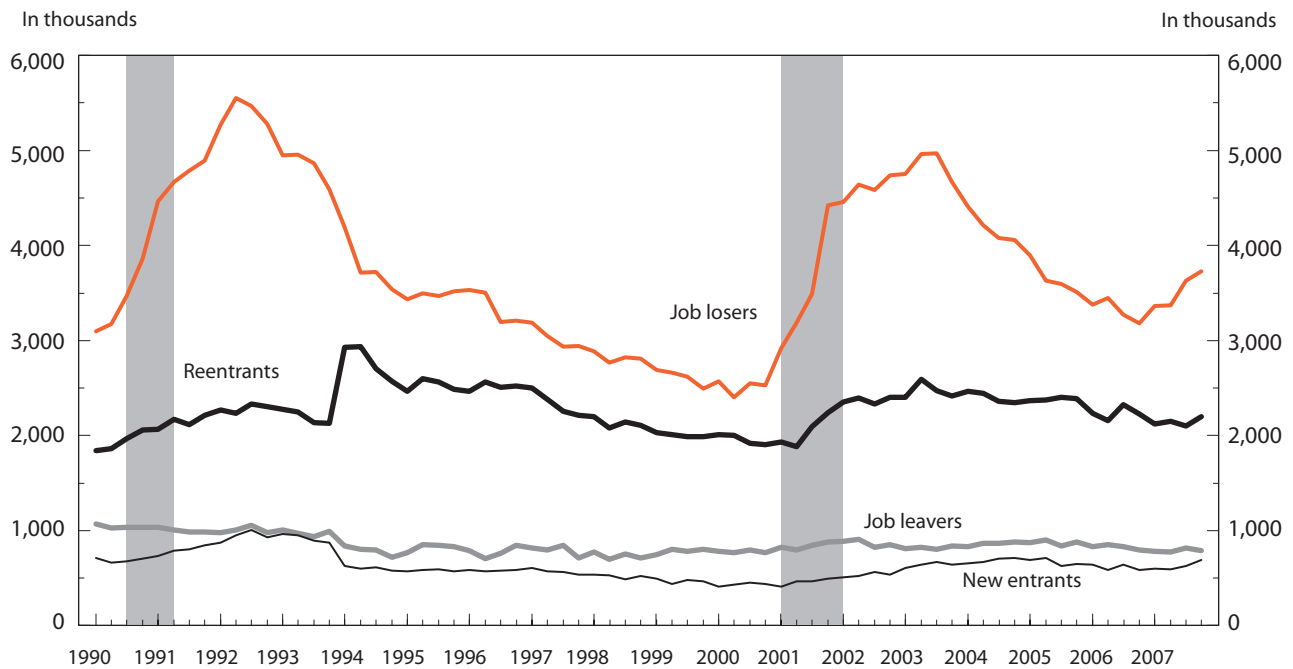
point, to 59.9 percent and 75.9 percent, respectively. The employment-population ratios for individuals with less than a high school diploma and for individuals with some college or an associate degree decreased by 0.5 percentage point each, to 43.3 percent and 69.2 percent, respectively.

The number of persons who were unemployed due to job loss increased in 2007, as did the number of long-term unemployed. Nearly all of the increase in total unemployment in 2007 was among job losers. Over the year, the number of persons who were unemployed due to job loss rose by about a half million, to 3.7 million in the fourth quarter of 2007. In contrast, the number of unemployed job losers had declined from 5.0 million in the third quarter of 2003 to 3.2 million in the fourth quarter of 2006. Unemployed job losers are those who lost their jobs involuntarily; they include persons on temporary layoff (awaiting recall) and those not on layoff—permanent job losers and persons who completed temporary jobs. The over-the-year increase in unemployed job losers occurred largely among persons who did not expect to be recalled to work. Also contributing to the over-the-year increase in total unemployment was an increase of 105,000 in the number of

unemployed new entrants to the labor force. The number of reentrants to the labor force, at 2.2 million in the fourth quarter of 2007, was about unchanged over the year; it had been on a downward trend since the second quarter of 2003. There was little change in the number of job leavers—persons who quit or otherwise terminated their employment voluntarily and immediately began looking for work—in 2007. (See chart 4.)

About 1.3 million unemployed persons had been jobless for at least 27 weeks at the end of 2007, an increase of 237,000 from a year earlier. (See table 2.) These long-term unemployed accounted for a larger portion of total unemployment than they did in the previous year: 18.2 percent in the fourth quarter of 2007, up from 16.3 percent a year earlier. At 18.2 percent, the proportion of long-term unemployed is well above its most recent low of 10.7 percent in the second quarter of 2001, but below its most recent high of 23.0 percent in the first quarter 2004. (See chart 5.) At the end of 2007, the number of unemployed persons who had been looking for work for less than 5 weeks was 2.6 million, about the same as the previous year. The average (mean) duration of unemployment in the fourth quarter of 2007, at 16.9 weeks, was slightly higher than a

Chart 4. Reasons for unemployment, seasonally adjusted, quarterly data, 1990–2007



NOTE: Shaded regions represent recessions as designated by the National Bureau of Economic Research.
SOURCE: Bureau of Labor Statistics, Current Population Survey.

