

# Continued improvement in U.S. labor market in 2014

*The U.S. labor market continued to improve in 2014, with both a decline in unemployment and an increase in the share of the population employed; high levels of long-term joblessness and involuntary part-time employment, however, persisted.*

Unemployment in the United States continued to decline in 2014, with the number of unemployed falling by 1.9 million over the year, to 8.9 million in the fourth quarter. The unemployment rate fell to 5.7 percent by year's end—1.0 percentage point above the prerecessionary rate of 2007.<sup>1</sup> Employment, as measured by the Current Population Survey (CPS; see accompanying box), grew at a faster pace than it did the previous year, expanding by 3.1 million in 2014, and the employment-to-population ratio increased by 0.7 percentage point following a slight decline in 2013.<sup>2</sup> The civilian labor force—the sum of the employed and the unemployed—grew by 1.3 million, reaching 156.3 million in the fourth quarter of 2014. The labor force participation rate, however, held fairly steady over the year.

This article summarizes changes in key labor market measures from the CPS during 2014, both overall and for various demographic groups. The article also examines changes in usual weekly earnings and in labor force status flows, and reviews the employment situations of veterans, people with a disability, and the foreign born.



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## Unemployment



The number of people unemployed in 2014 fell by 1.9 million, to 8.9 million. The drop was the largest over-the-year decline in unemployment since the recent recession and was preceded by 3 years of declines ranging from 1.2 million to 1.4 million. Similarly, the national unemployment rate showed the largest over-the-year decline since the end of the last recession, dropping 1.3 percentage points, to 5.7 percent in the fourth quarter of 2014. The unemployment rate was 4.7 percent prior to the onset of the 2007–2009 economic downturn and had climbed to a peak of 9.9 percent in the fourth quarter of 2009. (See figure 1 and table 1.)

**Table 1. Employment status of the civilian noninstitutional population 16 years and older, by age and selected characteristics, quarterly averages, seasonally adjusted, 2013–2014 (levels in thousands)**

Characteristic	Fourth quarter 2013	2014				Change, fourth quarter 2013 to fourth quarter 2014
		First quarter	Second quarter	Third quarter	Fourth quarter	
Total, 16 years and older:						
Civilian labor force	154,989	155,785	155,583	155,971	156,258	1,269
Participation rate (percent)	62.9	63.0	62.8	62.8	62.8	-.1
Employed	144,205	145,434	145,946	146,486	147,344	3,139
Employment-to- population ratio	58.5	58.9	58.9	59.0	59.2	.7
Unemployed	10,784	10,350	9,637	9,484	8,914	-1,870
Unemployment rate (percent)	7.0	6.6	6.2	6.1	5.7	-1.3
Men, 20 years and older:						
Civilian labor force	79,530	79,969	79,910	80,182	80,108	578
Participation rate (percent)	72.0	72.1	71.9	71.9	71.7	-.3

See footnotes at end of table.

**Table 1. Employment status of the civilian noninstitutional population 16 years and older, by age and selected characteristics, quarterly averages, seasonally adjusted, 2013–2014 (levels in thousands)**

Characteristic	Fourth quarter 2013	2014				Change, fourth quarter 2013 to fourth quarter 2014
		First quarter	Second quarter	Third quarter	Fourth quarter	
Employed	74,252	75,003	75,275	75,729	75,877	1,625
Employment-to- population ratio	67.2	67.7	67.7	67.9	67.9	.7
Unemployed	5,279	4,966	4,634	4,453	4,231	-1,048
Unemployment rate (percent)	6.6	6.2	5.8	5.6	5.3	-1.3
Women, 20 years and older:						
Civilian labor force	69,789	70,244	70,071	70,163	70,355	566
Participation rate (percent)	58.5	58.7	58.5	58.4	58.4	-.1
Employed	65,484	66,030	66,169	66,243	66,695	1,211
Employment-to- population ratio	54.9	55.2	55.2	55.1	55.4	.5
Unemployed	4,305	4,213	3,902	3,920	3,660	-645
Unemployment rate (percent)	6.2	6.0	5.6	5.6	5.2	-1.0
Total, 16 to 19 years:						
Civilian labor force	5,670	5,572	5,602	5,625	5,796	126
Participation rate (percent)	33.9	33.4	33.7	33.8	34.9	1.0
Employed	4,469	4,401	4,502	4,514	4,773	304
Employment-to- population ratio	26.7	26.4	27.0	27.2	28.7	2.0
Unemployed	1,200	1,171	1,100	1,111	1,023	-177
Unemployment rate (percent)	21.2	21.0	19.6	19.8	17.7	-3.5
White:						
Civilian labor force	122,970	123,564	123,236	123,186	123,246	276
Participation rate (percent)	63.1	63.4	63.1	63.0	62.9	-.2
Employed	115,435	116,467	116,674	116,757	117,264	1,829
Employment-to- population ratio	59.2	59.7	59.7	59.7	59.8	.6
Unemployed	7,535	7,097	6,563	6,429	5,981	-1,554
Unemployment rate (percent)	6.1	5.7	5.3	5.2	4.9	-1.2
Black or African American:						
Civilian labor force	18,465	18,704	18,763	18,984	19,039	574
Participation rate (percent)	60.5	61.0	60.9	61.4	61.4	.9
Employed	16,172	16,442	16,664	16,835	16,987	815
Employment-to- population ratio	53.0	53.6	54.1	54.5	54.8	1.8

See footnotes at end of table.

**Table 1. Employment status of the civilian noninstitutional population 16 years and older, by age and selected characteristics, quarterly averages, seasonally adjusted, 2013–2014 (levels in thousands)**

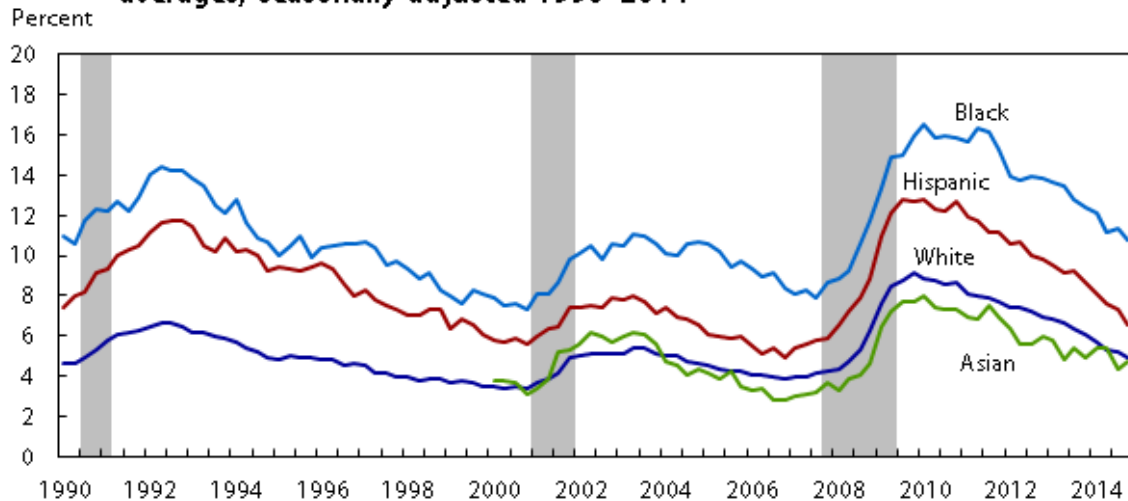
Characteristic	Fourth quarter 2013	2014				Change, fourth quarter 2013 to fourth quarter 2014
		First quarter	Second quarter	Third quarter	Fourth quarter	
Unemployed	2,293	2,261	2,099	2,149	2,052	-241
Unemployment rate (percent)	12.4	12.1	11.2	11.3	10.8	-1.6
Asian:						
Civilian labor force	8,642	8,788	8,758	8,720	8,774	132
Participation rate (percent)	64.3	64.1	63.4	63.4	63.3	-1.0
Employed	8,219	8,318	8,284	8,333	8,364	145
Employment-to- population ratio	61.1	60.7	60.0	60.6	60.3	-.8
Unemployed	423	470	474	388	410	-13
Unemployment rate (percent)	4.9	5.4	5.4	4.4	4.7	-.2
Hispanic or Latino ethnicity:						
Civilian labor force	24,845	25,164	25,247	25,415	25,655	810
Participation rate (percent)	65.6	66.1	66.0	66.0	66.2	.6
Employed	22,683	23,125	23,327	23,555	23,961	1,278
Employment-to- population ratio	59.9	60.8	60.9	61.2	61.8	1.9
Unemployed	2,162	2,039	1,919	1,860	1,694	-468
Unemployment rate (percent)	8.7	8.1	7.6	7.3	6.6	-2.1

NOTE: Race and Hispanic ethnicity totals do not sum to overall total, 16 years and older, because data are not presented for all races and because people of Hispanic ethnicity may be of any race and are also included in the race groups. Updated population controls are introduced annually with the release of January data.

SOURCE: U.S. Bureau of Labor Statistics, Current Population Survey.

Both the number of unemployed and the unemployment rate fell for all major demographic groups in 2014. In contrast to the previous year, when the decline in unemployment was concentrated among women, about half of the decline in unemployment in 2014 occurred among adult men 20 years and older. The jobless rate for adult men dropped by 1.3 percentage points, to 5.3 percent in the fourth quarter, while the rate for adult women declined by 1.0 percentage point, to 5.2 percent. Among teenagers 16 to 19 years of age, the unemployment rate fell by 3.5 points, to 17.7 percent in the fourth quarter. The unemployment rate for teenagers was 16.1 percent at the onset of the 2007 recession, climbed to a peak of 26.9 percent in the fourth quarter of 2009, and, like the rates for adult men and women, has been trending downward over the last 5 years.

**Figure 2. Unemployment rate, by race and or Hispanic or Latino ethnicity, quarterly averages, seasonally adjusted 1990–2014**



NOTE: Shaded regions represent recessions as designated by the National Bureau of Economic Research (NBER). Turning points are quarterly. People of Hispanic or Latino ethnicity may be of any race. Data for Asians are not available before 2000 and are not seasonally adjusted before 2010.  
SOURCE: U.S. Bureau of Labor Statistics, Current Population Survey.

