

### The November Review

You know that times are tough when an economic downturn gets its own nickname. The so-called Great Recession, which the business-cycle arbiters have determined began in December 2007 and ended in June 2009, is the subject of our first article this month. Andrew Sum and Ishwar Khatiwada, affiliated with the Center for Labor Market Studies at Northeastern University, focus on the trend in underemployment associated with the business-cycle contraction. Data are collected in the Current Population Survey (CPS) on employed people who work full time (35 or more hours per week), part time voluntarily, and part time for economic reasons. Among the last-named group, the authors deem those who want full-time jobs and are available for full-time work to be “underemployed.” Such workers are the primary subject of their analysis of CPS data.

Just before the onset of the recession, there were an estimated 4.2 million underemployed workers nationally. From that time to about a year later, the fourth quarter of 2008, the number rose sharply, to 7.2 million. And it continued to rise even further, reaching 8.9 million a year after that. As the authors point out, the increases in the number and percent of these workers were the highest in any 2-year period since the end of World War II.

Additional CPS data were analyzed by the authors to deepen our understanding of who these underemployed workers were. Workers in nearly every major age group and racial or ethnic group saw their underemployment rates more than double over the years examined. All the major educational attainment groups also saw

their underemployment rates more than double, although the percentage changes varied widely. As is so often the case with educational attainment differentials, people without a high school diploma or GED diploma suffered the most adverse effects: they were much more likely to be underemployed than their peers with high school or GED diplomas or college degrees. There were also notable differentials by industry, occupation, and household income.

Sum and Khatiwada conclude by examining the costs of underemployment, in terms of national aggregates of earnings and taxes, and examining the considerable likelihood of the underemployed receiving lower levels of employee benefits from their employers, such as health insurance and pensions. As contemporary analysts and economic historians assess the full impact of this recession, this article could be useful in illuminating the changes affecting one portion of the labor market.

Another article this month, by Diane J. Macunovich, a professor at the University of Redlands, steps away from the current-period focus of our first article and takes a look at trends in women’s labor supply in the United States over the last three decades. As has frequently been noted, the labor force participation of women grew strongly as in the 1980s and somewhat less so in the 1990s. The first decade of the 21st century has seen a reversal in that trend of growth. The author presents an array of labor force participation data for women, including data by age, educational attainment, marital status, and the presence of children, in order to shed light on a phenomenon that reflects changing demographics, economics, and workplace attitudes and perceptions.

Our November issue wraps up with a report from BLS economist Stephen Pegula on fatal occupational injuries at road construction sites over the 2003–07 period.

### Focus on Prices and Spending

The Bureau has recently released the latest editions in its quarterly series Focus on Prices and Spending. One issue compares household energy spending as measured by BLS’ Consumer Expenditure Survey with that measured by the Residential Energy Consumption Survey sponsored by the Energy Information Administration. (This report is available at [http://www.bls.gov/opub/focus/volume1\\_number12/cex\\_1\\_12.pdf](http://www.bls.gov/opub/focus/volume1_number12/cex_1_12.pdf).) Another issue asks, “What does the Producer Price Index measure?” ([http://www.bls.gov/opub/focus/volume1\\_number9/ppi\\_1\\_9.pdf](http://www.bls.gov/opub/focus/volume1_number9/ppi_1_9.pdf)). The remaining two issues describe the use of the Consumer Price Index in calculating Social Security cost-of-living adjustments ([http://www.bls.gov/opub/focus/volume1\\_number10/cpi\\_1\\_10.pdf](http://www.bls.gov/opub/focus/volume1_number10/cpi_1_10.pdf)) and the impact of the European debt crisis on U.S. import prices ([http://www.bls.gov/opub/focus/volume1\\_number11/ipp\\_1\\_11.pdf](http://www.bls.gov/opub/focus/volume1_number11/ipp_1_11.pdf)). Taken together, these reports provide an interesting and somewhat eclectic look at the far-reaching effects of the behavior of prices and price measures.

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