

Tight labor market continues in 2018 as the unemployment rate falls to a 49-year low

The U.S. labor market continued to strengthen in 2018. The unemployment rate fell to a 49-year low in 2018, and employment continued to expand. The employment–population ratio increased over the year, while the civilian labor force participation rate changed little.

The Nation’s current economic expansion entered its ninth year in 2018. By the end of the year, the economy had grown for 114 months since the end of the Great Recession in June 2009—the second longest economic expansion on record.[1] Reflecting this sustained period of economic growth, the U.S. labor market showed continued strength during the year. Steady job growth continued, and the unemployment rate (the number of unemployed people as a percentage of the labor force) fell to a 49-year low. An indepth look into data from the Current Population Survey (CPS) revealed an array of labor market indicators pointed to continued labor market improvement during the year.[2] The employment–population ratio (the number of employed people as a percentage of the civilian noninstitutional population age 16 and older) continued to rise, and the number of long-term unemployed continued to decrease.[3] The survey data also showed that workers in most demographic groups experienced rising employment and declining unemployment in 2018.[4]

This article describes several important developments or issues related to the U.S. labor market in 2018. It examines the employment situation of people by sex, race, Hispanic or Latino ethnicity, age, educational attainment, veteran status, disability status, and nativity. In addition, the article summarizes changes in other CPS measures used to gauge the health of the labor market in 2018—such as involuntary part-time work, alternative measures of labor underutilization, unemployment by reason and duration, employment and unemployment by occupation, and median usual weekly earnings.



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Employment situation

The unemployment rate declined to a 49-year low in 2018. In the fourth quarter of 2018, the jobless rate was 3.8 percent—the same rate recorded in the third quarter of 2018. This unemployment rate was the lowest since the fourth quarter of 1969.^[5] The number of unemployed people was down by 472,000 over the year to 6.1 million in the fourth quarter. (See table 1 and figure 1.)

Table 1. Employment status of the civilian noninstitutional population 16 years and older, by sex, race, and Hispanic or Latino ethnicity, quarterly averages, seasonally adjusted, 2017–18 (levels in thousands)

Characteristic	Fourth quarter, 2017	2018				Change, fourth quarter, 2017–18
		First quarter	Second quarter	Third quarter	Fourth quarter	
Total, 16 years and older						
Civilian labor force	160,566	161,557	161,782	162,022	162,918	2,352
Participation rate	62.7	62.9	62.8	62.8	63.0	0.3
Employed	153,952	154,952	155,449	155,879	156,777	2,825
Employment– population ratio	60.2	60.3	60.4	60.4	60.6	0.4
Unemployed	6,614	6,605	6,333	6,143	6,142	–472
Unemployment rate	4.1	4.1	3.9	3.8	3.8	–0.3
Men, 16 years and older						
Civilian labor force	85,339	86,077	86,100	85,895	86,306	967
Participation rate	69.0	69.3	69.2	68.8	69.0	0.0
Employed	81,760	82,510	82,620	82,638	83,043	1,283
Employment– population ratio	66.1	66.4	66.4	66.2	66.4	0.3
Unemployed	3,579	3,567	3,480	3,257	3,263	–316
Unemployment rate	4.2	4.1	4.0	3.8	3.8	–0.4
Women, 16 years and older						
Civilian labor force	75,227	75,480	75,682	76,127	76,613	1,386
Participation rate	56.9	56.9	56.9	57.1	57.4	0.5
Employed	72,192	72,442	72,829	73,241	73,734	1,542
Employment– population ratio	54.6	54.6	54.8	55.0	55.2	0.6
Unemployed	3,034	3,038	2,853	2,886	2,879	–155
Unemployment rate	4.0	4.0	3.8	3.8	3.8	–0.2
White						
Civilian labor force	125,067	125,607	125,710	125,560	126,371	1,304
Participation rate	62.7	62.9	62.8	62.7	63.0	0.3
Employed	120,511	121,107	121,294	121,363	122,092	1,581
Employment– population ratio	60.4	60.6	60.6	60.6	60.8	0.4
Unemployed	4,556	4,501	4,416	4,197	4,279	–277
Unemployment rate	3.6	3.6	3.5	3.3	3.4	–0.2
Black or African American						
Civilian labor force	20,162	20,407	20,300	20,461	20,492	330
Participation rate	62.2	62.6	62.1	62.4	62.2	0.0
Employed	18,727	18,959	19,021	19,175	19,210	483

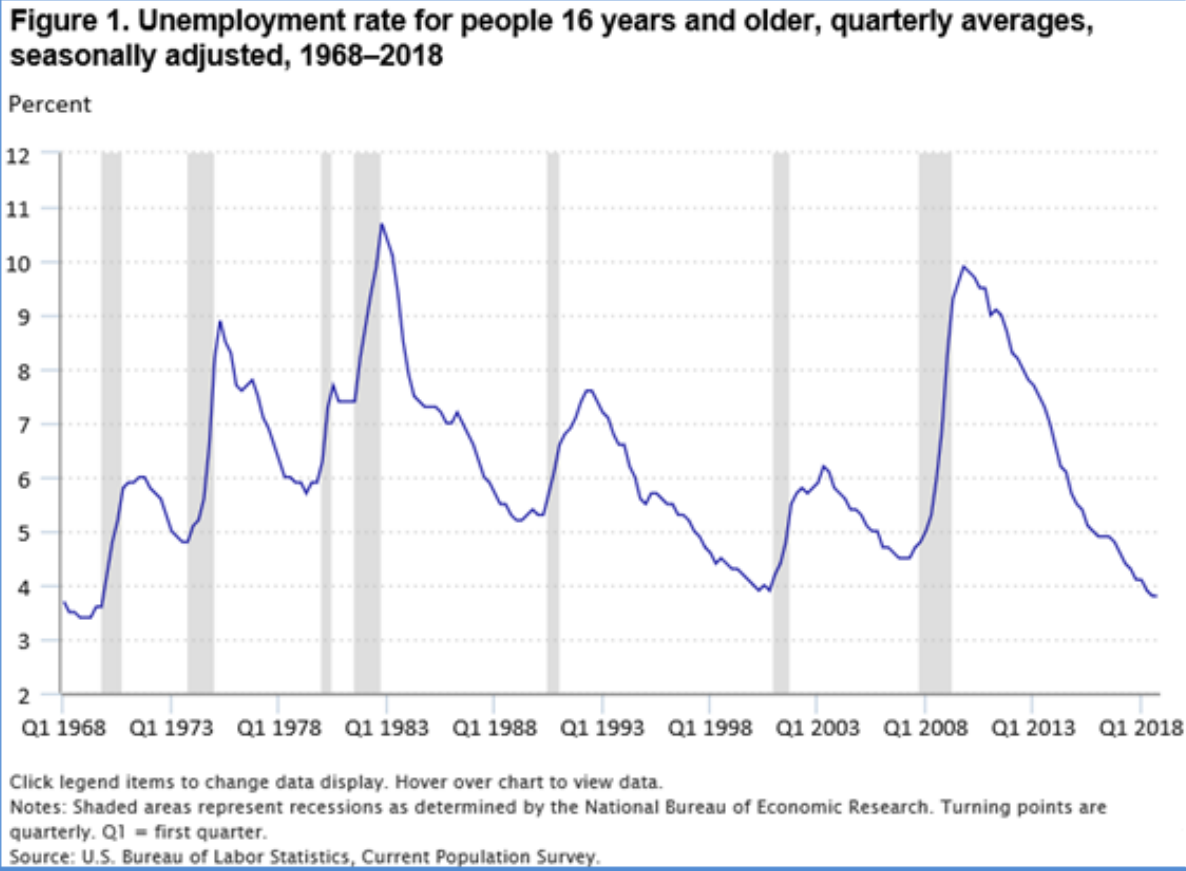
See footnotes at end of table.

Table 1. Employment status of the civilian noninstitutional population 16 years and older, by sex, race, and Hispanic or Latino ethnicity, quarterly averages, seasonally adjusted, 2017–18 (levels in thousands)

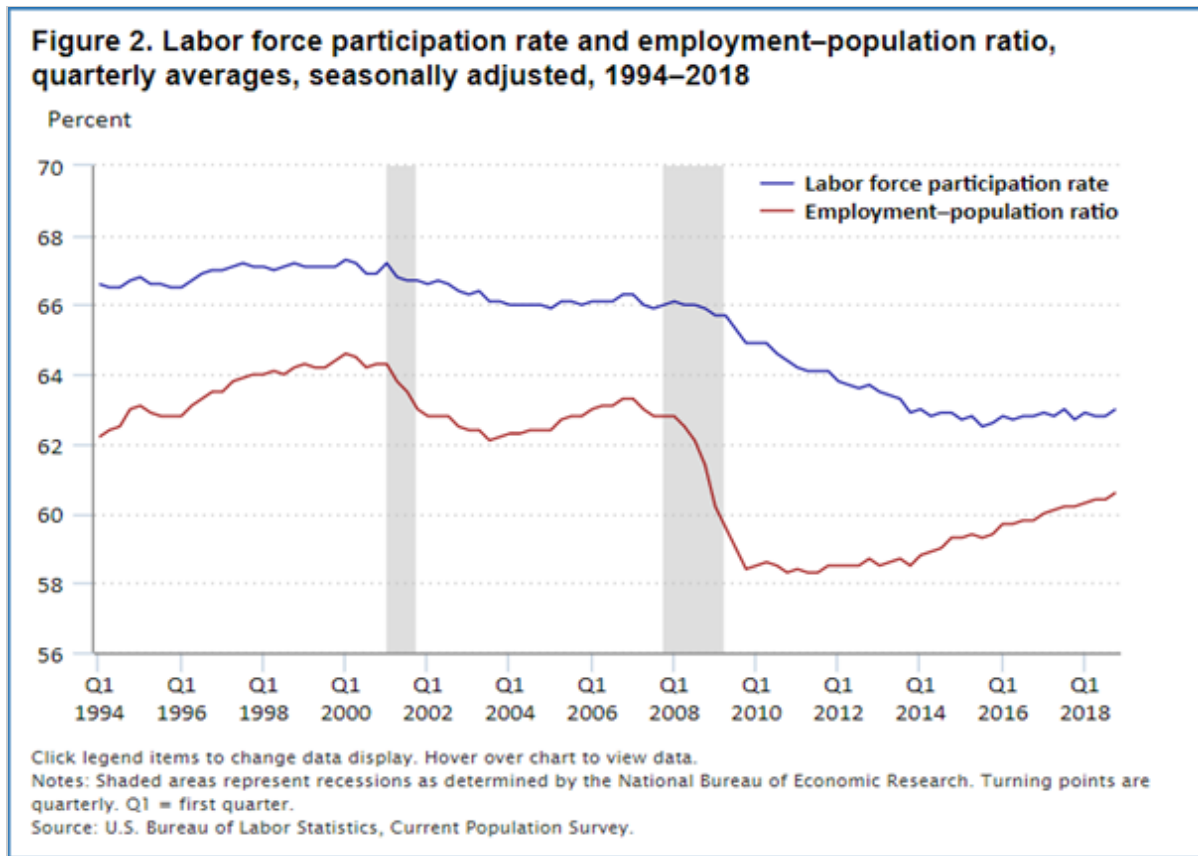
Characteristic	Fourth quarter, 2017	2018				Change, fourth quarter, 2017–18
		First quarter	Second quarter	Third quarter	Fourth quarter	
Employment– population ratio	57.8	58.1	58.2	58.4	58.3	0.5
Unemployed	1,434	1,447	1,278	1,287	1,282	–152
Unemployment rate	7.1	7.1	6.3	6.3	6.3	–0.8
Asian						
Civilian labor force	9,778	9,970	10,042	10,240	10,292	514
Participation rate	63.2	63.0	63.1	64.0	64.0	0.8
Employed	9,501	9,668	9,770	9,912	9,978	477
Employment– population ratio	61.4	61.1	61.4	61.9	62.0	0.6
Unemployed	277	302	272	328	314	37
Unemployment rate	2.8	3.0	2.7	3.2	3.0	0.2
Hispanic or Latino ethnicity						
Civilian labor force	27,426	27,931	28,265	28,381	28,765	1,339
Participation rate	65.7	66.0	66.4	66.2	66.7	1.0
Employed	26,094	26,539	26,925	27,087	27,497	1,403
Employment– population ratio	62.5	62.7	63.2	63.2	63.7	1.2
Unemployed	1,333	1,392	1,340	1,294	1,268	–65
Unemployment rate	4.9	5.0	4.7	4.6	4.4	–0.5

Notes: Estimates for the race groups (White, Black or African American, and Asian) do not sum to totals because data are not presented for all races. People whose ethnicity is identified as Hispanic or Latino may be of any race. Updated population controls are introduced annually with the release of January data.