The jobless rate for Blacks dropped 1.6 percentage points, to 10.8 percent in the fourth quarter of 2014, yet their rate persisted in the double digits for the seventh consecutive year. (See figure 2.) By comparison, the unemployment rate for Hispanics fell by 2.1 percentage points, to 6.6 percent.<sup>3</sup> The jobless rate for Whites declined by 1.2 percentage points, reaching 4.9 percent in the fourth quarter—1.0 percentage point above their prerecessionary low of 3.9 percent in the fourth quarter of 2006. The unemployment rate for Asians was little changed, standing at 4.7 percent in the fourth quarter of 2014.

### The CPS and the CES

The Bureau of Labor Statistics (BLS) produces two monthly employment series obtained from two different surveys: the estimate of total nonfarm jobs, derived from the Current Employment Statistics (CES) survey, 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. The two surveys use different definitions of employment, as well as different survey and estimation methods. 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 people ages 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 all types of work arrangements: workers with wage and salary jobs (including employment in a private household), those who are self-employed, and those doing unpaid work for 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, multiple jobholders are counted only once, regardless of how many jobs they held during the survey reference period. By contrast, because the CES survey counts the number of jobs rather than the

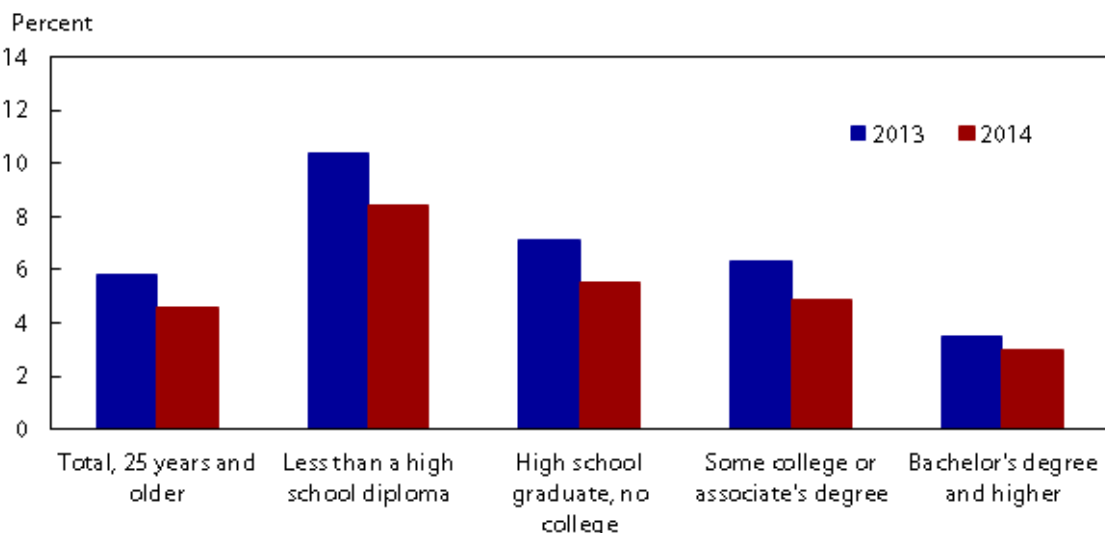
number of people, each nonfarm job is counted separately, even when two or more jobs are held by the same person.

The reference periods for the surveys also differ. In the CPS, the reference period is generally 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 longer reference periods.

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 figures. BLS 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 short-term trends diverged or when growth in one series substantially outpaced growth in the other. For example, following the end of the 2001 recession, CPS employment began to trend upward while CES employment continued to decline for a number of months.

BLS publishes a monthly report with the latest trends and comparisons of employment between the CES survey and the CPS. (See "Employment from the BLS household and payroll surveys: summary of recent trends" (U.S. Bureau of Labor Statistics, updated monthly), [https://www.bls.gov/web/empsit/ces\\_cps\\_trends.htm](https://www.bls.gov/web/empsit/ces_cps_trends.htm).) 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.

**Figure 3. Unemployment rate for people 25 years and older, by educational attainment, seasonally adjusted, fourth quarter 2013 and fourth quarter 2014**



SOURCE: U.S. Bureau of Labor Statistics, Current Population Survey.

In 2014, unemployment rates declined for people at all levels of educational attainment. Among people 25 years and older, the rate for those with less than a high school diploma fell by 2.0 percentage points, to 8.4 percent by year's end. Despite this decline, those with less than a high school diploma were nearly 3 times more likely to be unemployed than people with a bachelor's degree or higher. The unemployment rate for high school graduates declined by 1.6 percentage points, to 5.5 percent in the fourth quarter, and the rate for those with some college fell by 1.4 percentage points, to 4.9 percent. For those with at least a bachelor's degree, the jobless rate decreased by 0.5 percentage point, to 3.0 percent—1.2 percentage points above their prerecessionary low of 1.8 percent in the fourth quarter of 2006. (See figure 3 and table 2.)

**Table 2. Employment status of the civilian noninstitutional population 25 years and older, by educational attainment, quarterly averages, seasonally adjusted, 2013–2014 (levels in thousands)**

Characteristic	Fourth quarter 2013	2014				Change, fourth quarter 2013 to fourth quarter 2014
		First quarter	Second quarter	Third quarter	Fourth quarter	
Less than a high school diploma:						
Civilian labor force	10,818	11,049	10,699	10,562	11,005	187
Participation rate (percent)	44.4	45.2	43.9	44.8	45.5	1.1
Employed	9,691	9,989	9,734	9,616	10,085	394
Employment-to-population ratio	39.7	40.9	40.0	40.8	41.7	2.0
Unemployed	1,126	1,060	965	946	920	-206
Unemployment rate (percent)	10.4	9.6	9.0	9.0	8.4	-2.0
High school graduate, no college:						
Civilian labor force	36,156	36,226	36,126	36,142	35,609	-547
Participation rate (percent)	58.2	58.6	57.9	57.9	57.8	-.4
Employed	33,577	33,905	33,890	34,021	33,638	61
Employment-to-population ratio	54.1	54.8	54.4	54.5	54.6	.5
Unemployed	2,579	2,322	2,237	2,121	1,971	-608
Unemployment rate (percent)	7.1	6.4	6.2	5.9	5.5	-1.6
Some college or associate's degree:						
Civilian labor force	37,205	37,194	37,334	37,511	37,230	25
Participation rate (percent)	67.4	67.3	67.3	66.7	66.7	-.7
Employed	34,855	34,980	35,319	35,491	35,397	542
Employment-to-population ratio	63.2	63.3	63.7	63.1	63.4	.2
Unemployed	2,350	2,214	2,016	2,019	1,833	-517
Unemployment rate (percent)	6.3	6.0	5.4	5.4	4.9	-1.4
Bachelor's degree and higher:						

See footnotes at end of table.



**Table 2. Employment status of the civilian noninstitutional population 25 years and older, by educational attainment, quarterly averages, seasonally adjusted, 2013–2014 (levels in thousands)**

Characteristic	Fourth quarter 2013	2014				Change, fourth quarter 2013 to fourth quarter 2014
		First quarter	Second quarter	Third quarter	Fourth quarter	
Civilian labor force	49,664	50,130	50,191	50,317	51,155	1,491
Participation rate (percent)	75.2	75.1	75.2	74.7	74.6	-.6
Employed	47,922	48,449	48,568	48,771	49,612	1,690
Employment-to- population ratio	72.5	72.6	72.8	72.4	72.4	-.1
Unemployed	1,742	1,681	1,623	1,546	1,543	-199
Unemployment rate (percent)	3.5	3.4	3.2	3.1	3.0	-.5

NOTE: Updated population controls are introduced annually with the release of January data.

SOURCE: U.S. Bureau of Labor Statistics, Current Population Survey.

Jobless rates continued to decline for all five of the major occupation groups in 2014. By year's end, natural resources, construction, and maintenance occupations had an unemployment rate of 7.2 percent and service occupations came in at 7.0 percent. (See table 3.) The rate for the production, transportation, and material moving occupation group declined by 2.2 percentage points, to 6.2 percent in the fourth quarter, compared with a 1.7-percentage-point decline in the sales and office occupation group, to 5.1 percent.<sup>4</sup> Management, professional, and related occupations continued to have the lowest rate, 2.7 percent.

**Table 3. Unemployment rates, by occupation group, quarterly averages, not seasonally adjusted, 2013–2014 (in percent)**

Occupation group	Total			Men			Women		
	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014
Management, professional, and related occupations	3.1	2.7	-0.4	3.3	2.8	-0.5	3.0	2.7	-0.3
Management, business, and financial operations occupations	3.3	2.6	-.7	3.2	2.3	-.9	3.5	3.1	-.4
Professional and related occupations	2.9	2.8	-.1	3.3	3.2	-.1	2.7	2.5	-.2
Service occupations	7.8	7.0	-.8	7.9	6.8	-1.1	7.7	7.1	-.6

See footnotes at end of table.