Table 2. Unemployed persons by reason and duration of unemployment, quarterly averages, seasonally adjusted, 2006–07

[In thousands]

Reason and duration	Quarter IV, 2006	2007				Change, quarter IV 2006 to quarter IV 2007
		Quarter I	Quarter II	Quarter III	Quarter IV	
Reason for unemployment						
Job losers and persons who completed temporary jobs.....	3,182	3,363	3,370	3,628	3,732	550
On temporary layoff.....	966	966	959	975	1,006	40
Not on temporary layoff.....	2,217	2,397	2,410	2,653	2,726	509
Job leavers.....	794	785	776	819	790	-4
Reentrants.....	2,226	2,123	2,148	2,104	2,202	-24
New entrants.....	587	598	595	630	692	105
Percent distribution						
Job losers and persons who completed temporary jobs.....	46.9	49.0	48.9	50.5	50.3	3.4
On temporary layoff.....	14.2	14.1	13.9	13.6	13.6	-.6
Not on temporary layoff.....	32.6	34.9	35.0	36.9	36.8	4.2
Job leavers.....	11.7	11.4	11.3	11.4	10.7	-1.0
Reentrants.....	32.8	30.9	31.2	29.3	29.7	-3.1
New entrants.....	8.6	8.7	8.6	8.8	9.3	.7
Duration of unemployment						
Less than 5 weeks.....	2,584	2,501	2,471	2,548	2,645	61
5 to 14 weeks.....	2,076	2,212	2,158	2,250	2,313	237
15 weeks or longer.....	2,121	2,156	2,263	2,390	2,428	307
15 to 26 weeks.....	1,013	969	1,100	1,109	1,083	70
27 weeks or longer.....	1,108	1,187	1,163	1,281	1,345	237
Average (mean) duration, in weeks.....	16.2	16.7	16.8	16.9	16.9	.7
Median duration, in weeks.....	7.9	8.3	8.4	8.8	8.6	.7
Percent distribution						
Less than 5 weeks.....	38.1	36.4	35.9	35.4	35.8	-2.3
5 to 14 weeks.....	30.6	32.2	31.3	31.3	31.3	.7
15 weeks or longer.....	31.3	31.4	32.8	33.2	32.9	1.6
15 to 26 weeks.....	14.9	14.1	16.0	15.4	14.7	-.2
27 weeks or longer.....	16.3	17.3	16.9	17.8	18.2	1.9

SOURCE: Bureau of Labor Statistics, Current Population Survey.

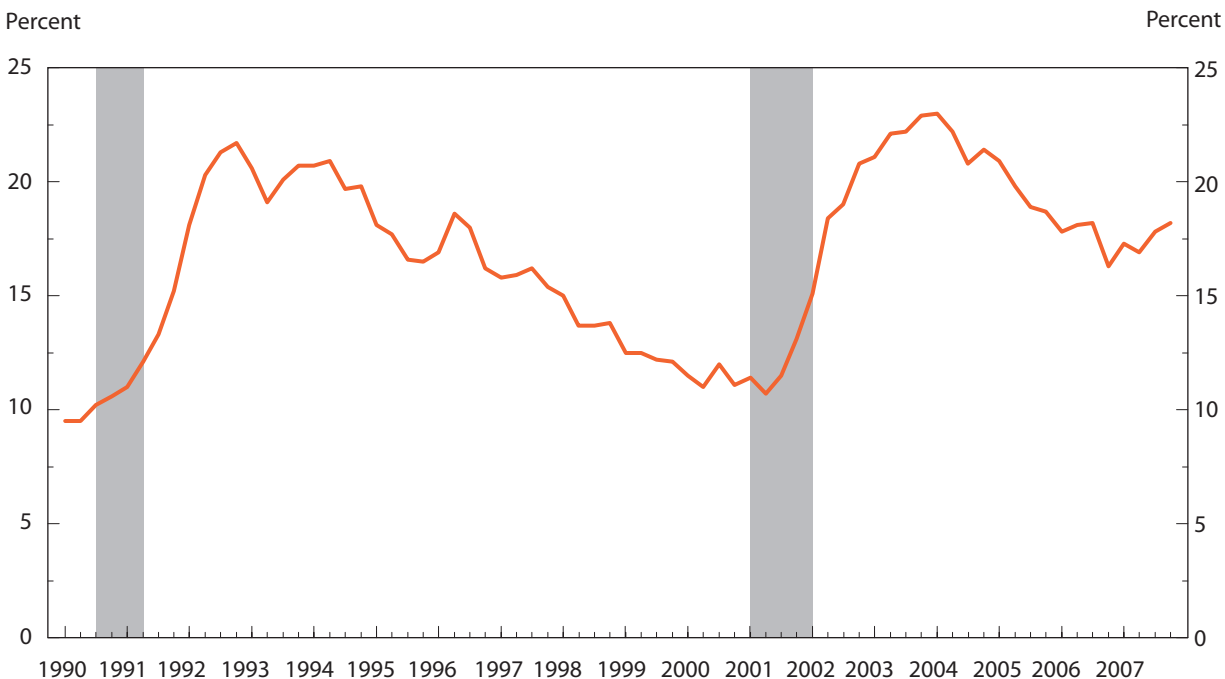
year earlier, as was median duration at 8.6 weeks.