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



Employment grew by about 2.8 million in 2018, reaching 156.8 million in the fourth quarter of 2018. Furthermore, the employment–population ratio increased in 2018, to 60.6 percent in the fourth quarter. The ratio has been on an upward trend since 2014. (See table 1 and figure 2.)



In the last quarter of 2018, the civilian labor force participation rate—the number of people in the labor force as a percentage of the civilian noninstitutional population age 16 and older—at 63.0 percent changed little from a year earlier. The participation rate has remained fairly flat for the past 5 years. (See table 1 and figure 2.)

Jobless rates declined for most demographic groups

For most demographic groups in 2018, the employment situation continued to improve. Many groups experienced unemployment rates that were low by historical standards, and some groups had jobless rates that were at all-time lows. In 2018, unemployment rates declined for men and women (age 16 and older). The rate for Blacks or African Americans was at an all-time low, as was the rate for people of Hispanic or Latino ethnicity. By educational attainment, jobless rates for high school graduates and people with some college or an associate degree declined in 2018. The jobless rate also declined for foreign-born individuals but changed little over the year for veterans and people with a disability.

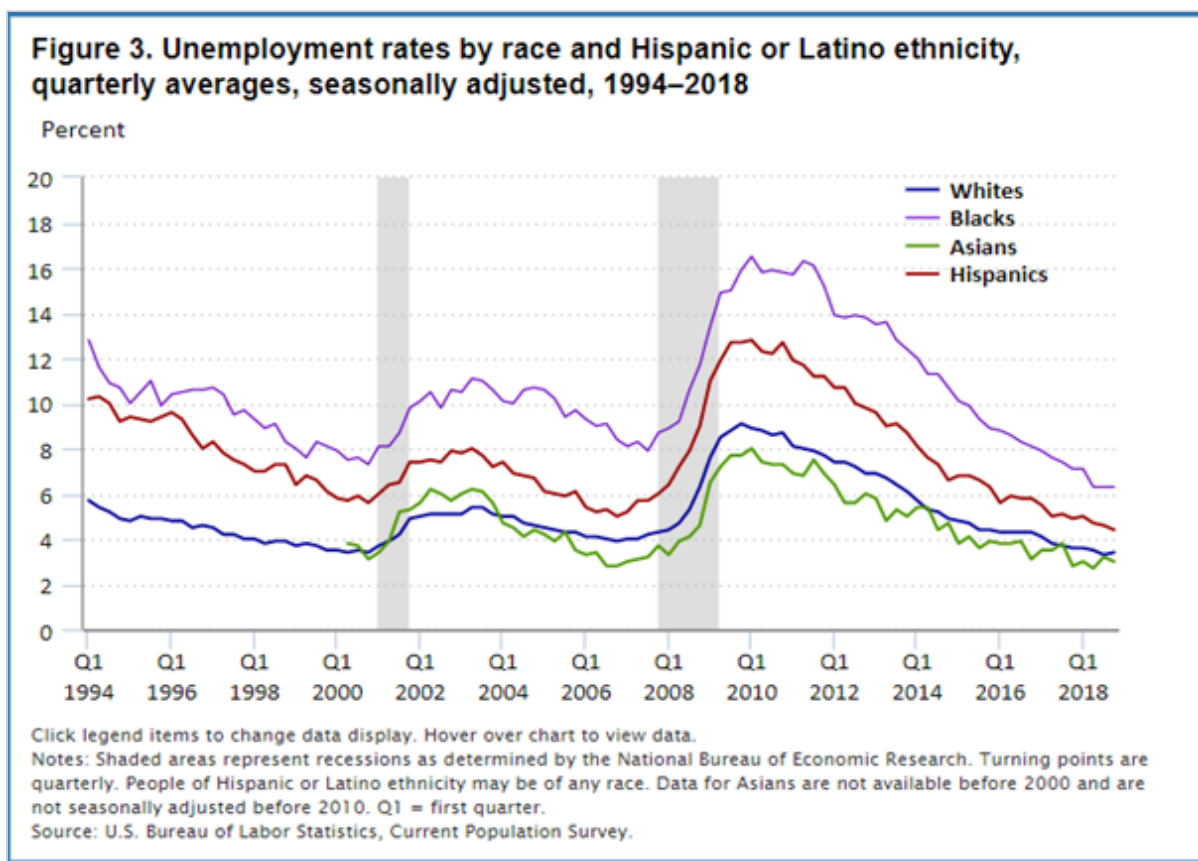
Labor market improved for both men and women

In 2018, both men and women (age 16 and older) experienced labor market improvements. The unemployment rate for men declined by 0.4 percentage point over the year to 3.8 percent in the fourth quarter of 2018. The jobless rate for women declined by 0.2 percentage point to 3.8 percent. The employment–population ratio for women (55.2 percent in the fourth quarter of 2018) increased over the year, while the ratio for men (66.4 percent in the fourth quarter of 2018) changed little. In the fourth quarter of 2018, the labor force participation rate for women rose from 56.9 percent to 57.4 percent, whereas the participation rate for men (69.0 percent) was unchanged over

the year. The participation rate for men has always been higher than the participation rate for women, although the gap between the two has narrowed over the past several decades. (See table 1.)

The employment situation by race and ethnicity: jobless rates for Blacks and Hispanics reached series lows

Whites experienced declining unemployment and expanding employment in 2018. The unemployment rate for Whites declined by 0.2 percentage point over the year. While the fourth-quarter rate for Whites was 3.4 percent, the third-quarter rate of 3.3 percent was the lowest quarterly rate since the fourth quarter of 1969. Strong employment gains for Whites were reflected in their employment–population ratio. The employment–population ratio for Whites rose by 0.4 percentage point to 60.8 percent in the fourth quarter of 2018. However, the labor force participation rate for this group (63.0 percent) changed little over the year. (See table 1 and figure 3.)



Likewise, unemployment continued to decline for Blacks, and their employment rose in 2018. After reaching 16.5 percent in the first quarter of 2010, the unemployment rate for Blacks declined to 6.3 percent in the fourth quarter of 2018, the same rate as that in the previous two quarters and the lowest rate on record (comparable data for this group begin in 1972). In addition, the rate for Blacks was down by 0.8 percentage point over the year. However, even with this improvement, the unemployment rate for Blacks remained considerably higher than the rates for Asians and Whites. Although employment for Blacks rose during the year, the growth just kept pace with their population growth. As a result, the employment–population ratio for Blacks (58.3 percent) changed little in 2018. However, the ratio had been trending up for this group in recent years. The labor force participation rate for Blacks (62.2 percent) was unchanged from the prior year.

The employment situation for Asians was little different in 2018 than it was in 2017. Their unemployment rate (3.0 percent in the fourth quarter of 2018) changed little over the year but had remained under 4 percent over the past three-and-a-half years.^[6] The employment–population ratio for Asians, at 62.0 percent, changed little over the year, and the labor force participation rate, at 64.0 percent, also showed little change in 2018.

For people of Hispanic or Latino ethnicity, the employment situation continued to improve in 2018. The unemployment rate for Hispanics was 4.4 percent in the fourth quarter of 2018; this rate was a series low (data for this group begin in 1973).^[7] The employment–population ratio for Hispanics rose to 63.7 percent in the fourth quarter of 2018. The ratio has been on an upward trend since 2011. The labor force participation rate for Hispanics rose over the year, to 66.7 percent in the last quarter of 2018. Hispanics had the highest participation rate among the major race and ethnicity groups. This higher participation rate may partly reflect Hispanics' larger share of 25- to 54-year-olds, who are most likely to participate in the labor force.^[8]

Unemployment declined and employment expanded for most age groups

Unemployment declined and employment expanded for most age groups in 2018. Among youth ages 16 to 24, the unemployment rate was 8.4 percent in the fourth quarter of 2018, a decrease of 0.8 percentage point from the prior year. This represents the lowest rate since the second quarter of 1969. Within this age group, teenagers (ages 16 to 19) continued to experience a higher unemployment rate, at 12.2 percent, nearly double the rate for young adults (ages 20 to 24), at 6.8 percent. (See table 2.)

Table 2. Employment status of the civilian noninstitutional population 16 years and older, by age and sex, quarterly averages, seasonally adjusted, 2017–18 (levels in thousands)

Characteristic	Fourth quarter, 2017	2018				Change, fourth quarter, 2017–18
		First quarter	Second quarter	Third quarter	Fourth quarter	
Total, 16 to 24 years						
Civilian labor force	20,953	21,270	20,990	20,802	20,891	–62
Participation rate	55.1	55.9	55.2	54.8	55.0	–0.1
Employed	19,032	19,378	19,175	19,033	19,144	112
Employment– population ratio	50.0	50.9	50.4	50.1	50.4	0.4
Unemployed	1,921	1,891	1,815	1,769	1,747	–174
Unemployment rate	9.2	8.9	8.6	8.5	8.4	–0.8
Total, 16 to 19 years						
Civilian labor force	5,818	5,978	5,840	5,781	5,960	142
Participation rate	34.7	35.6	34.8	34.5	35.6	0.9
Employed	4,980	5,148	5,095	5,042	5,235	255
Employment– population ratio	29.7	30.7	30.4	30.1	31.2	1.5
Unemployed	838	830	745	739	725	–113
Unemployment rate	14.4	13.9	12.8	12.8	12.2	–2.2
Total, 20 to 24 years						
Civilian labor force	15,135	15,292	15,150	15,021	14,931	–204
Participation rate	71.1	71.9	71.3	70.8	70.5	–0.6

See footnotes at end of table.

Table 2. Employment status of the civilian noninstitutional population 16 years and older, by age and sex, quarterly averages, seasonally adjusted, 2017–18 (levels in thousands)

Characteristic	Fourth quarter, 2017	2018				Change, fourth quarter, 2017–18
		First quarter	Second quarter	Third quarter	Fourth quarter	
Employed	14,052	14,230	14,080	13,991	13,908	–144
Employment– population ratio	66.0	66.9	66.2	65.9	65.6	–0.4
Unemployed	1,083	1,061	1,070	1,030	1,022	–61
Unemployment rate	7.2	6.9	7.1	6.9	6.8	–0.4
Total, 25 to 54 years						
Civilian labor force	102,901	103,525	103,501	103,617	104,147	1,246
Participation rate	81.8	82.0	81.9	82.0	82.3	0.5
Employed	99,390	99,941	100,095	100,360	100,856	1,466
Employment– population ratio	79.0	79.2	79.2	79.4	79.7	0.7
Unemployed	3,511	3,584	3,405	3,257	3,290	–221
Unemployment rate	3.4	3.5	3.3	3.1	3.2	–0.2
Men, 25 to 54 years						
Civilian labor force	54,968	55,446	55,441	55,304	55,556	588
Participation rate	88.7	89.1	89.1	88.7	89.0	0.3
Employed	53,166	53,598	53,647	53,618	53,832	666
Employment– population ratio	85.8	86.2	86.2	86.0	86.3	0.5
Unemployed	1,802	1,848	1,794	1,685	1,724	–78
Unemployment rate	3.3	3.3	3.2	3.0	3.1	–0.2
Women, 25 to 54 years						
Civilian labor force	47,933	48,078	48,060	48,313	48,591	658
Participation rate	75.0	75.1	75.0	75.4	75.8	0.8
Employed	46,225	46,342	46,448	46,742	47,025	800
Employment– population ratio	72.3	72.3	72.5	72.9	73.3	1.0
Unemployed	1,708	1,736	1,612	1,571	1,566	–142
Unemployment rate	3.6	3.6	3.4	3.3	3.2	–0.4
Total, 55 years and older						
Civilian labor force	36,700	36,825	37,264	37,582	37,862	1,162
Participation rate	39.9	39.8	40.0	40.1	40.2	0.3
Employed	35,540	35,673	36,162	36,463	36,779	1,239
Employment– population ratio	38.6	38.5	38.8	38.9	39.0	0.4
Unemployed	1,161	1,152	1,101	1,119	1,084	–77
Unemployment rate	3.2	3.1	3.0	3.0	2.9	–0.3
Men, 55 years and older						
Civilian labor force	19,612	19,693	19,916	20,057	20,169	557
Participation rate	46.1	45.9	46.2	46.2	46.2	0.1
Employed	18,960	19,042	19,290	19,463	19,596	636
Employment– population ratio	44.5	44.4	44.7	44.9	44.9	0.4
Unemployed	653	651	626	594	572	–81

See footnotes at end of table.