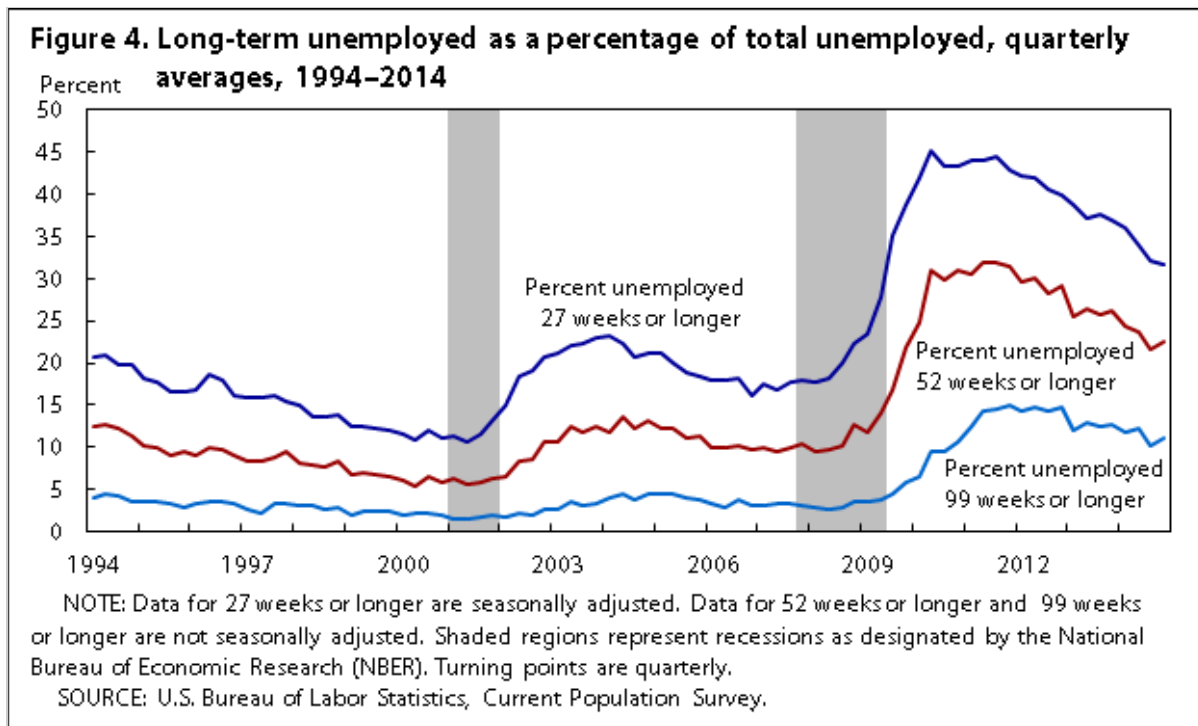
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Occupation group	Total			Men			Women		
	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014
Health care support occupations	6.7	5.8	-.9	10.5	6.4	-4.1	6.3	5.8	-.5
Protective service occupations	4.1	4.4	.3	3.9	4.3	.4	4.9	4.6	-.3
Food preparation and serving related occupations	8.4	8.2	-.2	8.7	7.4	-1.3	8.2	8.8	.6
Building and grounds cleaning and maintenance occupations	9.5	8.1	-1.4	9.6	7.9	-1.7	9.4	8.3	-1.1
Personal care and service occupations	7.6	5.9	-1.7	7.4	6.7	-.7	7.7	5.7	-2.0
Sales and office occupations	6.8	5.1	-1.7	6.6	4.6	-2.0	6.9	5.4	-1.5
Sales and related occupations	6.9	5.2	-1.7	5.5	4.0	-1.5	8.2	6.3	-1.9
Office and administrative support occupations	6.7	5.1	-1.6	8.2	5.6	-2.6	6.1	4.9	-1.2
Natural resources, construction, and maintenance occupations	9.0	7.2	-1.8	8.8	7.1	-1.7	12.3	10.4	-1.9
Farming, fishing, and forestry occupations	12.7	13.4	.7	11.1	12.3	1.2	17.5	17.1	-.4
Construction and extraction occupations	10.9	8.4	-2.5	10.9	8.3	-2.6	14.0	9.3	-4.7
Installation, maintenance, and repair occupations	5.2	4.0	-1.2	5.2	4.1	-1.1	5.4	2.6	-2.8
Production, transportation, and material moving occupations	8.4	6.2	-2.2	7.9	5.6	-2.3	10.1	8.1	-2.0
Production occupations	7.8	6.2	-1.6	7.1	5.2	-1.9	9.7	8.7	-1.0
Transportation and material moving occupations	9.0	6.1	-2.9	8.6	6.0	-2.6	10.9	6.9	-4.0

See footnotes at end of table.

NOTE: Updated population controls are introduced annually with the release of January data.

SOURCE: U.S. Bureau of Labor Statistics, Current Population Survey.



Both the number and the proportion of the unemployed who were classified as long-term unemployed (i.e., who had been looking for work for 27 weeks or longer, or 6 or more months) continued to decline in 2014.<sup>5</sup> Even 5 years after the Great Recession ended, these individuals still accounted for a greater number and share of total unemployment than had resulted from any previous recession. About 2.8 million people were long-term unemployed in the fourth quarter of 2014, 1.2 million less than a year earlier—accounting for nearly two-thirds of the decline in total unemployment. The long-term jobless made up 31.6 percent of the total unemployed in the fourth quarter of 2014, down 5.3 percentage points over the year and 13.0 percentage points lower than the historical high of 45.1 percent in the second quarter of 2010. The prerecessionary low for the proportion of the total unemployed who were jobless for 6 months or longer was 16.2 percent in the fourth quarter of 2006. (See figure 4 and table 4.)

**Table 4. Unemployed people, by reason and duration of unemployment, quarterly averages, seasonally adjusted, 2013–2014 (levels in thousands)**

Reason and duration	Fourth quarter 2013	2014				Change, fourth quarter 2013 to fourth quarter 2014
		First quarter	Second quarter	Third quarter	Fourth quarter	
Reason for unemployment:						
Job losers and persons who completed temporary jobs	5,799	5,391	4,968	4,721	4,384	-1,415
On temporary layoff	1,219	1,026	1,015	1,007	959	-260

See footnotes at end of table.

**Table 4. Unemployed people, by reason and duration of unemployment, quarterly averages, seasonally adjusted, 2013-2014 (levels in thousands)**

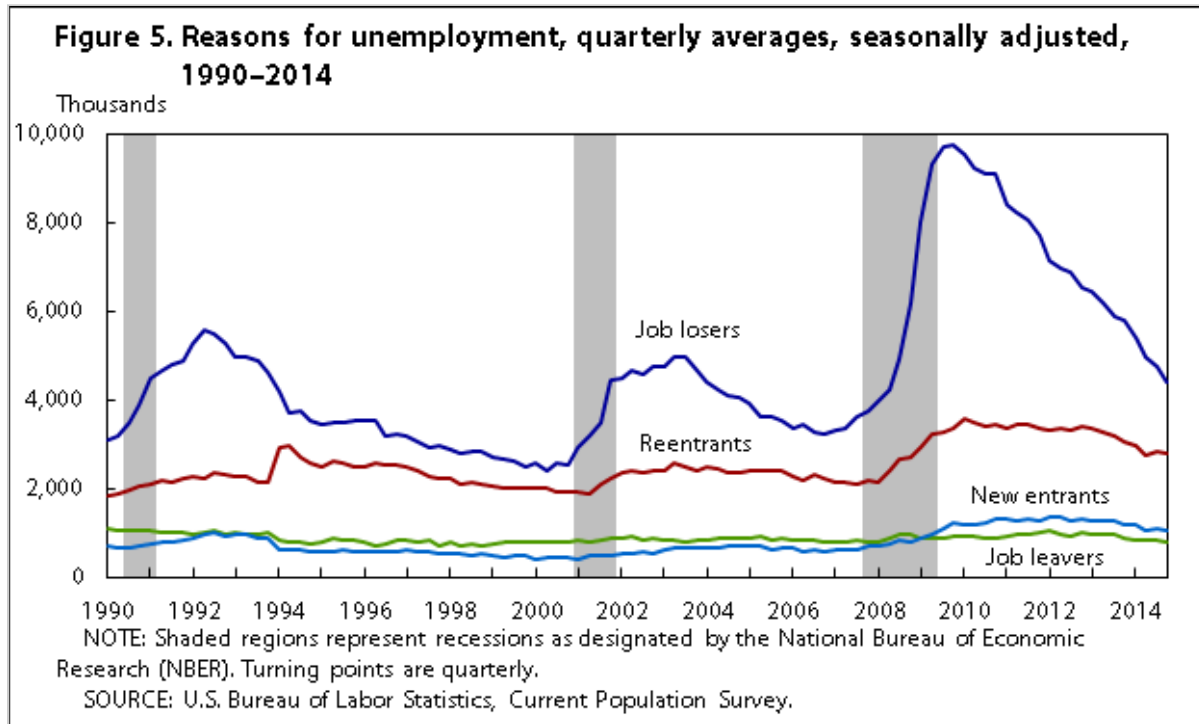
Reason and duration	Fourth quarter 2013	2014				Change, fourth quarter 2013 to fourth quarter 2014
		First quarter	Second quarter	Third quarter	Fourth quarter	
Not on temporary layoff	4,580	4,365	3,952	3,714	3,426	-1,154
Permanent job losers	3,412	3,242	2,882	2,653	2,446	-966
Persons who completed temporary jobs	1,169	1,123	1,070	1,062	979	-190
Job leavers	866	813	836	841	805	-61
Reentrants	3,046	2,970	2,734	2,836	2,772	-274
New entrants	1,188	1,190	1,058	1,079	1,025	-163
Percent distribution:						
Job losers and persons who completed temporary jobs	53.2	52.0	51.8	49.8	48.8	-4.4
On temporary layoff	11.2	9.9	10.6	10.6	10.7	-.5
Not on temporary layoff	42.0	42.1	41.2	39.2	38.1	-3.9
Job leavers	7.9	7.8	8.7	8.9	9.0	1.1
Reentrants	27.9	28.7	28.5	29.9	30.9	3.0
New entrants	10.9	11.5	11.0	11.4	11.4	.5
Duration of unemployment:						
Less than 5 weeks	2,514	2,438	2,476	2,521	2,445	-69
5 to 14 weeks	2,588	2,523	2,388	2,458	2,331	-257
15 weeks or longer	5,718	5,360	4,772	4,476	4,202	-1,516
15 to 26 weeks	1,724	1,655	1,492	1,449	1,365	-359
27 weeks or longer	3,994	3,705	3,280	3,027	2,837	-1,157
Average (mean) duration, in weeks	36.4	35.8	34.1	32.0	32.9	-3.5
Median duration, in weeks	16.7	16.0	14.4	13.4	12.9	-3.8
Percent distribution:						
Less than 5 weeks	23.2	23.6	25.7	26.7	27.2	4.0
5 to 14 weeks	23.9	24.4	24.8	26.0	26.0	2.1
15 weeks or longer	52.8	51.9	49.5	47.3	46.8	-6.0
15 to 26 weeks	15.9	16.0	15.5	15.3	15.2	-.7
27 weeks or longer	36.9	35.9	34.0	32.0	31.6	-5.3

NOTE: Updated population controls are introduced annually with the release of January data.

SOURCE: U.S. Bureau of Labor Statistics, Current Population Survey.

The number of people unemployed for a year or longer (1.9 million in the fourth quarter of 2014, not seasonally adjusted) continued to decline for the third straight year in 2014. These individuals made up 22.6 percent of the total unemployed in the fourth quarter of 2014, down over the year but still relatively high by historical standards.<sup>6</sup> Looking at those who had been seeking work for about 2 years indicates that the number of people who were jobless for 99 weeks or longer (949,000 in the fourth quarter of 2014, not seasonally adjusted) declined by 380,000 in 2014. Despite this decline, 1 out of 9 unemployed people had been jobless for about 2 years or longer at the

end of 2014, a fraction still quite high by historical standards. Before the recent recession, just 1 in 30 unemployed individuals had been without work for 2 years or longer.