The number of persons who wanted a job but were not in the labor force declined over the year, and the number of persons employed part time for economic reasons increased. The category “not in the labor force” consists of persons who are neither employed nor unemployed. In 2007, there were 79.2 million persons who were not in the labor force (not seasonally adjusted). Of those who were not in the labor force, about half were aged 55 years and older.

The number of persons not in the labor force who wanted a job but who were not currently looking for

one was 4.3 million in the fourth quarter of 2007, which is 130,000 lower than a year earlier (not seasonally adjusted). Among this group, some had looked for a job at some point during the year before they were surveyed and would have been available to work had they been offered a job. These “marginally attached workers” numbered 1.4 million in the fourth quarter of 2007, about the same as a year earlier. Some marginally attached workers were not currently looking for a job specifically because they felt that no jobs were available for them; such “discouraged workers” numbered 344,000 in the fourth quarter of 2007, little changed from a year earlier. (See table 3.)

Chart 5. Long-term unemployed as a percent of total unemployed, seasonally adjusted, quarterly data, 1990–2007



NOTE: Shaded regions represent recessions as designated by the National Bureau of Economic Research.
SOURCE: Bureau of Labor Statistics, Current Population Survey.

The number of persons who were employed part time for economic reasons, also known as those who worked part time involuntarily, increased by 268,000 over the year, to 4.5 million in the fourth quarter of 2007. Involuntary part-time workers are persons who would prefer to work full time, but could not because of slack work or business conditions, as well as those who are unable to find full-time work. Nearly all of the increase occurred among those who cited slack work or business conditions as their reason for working part time. (See chart 6.)

Paralleling the unemployment rate, the five alternative measures of labor underutilization increased in 2007. Alternative measures of labor underutilization indicators are constructed by the Bureau of Labor Statistics using CPS data. Labeled U-1 through U-6 (U-3 is the official unemployment rate), the measures, which tend to show similar cyclical patterns, provide additional insight into the degree to which labor resources are underutilized and are presented as a percent of the labor force.⁴ U-4 through U-6 include broader groups in addition to the unemployed persons in U-3: discouraged workers (U-4); all marginally

attached workers (U-5); and the marginally attached plus persons employed part time for economic reasons (U-6). In 2007, U-4 rose to 5.0 percent, U-5 to 5.6 percent, and U-6 to 8.6 percent. (See table 4.)

The number of persons who were self-employed declined in 2007 and the number of multiple job holders edged down over the year. The number of self-employed persons began to trend down in the second half of 2007. In the fourth quarter, 10.1 million persons, or 6.9 percent of total employed, were self-employed, down from 10.7 million (7.3 percent) in the fourth quarter of 2006. The likelihood of self-employment increases with age, and in the fourth quarter of 2007, those aged 65 years and older had the highest rate of self-employment (16.3 percent not seasonally adjusted). In addition, men were more likely than women to be self-employed—8.1 percent versus 5.5 percent, respectively.

In the fourth quarter of 2007, there were 7.7 million workers who held more than one job, down slightly from a year earlier (not seasonally adjusted). The percentage of the employed who were multiple job holders (5.3 percent) was little changed over the year. The majority (55.3 per-

Table 3. Persons not in the labor force, quarterly averages, not seasonally adjusted, 2006–07

[In thousands]

Category	Quarter IV, 2006	2007				Change, quarter IV 2006 to quarter IV 2007
		Quarter I	Quarter II	Quarter III	Quarter IV	
Not in the labor force						
Total not in the labor force	77,377	78,826	78,671	78,289	79,185	1,808
Persons who currently want a job.....	4,419	4,544	5,189	4,790	4,289	-130
Marginally attached ¹	1,365	1,471	1,417	1,336	1,357	-8
Reasons not currently looking:						
Discouragement over job prospects ²	318	399	389	345	344	26
Reasons other than discouragement ³	1,047	1,072	1,028	991	1,013	-34