Table 2. Employment status of the civilian noninstitutional population 16 years and older, by age and sex, quarterly averages, seasonally adjusted, 2017–18 (levels in thousands)

Characteristic	Fourth quarter, 2017	2018				Change, fourth quarter, 2017–18
		First quarter	Second quarter	Third quarter	Fourth quarter	
Unemployment rate	3.3	3.3	3.1	3.0	2.8	–0.5
Women, 55 years and older						
Civilian labor force	17,086	17,121	17,364	17,522	17,692	606
Participation rate	34.6	34.4	34.7	34.9	35.0	0.4
Employed	16,580	16,631	16,872	17,000	17,182	602
Employment– population ratio	33.5	33.4	33.7	33.8	34.0	0.5
Unemployed	507	490	492	522	509	2.0
Unemployment rate	3.0	2.9	2.8	3.0	2.9	–0.1

Note: Updated population controls are introduced annually with the release of January data.
Source: U.S. Bureau of Labor Statistics, Current Population Survey.

The labor force participation rate for people ages 16 to 24 has remained fairly flat since 2010. In the fourth quarter of 2018, the participation rate for youth ages 16 to 24 was 55.0 percent. The employment–population ratio, however, has been trending up since 2010. The ratio in the last quarter of 2018 was 50.4 percent.

Among youth ages 16 to 24, young adults (ages 20 to 24) were about twice as likely to participate in the labor force as teenagers. The participation rate for young adults was 70.5 percent in the fourth quarter of 2018, little changed over the year. In the fourth quarter of 2018, the participation rate for teenagers was 35.6 percent, up by 0.9 percentage point from a year earlier.

By sex, teenagers and young adults have different trends in labor force participation. Teenage men and women had similar participation rates, at 34.3 percent and 36.9 percent, respectively, in the fourth quarter of 2018. Conversely, young adult men had a slighter higher rate than that of young adult women. In the fourth quarter of 2018, the participation rate for young adult men was 72.1 percent and the rate for young adult women was 68.9 percent. (See table 3.)

Table 3. Labor force participation rates of the civilian noninstitutional population, by sex and age, quarterly averages, seasonally adjusted, 2017–18

Sex and age	Fourth quarter, 2017	Fourth quarter, 2018	Change, 2017–18
Total			
Total, 16 years and older	62.7	63.0	0.3
16 to 24 years	55.1	55.0	–0.1
16 to 19 years	34.7	35.6	0.9
20 to 24 years	71.1	70.5	–0.6
25 to 54 years	81.8	82.3	0.5
25 to 34 years	82.1	82.8	0.7
35 to 44 years	82.7	82.9	0.2

See footnotes at end of table.

Table 3. Labor force participation rates of the civilian noninstitutional population, by sex and age, quarterly averages, seasonally adjusted, 2017–18

Sex and age	Fourth quarter, 2017	Fourth quarter, 2018	Change, 2017–18
45 to 54 years	80.5	81.1	0.6
55 years and older	39.9	40.2	0.3
55 to 64 years ⁽¹⁾	64.7	65.3	0.6
65 years and older ⁽¹⁾	19.2	19.8	0.6
Men			
16 years and older	69.0	69.0	0.0
16 to 24 years	56.1	55.3	−0.8
16 to 19 years	33.7	34.3	0.6
20 to 24 years	73.9	72.1	−1.8
25 to 54 years	88.7	89.0	0.3
25 to 34 years	88.8	89.1	0.3
35 to 44 years	90.7	90.8	0.1
45 to 54 years	86.8	87.1	0.3
55 years and older	46.1	46.2	0.1
55 to 64 years ⁽¹⁾	70.9	71.6	0.7
65 years and older ⁽¹⁾	23.7	24.0	0.3
Women			
16 years and older	56.9	57.4	0.5
16 to 24 years	54.0	54.8	0.8
16 to 19 years	35.8	36.9	1.1
20 to 24 years	68.2	68.9	0.7
25 to 54 years	75.0	75.8	0.8
25 to 34 years	75.6	76.5	0.9
35 to 44 years	75.1	75.3	0.2
45 to 54 years	74.4	75.3	0.9
55 years and older	34.6	35.0	0.4
55 to 64 years ⁽¹⁾	59.0	59.5	0.5
65 years and older ⁽¹⁾	15.5	16.3	0.8

Notes:

⁽¹⁾ Data for people 55 to 64 years old and 65 years and older are not seasonally adjusted.

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

Among prime-working-age people (that is, 25- to 54-year-olds), the unemployment rate declined by 0.2 percentage point over the year to 3.2 percent in the fourth quarter of 2018. Over the year, the jobless rate for prime-working-age women decreased by 0.4 percentage point to 3.2 percent in the fourth quarter of 2018, while the rate, at 3.1 percent, changed little for prime-working-age men. (See table 2.)

Employment for people of prime working age continued to expand in 2018. The employment–population ratio for this group was up by 0.7 percentage point over the year to 79.7 percent in the fourth quarter of 2018. The ratio for prime-working-age men rose from 85.8 percent in the fourth quarter of 2017 to 86.3 percent in the fourth quarter of 2018. The ratio for prime-working-age women increased from 72.3 percent in the fourth quarter of 2017 to 73.3 percent in the fourth quarter of 2018.

The labor force participation rate for people of prime working age edged up from 81.8 percent in the fourth quarter of 2017 to 82.3 percent in the fourth quarter of 2018. Among prime-working-age men, the participation rate changed little in 2018, finishing the year at 89.0 percent. The participation rate for prime-working-age women increased over the year to 75.8 percent in the fourth quarter of 2018. The gap between the participation rates for prime-working-age men and women has been around 14 percent since 2008.

Among older workers (those age 55 and older), the jobless rate declined by 0.3 percentage point to 2.9 percent in the fourth quarter of 2018. Both older men and older women had similar unemployment rates by the end of the year. While the jobless rate for older men declined to 2.8 percent in the final quarter of the year, the rate for older women, at 2.9 percent, was little changed over the year.

After trending up since the mid-1990s, the employment–population ratio for older workers experienced a slight decline during the Great Recession (fourth quarter of 2007 through second quarter of 2009). Shortly after the recession, the employment–population ratio for older workers resumed its upward trend. In the fourth quarter of 2018, the ratio for older workers was 39.0 percent. Older men had an employment–population ratio of 44.9 percent in the fourth quarter of 2018, and older women had a ratio of 34.0 percent.

The labor force participation rate for older workers generally has been flat for the last 5 years. In the fourth quarter of 2018, their participation rate was 40.2 percent. The participation rates for both older men and older women have been relatively steady in recent years. Older men were more likely to participate in the labor force than older women (46.2 percent and 35.0 percent, respectively, in the fourth quarter of 2018).

Among older workers (those ages 55 and older), those ages 55 to 64 have a much higher labor force participation rate than the rate of those age 65 and older. These two older age groups also have different patterns in terms of labor force participation. For those ages 55 to 64, the labor force participation rate rose steadily from the mid-1980s, until it began to flatten out in 2009. In recent years, the participation rate for this group has resumed its upward trend. The labor force participation rate for those ages 55 to 64 was 65.3 percent in the fourth quarter of 2018. (Data for those ages 55 to 64 and those age 65 and older are not seasonally adjusted.) In contrast, the participation rate for those age 65 and older has continued to rise since the late 1990s, albeit at a slower pace since 2012. (See table 3.)

Jobless rates declined for high school graduates and those with some college or associate degree

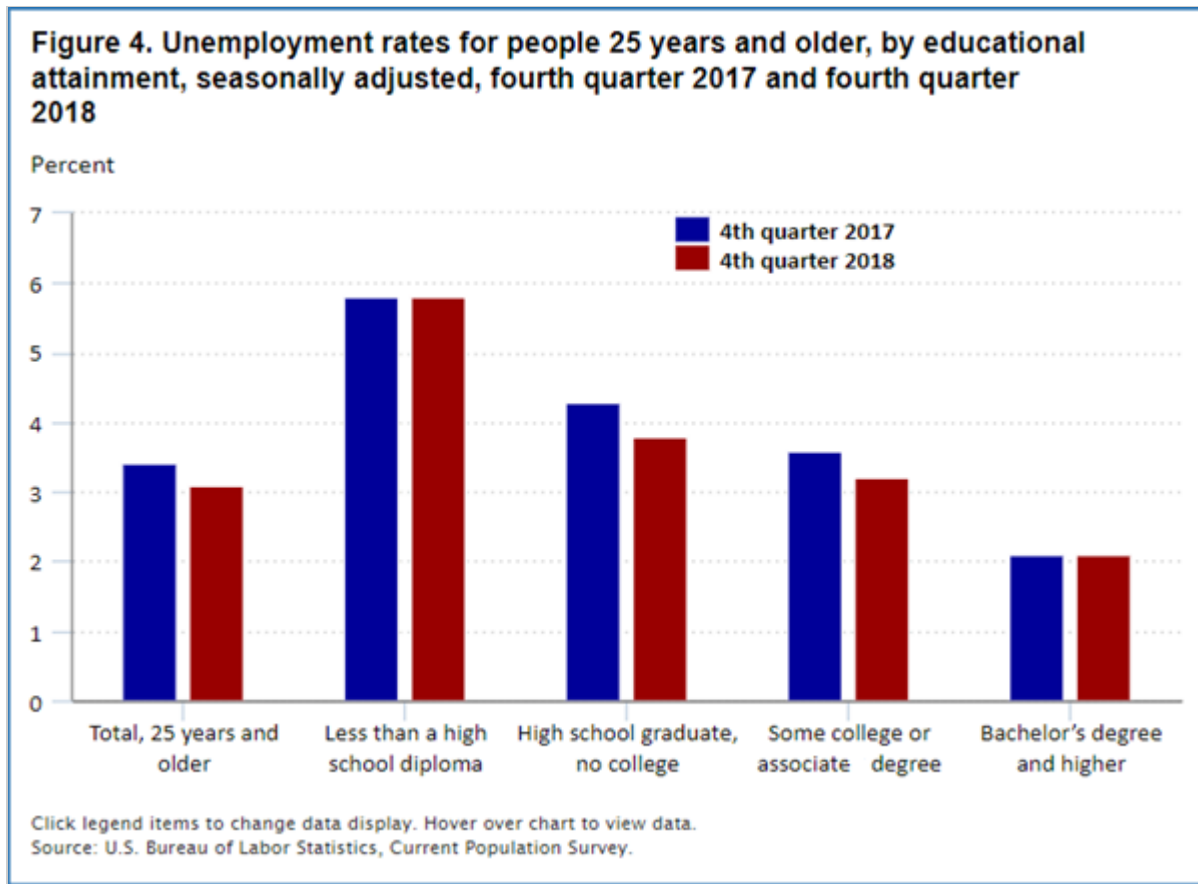
Among those age 25 and older, the unemployment rates for high school graduates (no college) and those with some college or associate degree declined in 2018.^[9] The jobless rate for high school graduates (no college) fell by 0.5 percentage point over the year to 3.8 percent in the fourth quarter of 2018. The jobless rate for people with some college or an associate degree declined by 0.4 percentage point from a year earlier to 3.2 percent in the last quarter of 2018. The unemployment rates for those with less than a high school diploma (5.8 percent) and people with a bachelor's degree and higher (2.1 percent) were unchanged over the year. (See table 4 and figure 4.)