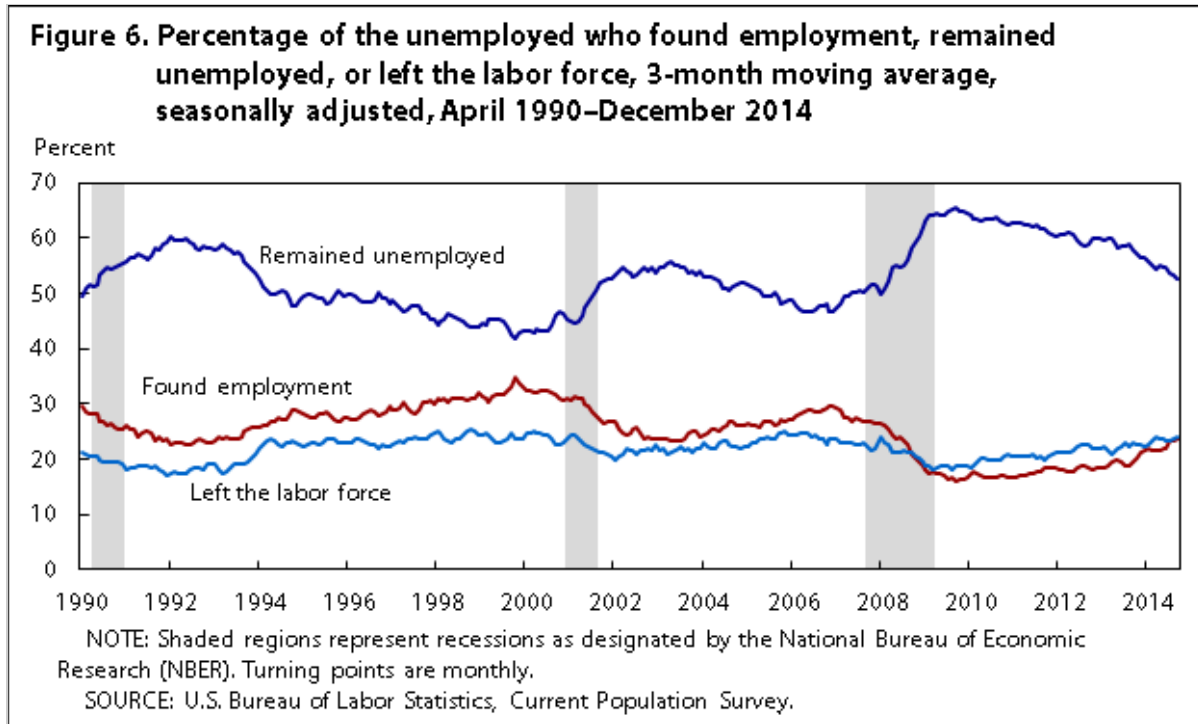


The number of job losers (those unemployed because of the loss of their most recent job) continued to decline in 2014 for the fifth consecutive year. The number of job losers fell by 1.4 million, to 4.4 million in 2014, and accounted for the largest share of the unemployed, 48.8 percent in the fourth quarter. Job losers are broken down into two main groups: people on temporary layoff who expect to be recalled to their jobs and those not on temporary layoff. Individuals in the latter group, who do not expect to be recalled, are further categorized as either permanent job losers or people who have completed temporary jobs. A decline in permanent job losers accounted for about two-thirds of the decline in the total number of job losers in 2014. The number of job losers on temporary layoff also declined over the year, mostly in the first quarter of 2014; the drop was likely due to a decrease in the number on temporary layoff in the first quarter that followed an increase associated with the partial federal government shutdown that occurred in the fourth quarter of 2013. (See figure 5 and table 4.)

The number of (unemployed) reentrants to the labor force (2.8 million in the fourth quarter of 2014) declined for the second consecutive year. The number of reentrants rose by about a million during the course of the most recent recession, showed little change from 2010 through 2012, and declined by 630,000 over the last 2 years. Reentrants are people who had previously worked but were not in the labor force prior to starting their current job search. The number of new entrants—that is, jobseekers who never worked before—also declined for the second consecutive year, by 163,000, to 1.0 million in the fourth quarter. The number of job leavers, 805,000 in the fourth quarter of 2014, held fairly steady during the year. Job leavers are unemployed people who voluntarily left their job.

## Labor force status flows

The decline in unemployment in 2014 is reflected in labor force status flow data. Labor force status flows measure the underlying movements between the monthly point-in-time estimates of the nation's employment status. Each month, millions of people move between employment and unemployment while millions of others leave or enter the labor force.<sup>7</sup> In 2014, 16.8 million people, or 6.8 percent of the population, changed their labor force status in an average month. By comparison, 6.7 percent of the population changed their labor force status in an average month prior to the last recession. The series peak was 7.5 percent of the population, in 2010.



One can gain additional insight into the unemployment level in 2014 by examining flow data by the current employment status (employed, unemployed, or not in the labor force) of people who were unemployed in the previous month. Figure 6 shows the proportions of the unemployed who found employment, remained unemployed, or left the labor force over the month.

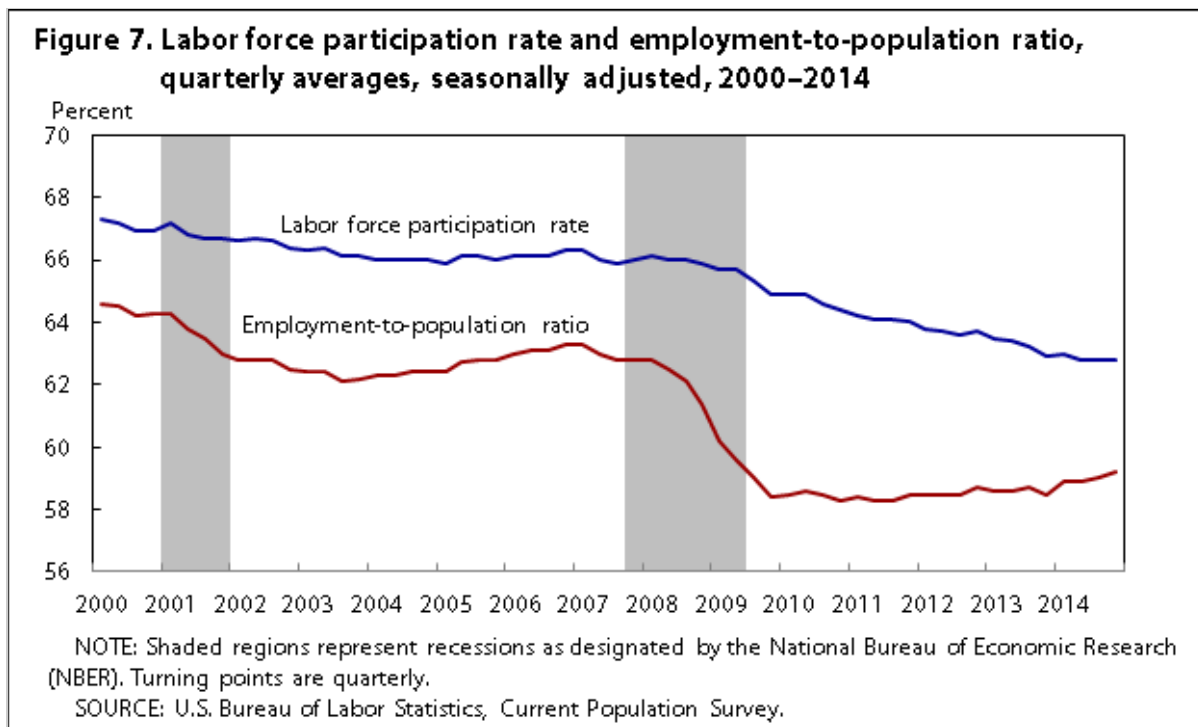
The likelihood of an unemployed person becoming employed increased by 4.1 percentage points over the year, to 23.5 percent in December 2014 (calculated as a 3-month moving average). The likelihood of an unemployed individual finding a job was 26.9 percent prior to the onset of the last recession. During the course of the recession, the likelihood of an unemployed person finding a job became less than that of an unemployed person leaving the labor force. This was the first time in the history of the series (which began in 1990) that an unemployed person was more likely to leave the labor force than to find a job. The share of the unemployed leaving the labor force, 23.9 percent in December 2014, was close to its prerecessionary rate of 23.0 percent in November 2007. (See figure 6.)

The share of those who remained unemployed from one month to the next was 52.6 percent in December 2014 (calculated as a 3-month moving average), down 5.2 percentage points over the year. The likelihood of the unemployed remaining unemployed from one month to the next was close to its November 2007 rate of 50.1 percent.

## Employment

Employment grew at a faster pace in 2014 than in 2013 (as measured in the CPS, or household survey). The number of employed people grew by 3.1 million in 2014, reaching 147.3 million in the fourth quarter. In contrast to the previous 2 years, when employment growth was more concentrated among adult women, adult men saw a larger gain in employment in 2014. The number of employed teenagers 16 to 19 years of age increased by 304,000, accounting for 10 percent of overall employment growth. (See table 1.)

Hispanic and Black workers had disproportionately large shares of employment growth in 2014. The number of employed Hispanics rose 1.3 million over the year, to 24.0 million, representing 41 percent of the overall increase in employment. By comparison, Hispanics constituted a 16-percent share of the employed in 2014. Employment among Blacks increased by 815,000, to 17.0 million in the fourth quarter, accounting for 26 percent of the overall increase in employment. Blacks made up 12 percent of total employment in 2014. The number of employed Whites rose by 1.8 million, to 117.3 million in the fourth quarter of 2014. This over-the-year rise in employment among Whites accounted for about 60 percent of the overall employment increase, somewhat less than their share of overall employment (80 percent). The number of employed Asians rose by 145,000 over the year, to 8.4 million in the fourth quarter.