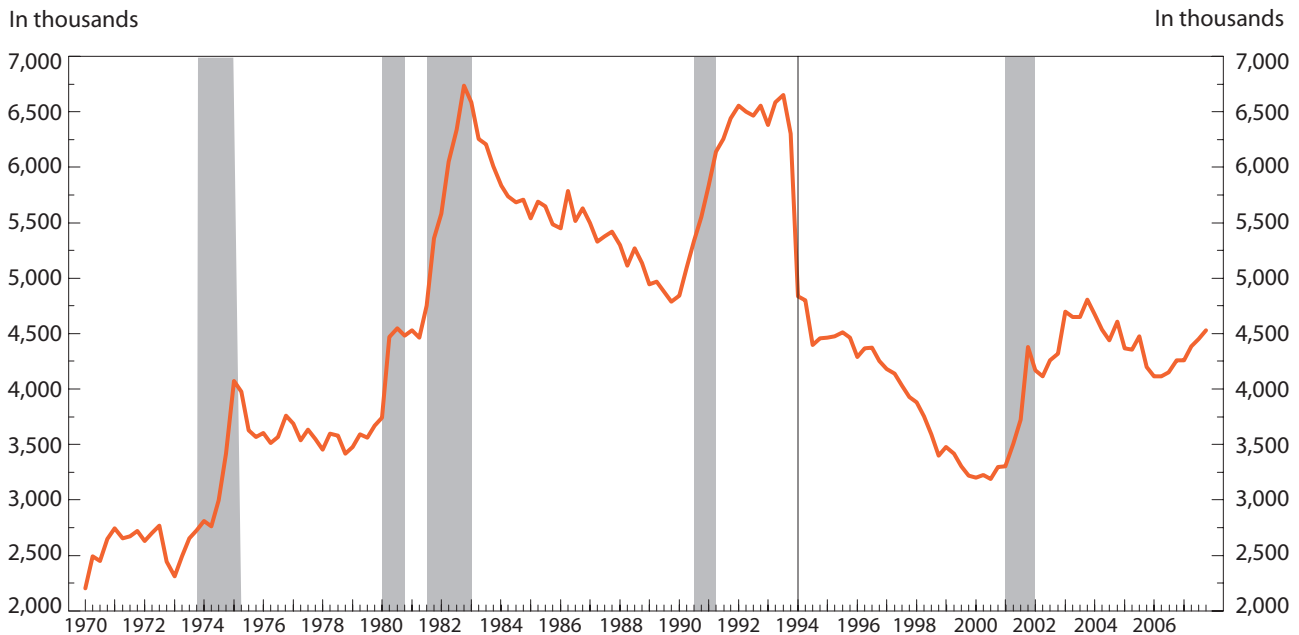
¹Data refer to persons who have searched for work during the prior 12 months and were available to take a job during the reference week.

²Includes thinks no work available, could not find work, lacks schooling or training, employer thinks too young or old, and other types of discrimination.

³Includes those respondents who did not actively look for work in the prior 4 weeks for such reasons as child-care and transportation problems, as well as a small number for which reason for nonparticipation was not determined.

SOURCE: Bureau of Labor Statistics, Current Population Survey

Chart 6. Persons employed part-time for economic reasons, seasonally adjusted, quarterly data, 1970–2007



NOTE: Shaded regions represent recessions as designated by the National Bureau of Economic Research. Beginning in 1994, data are affected by the redesign of the Current Population Survey (denoted by black line) and are not strictly comparable with data for prior years.

SOURCE: Bureau of Labor Statistics, Current Population Survey.

cent) of multiple job holders in 2007 had a full-time job with a part-time secondary job. (See table 5.)

In 2007, employment grew in management, professional,

and related occupations and in service occupations, while it edged down in installation and transportation occupations; construction employment was flat over the year. In 2007, the number of people employed in management, professional, and related occupations grew by about 1.4 million,

Table 4. Range of alternative measures of labor underutilization, quarterly averages, seasonally adjusted, 2006–07

Measure	Quarter IV, 2006	2007				Change, quarter IV 2006 to quarter IV 2007
		Quarter I	Quarter II	Quarter III	Quarter IV	
U-1 Persons unemployed 15 weeks or longer, as a percent of the civilian labor force.....	1.4	1.4	1.5	1.6	1.6	.2
U-2 Job losers and persons who completed temporary jobs, as a percent of the civilian labor force.....	2.1	2.2	2.2	2.4	2.4	.3
U-3 Total unemployed, as a percent of the civilian labor force (official unemployment rate).....	4.4	4.5	4.5	4.7	4.8	.4
U-4 Total unemployed plus discouraged workers, as a percent of the civilian labor force plus discouraged workers.....	4.6	4.7	4.8	4.9	5.0	.4
U-5 Total unemployed, plus discouraged workers, plus all other marginally attached workers, as a percent of the civilian labor force plus all marginally attached workers.....	5.3	5.4	5.4	5.5	5.6	.3
U-6 Total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers.....	8.1	8.2	8.2	8.4	8.6	.5

SOURCE: Bureau of Labor Statistics, Current Population Survey.

slightly larger growth than in 2006. (The data in this section are annual averages.) The professional and related occupations component added just over 1.0 million workers in 2007, and employment in management, business, and financial operations occupations increased by 344,000. Service occupations, which include protective service and food preparation and serving related occupations, experienced another year of employment growth, increasing by 326,000 in 2007; this was only half as much as the increase recorded in 2006. In 2007, employment in installation, maintenance, and repair occupations edged down by 117,000, and transportation and material moving occupations employment edged down by 70,000. (See table 6.) Employment in construction and extraction occupations was essentially flat in 2007, following an increase of 1.6 million over the 4-year period from 2002 to 2006.

Employment among women in management, business, and financial operations occupations increased by 317,000 in 2007, accounting for 92 percent of the overall increase in employment in this occupation group. In contrast, men accounted for the majority of the employment gain in professional and related occupations in 2007 by filling

637,000 more jobs than they held in 2006.