Table 4. Employment status of the civilian noninstitutional population 25 years and older, by educational attainment, quarterly averages, seasonally adjusted, 2017–18 (levels in thousands)

Characteristic	Fourth quarter, 2017	2018				Change, fourth quarter, 2017–18
		First quarter	Second quarter	Third quarter	Fourth quarter	
Less than a high school diploma						
Civilian labor force	10,240	10,262	10,354	10,240	10,247	7
Participation rate	45.5	45.8	45.7	46.4	46.8	1.3
Employed	9,644	9,692	9,772	9,683	9,653	9
Employment– population ratio	42.8	43.2	43.1	43.9	44.1	1.3
Unemployed	596	570	582	557	594	–2
Unemployment rate	5.8	5.6	5.6	5.4	5.8	0.0
High school graduates, no college						
Civilian labor force	35,867	35,891	35,789	36,285	36,053	186
Participation rate	57.4	57.4	57.4	57.5	57.8	0.4
Employed	34,330	34,314	34,321	34,872	34,686	356
Employment– population ratio	55.0	54.9	55.1	55.3	55.6	0.6
Unemployed	1,537	1,577	1,468	1,414	1,367	–170
Unemployment rate	4.3	4.4	4.1	3.9	3.8	–0.5
Some college or associate degree						
Civilian labor force	37,865	37,704	37,842	37,396	37,393	–472
Participation rate	66.1	65.7	65.4	65.4	65.4	–0.7
Employed	36,486	36,396	36,582	36,161	36,213	–273
Employment– population ratio	63.7	63.5	63.2	63.2	63.3	–0.4
Unemployed	1,379	1,309	1,260	1,235	1,180	–199
Unemployment rate	3.6	3.5	3.3	3.3	3.2	–0.4
Bachelor's degree and higher						
Civilian labor force	55,682	56,417	56,739	57,340	58,374	2,692
Participation rate	73.6	73.7	74.1	73.8	73.6	0.0
Employed	54,505	55,180	55,528	56,150	57,125	2,620
Employment– population ratio	72.1	72.1	72.5	72.2	72.0	–0.1
Unemployed	1,177	1,237	1,211	1,190	1,249	72
Unemployment rate	2.1	2.2	2.1	2.1	2.1	0.0

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

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



Unemployment rate declined for nonveterans but changed little for veterans

Of the 19.1 million veterans in the civilian noninstitutional population in the fourth quarter of 2018, the largest share—about 40 percent—served during World War II, the Korean War, and the Vietnam era (7.5 million). Another 4.2 million served during Gulf War era II, and 3.1 million served during Gulf War era I. There were 4.3 million veterans who served on Active Duty outside these designated wartime periods. Among veterans from all service periods, women accounted for about 10 percent of the total veteran population in the fourth quarter of 2018.^[10]

The unemployment rate for all veterans changed little over the year (3.0 percent in the fourth quarter of 2018), while the jobless rate for nonveterans decreased to 3.5 percent. (Data are not seasonally adjusted.) The unemployment rates for male (3.1 percent) and female (2.7 percent) veterans were little different in the fourth quarter of 2018 than the rates a year earlier. (These rates were also not statistically different from each other.) The jobless rate for male Gulf War-era II veterans (3.4 percent) and female Gulf War-era II veterans (3.3 percent) were also little different from the rates a year earlier. (See table 5.)

Table 5. Employment status of people 18 years and older, by veteran status, period of service, and sex, quarterly averages, not seasonally adjusted, 2017–18 (levels in thousands)

Employment status, veteran status, and period of service	Total			Men			Women		
	Fourth quarter, 2017	Fourth quarter, 2018	Change, fourth quarter, 2017–18	Fourth quarter, 2017	Fourth quarter, 2018	Change, fourth quarter, 2017–18	Fourth quarter, 2017	Fourth quarter, 2018	Change, fourth quarter, 2017–18
Veterans, 18 years and older									
Civilian labor force	9,801	9,388	–413	8,644	8,242	–402	1,157	1,146	–11
Participation rate	49.6	49.3	–0.3	48.4	48.0	–0.4	60.4	61.2	0.8
Employed	9,458	9,103	–355	8,338	7,988	–350	1,121	1,114	–7
Employment– population ratio	47.8	47.8	0.0	46.7	46.5	–0.2	58.5	59.5	1.0
Unemployed	343	285	–58	306	254	–52	36	32	–4
Unemployment rate	3.5	3.0	–0.5	3.5	3.1	–0.4	3.1	2.7	–0.4
Gulf War–era II veterans									
Civilian labor force	3,358	3,437	79	2,865	2,923	58	493	514	21
Participation rate	81.1	81.7	0.6	83.4	83.8	0.4	69.5	71.7	2.2
Employed	3,228	3,320	92	2,757	2,823	66	471	497	26
Employment– population ratio	77.9	78.9	1.0	80.3	80.9	0.6	66.4	69.3	2.9
Unemployed	130	116	–14	108	100	–8	22	17	–5
Unemployment rate	3.9	3.4	–0.5	3.8	3.4	–0.4	4.4	3.3	–1.1
Gulf War–era I veterans									
Civilian labor force	2,430	2,401	–29	2,086	2,043	–43	344	358	14
Participation rate	77.7	77.6	–0.1	79.1	78.5	–0.6	70.6	73.0	2.4
Employed	2,363	2,335	–28	2,028	1,983	–45	335	352	17
Employment– population ratio	75.6	75.4	–0.2	76.9	76.1	–0.8	68.8	71.8	3.0
Unemployed	67	66	–1	58	60	2	9	6	–3
Unemployment rate	2.7	2.8	0.1	2.8	3.0	0.2	2.5	1.7	–0.8
World War II, Korean War, and Vietnam–era veterans									
Civilian labor force	1,723	1,565	–158	1,657	1,505	–152	66	60	–6
Participation rate	21.8	21.0	–0.8	21.8	20.9	–0.9	24.2	23.4	–0.8
Employed	1,662	1,525	–137	1,596	1,466	–130	66	59	–7
Employment– population ratio	21.1	20.4	–0.7	20.9	20.3	–0.6	24.2	23.1	–1.1
Unemployed	61	40	–21	61	39	–22	0	1	1
Unemployment rate	3.6	2.6	–1.0	3.7	2.6	–1.1	0.0	1.5	—
Veterans of other service periods									
Civilian labor force	2,290	1,985	–305	2,036	1,771	–265	254	214	–40
Participation rate	49.7	46.3	–3.4	48.9	45.6	–3.3	57.1	52.2	–4.9
Employed	2,205	1,923	–282	1,957	1,717	–240	248	206	–42
Employment– population ratio	47.9	44.8	–3.1	47.0	44.2	–2.8	55.7	50.3	–5.4
Unemployed	85	62	–23	79	55	–24	6	8	2
Unemployment rate	3.7	3.1	–0.6	3.9	3.1	–0.8	2.3	3.6	1.3

See footnotes at end of table.

Table 5. Employment status of people 18 years and older, by veteran status, period of service, and sex, quarterly averages, not seasonally adjusted, 2017–18 (levels in thousands)

Employment status, veteran status, and period of service	Total			Men			Women		
	Fourth quarter, 2017	Fourth quarter, 2018	Change, fourth quarter, 2017–18	Fourth quarter, 2017	Fourth quarter, 2018	Change, fourth quarter, 2017–18	Fourth quarter, 2017	Fourth quarter, 2018	Change, fourth quarter, 2017–18
Nonveterans, 18 years and older									
Civilian labor force	148,315	151,198	2,883	75,369	76,801	1,432	72,945	74,398	1,453
Participation rate	65.4	65.5	0.1	74.6	74.3	–0.3	58.0	58.4	0.4
Employed	142,710	145,900	3,190	72,416	74,048	1,632	70,293	71,851	1,558
Employment– population ratio	62.9	63.2	0.3	71.6	71.6	0.0	55.9	56.4	0.5
Unemployed	5,605	5,299	–306	2,953	2,752	–201	2,652	2,546	–106
Unemployment rate	3.8	3.5	–0.3	3.9	3.6	–0.3	3.6	3.4	–0.2

Notes: Veterans are men and women who previously 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 are only counted in one period of service—their most recent wartime period. Veterans who served in both a wartime period and any other service period are classified in the wartime period. Effective with data for November 2017, estimates for veterans incorporate population controls derived from an updated population model of the Department of Veterans Affairs. In accordance with usual practice, BLS did not revise estimates for previous years. Dash indicates no data or data that do not meet publication criteria (values not shown in which base is less than 60,000).

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

In the fourth quarter of 2018, 49.3 percent of veterans participated in the labor force, while 65.5 percent of nonveterans participated in the labor force. Both measures were little changed from the fourth quarter of 2017. The difference in labor force participation rates between veterans and nonveterans reflects the age profile of veterans who served during World War II, the Korean War, and the Vietnam era, all of whom are now over age 60. Labor force participation rates—whether for veterans or for nonveterans—tend to be lower for older people than the rates for those of prime working age. For instance, the labor force participation rate for those who served during World War II, the Korean War, and the Vietnam era was 21.0 percent in the fourth quarter of 2018. In contrast, Gulf War-era II veterans—who tend to be younger—had a much higher participation rate (81.7 percent in the fourth quarter of 2018). Both measures were little different from the measure of the prior year.

Labor market improved for people without a disability but changed little for those with a disability

Labor market indicators for people with a disability changed little in 2018, although recent years have seen some modest improvements. Out of the 30.3 million people age 16 and older with a disability in the fourth quarter of 2018, 6.4 million, or 21.1 percent, participated in the labor force, much lower than the rate of 68.4 percent for people with no disability. (Data are not seasonally adjusted.) The lower participation rate for people with a disability, compared with the participation rate of those with no disability, reflects, in part, the older age profile of those with a disability. About half of all people with a disability were age 65 and older, nearly 3 times the share of

those with no disability. The labor force participation rates for both people with and without disabilities changed little over the year. (See table 6.)

Table 6. Employment status of the civilian noninstitutional population, by sex, age, and disability status, quarterly averages, not seasonally adjusted, 2017–18 (levels in thousands)

Employment status, sex, and age	People with a disability			People with no disability		
	Fourth quarter, 2017	Fourth quarter, 2018	Change, fourth quarter, 2017–18	Fourth quarter, 2017	Fourth quarter, 2018	Change, fourth quarter, 2017–18
Total, 16 years and older						
Civilian labor force	6,264	6,384	120	154,006	156,248	2,242
Participation rate	20.9	21.1	0.2	68.2	68.4	0.2
Employed	5,753	5,895	142	148,248	150,921	2,673
Employment– population ratio	19.2	19.4	0.2	65.6	66.1	0.5
Unemployed	511	490	–21	5,758	5,327	–431
Unemployment rate	8.2	7.7	–0.5	3.7	3.4	–0.3
Men, 16 to 64 years						
Civilian labor force	2,771	2,700	–71	76,915	77,683	768
Participation rate	36.8	35.7	–1.1	82.1	82.4	0.3
Employed	2,522	2,483	–39	73,915	74,921	1,006
Employment– population ratio	33.5	32.9	–0.6	78.9	79.5	0.6
Unemployed	249	217	–32	3,001	2,762	–239
Unemployment rate	9.0	8.0	–1.0	3.9	3.6	–0.3
Women, 16 to 64 years						
Civilian labor force	2,332	2,486	154	68,630	69,494	864
Participation rate	30.1	31.6	1.5	70.9	71.6	0.7
Employed	2,125	2,267	142	66,135	67,171	1,036
Employment– population ratio	27.4	28.9	1.5	68.4	69.2	0.8
Unemployed	206	219	13	2,495	2,323	–172
Unemployment rate	8.8	8.8	0.0	3.6	3.3	–0.3
Total, 65 years and older						
Civilian labor force	1,162	1,199	37	8,461	9,071	610
Participation rate	7.9	8.0	0.1	23.9	24.5	0.6
Employed	1,106	1,145	39	8,198	8,829	631
Employment– population ratio	7.5	7.7	0.2	23.1	23.8	0.7
Unemployed	55	54	–1	263	243	–20
Unemployment rate	4.8	4.5	–0.3	3.1	2.7	–0.4

Notes: A person with a disability has at least one of the following conditions: deafness or serious difficulty hearing; blindness or serious difficulty seeing even when wearing glasses; serious difficulty concentrating, remembering, or making decisions because of a physical, mental, or emotional condition; serious difficulty walking or climbing stairs; difficulty dressing or bathing; or 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.

The employment–population ratio for people with a disability, at 19.4 percent, changed little from the fourth quarter of 2017 to the fourth quarter of 2018. People without a disability tend to have a much higher employment–population ratio than people with a disability. The employment–population ratio for those without a disability was 66.1 percent in the final quarter of 2018, up by 0.5 percentage point.

The unemployment rate for people with a disability was little changed over the year, at 7.7 percent in the last quarter of 2018. Nevertheless, the rate for this group was still more than double than the rate for people without a disability (3.4 percent in the fourth quarter of 2018). The jobless rate for people with a disability generally has been trending down for several years and fell to a series low in 2018 (averaging 8.0 percent for the year). The unemployment rate for those without a disability declined over the year.^[11]

Unemployment rates declined for both native- and foreign-born individuals

The foreign born accounted for 17.5 percent of the U.S. civilian labor force age 16 and older in the fourth quarter of 2018.^[12] The unemployment rate for foreign-born individuals declined to 3.2 percent over the year, and the rate for native-born people declined to 3.7 percent. (Data are not seasonally adjusted.) (See table 7.)