Consistent with strong employment growth, the employment-to-population ratio for all people ages 16 years and older increased by 0.7 percentage point in 2014, following little change the previous year. The employment-to-population ratio is the proportion of the civilian noninstitutional population 16 years and older that is employed. The ratio fell by 4.4 percentage points from 2007 to 2009 and showed little definitive movement following the recession from 2010 to 2013. (See figure 7.) The employment-to-population ratio for adult men increased by 0.7 percentage point in 2014, to 67.9 percent, while the ratio for adult women increased by 0.5 percentage point, to 55.4 percent. (See table 1.) Although the gap between the ratios for men and women has narrowed considerably over time, the

employment-to-population ratio for adult men remains higher than that for adult women. The ratio among teenagers rose 2.0 percentage points, to 28.7 percent in the fourth quarter.

The employment-to-population ratio increased for nearly all of the race and ethnicity groups in 2014. Over the year, the ratio increased to 59.8 percent for Whites, 54.8 percent for Blacks, and 61.8 percent for Hispanics. The ratio for Asians, 60.3 percent, was little changed.

The number of workers holding more than one job, 7.5 million in the fourth quarter, increased by 566,000 in 2014, following little change in each of the previous 3 years. The percentage of workers who were multiple jobholders also increased in 2014, to 5.1 percent in the fourth quarter. Workers who were multiple jobholders held a 5.2-percent share of all workers at the onset of the last recession, reached a trough at 4.8 percent in the third quarter of 2010, and showed no clear pattern from 2010 to 2013.

The number of self-employed workers, including both those whose businesses were incorporated and those whose businesses were not, increased by 592,000 in 2014. In the fourth quarter, 15.1 million workers (not seasonally adjusted) were self-employed. The self-employment rate—the proportion of total employment made up of the self-employed—was unchanged over the year, standing at 10.3 percent in the fourth quarter. Of all self-employed people, 9.6 million, or about two-thirds, owned unincorporated businesses, while the remaining 5.6 million owned incorporated businesses.



The number of people employed part time for economic reasons declined to 6.9 million in 2014. This measure of underemployment, also referred to as involuntary part-time employment, ended the fourth quarter about a million lower than its year-earlier level.<sup>8</sup> Still, even with the decline in 2014, the number of people employed part time for economic reasons remained relatively high by historical standards. Slack work or unfavorable business conditions, rather than an inability to find full-time work, typically has been the primary reason for working part time involuntarily. The number of those working part time because of slack work has been on a downward trend since



the end of the recession. In contrast, the inability to find full-time work continued to trend upward past the end of the last recession and well into the recovery that followed, before recently starting to decline. (See figure 8.)

Employment rose in 2014 in 3 out of 5 major occupation groups: management, professional, and related occupations; natural resources, construction, and maintenance occupations; and production, transportation, and material moving occupations. Employment growth in these three broad groups accounted for nearly all of the job growth in 2014. By comparison, employment in these categories collectively accounts for about three-fifths of total employment. Employment in service occupations and in sales and office occupations was little changed in 2014. (See table 5.)

**Table 5. Employment, by occupation group and gender, quarterly averages, not seasonally adjusted, 2013–2014 (in thousands)**

Occupation group	Total			Men			Women		
	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014
Total, 16 years and older	144,448	147,597	3,149	76,511	78,318	1,807	67,937	69,279	1,342
Management, professional, and related occupations	55,206	56,919	1,713	26,629	27,374	745	28,577	29,545	968
Management, business, and financial operations occupations	22,887	23,254	367	12,909	12,985	76	9,978	10,269	291
Professional and related occupations	32,319	33,665	1,346	13,720	14,389	669	18,599	19,276	677
Service occupations	25,777	26,007	230	11,180	11,263	83	14,597	14,744	147
Health care support occupations	3,576	3,395	-181	358	449	91	3,218	2,947	-271
Protective service occupations	3,082	2,980	-102	2,458	2,339	-119	624	641	17
Food preparation and serving related occupations	8,140	8,225	85	3,690	3,706	16	4,450	4,519	69
Building and grounds cleaning and maintenance occupations	5,713	5,982	269	3,448	3,554	106	2,265	2,427	162
Personal care and service occupations	5,265	5,425	160	1,225	1,215	-10	4,040	4,210	170

See footnotes at end of table.

**Table 5. Employment, by occupation group and gender, quarterly averages, not seasonally adjusted, 2013–2014 (in thousands)**

Occupation group	Total			Men			Women		
	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014
Sales and office occupations	33,315	33,283	-32	12,849	12,818	-31	20,467	20,466	-1
Sales and related occupations	15,513	15,669	156	7,973	7,981	8	7,541	7,688	147
Office and administrative support occupations	17,802	17,614	-188	4,876	4,836	-40	12,926	12,778	-148
Natural resources, construction, and maintenance occupations	13,025	13,604	579	12,357	13,014	657	668	591	-77
Farming, fishing, and forestry occupations	943	988	45	722	781	59	221	207	-14
Construction and extraction occupations	7,116	7,701	585	6,917	7,498	581	199	202	3
Installation, maintenance, and repair occupations	4,966	4,916	-50	4,718	4,734	16	248	181	-67
Production, transportation, and material moving occupations	17,124	17,783	659	13,496	13,850	354	3,628	3,934	306
Production occupations	8,455	8,606	151	6,185	6,162	-23	2,270	2,444	174
Transportation and material moving occupations	8,669	9,177	508	7,310	7,688	378	1,358	1,489	131

NOTE: Data may not sum to totals because of rounding.

SOURCE: U.S. Bureau of Labor Statistics, Current Population Survey.

## Labor force participation

The civilian labor force increased by 1.3 million, to 156.3 million in 2014, yet the labor force participation rate, 62.8 percent, was essentially unchanged. The labor force participation rate—the proportion of the civilian noninstitutional population 16 years and older that is in the labor force—has generally been trending downward since reaching a record high in early 2000. This downward trend intensified during and following the recent recession but appears to have leveled off in 2014. The participation rate had dropped 0.8 percentage point in

2013. Research has suggested that demographic factors, such as aging of the population and diminished growth in the labor force participation of adult women, along with certain structural changes in the labor market, are part of the reason for the long-term downward trend.<sup>9</sup> BLS long-term projections suggest that downward pressure on the participation rate will continue for some time.<sup>10</sup> (See figure 7 and table 1.)

The labor force participation rates for most of the major race and ethnicity groups showed little change in 2014. The sole exception was the rate for Blacks, which increased by 0.9 percentage point, to 61.4 percent in the fourth quarter. The rate for Whites was 62.9 percent, Asians 63.3 percent, and Hispanics 66.2 percent.

## People not in the labor force

People who are not in the labor force are neither employed nor unemployed. The number of people not in the labor force in 2014 increased by 924,000, to 92.7 million (not seasonally adjusted). This was the smallest over-the-year increase since 2006 for those in this category. The number of people not in the labor force who indicated in the CPS that they wanted a job increased by 503,000, to 6.2 million.<sup>11</sup> (See table 6.) The remaining share of persons not in the labor force, 86.5 million (or 93.3 percent), was made up of people who did not want a job. People 65 years and older continued to make up about 40 percent of those not in the labor force.

**Table 6. Number of people not in the labor force, quarterly averages, not seasonally adjusted, 2010–2014 (in thousands)**

Category	Fourth quarter 2010	Fourth quarter 2011	Fourth quarter 2012	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014
Total not in the labor force	85,210	86,717	88,957	91,774	92,698	924
People who do not currently want a job <sup>(1)</sup>	79,239	80,621	82,567	86,090	86,511	421
People who currently want a job	5,971	6,096	6,390	5,684	6,187	503
Marginally attached to the labor force <sup>(2)</sup>	2,581	2,562	2,517	2,269	2,187	-82
Discouraged workers <sup>(3)</sup>	1,273	1,002	953	831	736	-95
Other persons marginally attached to the labor force <sup>(4)</sup>	1,308	1,559	1,564	1,438	1,451	13

Footnotes:

(1) Includes some people who are not asked if they want a job.

(2) People who want a job, searched for work during the previous 12 months, and were available to take a job during the reference week, but had not looked for work in the previous 4 weeks.

(3) Includes those who did not actively look for work in the previous 4 weeks for reasons such as they thought that no work was available, that they could not find work, that they lacked schooling or training, or that the prospective employer thought that they were too young or old or exhibited other types of discrimination.

(4) Includes those who did not actively look for work in the previous 4 weeks for reasons such as school or family responsibilities, ill health, and transportation problems, as well as a number for whom the reason for their nonparticipation in the labor force was not determined.

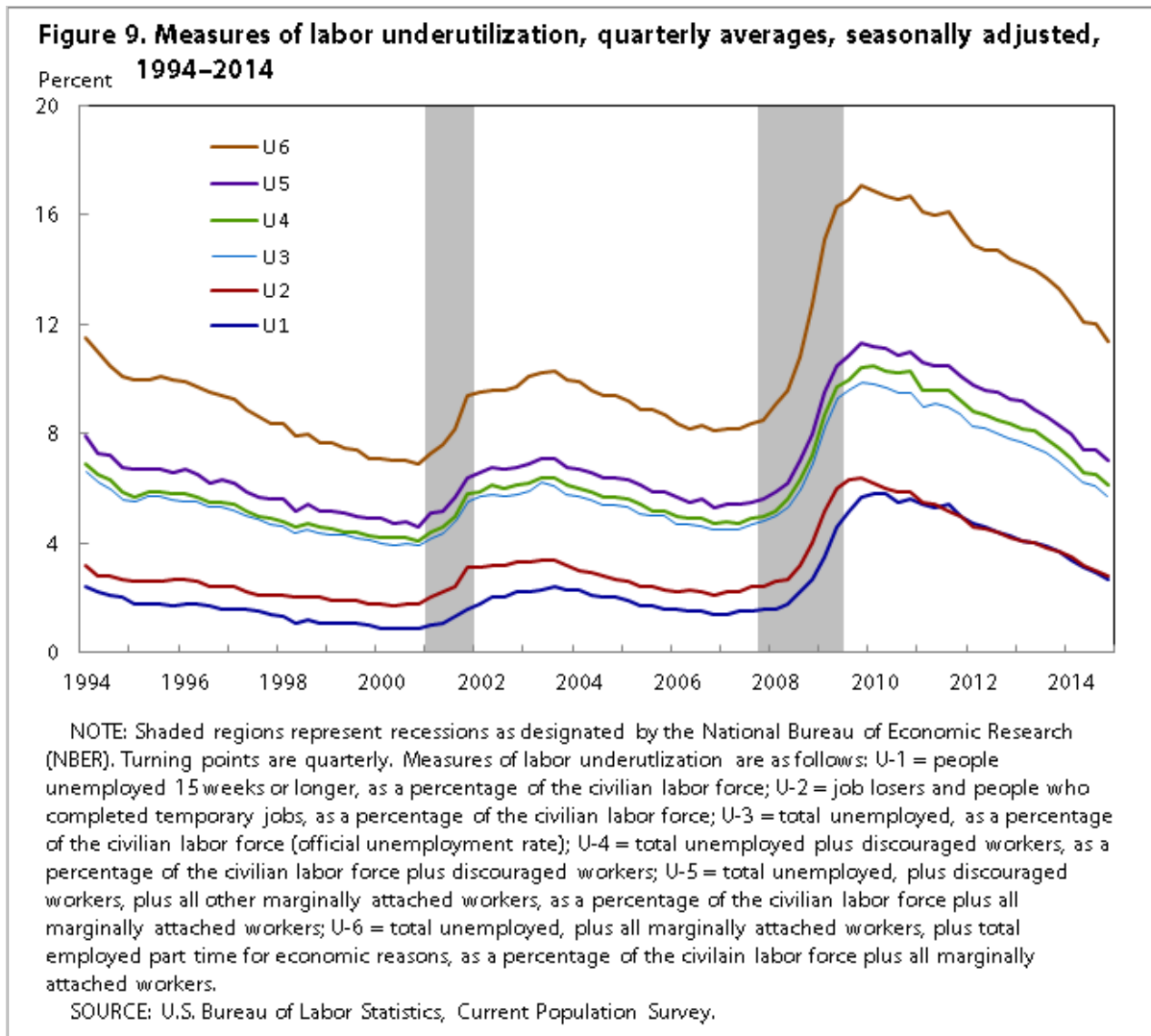
SOURCE: U.S. Bureau of Labor Statistics, Current Population Survey.