Median weekly earnings for full-time wage and salary workers increased in 2007 at a faster rate than inflation, as measured by the Consumer Price Index (CPI). Median usual weekly earnings rose to \$695 in 2007, an increase of 3.6 percent. (The data in this section are annual averages.) During the same period, the Consumer Price Index (CPI-U) increased by 2.8 percent. (See table 7 and chart 7.) Workers with usual weekly earnings in the ninth decile (top 10 percent of workers) experienced an increase of 3.7 percent, to \$1,602 in 2007, while workers with earnings in the first decile (bottom 10 percent of workers) experienced an increase of 3.4 percent, to \$330. While median earnings for both men and women grew in 2007, men experienced a larger percent increase than women (3.1 percent versus 2.3 percent, respectively.) The ratio of women's earnings to men's edged down to 80.2 percent over the year. Over time, however, the earnings gap between the sexes has narrowed considerably: in 1979, women's earnings were 62.5 percent of men's earnings.⁵ (See chart 8.)

In 2007, among the major racial and ethnic groups,

Table 5. Multiple jobholders, quarterly averages, not seasonally adjusted, 2006–07

[Numbers in thousands]

Category	Quarter IV, 2006	2007				Change, quarter IV 2006 to quarter IV 2007
		Quarter I	Quarter II	Quarter III	Quarter IV	
Multiple jobholders¹						
Multiple jobholders.....	7,893	7,696	7,693	7,493	7,740	-153
Percent of employed.....	5.4	5.3	5.3	5.1	5.3	-.1
Primary job full time, secondary part time.....	4,180	4,151	4,157	4,109	4,277	97
Primary and secondary jobs both part time.....	1,710	1,841	1,813	1,625	1,776	66
Primary and secondary jobs both full time.....	317	291	286	310	265	-52
Hours vary on primary or secondary job.....	1,633	1,360	1,384	1,408	1,379	-254
Percent distribution						
Primary job full time, secondary part time.....	53.0	53.9	54.0	54.8	55.3	2.3
Primary and secondary jobs both part time.....	21.7	23.9	23.6	21.7	22.9	1.2
Primary and secondary jobs both full time.....	4.0	3.9	3.7	4.1	3.4	-.6
Hours vary on primary or secondary job.....	20.7	17.7	18.0	18.8	17.8	-2.9

¹ Includes persons who work part time on their primary job and full time on their secondary job(s), not shown separately.

SOURCE: Bureau of Labor Statistics, Current Population Survey.

Table 6. Employment by major occupation and sex, annual averages, 2006–07

[In thousands]

Occupation	Total			Men			Women		
	2006	2007	Change, 2006 to 2007	2006	2007	Change, 2006 to 2007	2006	2007	Change, 2006 to 2007
Total, 16 years and older.....	144,427	146,047	1,620	77,502	78,254	752	66,925	67,792	867
Management, professional, and related occupations.....	50,420	51,788	1,368	24,928	25,593	665	25,492	26,195	703
Management, business, and financial operations occupations.....	21,233	21,577	344	12,347	12,375	28	8,886	9,203	317
Professional and related occupations.....	29,187	30,210	1,023	12,581	13,218	637	16,606	16,992	386
Service occupations.....	23,811	24,137	326	10,159	10,337	178	13,653	13,800	147
Healthcare support occupations.....	3,132	3,138	6	333	338	5	2,799	2,800	1
Protective service occupations.....	2,939	3,071	132	2,284	2,380	96	654	691	37
Food preparation and serving related occupations.....	7,606	7,699	93	3,297	3,354	57	4,309	4,345	36
Building and grounds cleaning and maintenance occupations.....	5,381	5,469	88	3,230	3,280	50	2,151	2,189	38
Personal care and service occupations.....	4,754	4,760	6	1,014	986	-28	3,740	3,774	34
Sales and office occupations.....	36,141	36,212	71	13,275	13,264	-11	22,866	22,948	82
Sales and related occupations.....	16,641	16,698	57	8,478	8,424	-54	8,163	8,275	112
Office and administrative support occupations.....	19,500	19,513	13	4,797	4,840	43	14,703	14,673	-30
Natural resources, construction, and maintenance occupations.....	15,830	15,740	-90	15,079	15,078	-1	752	662	-90
Farming, fishing, and forestry occupations.....	961	960	-1	750	759	9	212	201	-11
Construction and extraction occupations.....	9,507	9,535	28	9,216	9,276	60	292	258	-34
Installation, maintenance, and repair occupations.....	5,362	5,245	-117	5,114	5,043	-71	248	202	-46
Production, transportation, and material moving occupations.....	18,224	18,171	-53	14,061	13,983	-78	4,163	4,188	25
Production occupations.....	9,378	9,395	17	6,529	6,563	34	2,850	2,832	-18
Transportation and material moving occupations.....	8,846	8,776	-70	7,533	7,420	-113	1,313	1,355	42

NOTE: Data may not sum to totals due to rounding.

SOURCE: Bureau of Labor Statistics, Current Population Survey.