Table 7. Employment status of the foreign- and native-born populations, by sex, quarterly averages, not seasonally adjusted, 2017–18 (levels in thousands)

Employment status and nativity	Total			Men			Women		
	Fourth quarter, 2017	Fourth quarter, 2018	Change, fourth quarter, 2017–18	Fourth quarter, 2017	Fourth quarter, 2018	Change, fourth quarter, 2017–18	Fourth quarter, 2017	Fourth quarter, 2018	Change, fourth quarter, 2017–18
Foreign born, 16 years and older									
Civilian labor force	27,304	28,495	1,191	15,661	16,247	586	11,643	12,249	606
Participation rate	65.5	66.1	0.6	77.9	77.9	0.0	53.9	55.0	1.1
Employed	26,296	27,577	1,281	15,164	15,782	618	11,131	11,795	664
Employment–population ratio	63.1	64.0	0.9	75.5	75.7	0.2	51.6	53.0	1.4
Unemployed	1,008	918	–90	497	464	–33	512	454	–58
Unemployment rate	3.7	3.2	–0.5	3.2	2.9	–0.3	4.4	3.7	–0.7
Native-born, 16 years and older									
Civilian labor force	132,966	134,137	1,171	69,343	69,724	381	63,624	64,413	789
Participation rate	62.1	62.2	0.1	66.9	66.9	0.0	57.5	57.9	0.4
Employed	127,706	129,239	1,533	66,405	67,059	654	61,300	62,179	879
Employment–population ratio	59.6	59.9	0.3	64.1	64.3	0.2	55.4	55.9	0.5
Unemployed	5,260	4,898	–362	2,937	2,664	–273	2,323	2,234	–89
Unemployment rate	4.0	3.7	–0.3	4.2	3.8	–0.4	3.7	3.5	–0.2

Notes: The foreign born are people who reside in the United States but who were born outside the United States or one of its outlying areas, such as Puerto Rico or Guam, to parents who were not U.S. citizens. This group includes legally admitted immigrants, refugees, students, temporary workers, and undocumented immigrants. The survey data, however, do not separately identify the number of people in these categories. 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.

See footnotes at end of table.

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

Foreign-born individuals continued to have a slightly higher labor force participation rate than that of native-born individuals in 2018. Both the labor force participation rate for the foreign born, at 66.1 percent in the fourth quarter of 2018, and the participation rate for the native born, at 62.2 percent, were little changed over the year.

A deeper look at unemployment and employment

The next section examines the unemployed by their duration and reason for unemployment. It also looks more closely at unemployment and employment by occupation. One takeaway is that even though unemployment rates have declined to the lowest levels in nearly 50 years, many of those who are unemployed have been without work for an extended period. For example, many unemployed people have been actively searching for a job for 27 weeks, 52 weeks, or even 99 weeks and longer. At the same time though, the number of unemployed job losers continued to decline and employment rose for most major occupational categories in 2018.

Unemployment declined for people who lost their job or completed a temporary job

Unemployed people in the CPS are defined as those age 16 and older who meet all the following criteria: had no employment during the survey reference week, actively searched for work in the prior 4 weeks, and are currently available for work. As previously noted, 6.1 million people were classified as unemployed in the fourth quarter of 2018. Unemployed people are grouped by reason for their unemployment. People are unemployed because they either (1) were on temporary layoff, permanently lost their job, or completed a temporary job; (2) left their job; (3) reentered the labor force (reentrants); or (4) entered the labor force for the first time (new entrants). (See table 8 and figure 5.)

Table 8. Unemployed people, by reason and duration of unemployment, quarterly averages, seasonally adjusted, 2017–18 (levels in thousands)

Reason and duration	Fourth quarter, 2017	2018				Change, fourth quarter, 2017–18
		First quarter	Second quarter	Third quarter	Fourth quarter	
Reason for unemployment						
Job losers and people who completed temporary jobs	3,220	3,192	2,967	2,886	2,868	–352
On temporary layoff	907	881	865	849	786	–121
Not on temporary layoff	2,313	2,311	2,102	2,038	2,082	–231
Permanent job losers	1,640	1,633	1,444	1,348	1,378	–262
People who completed temporary jobs	673	677	659	690	704	31
Job leavers	741	790	819	813	755	14
Reentrants	2,006	1,960	1,982	1,852	1,917	–89
New entrants	633	652	587	588	590	–43
Percent distribution						

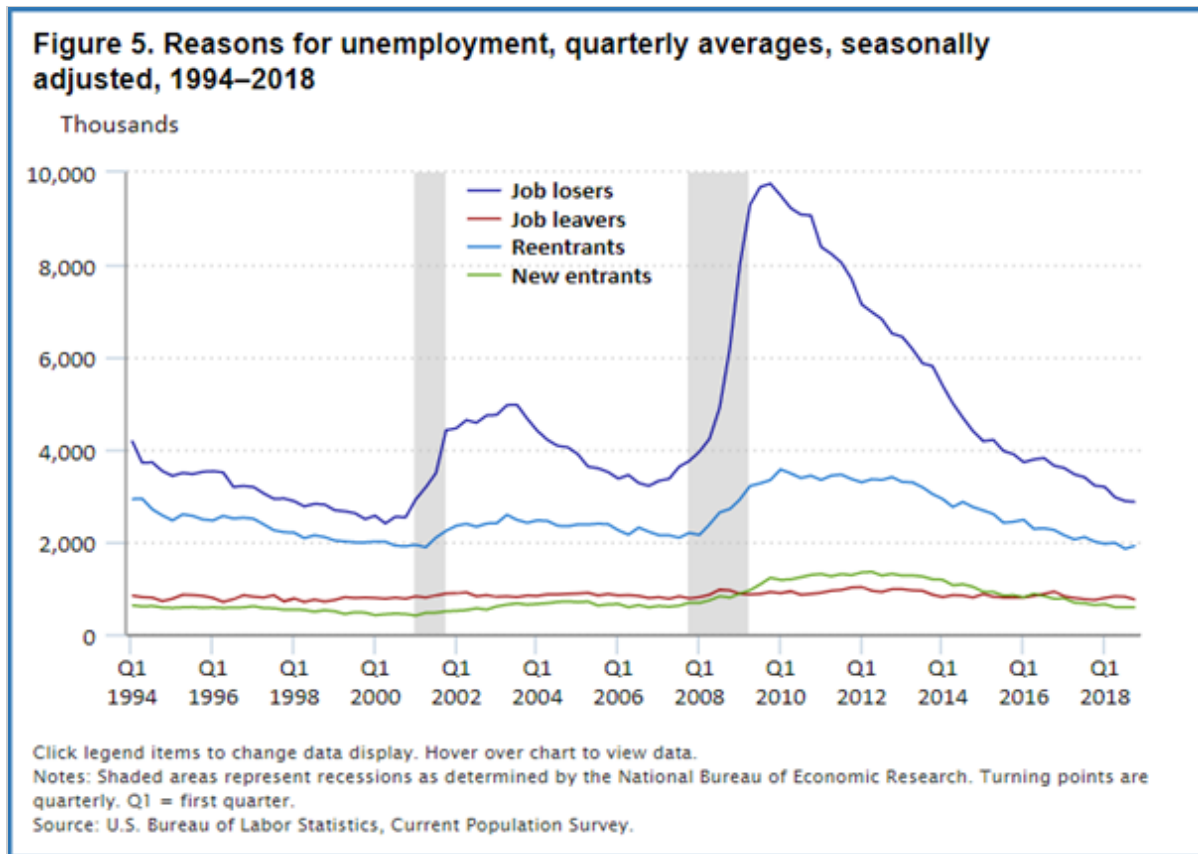
See footnotes at end of table.

Table 8. Unemployed people, by reason and duration of unemployment, quarterly averages, seasonally adjusted, 2017–18 (levels in thousands)

Reason and duration	Fourth quarter, 2017	2018				Change, fourth quarter, 2017–18
		First quarter	Second quarter	Third quarter	Fourth quarter	
Job losers and people who completed temporary jobs	48.8	48.4	46.7	47.0	46.8	–2.0
On temporary layoff	13.7	13.4	13.6	13.8	12.8	–0.9
Not on temporary layoff	35.0	35.0	33.1	33.2	34.0	–1.0
Job leavers	11.2	12.0	12.9	13.2	12.3	1.1
Reentrants	30.4	29.7	31.2	30.2	31.3	0.9
New entrants	9.6	9.9	9.2	9.6	9.6	0.0
Duration of unemployment						
Less than 5 weeks	2,213	2,331	2,119	2,119	2,105	–108
5 to 14 weeks	1,953	1,935	1,915	1,763	1,905	–48
15 weeks or longer	2,488	2,320	2,274	2,288	2,185	–303
15 to 26 weeks	909	931	949	916	874	–35
27 weeks or longer	1,579	1,389	1,325	1,372	1,312	–267
Average (mean) duration in weeks	24.8	23.7	21.9	23.3	21.9	–2.9
Median duration, in weeks	9.4	9.3	9.4	9.4	9.2	–0.2
Percent distribution						
Less than 5 weeks	33.3	35.4	33.6	34.3	34.0	0.7
5 to 14 weeks	29.4	29.4	30.4	28.6	30.7	1.3
15 weeks or longer	37.4	35.2	36.0	37.1	35.3	–2.1
15 to 26 weeks	13.7	14.1	15.0	14.8	14.1	0.4
27 weeks or longer	23.7	21.1	21.0	22.2	21.2	–2.5

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

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

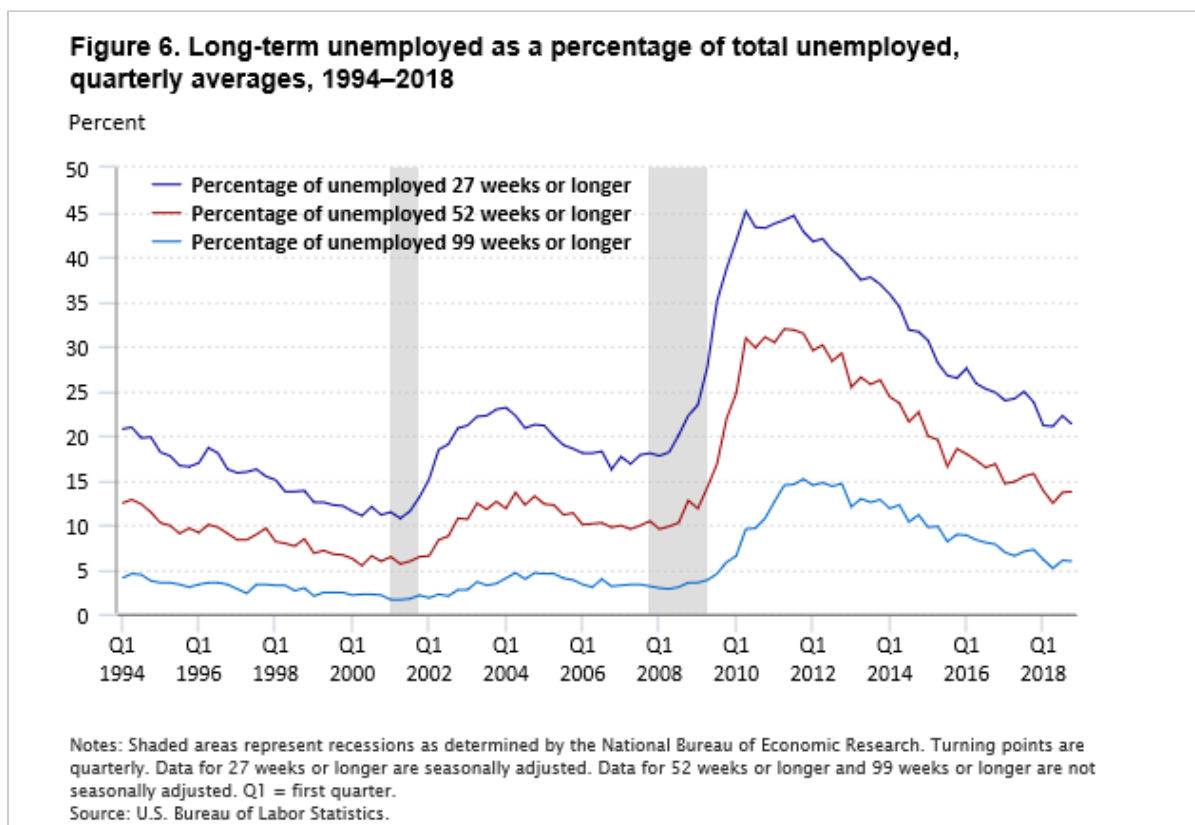


The number of unemployed people who lost their job or who completed temporary jobs declined by 352,000 over the year to 2.9 million in the fourth quarter of 2018, at which time they accounted for 46.8 percent of the unemployed. The number of reentrants—unemployed people who previously worked but were out of the labor force prior to beginning their job search—changed little in 2018, at 1.9 million in the fourth quarter. Reentrants, the second largest group among the unemployed when viewed by reason for unemployment, comprised 31.3 percent of the unemployed in the fourth quarter of 2018. The number of job leavers (people who voluntarily left their job), at 755,000, was essentially unchanged over the year. Job leavers comprised 12.3 percent of the unemployed in the last quarter of 2018. Lastly, new entrants totaled 590,000 in the fourth quarter of 2018—little changed over the year. These individuals accounted for 9.6 percent of the unemployed.