Among those not in the labor force but who currently wanted a job, the number of people marginally attached to the labor force (not seasonally adjusted), 2.2 million in the fourth quarter of 2014, was about the same as a year earlier. These individuals had searched for work sometime in the previous year and were available for work, had a job been offered to them. By definition, they are not counted as unemployed because they had not actively searched for work in the 4 weeks preceding the survey.<sup>12</sup> Among marginally attached individuals, some were currently not looking for work specifically because they felt that no jobs were available to them. This subset of the marginally attached is defined as “discouraged workers.” In 2014, the number of discouraged workers declined by 95,000, to 736,000 in the fourth quarter.

The remaining 1.5 million people marginally attached to the labor force in 2014 had not searched for work in the 4 weeks preceding the survey for reasons such as school attendance, family responsibilities, health-related issues, and transportation problems. Included in this group as well are those whose reason for nonparticipation was not identified in the survey. The subset of the marginally attached who had not searched for work for any one of these other reasons or whose reason for nonparticipation was not identified was essentially unchanged in 2014.

## Alternative measures of labor underutilization

Each of the BLS alternative measures of labor underutilization declined in 2014. Known as U–1, U–2, and U–4 through U–6 (U–3 is the official unemployment rate), these measures tend to show similar cyclical patterns yet provide additional insight into the degree to which labor resources are being underutilized.<sup>13</sup> Like the official unemployment rate, the alternative measures are presented as a percentage of the labor force (adjusted as necessary). Alternative measure U–1 shows the number of individuals unemployed 15 weeks or longer as a percentage of the labor force, while U–2 presents job losers and people who completed temporary jobs as a percentage of the labor force. U–4 through U–6 are broader than the official unemployment measure: to the unemployed, U–4 adds discouraged workers; U–5 adds all persons marginally attached to the labor force (including discouraged workers); and U–6 adds all people marginally attached to the labor force, plus people employed part time for economic reasons.



By the end of 2014, U–1 had declined to 2.7 percent and U–2 to 2.8 percent. Throughout most of these series' history, U–2 has exceeded U–1. However, that pattern recently changed, reflecting a greater increase in the number of people unemployed for 15 weeks or longer during the downturn and the declining number of people unemployed because they lost their job. The two measures were the same in the fourth quarter of 2013 and declined in tandem in 2014. Among the remaining three measures, U–4 declined to 6.1 percent by the end of 2014 and U–5 to 7.0 percent. The broadest measure, U–6, declined by 1.9 percentage points, to 11.4 percent. (See figure 9.)

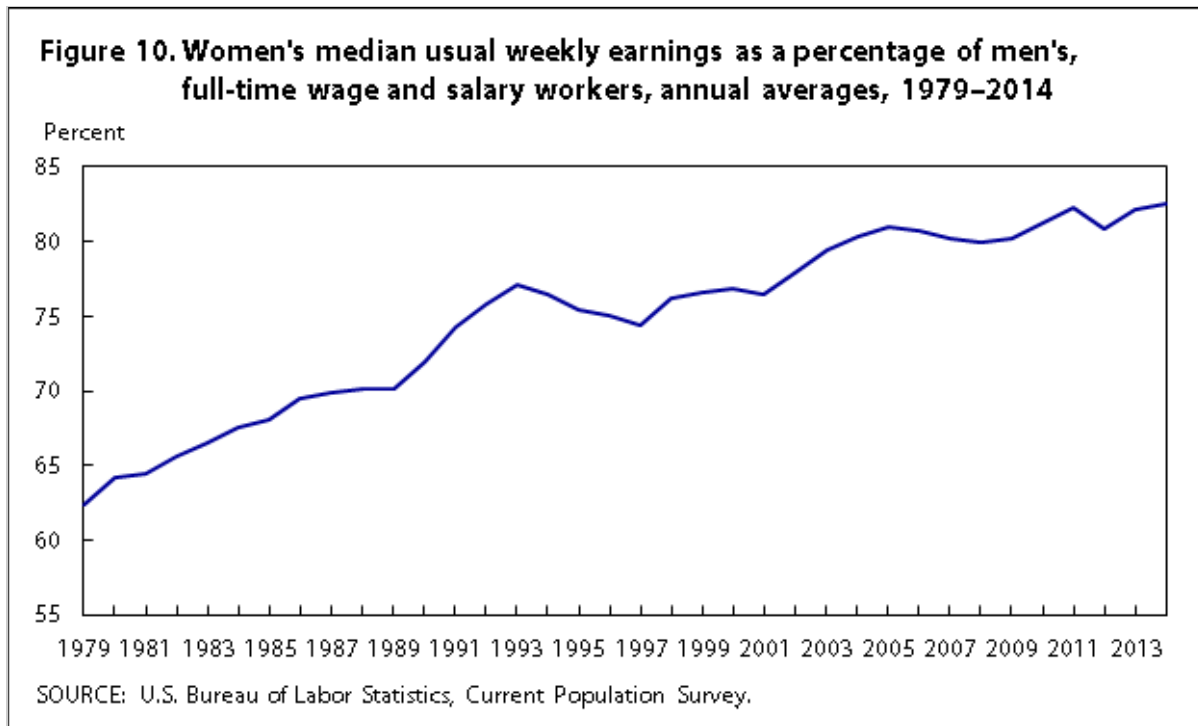
## Earnings

Median weekly earnings of full-time wage and salary workers, \$791 in 2014, were up 1.9 percent from 2013, slightly faster than the change in inflation as measured by the Consumer Price Index for All Urban Consumers (CPI-U).<sup>14</sup> Note that the comparisons of earnings in this article are on a broad level and do not control for many factors that can be important in explaining earnings differences. (See table 7; data in this section are annual averages.)

**Table 7. Median usual weekly earnings of full-time wage and salary workers, by selected characteristics, annual averages, 2013–2014**

Characteristic	Current dollars		
	2013	2014	Percent change, 2013–2014
Total, 16 years and older	\$776	\$791	1.9
Men	860	871	1.3
Women	706	719	1.8
White	802	816	1.7
Men	884	897	1.5
Women	722	734	1.7
Black or African American	629	639	1.6
Men	664	680	2.4
Women	606	611	.8
Asian	942	953	1.2
Men	1,059	1,080	2.0
Women	819	841	2.7
Hispanic or Latino ethnicity	578	594	2.8
Men	594	616	3.7
Women	541	548	1.3
Total, 25 years and older	827	839	1.5
Less than a high school diploma	472	488	3.4
High school graduate, no college	651	668	2.6
Some college or associate's degree	748	761	1.7
Bachelor's degree or higher	1,194	1,193	-.1
CPI-U (1982–1984 = 100)	232.96	236.74	1.6

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



In 2014, median weekly earnings for women rose by 1.8 percent, to \$719, and men's earnings rose by 1.3 percent, to \$871. The women's-to-men's earnings ratio edged up 0.4 percentage point, to 82.5 percent in 2014; the ratio has been in the 80-percent to 82-percent range since 2004. Over time, the earnings gap between the sexes has narrowed considerably: in 1979, women's earnings were 62.3 percent of men's earnings. (See figure 10.)

Among full-time wage and salary workers in the major race and ethnicity groups, median usual weekly earnings continued to be higher for Asians (\$953) and Whites (\$816) than for Blacks (\$639) and Hispanics (\$594). The difference in median weekly earnings between Blacks and Hispanics has narrowed in recent years. (See table 7.)

In 2014, although full-time workers ages 25 years and older without a high school diploma experienced the largest proportional increase in their earnings (up 3.4 percent, to \$488), they continued to have lower median weekly earnings than workers with higher levels of educational attainment. Earnings of workers with only a high school diploma were up 2.6 percent, to \$668 per week; workers with some college or an associate's degree earned \$761 per week (a 1.7-percent increase). Workers with a bachelor's degree or higher earned \$1,193 per week, little changed from a year earlier. (See table 7.)

## Veterans, people with disabilities, and foreign-born workers

In 2014, the unemployment rate (not seasonally adjusted) for both veterans and nonveterans declined over the year. In the CPS, veterans are defined as men and women 18 years and older who have previously served on active duty in the U.S. Armed Forces and who were civilians at the time the survey was conducted.<sup>15</sup> Veterans are categorized as having served in 1 of 4 periods: Gulf War era II (September 2001 to the present); Gulf War era I (August 1990 to August 2001); World War II (December 1941 to December 1946), the Korean War (July 1950 to January 1955), and the Vietnam era (August 1964 to April 1975); and other service periods (all other periods).



Of the 21.3 million veterans in the civilian noninstitutional population in the fourth quarter of the year, the largest share (9.2 million) had served during the World War II, Korea, and Vietnam eras. Another 3.5 million veterans had served during Gulf War era II, 3.3 million during Gulf War era I, and 5.3 million outside the designated wartime periods. (See table 8.)