Table 7. Median usual weekly earnings of full-time wage and salary workers by selected characteristics, annual averages, 2006–07

Characteristic	2006	2007	Percent change, 2006–2007
Total, 16 years and older.....	\$671	\$695	3.6
CPI-U.....	201.6	207.3	2.8
Men.....	\$743	\$766	3.1
Women.....	600	614	2.3
White.....	690	716	3.8
Men.....	761	788	3.5
Women.....	609	626	2.8
Black or African American.....	554	569	2.7
Men.....	591	600	1.5
Women.....	519	533	2.7
Asian.....	784	830	5.9
Men.....	882	936	6.1
Women.....	699	731	4.6
Hispanic or Latino ethnicity.....	486	503	3.5
Men.....	505	520	3.0
Women.....	440	473	7.5
Management, business, and financial operations occupations.....	1,045	1,080	3.3
Professional and related occupations.....	928	951	2.5
Service occupations.....	422	454	7.6
Sales and related occupations.....	628	643	2.4
Office and administrative support occupations.....	572	581	1.6
Farming, fishing, and forestry occupations.....	387	372	-3.9
Construction and extraction occupations.....	619	646	4.4
Installation, maintenance, and repair occupations.....	742	749	.9
Production occupations.....	559	581	3.9
Transportation and material moving occupations.....	556	570	2.5
Total, 25 years and over ¹	718	738	2.8
Less than a high school diploma.....	419	428	2.1
High school graduates, no college.....	595	604	1.5
Some college or associate degree.....	692	704	1.7
Bachelor's degree or higher, total.....	1,039	1,072	3.2

¹ Earnings figures by educational attainment pertain to persons age 25 and older.

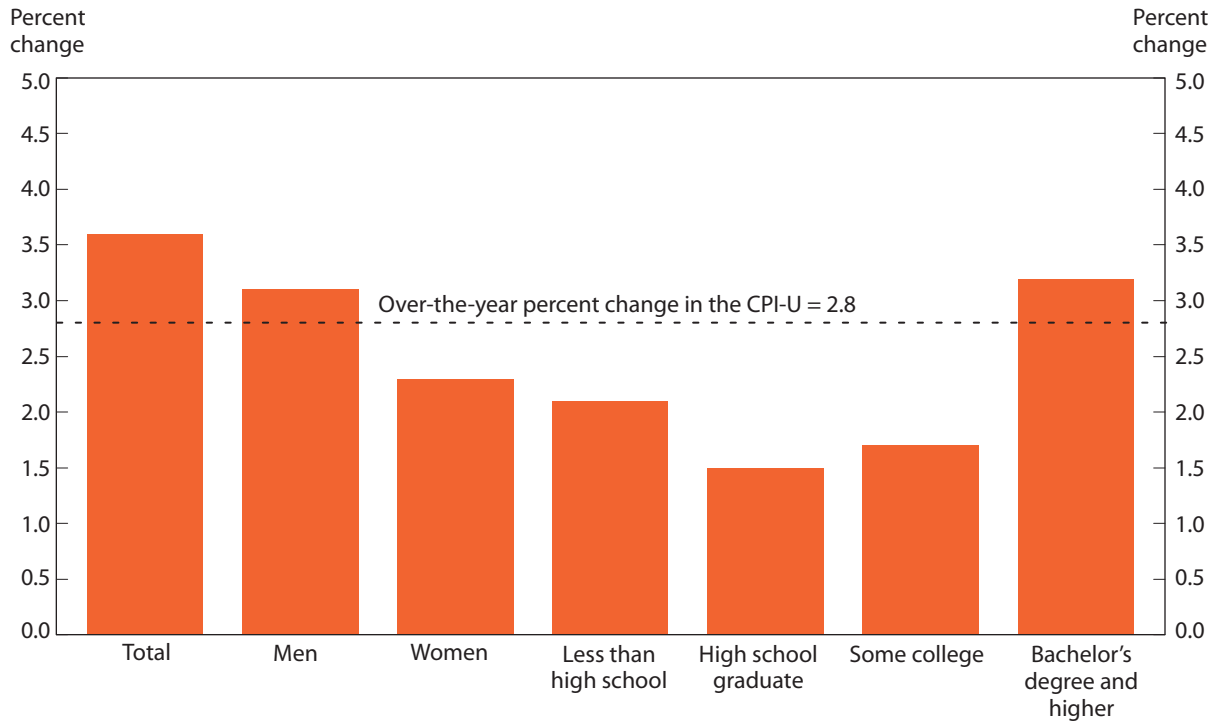
SOURCE: Bureau of Labor Statistics, Current Population Survey and Consumer Price Index.

Asians saw the largest percent increase in median earnings, 5.9 percent. The earnings increases for whites (3.8 percent) and Hispanics (3.5 percent) were about in line with the previous year, while the earnings increases for blacks were considerably lower: 2.7 percent in 2007, compared with 6.5 percent in 2006.

Among the major occupation groups, workers in service occupations saw the largest over-the-year percent increase in 2007: earnings for this occupation group were up 7.6 percent, to \$454 per week. Earnings for workers in farming, fishing, and forestry occupations remained the lowest among the major occupation groups and declined by 3.9 percent in 2007, to \$372 per week.