Long-term unemployment decreased but remained elevated by historical standards

The number of people experiencing long-term unemployment (those who had been looking for work for 27 weeks or longer) decreased in 2018. In the fourth quarter of 2018, 1.3 million people were long-term unemployed, down by 267,000 over the year. The long-term unemployed comprised 21.2 percent of the total unemployed in the fourth quarter of 2018. This proportion was down by 2.5 percentage points over the year. Despite this decline, the proportion of the long-term unemployed was still above the prerecession level of 17.8 percent registered in the third quarter of 2007, clearly indicating that some people are still having great difficulty finding a job. Moreover, in the fourth quarter of 2018, 13.7 percent of unemployed people had been looking for work for a year or more and 5.9 percent had been searching for work for more than 99 weeks, or almost 2 years. These figures also remain

above prerecession levels. (Data for those unemployed for 52 weeks or longer and 99 weeks or longer are not seasonally adjusted.) (See table 8 and figure 6.)



All five major occupational categories experienced jobless rate declines

In 2018, unemployment rates declined for all five major occupational categories.^[13] (Data are annual averages.) Management, professional, and related occupations continued to have the lowest unemployment rate among the five major occupational groups in 2018; the rate for this occupational category was 2.1 percent in 2018, down by 0.1 percentage point from the rate in 2017. The jobless rate for sales and office occupations was 3.8 percent in 2018, down by 0.3 percentage point. Production, transportation, and material moving occupations had a jobless rate of 4.5 percent in 2018, down by 0.9 percentage point. The jobless rate for service occupations declined by 0.6 percentage point to 4.8 percent in 2018. Natural resources, construction, and maintenance occupations had an unemployment rate of 5.1 percent in 2018. The rate for this occupational category declined by 0.9 percentage point from 2017 to 2018. (See table 9.)

Table 9. Unemployment rates, by occupational group and sex, annual averages, 2017–18

Occupational group	Total			Men			Women		
	2017	2018	Change 2017–18	2017	2018	Change 2017–18	2017	2018	Change 2017–18
Management, professional, and related occupations	2.2	2.1	–0.1	2.1	2.0	–0.1	2.3	2.2	–0.1

See footnotes at end of table.

Table 9. Unemployment rates, by occupational group and sex, annual averages, 2017–18

Occupational group	Total			Men			Women		
	2017	2018	Change 2017–18	2017	2018	Change 2017–18	2017	2018	Change 2017–18
Management, business, and financial operations occupations	2.2	2.0	–0.2	2.0	1.9	–0.1	2.4	2.1	–0.3
Professional and related occupations	2.3	2.2	–0.1	2.3	2.1	–0.2	2.3	2.3	0.0
Service occupations	5.4	4.8	–0.6	5.4	5.1	–0.3	5.4	4.6	–0.8
Healthcare support occupations	4.5	3.4	–1.1	4.0	3.0	–1.0	4.6	3.5	–1.1
Protective service occupations	3.3	2.7	–0.6	2.4	2.6	0.2	6.4	3.0	–3.4
Food preparation and serving related occupations	6.4	6.1	–0.3	6.9	6.7	–0.2	6.1	5.6	–0.5
Building and grounds cleaning and maintenance occupations	6.2	5.5	–0.7	6.5	5.8	–0.7	5.7	4.9	–0.8
Personal care and service occupations	4.8	4.3	–0.5	4.6	3.9	–0.7	4.9	4.4	–0.5
Sales and office occupations	4.1	3.8	–0.3	3.7	3.6	–0.1	4.4	4.0	–0.4
Sales and related occupations	4.2	4.1	–0.1	2.9	3.3	0.4	5.6	4.8	–0.8
Office and administrative support occupations	4.0	3.6	–0.4	5.0	4.2	–0.8	3.6	3.4	–0.2
Natural resources, construction, and maintenance occupations	6.0	5.1	–0.9	5.7	4.9	–0.8	10.9	8.2	–2.7
Farming, fishing, and forestry occupations	8.7	9.2	0.5	7.0	8.0	1.0	13.7	12.6	–1.1
Construction and extraction occupations	7.1	6.0	–1.1	6.9	6.0	–0.9	12.0	6.4	–5.6
Installation, maintenance, and repair occupations	3.5	2.6	–0.9	3.4	2.6	–0.8	5.0	4.1	–0.9
Production, transportation, and material moving occupations	5.4	4.5	–0.9	5.1	4.3	–0.8	6.3	5.3	–1.0
Production occupations	4.9	4.0	–0.9	4.6	3.7	–0.9	5.5	4.8	–0.7
Transportation and material moving occupations	5.8	5.0	–0.8	5.4	4.8	–0.6	7.5	5.9	–1.6

Note: The unemployed are classified by occupation according to their last job, which may or may not be similar to the job they are currently looking for.

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

Employment rose for most major occupational categories

Employment rose in three of the five major occupational groups. From 2017 to 2018, employment in production, transportation, and material moving occupations expanded by 612,000, or 3.4 percent, to 18.5 million. Employment in management, professional, and related occupations rose by 1.5 million—or 2.5 percent—to 62.4 million in 2018. Employment in natural resources, construction, and maintenance occupations also experienced gains from 2017 to 2018, increasing by 278,000 to 14.5 million; this occupational group grew by 2.0 percent from 2017 to 2018. Employment in sales and office occupations and in service occupations changed little from 2017 to 2018. (See table 10.)

Table 10. Employment, by occupational group and sex, annual averages, 2017–18 (levels in thousands)

Occupational group	Total			Men			Women		
	2017	2018	Change 2017–18	2017	2018	Change 2017–18	2017	2018	Change 2017–18
Total, 16 years and older	153,337	155,761	2,424	81,402	82,698	1,296	71,936	73,063	1,127
Management, professional, and related occupations	60,901	62,436	1,535	29,488	30,287	799	31,413	32,149	736
Management, business, and financial operations occupations	25,379	25,850	471	14,207	14,464	257	11,171	11,387	216
Professional and related occupations	35,522	36,586	1,064	15,281	15,823	542	20,241	20,763	522
Service occupations	26,751	26,854	103	11,621	11,416	–205	15,130	15,439	309
Healthcare support occupations	3,506	3,629	123	451	469	18	3,055	3,161	106
Protective service occupations	3,113	3,203	90	2,418	2,483	65	694	720	26
Food preparation and serving related occupations	8,305	8,220	–85	3,840	3,655	–185	4,465	4,565	100
Building and grounds cleaning and maintenance occupations	5,888	5,854	–34	3,491	3,434	–57	2,397	2,421	24
Personal care and service occupations	5,939	5,947	8	1,421	1,375	–46	4,518	4,572	54
Sales and office occupations	33,566	33,461	–105	12,973	13,008	35	20,593	20,453	–140
Sales and related occupations	15,815	15,806	–9	8,045	7,999	–46	7,770	7,807	37
Office and administrative support occupations	17,751	17,655	–96	4,929	5,010	81	12,823	12,646	–177
Natural resources, construction, and maintenance occupations	14,193	14,471	278	13,473	13,726	253	720	745	25
Farming, fishing, and forestry occupations	1,184	1,121	–63	907	848	–59	278	273	–5
Construction and extraction occupations	8,031	8,338	307	7,788	8,053	265	243	285	42
Installation, maintenance, and repair occupations	4,977	5,012	35	4,778	4,825	47	200	187	–13
Production, transportation, and material moving occupations	17,927	18,539	612	13,846	14,261	415	4,080	4,278	198
Production occupations	8,482	8,621	139	6,031	6,140	109	2,450	2,480	30
Transportation and material moving occupations	9,445	9,918	473	7,815	8,121	306	1,630	1,797	167

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

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

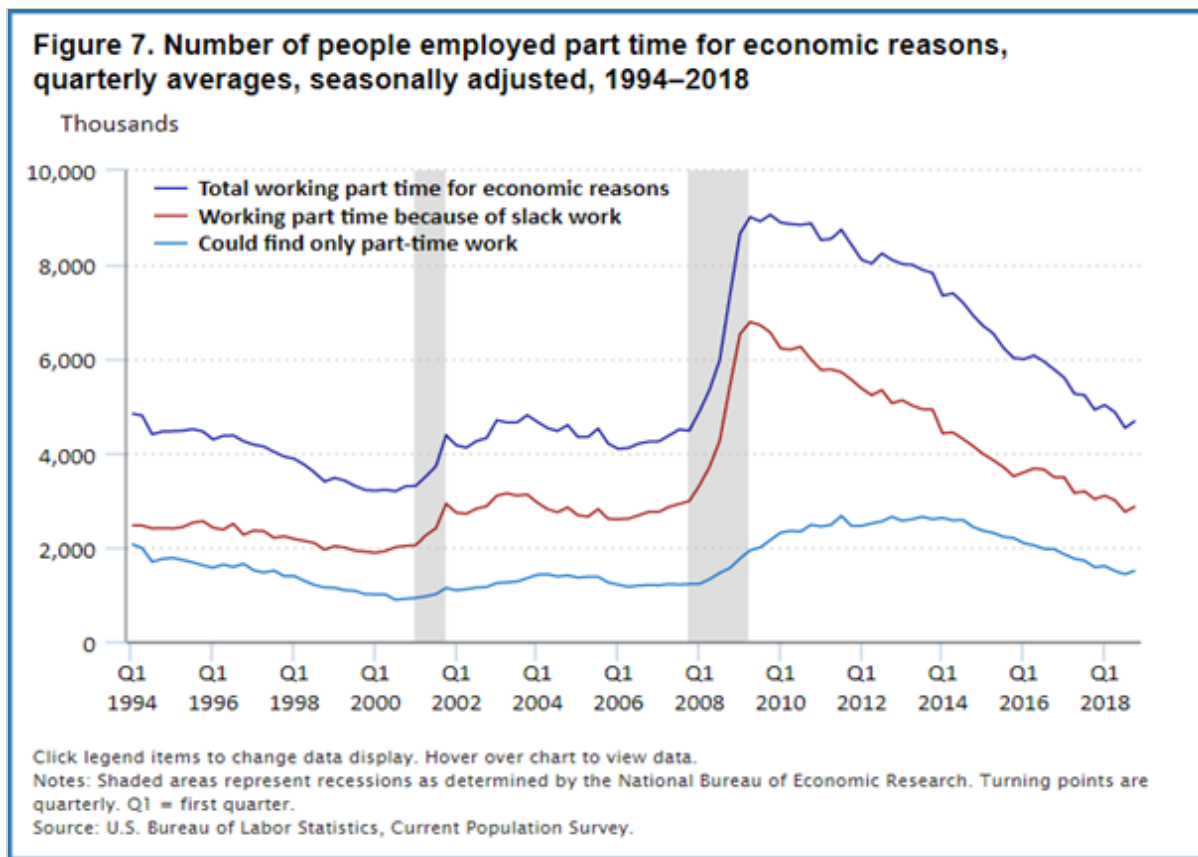
Other barometers used to gauge labor market health

Additional CPS measures are widely used to provide further insight into the U.S. labor market performance. These supplementary measures—including the number of people who work part time for economic reasons (also known as involuntary part-time workers), various measures of people not in the labor force (such as people marginally

attached to the labor force and discouraged workers), alternative measures of labor underutilization, and labor force flows—shed more light on U.S. labor market developments in 2018.

Number of involuntary part-time workers declined

The number of people employed part time for economic reasons—those who work 1 to 34 hours a week for an economic reason—is a key cyclical labor market indicator, and it may also provide clues into structural changes that occur in the U.S. economy. For example, some research has suggested that the rise in involuntary part-time workers reflects “advances in technology and globalization” and “changes in industry composition.”^[14] These individuals are often viewed as underemployed because they prefer full-time employment, but they are working reduced hours because of unfavorable business conditions (slack work) or the inability to find full-time jobs. Over the year, the number of involuntary part-time workers declined by 232,000 to 4.7 million in the fourth quarter of 2018. Involuntary part-time workers accounted for 3.0 percent of total employment at the end of 2018. The number of people who were involuntary part-time workers because of slack work or business conditions edged down in 2018, and the number who could only find part-time work was little changed from a year earlier. (See figure 7.)