**Table 8. Employment status of people 18 years and older, by veteran status, period of service, and gender, quarterly averages, not seasonally adjusted, 2013–2014 (levels in thousands)**

Employment status, veteran status, and period of service	Total			Men			Women		
	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014
Veterans, 18 years and older:									
Civilian labor force	10,847	10,784	-63	9,417	9,462	45	1,430	1,322	-108
Participation rate (percent)	51.0	50.7	-.3	49.4	49.3	-.1	64.0	63.6	-.4
Employed	10,159	10,291	132	8,819	9,049	230	1,341	1,242	-99
Employment-to-population ratio	47.7	48.3	.6	46.3	47.1	.8	60.0	59.8	-.2
Unemployed	688	493	-195	598	414	-184	90	80	-10
Unemployment rate (percent)	6.3	4.6	-1.7	6.4	4.4	-2.0	6.3	6.0	-.3
Gulf War–era II veterans:									
Civilian labor force	2,441	2,738	297	1,963	2,270	307	478	468	-10
Participation rate (percent)	82.0	78.6	-3.4	84.1	80.7	-3.4	74.6	69.5	-5.1
Employed	2,219	2,558	339	1,779	2,130	351	440	427	-13
Employment-to-population ratio	74.6	73.4	-1.2	76.2	75.8	-.4	68.7	63.4	-5.3
Unemployed	222	180	-42	184	140	-44	38	41	3
Unemployment rate (percent)	9.1	6.6	-2.5	9.4	6.1	-3.3	7.9	8.7	.8
Gulf War–era I veterans:									
Civilian labor force	2,628	2,720	92	2,218	2,331	113	410	389	-21
Participation rate (percent)	84.5	82.4	-2.1	86.6	84.0	-2.6	74.8	73.9	-.9
Employed	2,472	2,645	173	2,085	2,269	184	388	376	-12
Employment-to-population ratio	79.5	80.1	.6	81.4	81.8	.4	70.7	71.3	.6
Unemployed	156	75	-81	133	62	-71	23	13	-10
Unemployment rate (percent)	5.9	2.8	-3.1	6.0	2.7	-3.3	5.5	3.4	-2.1

See footnotes at end of table.

**Table 8. Employment status of people 18 years and older, by veteran status, period of service, and gender, quarterly averages, not seasonally adjusted, 2013–2014 (levels in thousands)**

Employment status, veteran status, and period of service	Total			Men			Women		
	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014
World War II, Korean War, and Vietnam–era veterans:									
Civilian labor force	2,749	2,508	-241	2,663	2,418	-245	86	90	4
Participation rate (percent)	28.4	27.3	-1.1	28.5	27.3	-1.2	23.8	27.1	3.3
Employed	2,591	2,398	-193	2,510	2,315	-195	81	84	3
Employment-to- population ratio	26.7	26.1	-.6	26.9	26.2	-.7	22.5	25.1	2.6
Unemployed	158	110	-48	153	104	-49	5	6	1
Unemployment rate (percent)	5.7	4.4	-1.3	5.7	4.3	-1.4	5.8	7.1	1.3
Veterans of other service periods:									
Civilian labor force	3,029	2,818	-211	2,574	2,443	-131	456	374	-82
Participation rate (percent)	55.1	53.0	-2.1	53.4	51.2	-2.2	66.6	68.7	2.1
Employed	2,877	2,690	-187	2,445	2,335	-110	432	355	-77
Employment-to- population ratio	52.3	50.6	-1.7	50.8	48.9	-1.9	63.1	65.1	2.0
Unemployed	152	128	-24	129	108	-21	24	19	-5
Unemployment rate (percent)	5.0	4.5	-.5	5.0	4.4	-.6	5.3	5.2	-.1
Nonveterans, 18 years and older:									
Civilian labor force	142,040	143,383	1,343	71,896	72,447	551	70,144	70,936	792
Participation rate (percent)	65.7	65.6	-.1	75.3	75.1	-.2	58.0	58.1	.1
Employed	132,792	135,675	2,883	66,992	68,471	1,479	65,800	67,204	1,404
Employment-to- population ratio	61.4	62.1	.7	70.2	71.0	.8	54.5	55.0	.5
Unemployed	9,247	7,708	-1,539	4,904	3,977	-927	4,344	3,731	-613
Unemployment rate (percent)	6.5	5.4	-1.1	6.8	5.5	-1.3	6.2	5.3	-.9

See footnotes at end of table.

NOTE: Veterans served on active duty in the U.S. Armed Forces and were not on active duty at the time of the survey. Nonveterans never served on active duty in the U.S. Armed Forces. Veterans could have served anywhere in the world during these periods of service: Gulf War era II (September 2001–present), Gulf War era I (August 1990–August 2001), Vietnam era (August 1964–April 1975), Korean War (July 1950–January 1955), World War II (December 1941–December 1946), and other service periods (all other periods). Veterans who served in more than one wartime period are classified as being only in the most recent one. Veterans who served during both one of the selected wartime periods and another period are classified only in the wartime period. Updated population controls are introduced annually with the release of January data.

SOURCE: U.S. Bureau of Labor Statistics, Current Population Survey.

Veterans were more likely to be men and older. In part, this disparity reflects the characteristics of veterans who served during World War II, the Korean War, and the Vietnam era: these veterans make up close to one-half of the total veteran population.

The unemployment rate for male veterans declined 2.0 percentage points over the year, to 4.4 percent in the fourth quarter of 2014. The unemployment rate for female veterans was 6.0 percent in the same quarter, not significantly different from the previous year's rate.

Among Gulf War–era II veterans (those who had served since September 2001), the unemployment rate fell 2.5 percentage points in 2014, to 6.6 percent in the fourth quarter; despite the drop, the 6.6-percent unemployment rate was higher than the overall rate for veterans. This difference partially reflects the fact that Gulf War–era II veterans tend to be younger than those from other periods of service; younger workers usually have higher jobless rates than those who are older, regardless of whether or not they are veterans. The unemployment rate for male Gulf War–era II veterans declined 3.3 percentage points, to 6.1 percent in the fourth quarter of 2014, while the rate for female veterans from this era, 8.7 percent, remained about unchanged from a year earlier.

Overall, 49.3 percent of male veterans were in the labor force in the fourth quarter of 2014, compared with 75.1 percent of their nonveteran counterparts. This disparity is due in large part to the age distribution of male veterans compared with that of male nonveterans: the percentage of male veterans in older age brackets is greater, and older individuals tend to have low labor force participation rates. In the fourth quarter, the participation rate for veterans of Gulf War II was 80.7 percent for men and 69.5 percent for women. Participation rates for both male and female veterans of Gulf War II declined from a year earlier; by contrast, rates for veterans of other service periods changed little in 2014.

Over the year, there was little change in the employment situation for people with a disability. In the fourth quarter of 2014, the percentage of people with a disability who were in the labor force was 20 percent (not seasonally adjusted), about unchanged from that for the same quarter in 2013. The fourth-quarter 2014 labor force participation rate for people without a disability was 68.5 percent, unchanged from the previous year. (See table 9.) The lower participation rate among people with a disability reflects in part the fact that a larger proportion of those with a disability is 65 years and older, an age group that generally has a low rate of labor force participation. Nonetheless, men and women ages 16 to 64 years with a disability were also much less likely to be in the labor force than their counterparts with no disability.

**Table 9. Employment status of the civilian noninstitutional population, by gender, age, and disability status, quarterly averages, not seasonally adjusted, 2013–2014 (levels in thousands)**

Employment status, gender, and age	People with a disability			People with no disability		
	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014
Total, 16 years and older:						
Civilian labor force	5,553	5,935	382	149,238	150,209	971
Participation rate (percent)	19.4	20.0	.6	68.5	68.5	.0
Employed	4,866	5,275	409	139,581	142,322	2,741
Employment-to-population ratio	17.0	17.8	.8	64.0	64.9	.9
Unemployed	686	660	-26	9,657	7,887	-1,770
Unemployment rate (percent)	12.4	11.1	-1.3	6.5	5.3	-1.2
Men, 16 to 64 years:						
Civilian labor force	2,413	2,576	163	75,296	75,679	383
Participation rate (percent)	32.1	33.0	.9	81.8	82.1	.3
Employed	2,062	2,272	210	70,171	71,611	1,440
Employment-to-population ratio	27.5	29.1	1.6	76.3	77.7	1.4
Unemployed	351	303	-48	5,124	4,068	-1,056
Unemployment rate (percent)	14.6	11.8	-2.8	6.8	5.4	-1.4
Women, 16 to 64 years:						
Civilian labor force	2,250	2,347	97	66,685	67,069	384
Participation rate (percent)	28.7	29.1	.4	70.1	70.4	.3
Employed	1,963	2,055	92	62,511	63,551	1,040
Employment-to-population ratio	25.0	25.5	.5	65.7	66.7	1.0
Unemployed	287	292	5	4,174	3,518	-656
Unemployment rate (percent)	12.8	12.4	-.4	6.3	5.2	-1.1
Total, 65 years and older:						
Civilian labor force	889	1,012	123	7,258	7,461	203
Participation rate (percent)	6.7	7.3	.6	23.6	23.5	-.1
Employed	841	947	106	6,899	7,161	262
Employment-to-population ratio	6.4	6.9	.5	22.4	22.6	.2
Unemployed	48	65	17	358	301	-57
Unemployment rate (percent)	5.4	6.4	1.0	4.9	4.0	-.9

See footnotes at end of table.

NOTE: A person with a disability has at least one of the following conditions: is deaf or has serious difficulty hearing; is blind or has serious difficulty seeing even when wearing glasses; has serious difficulty concentrating, remembering, or making decisions because of a physical, mental, or emotional condition; has serious difficulty walking or climbing stairs; has difficulty dressing or bathing; or has difficulty doing errands alone, such as visiting a doctor's office or shopping because of a physical, mental, or emotional condition. Updated population controls are introduced annually with the release of January data.

SOURCE: U.S. Bureau of Labor Statistics, Current Population Survey.