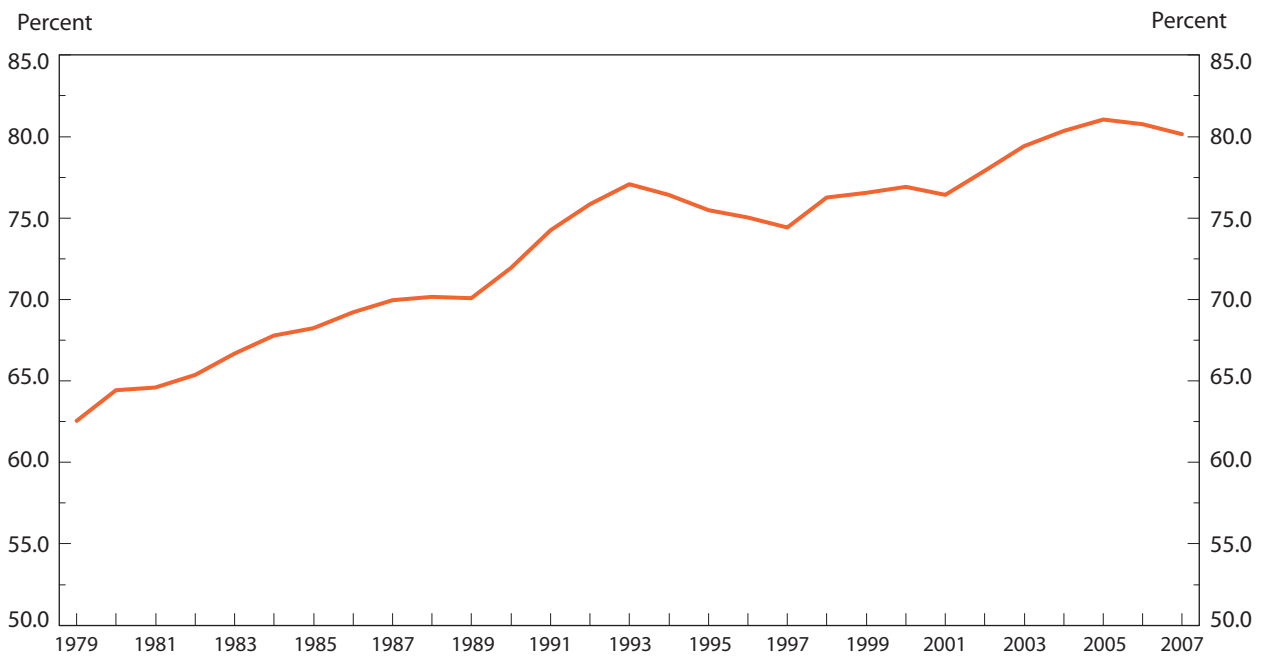
Educational attainment is also a major determinant of earnings. Workers aged 25 years and older with at least a bachelor's degree continued to have the highest median earnings among the major education groups, \$1,072 in 2007; this group also saw the largest over-the-year percentage increase, 3.2 percent. Workers with some college or an associate degree earned \$704, and high school graduates earned \$604 in 2007, both up slightly from a year earlier. Earnings of workers with less than a high school diploma were up 2.1 percent, to \$428 per week. Workers with at least a bachelor's degree were the only education group to experience an increase in earnings greater than inflation. (See table 7.)

Chart 7. Over-the-year percent change in median usual weekly earnings of full-time wage and salary workers, not seasonally adjusted, annual averages, 2006–07



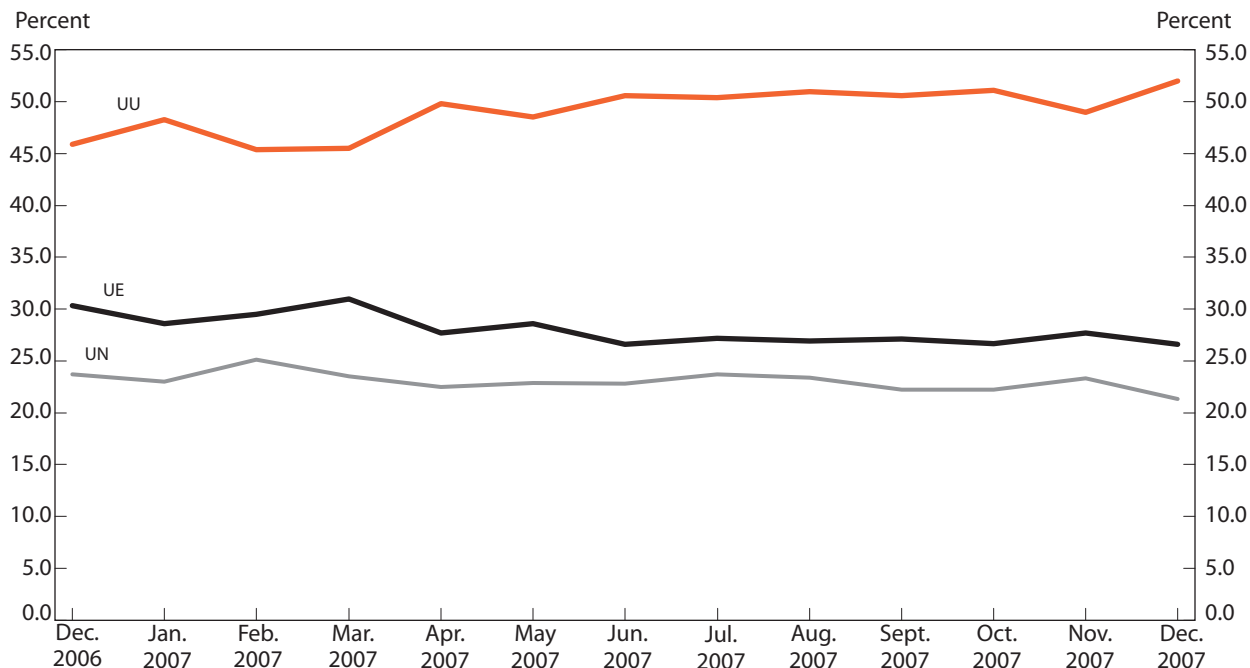
NOTE: Data by educational attainment are for those aged 25 years and older.
 SOURCE: Bureau of Labor Statistics, Current Population Survey and Consumer Price Index.

