

Issues



in Labor Statistics

U.S. Department of Labor
Bureau of Labor Statistics

Who's Not Working

The current economic expansion is entering its eighth year, and participation in the labor force has reached record levels. Nevertheless, in 1996, some 59 million people 16 years of age and over neither worked nor looked for work for the entire year. Most were younger people still in school. Some were retirees. But about a quarter of these persons were 25 to 54 years old, ages when most of their contemporaries were active in the labor market. (See chart.) This report focuses on the reasons these 25- to 54-year-olds were out of the labor market.

Reasons for not working

In 1996, 15.8 million people between the ages of 25 and 54 neither worked nor looked for work at any time during the year. Women comprised about 3 out of 4 of these persons, and the reasons they were not in the labor market differed markedly from those reported by men. The large majority, 70 percent, were taking care of home or family, 20 percent were either ill or disabled, and a little over 5 percent were in school. In contrast, among the 4 million men of these ages who neither worked nor looked for work, 8 percent were taking care of family or home and 63 percent were either ill or disabled. (See table.)

Income and education

Women who neither worked nor looked for work tended to be somewhat better off economically, and somewhat better educated than their male counterparts. For example, about 38 percent of the women had family or personal income of less than \$20,000 in 1996, compared with 60 percent of the men. At the upper end of the distribution, 21 percent of the women, but only 7 percent of the men, had incomes of \$60,000 or more.

With regard to education, about 25 percent of women nonworkers were high school dropouts compared with 33 percent of men. At the upper educational level, the proportions of nonworkers who were college graduates were similar, 16 percent of the women versus 12 percent of the men. For the most part, though, the proportions of nonworkers with college degrees were well below those of persons of similar ages who worked or looked for work in 1996—about 29 percent of both the men and the women.

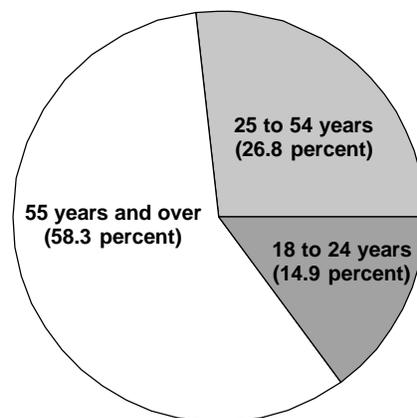
In summary, these nonworkers are a somewhat disparate group. The reasons they are not in the labor force differ. Many have relatively low incomes, yet a significant fraction are well off economically. Most are well educated, but some are not, making it more difficult for them to find employment. Moreover, these data do not measure such intangibles as

the willingness of individuals to forego current income in order, for instance, to stay home with their children, or go to school to improve future earnings capacity. Thus, it remains difficult to predict how changes in the conditions of employment—higher pay, better benefits, flexible hours—might affect the labor market activity of people in this group.

Additional information

Data for this report were collected in the March 1997 supplement to the Current Population Survey (CPS), a monthly survey of about 50,000 households that the Bureau of the Census conducts for the Bureau of Labor Statistics. These data differ from the monthly figures in that they reflect labor force activity during an entire calendar year rather than a single month. Persons who neither worked nor looked for work

Nonworkers who did not look for work by age, 1996



during the year were asked the main reason they did not work. The income measure used in this report is a hybrid; it consists of the family income for persons who were family members, and the personal income of those who were not family members.

For additional information on

nonworkers and a technical description of the CPS, contact Abraham T. Mosisa, Office of Employment and Unemployment Statistics, Bureau of Labor Statistics, Washington, DC 20212. Tel. (202) 606-6378. E-mail address Mosisa_A@bls.gov

Information in this report will be

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Persons 25 to 54 years old who did not work or look for work in 1996 by reason, income, and sex, March 1997

(Numbers in thousands)

Characteristic	Total nonworkers		Percent distribution by income			
	Number	Percent	Under \$20,000	\$20,000 to \$39,999	\$40,000 to \$59,999	\$60,000 or more
Men, 25 to 54 years	4,038	100.0	60.2	22.1	10.9	6.7
Ill or disabled	2,527	62.6	61.9	21.2	11.6	5.4
Retired	188	4.7	33.8	28.5	19.4	18.2
Home responsibilities	341	8.4	54.8	28.8	8.8	7.6
Going to school	398	9.9	60.0	21.7	6.4	11.9
Could not find work	217	5.4	61.6	15.9	17.1	5.4
Other	367	9.1	67.1	22.7	5.5	4.7
Women, 25 to 54 years	11,717	100.0	38.2	24.5	16.0	21.3
Ill or disabled	2,291	19.6	62.1	20.1	8.1	9.7
Retired	371	3.2	29.0	19.8	20.0	31.2
Home responsibilities	8,064	68.8	30.3	26.3	18.6	24.8
Going to school	607	5.2	48.5	23.4	9.9	18.3
Could not find work	114	.7	81.3	7.9	5.1	5.8
Other	269	1.7	44.2	22.1	16.5	17.2

NOTE: Income refers to family income for those who were living with their families or to personal income for those not in families. Income refers to earnings, disability or unemployment benefits, interest

income, and other sources. Detail may not sum to totals due to rounding.