Number of people not in the labor force changed little

The labor force comprises the employed and the unemployed. The remainder—those who had no job during the survey reference week and were not actively looking for work (or on temporary layoff) in the last 4 weeks—are classified as not in the labor force.^[15] In the fourth quarter of 2018, 96.1 million people were not in the labor force,

little changed from a year earlier. (Data are not seasonally adjusted.) (See table 11 and figure 8.) Of those not in the labor force, about 2 in 5 were age 65 and older.

Table 11. Number of people not in the labor force, fourth-quarter averages, not seasonally adjusted, 2014–18 (levels in thousands)

Category	Fourth quarter, 2014	Fourth quarter, 2015	Fourth quarter, 2016	Fourth quarter, 2017	Fourth quarter, 2018	Change, fourth quarter, 2017–18
Total not in the labor force	92,698	94,442	95,134	95,671	96,071	400
People who do not currently want a job ⁽¹⁾	86,511	88,864	89,605	90,709	90,995	286
People who currently want a job	6,187	5,578	5,529	4,962	5,076	114
Marginally attached to the labor force ⁽²⁾	2,187	1,822	1,772	1,546	1,575	29
Discouraged workers ⁽³⁾	736	641	502	489	445	–44
Other people marginally attached to the labor force ⁽⁴⁾	1,451	1,181	1,271	1,057	1,130	73

Notes:

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

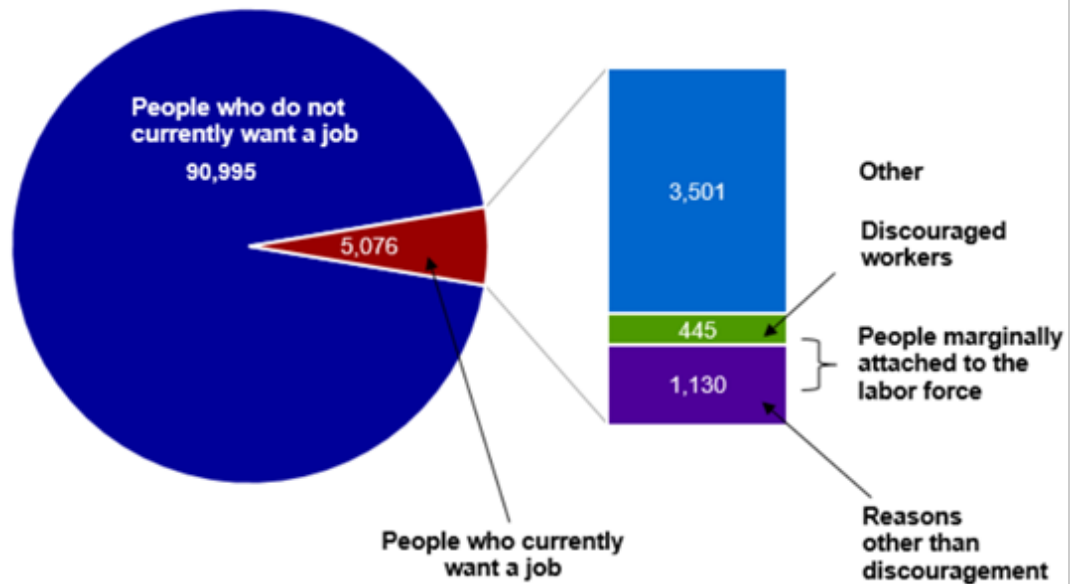
⁽²⁾ Data refer to people who want a job, have searched for work during the prior 12 months, and were available to take a job during the reference week, but had not looked for work in the past 4 weeks.

⁽³⁾ These people are not currently looking for work because they are discouraged over their job prospects. For example, these individuals may indicate that no jobs are available for them; they lack education, training, or experience needed to find a job; or they believe they face some type of discrimination, such as being too young or too old.

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

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

Figure 8. People not in the labor force, not seasonally adjusted, fourth quarter of 2018



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

People who are not in the labor force are asked if they currently want a job. In the fourth quarter of 2018, 5.1 million, or 5.3 percent, of people not in the labor force indicated they wanted a job, even though they were not currently looking for one.

A subset of those not in the labor force who want a job are classified as marginally attached to the labor force. These individuals in this subset were not in the labor force, wanted and were available for work, and had looked for a job sometime in the prior 12 months. They were not counted as unemployed because they had not searched for work in the 4 weeks preceding the survey. In the fourth quarter of 2018, 1.6 million people were marginally attached to the labor force, essentially unchanged from a year earlier.

Among the marginally attached are discouraged workers—people not currently looking for work specifically because they are discouraged over their job prospects.^[16] In the fourth quarter of 2018, the number of discouraged workers (445,000) was little different from the number a year earlier.

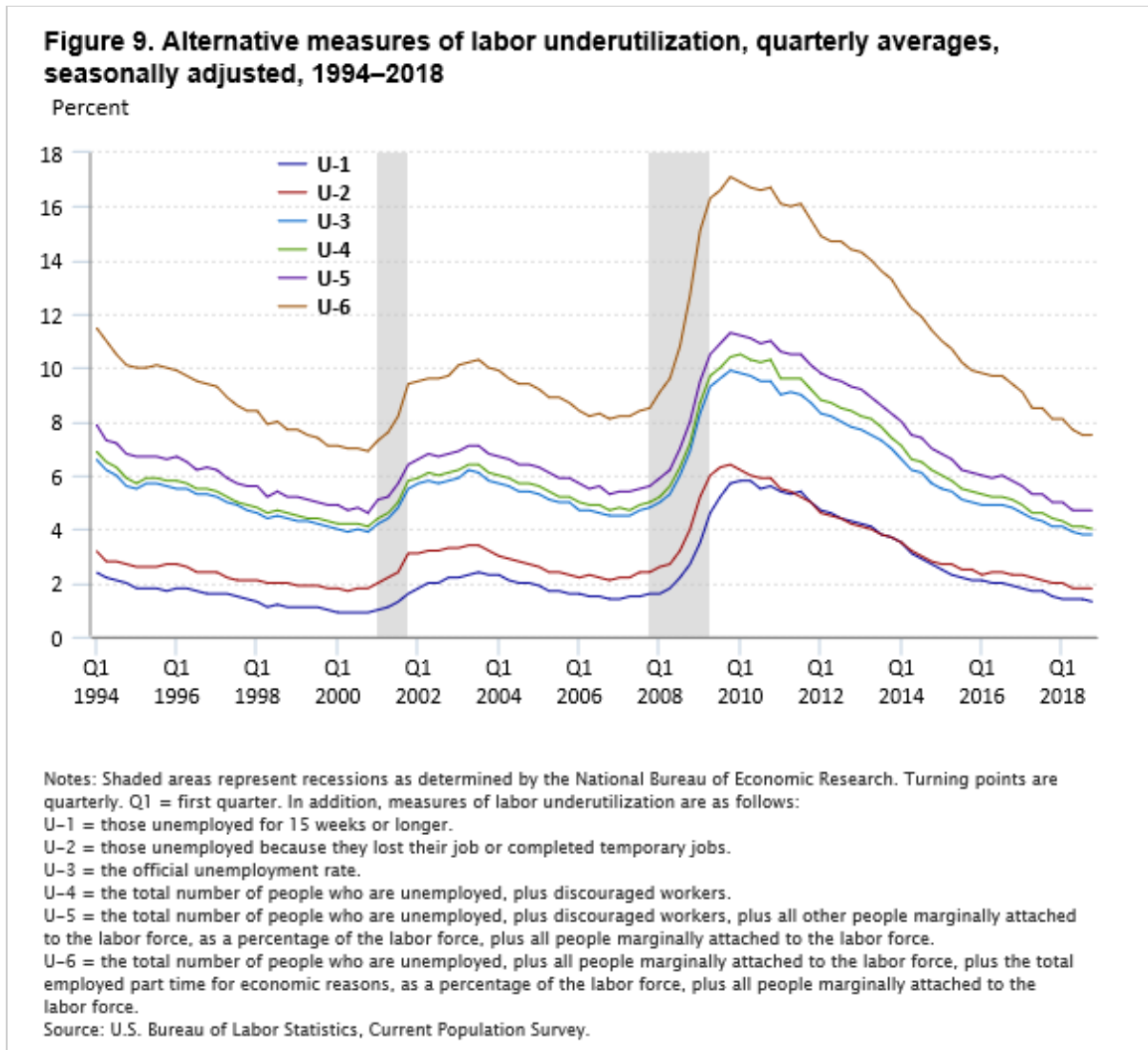
The remaining 1.1 million people marginally attached to the labor force in the fourth quarter of 2018 had not searched for work for reasons other than discouragement, such as school attendance, family responsibilities, health-related issues, and other reasons not identified separately in the CPS. The number of these individuals also changed little over the year.

Alternative measures of labor underutilization

In addition to BLS publishing the national unemployment rate each month, BLS publishes a range of alternative measures of labor underutilization: U-1, U-2, U-4, U-5, and U-6 (in this typology, the official unemployment rate is referred to as U-3).^[17]

Alternative measures U-1 and U-2 are more restrictive than the official definition of unemployment. These narrower measures track groups of unemployed people who typically face some degree of financial hardship or difficulty—those unemployed for 15 weeks or longer (U-1) and those unemployed because they lost their job or completed temporary jobs (U-2). The measures U-4, U-5, and U-6 present broader gauges of labor underutilization that include some people who are underemployed or not in the labor force. Essentially, these broader measures look at more than just unemployment, bringing in a broader group of individuals with labor market difficulties.

In the fourth quarter of 2018, all alternative measures declined. U-1 and U-2 declined to 1.3 percent and 1.8 percent, respectively. U-3—the official unemployment rate—fell to 3.8 percent in the fourth quarter of 2018. Among the broader alternative measures, U-4 declined to 4.0 percent and U-5 decreased to 4.7 percent. U-6, the broadest alternative measure, declined to 7.5 percent in the fourth quarter of 2018, the same rate registered in the third quarter; this was the lowest rate since the first quarter of 2001. (See figure 9.)

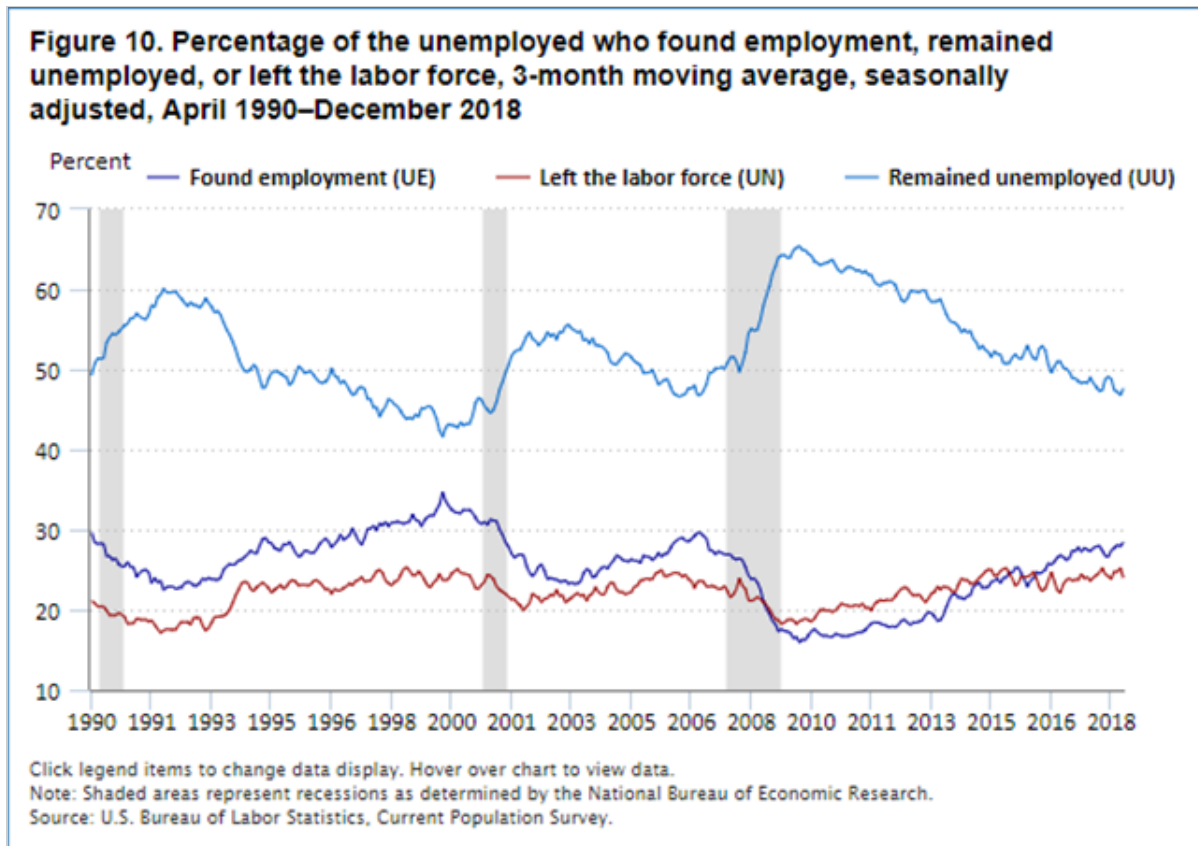


Unemployment decline reflected in labor force flows

In any given month, an individual surveyed in the CPS can be classified in 1 of 3 labor force states: employed (E), unemployed (U), or not in the labor force (N). From one month to the next, an individual's labor force status can change or remain the same. For example, a person could transition from being unemployed to employed, or an employed person could remain employed. The CPS labor force flows estimates measure these transitions each month and can help explain changes in the unemployment rate.^[18] In 2018, 15.8 million people, or 6.1 percent of the population age 16 and older, changed their labor force status in an average month.