Chart 8. Women's median usual weekly earnings as a percent of men's, full-time wage and salary workers, annual averages, 1979–2007



SOURCE: Bureau of Labor Statistics, Current Population Survey.

Chart 9. Likelihood of the unemployed finding employment, remaining unemployed, or leaving the labor force, December 2006 to December 2007, seasonally adjusted



NOTE: UU = unemployed to unemployed, UE = unemployed to employed, UN = unemployed to not in labor force.
SOURCE: Bureau of Labor Statistics, Current Population Survey.

New research series on labor force status flows from the CPS. Each month, the BLS reports the number of people employed, unemployed, or not in the labor force as estimated from the CPS. The net changes in the number of people employed and unemployed from month to month are important gauges of the health of the U.S. job market. Underlying these relatively small net changes, however, is a great deal more churning. Millions of individuals move between employment and unemployment each month, and millions of others enter or leave the labor market. In addition, people move into and out of the survey universe of the civilian noninstitutional population aged 16 and over each month.⁶

Labor force status flow data can be used to show the number of people who change labor force status or remain in the same labor force status from one month to the next. Chart 9, for example, shows the proportion of unemployed individuals finding employment, remaining unemployed, or leaving the labor force each month from December 2006 to December 2007. The data indicates that, over that 1-year period, unemployed individuals became less likely to find employment (flows from unemployment to employment, or UE), and much more likely to remain unemployed (UU). The percentage of unemployed individuals who remained unemployed (UU) from one

month to the next rose from 45.9 percent in December 2006 to 52.0 percent in December 2007, while the proportion of unemployed individuals finding employment (UE) or exiting the labor force (UN) trended down.

Greater understanding of the rise in unemployment in 2007 can be gained by examining the flow of persons from employed to unemployed status. The proportion of employed persons who became unemployed the subsequent month was little changed during the year. Thus, the flow data suggest that the rise in unemployment in 2007 was due to an increased likelihood of individuals staying unemployed rather than to an increase in the likelihood of employed persons becoming unemployed.

IN SUM, DATA FROM THE HOUSEHOLD SURVEY indicate that the labor market weakened in 2007. Following the recession in 2001, the labor market slowly began to recover in late 2003 and continued to improve from 2004 to 2006.⁷ In 2007, however, employment growth slowed compared with recent years, and the unemployment level and rate increased. The labor force participation rate and the employment-population ratio both declined in 2007, and the unemployment rates for most major worker groups edged higher. Also, more individuals were unemployed due to job loss, a greater number

were unemployed for 27 weeks or longer, and the number of persons employed part time for economic reasons increased. Median weekly earnings for full-time wage

and salary workers increased at a faster rate than inflation, although the gains for some groups of workers were less than the rate of inflation. □

Notes

¹ The data in this article are based on information collected in the Current Population Survey (CPS), also called the household survey, a sample survey of about 60,000 households nationwide sponsored jointly by the Bureau of Labor Statistics and the Census Bureau. (For more information about the household survey, see the box on page 8.) Although the CPS is a monthly survey, the data analyzed throughout this article are seasonally adjusted quarterly averages, unless otherwise noted. All over-the-year changes are comparisons of fourth quarter data from 2006 to 2007.

² For further information on teen school enrollment and employment, see Teresa L. Morisi, "Youth Enrollment and Employment during the School Year," *Monthly Labor Review*, February 2008, pp. 51–63; on the Internet at <http://www.bls.gov/opub/mlr/2008/02/art3full.pdf> (visited Mar. 12, 2008).

³ For additional information on trends in labor force participation, see Abraham Mosisa and Steven Hipple, "Trends in Labor Force Participation in the United States," *Monthly Labor Review*,

October 2006, pp. 35–57; on the Internet at www.bls.gov/opub/mlr/2006/10/art3full.pdf (visited Mar. 12, 2008).

⁴ For further information about the alternative measures of unemployment, see John E. Bregger and Steven E. Haugen, "BLS introduces a new range of alternative unemployment measures," *Monthly Labor Review*, October 1995, pp. 19–26; on the Internet at www.bls.gov/opub/mlr/1995/10/art3full.pdf (visited Mar. 12, 2008).

⁵ The CPS first began collecting weekly earnings data each month in 1979.

⁶ For further information about labor force status flows, see Randy Ilg, "Analyzing CPS data using gross flows," *Monthly Labor Review*, September 2005, pp. 10–18; on the Internet at <http://www.bls.gov/opub/mlr/2005/09/art2full.pdf> (visited Mar. 12, 2008).

⁷ The National Bureau of Economic Research (NBER) is generally recognized as the official arbiter of recessions in the United States. The organization determined that the most recent recession lasted from March 2001 to November 2001.