In the fourth quarter of 2014, the employment-to-population ratio for people with a disability was 17.8 percent, little changed from the percentage in 2013 (17.0 percent). In stark contrast, people without a disability had an employment-to-population ratio of 64.9 percent in the fourth quarter, more than 3 times that of those with a disability. The ratio for men ages 16 to 64 years with a disability, 29.1 percent, was little changed over the year; the ratio for women in the same age group with a disability, 25.5 percent, was also about unchanged. Again in contrast, the employment-to-population ratio for both men and women ages 16 to 64 years without a disability rose over the year: 1.4 percentage points, to 77.7 percent for men, and 1.0 percentage points, to 66.7 percent for women.

At the end of 2014, the unemployment rate for people with a disability edged down to 11.1 percent while that of people without a disability declined by 1.2 percentage points, to 5.3 percent.

The unemployment rate declined for both foreign-born and native-born individuals in 2014. By the end of the year, the unemployment rate for the foreign born had declined by 1.1 percentage points, to 5.3 percent (not seasonally adjusted); the rate for the native born declined to 5.5 percent. (See table 10.) The foreign born are people who reside in the United States but were born outside the country or one of its outlying areas (such as Puerto Rico or Guam) to parents, neither of whom was a U.S. citizen. The foreign born comprise legally admitted immigrants; refugees; temporary residents, such as students and temporary workers; and undocumented immigrants.

**Table 10. Employment status of the foreign- and native-born populations, by gender, quarterly averages, not seasonally adjusted, 2013–2014 (levels in thousands)**

Employment status and nativity	Total			Men			Women		
	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014
Foreign born, 16 years and older:									
Civilian labor force	25,505	26,396	891	14,756	15,446	690	10,749	10,949	200
Participation rate	65.9	66.2	.3	78.7	78.7	.0	53.9	54.1	.2
Employed	23,874	24,994	1,120	13,868	14,697	829	10,006	10,297	291
Employment-to-population ratio	61.7	62.7	1.0	74.0	74.9	.9	50.2	50.9	.7
Unemployed	1,631	1,402	-229	888	750	-138	743	652	-91
Unemployment rate	6.4	5.3	-1.1	6.0	4.9	-1.1	6.9	6.0	-.9

See footnotes at end of table.

**Table 10. Employment status of the foreign- and native-born populations, by gender, quarterly averages, not seasonally adjusted, 2013–2014 (levels in thousands)**

Employment status and nativity	Total			Men			Women		
	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014	Fourth quarter 2013	Fourth quarter 2014	Change, fourth quarter 2013 to fourth quarter 2014
Native born, 16 years and older:									
Civilian labor force	129,285	129,749	464	67,459	67,457	-2	61,826	62,292	466
Participation rate	62.2	62.1	-.1	67.3	67.1	-.2	57.4	57.5	.1
Employed	120,573	122,603	2,030	62,643	63,622	979	57,931	58,982	1,051
Employment-to-population ratio	58.0	58.7	.7	62.5	63.3	.8	53.8	54.4	.6
Unemployed	8,712	7,146	-1,566	4,816	3,835	-981	3,895	3,310	-585
Unemployment rate	6.7	5.5	-1.2	7.1	5.7	-1.4	6.3	5.3	-1.0

NOTE: The foreign born are those residing in the United States who were not U.S. citizens at birth. That is, they were born outside the United States or one of its outlying areas, such as Puerto Rico or Guam, to parents, neither of whom was a U.S. citizen. The native born are people who were born in the United States or one of its outlying areas, such as Puerto Rico or Guam, or who were born abroad of at least one parent who was a U.S. citizen. Updated population controls are introduced annually with the release of January data.

SOURCE: U.S. Bureau of Labor Statistics, Current Population Survey.

In the fourth quarter of 2014, foreign-born workers accounted for 17 percent of the U.S. civilian labor force. The labor force participation rate of the foreign born, 66.2 percent, was little changed over the year, while that for the native born edged down to 62.1 percent. Foreign-born men continued to have higher participation rates than native-born men: in 2014, the participation rate for foreign-born men held at 78.7 percent and the rate for native-born men was little changed at 67.1 percent. By contrast, native-born women were more likely to be labor force participants than women who were foreign born: 57.5 percent and 54.1 percent, respectively, each little changed in 2014.

## Summary

CPS data indicate continued improvement in the U.S. labor market in 2014. Both the number of unemployed and the unemployment rate fell over the year, with much of the improvement occurring among adult men. Although the proportion of unemployed people who had been jobless for long periods continued to decline, it remained high by historical standards. Employment, as measured by the CPS, expanded over the year by 3.1 million, considerably more than in 2013. In contrast to the previous year, adult men also saw a larger gain in employment than adult women. The labor force participation rate was essentially unchanged over the year, whereas the employment-to-population ratio, 59.2 percent, was 0.7 percentage point higher than a year earlier. Median weekly earnings of full-time wage and salary workers rose at a slightly faster pace than inflation.

Eleni Theodossiou Sherman and Janie-Lynn Kang, "Continued improvement in U.S. labor market in 2014," *Monthly Labor Review*, U.S. Bureau of Labor Statistics, April 2015, <https://doi.org/10.21916/mlr.2015.11>

## NOTES

<sup>1</sup> The National Bureau of Economic Research (NBER) is the official arbiter of the beginning and ending dates of recessions. According to the NBER, the most recent recession began in December 2007 and ended in June 2009. Turning points for recessions are quarterly in this article.

<sup>2</sup> The data in this article are based on information collected in the Current Population Survey (CPS)—also called the household survey—a monthly sample survey of about 60,000 households nationwide that the U.S. Census Bureau conducts for the U.S. Bureau of Labor Statistics (BLS). Although the CPS is a monthly survey, the data analyzed in the article are seasonally adjusted quarterly averages, unless otherwise noted. All over-the-year changes are comparisons of fourth-quarter data from 2013 with fourth-quarter data from 2014, unless otherwise noted. Effective with the data for January 2014, updated population estimates were used in the household survey. Each year, the Census Bureau updates its population estimates to reflect new information and assumptions about the growth of the population during the decade. In accordance with usual practice, BLS did not revise the official household survey estimates for December 2013 and earlier months. For additional information on the population adjustments and their effect on national labor force estimates, see "Adjustments to Household Survey Population Estimates in January 2014" (U.S. Bureau of Labor Statistics, February 2014), <https://www.bls.gov/cps/cps14adj.pdf>.

<sup>3</sup> People whose ethnicity is identified as Hispanic or Latino may be of any race. In the CPS, about 90 percent of people of Hispanic or Latino ethnicity identify themselves as White.

<sup>4</sup> Unemployment rates by occupation are based on the most recent job an individual held. Excluded are unemployed people who have no previous work experience.

<sup>5</sup> The duration of joblessness is the length of time (through the current reference week) that people classified as unemployed have been looking for work. This measure refers to the duration of the current spell of unemployment, rather than to that of a completed spell.

<sup>6</sup> For additional information, see Thomas Luke Spreen, "Ranks of those unemployed for a year or more up sharply," *Issues in Labor Statistics*, Summary 10–10 (U.S. Bureau of Labor Statistics, October 2010), <https://www.bls.gov/opub/ils/pdf/opbils87.pdf>.

<sup>7</sup> For more information and analysis of recent data, see Randy E. Ilg and Eleni Theodossiou, "Job search of the unemployed by duration of unemployment," *Monthly Labor Review*, March 2012, pp. 41–49, <https://www.bls.gov/opub/mlr/2012/03/art3full.pdf>; Randy E. Ilg, "How long before the unemployed find jobs or quit looking?" *Issues in Labor Statistics*, Summary 11–1 (U.S. Bureau of Labor Statistics, May 2011), <https://www.bls.gov/opub/ils/pdf/opbils89.pdf>; "Labor force flows in the most recent recession," *Issues in Labor Statistics*, Summary 10–08 (U.S. Bureau of Labor Statistics, July 2010), <https://www.bls.gov/opub/ils/pdf/opbils85.pdf>; and Harley J. Frazis and Randy E. Ilg, "Trends in labor force flows during recent recessions," *Monthly Labor Review*, April 2009, pp. 3–18, <https://www.bls.gov/opub/mlr/2009/04/art1full.pdf>.

<sup>8</sup> For additional information, see Emy Sok, "Involuntary part-time work on the rise," *Issues in Labor Statistics*, Summary 08–08 (U.S. Bureau of Labor Statistics, December 2008), <https://www.bls.gov/opub/ils/pdf/opbils71.pdf>.

<sup>9</sup> For more research on labor force participation, see, for example, Michelle L. Barnes, Fabiá Gumbau-Brisa, and Giovanni P. Olivei, "Cyclical versus secular: decomposing the recent decline in U.S. labor force participation," Public Policy Briefs, no. 13-2 (Federal Reserve Bank of Boston, July 2013), <http://www.bostonfed.org/economic/ppb/2013/ppb132.pdf>.

<sup>10</sup> For additional information, see Mitra Toossi, "Labor force projections to 2022: the labor force participation rate continues to fall," *Monthly Labor Review*, December 2013, <https://www.bls.gov/opub/mlr/2013/article/labor-force-projections-to-2022-the-labor-force-participation-rate-continues-to-fall.htm>.



<sup>11</sup> The number of people not in the labor force who want a job is a measure of those who reported wanting a job without necessarily having looked for one; conceptually, this group includes all people who reported that they currently want a job.

<sup>12</sup> For additional analysis of people marginally attached to the labor force, see Sharon Cohany, "Ranks of discouraged workers and others marginally attached to the labor force rise during recession," *Issues in Labor Statistics*, Summary 09–04 (U.S. Bureau of Labor Statistics, April 2009), <https://www.bls.gov/opub/ils/pdf/opbils74.pdf>.

<sup>13</sup> For further information, see Vernon Brundage, "Trends in unemployment and other labor market difficulties," *Beyond the Numbers* (U.S. Bureau of Labor Statistics, November 2014), <https://www.bls.gov/opub/btn/volume-3/pdf/trends-in-unemployment-and-other-labor-market-difficulties.pdf>; and Steven E. Haugen, "Measures of labor underutilization from the Current Population Survey," Working Paper 424 (U.S. Bureau of Labor Statistics, March 2009), <https://www.bls.gov/osmr/research-papers/2009/pdf/ec090020.pdf>.

<sup>14</sup> Data on earnings are collected from one-fourth of the CPS sample each month and are limited to the earnings of wage and salary workers. Earnings of self-employed workers, both incorporated and unincorporated, are excluded from CPS earnings estimates.

<sup>15</sup> Veterans who served in more than one wartime period are classified into only the most recent one.

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