Among the unemployed, the likelihood of a person remaining unemployed (UU) over the month continued to trend down in 2018. In times of economic expansion, the likelihood of a person remaining unemployed over the month usually decreases. In December 2018, 47.6 percent of those who were unemployed in November remained unemployed, down from a peak of 65.4 percent in December 2009. (Data are seasonally adjusted 3-month moving averages.)

Before the Great Recession, those who were unemployed had been more likely to find employment than to leave the labor force (26.9 percent and 23.0 percent, respectively, in November 2007). During the recession, the share of those unemployed who left the labor force became higher than the share of those who found employment. Since 2016, the unemployed have been more likely to find a job than to leave the labor force. In December 2018, the likelihood of an unemployed person finding a job (UE) was 28.4 percent and the likelihood of an unemployed person leaving the labor force (UN) was 24.0 percent. (See figure 10.)



Median usual weekly earnings rose by 3.0 percent from 2017 to 2018

Median usual weekly earnings of full-time wage and salary workers increased to \$886 in 2018.^[19] (Data are annual averages and are in current dollars.) Women had median weekly earnings of \$789, or 81.1 percent of the \$973 median weekly earnings for men. Men's earnings grew at a higher rate, at 3.4 percent, than women's weekly earnings, at 2.5 percent, from 2017 to 2018. (See table 12 and figure 11.)

Table 12. Median usual weekly earnings of full-time wage and salary workers by selected characteristics, annual averages, 2017–18

Characteristic	2017	2018	Percent change, 2017–18
In constant (1982–84) dollars			
Total, 16 years and older	\$351	\$353	0.6
Men	\$384	\$387	0.8

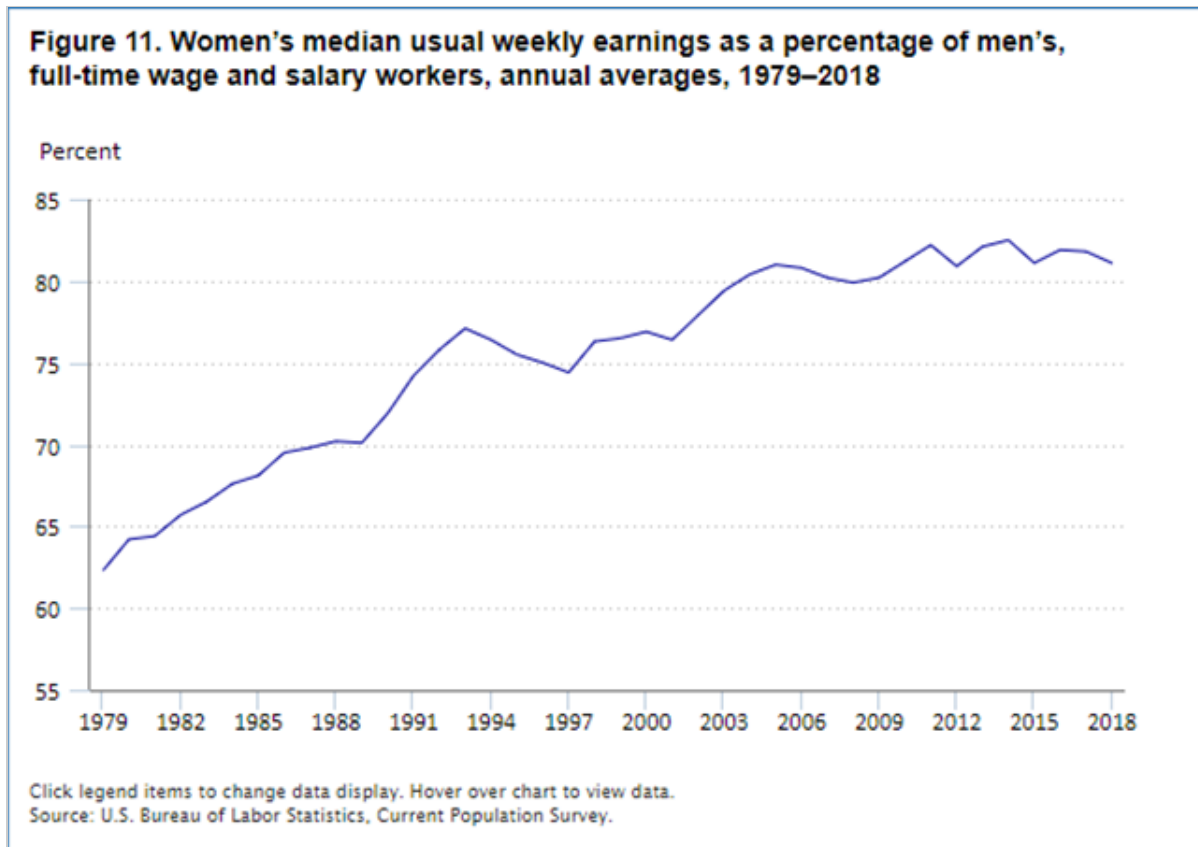
See footnotes at end of table.

Table 12. Median usual weekly earnings of full-time wage and salary workers by selected characteristics, annual averages, 2017–18

Characteristic	2017	2018	Percent change, 2017–18
Women	\$314	\$314	0.0
Current dollars			
Total, 16 years and older	\$860	\$886	3.0
CPI-U (1982–84 = 100)	245.12	251.11	2.4
Men	\$941	\$973	3.4
Women	\$770	\$789	2.5
White	\$890	\$916	2.9
Men	\$971	\$1,002	3.2
Women	\$795	\$817	2.8
Black or African American	\$682	\$694	1.8
Men	\$710	\$735	3.5
Women	\$657	\$654	–0.5
Asian	\$1,043	\$1,095	5.0
Men	\$1,207	\$1,241	2.8
Women	\$903	\$937	3.8
Hispanic or Latino ethnicity	\$655	\$680	3.8
Men	\$690	\$720	4.3
Women	\$603	\$617	2.3
Total, 25 years and older	\$907	\$932	2.8
Less than a high school diploma	\$520	\$553	6.3
High school graduate, no college	\$712	\$730	2.5
Some college or associate degree	\$798	\$826	3.5
Bachelor's degree and higher	\$1,279	\$1,324	3.5

Note: CPI-U = Consumer Price Index for All Urban Consumers.

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



In 2018, weekly earnings among the major race and ethnicity groups continued to be higher for Asians (\$1,095) and Whites (\$916) than weekly earnings for Blacks (\$694) and Hispanics (\$680). From 2017 to 2018, Asians had the largest increase in earnings at 5.0 percent. Earnings for Hispanics grew by 3.8 percent, and the earnings for Whites increased by 2.9 percent. Blacks experienced the smallest increase in earnings from 2017 to 2018, at 1.8 percent.

Educational attainment is strongly correlated with earnings. Among full-time wage and salary workers age 25 and older, usual weekly earnings rose for every educational attainment level from 2017 to 2018. Workers with a bachelor's degree and higher had median weekly earnings of \$1,324 (up by 3.5 percent) in 2018. Those with some college or an associate degree had weekly earnings of \$826 (also up by 3.5 percent), and earnings for high school graduates (no college) were \$730 (up by 2.5 percent). Workers with less than a high school diploma had the lowest weekly earnings, at \$553, but had the largest percent gain in earnings from 2017 to 2018 (6.3 percent.)

As most economic indicators pointed to a strong labor market in 2018, one indicator that economists continued to watch closely during the year for signs of improvement was real-wage growth. As measured by the CPS, real median usual weekly earnings of full-time wage and salary workers (also referred to as constant dollar usual weekly earnings) increased by 0.6 percentage point from 2017 to 2018, compared with earnings that gained 1.2 percent from 2016 to 2017.

Summary

As the economy continued to expand in 2018, CPS data indicated that the labor market continued to strengthen. The national unemployment rate, one of the most closely watched labor market indicators, reached a 49-year low, declining to 3.8 percent in the third and fourth quarters of 2018. As employment growth outpaced population growth in 2018, the employment–population ratio rose in 2018, while the labor force participation rate changed little. Unemployment rates for most major demographic groups declined in 2018.

Other CPS measures used to gauge the health of the labor market also pointed to continued strength. All alternative measures of labor underutilization declined in 2018, and the number of long-term unemployed continued to decline in 2018. Median usual weekly earnings also increased from 2017 to 2018.

SUGGESTED CITATION

Andrew Blank and Roxanna Edwards, "Tight labor market continues in 2018 as the unemployment rate falls to a 49-year low," *Monthly Labor Review*, U.S. Bureau of Labor Statistics, May 2019, <https://doi.org/10.21916/mlr.2019.9>

NOTES

¹ The National Bureau of Economic Research (NBER) is the official arbiter of the beginning and ending dates of recessions in the United States. According to the NBER, the most recent recession began in December 2007 and ended in June 2009. For the quarterly analysis in this article, any quarter containing a month identified as part of a recession by NBER is considered to be part of the recession. For example, the fourth quarter of 2007 through the second quarter of 2009 are identified as the most recent recession and are considered turning points. At the time this was written, NBER turning-point data indicate that only the economic expansion of the 1990s, which had 120 months of uninterrupted growth, lasted longer than the current economic expansion. For further analysis of the U.S. labor market during and a decade after the Great Recession, see Evan Cunningham, "Great Recession, great recovery? Trends from the Current Population Survey," *Monthly Labor Review*, April 2018, <https://doi.org/10.21916/mlr.2018.10>.

² The data presented in this article are based on information collected in the Current Population Survey (CPS), also called the household survey, which is a monthly sample survey of about 60,000 eligible households nationwide. The CPS reference week is generally the week that includes the 12th of the month. The U.S. Census Bureau conducts the survey for the U.S. Bureau of Labor Statistics (BLS).

³ The civilian noninstitutional population age 16 and older is the base population group in the CPS. The civilian noninstitutional population excludes Active Duty members of the U.S. Armed Forces, people confined to, or living in, institutions or facilities such as prisons or jails, and people in residential care facilities such as skilled nursing homes.

⁴ Although the CPS publishes monthly data, the data analyzed in this article are seasonally adjusted quarterly averages, and all over-the-year changes are comparisons of fourth-quarter data from 2017 with fourth-quarter data from 2018, unless otherwise noted.

⁵ Effective with the release of data for January 2018, the household survey used updated population estimates. Each year, the U.S. Census Bureau updates its population estimates to reflect new information and assumptions about the growth of the population during the decade. Following usual practice, BLS did not revise the official household survey estimates for December 2017 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 2018" (U.S. Bureau of Labor Statistics, February 2018), <https://www.bls.gov/cps/population-control-adjustments-2018.pdf>.

⁶ Data for Asians are not seasonally adjusted before 2010.

⁷ 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 are classified as White.

⁸ For additional information, see *Factors affecting the labor force participation of people ages 25 to 54* (Congressional Budget Office, February 2018), <https://www.cbo.gov/system/files?file=115th-congress-2017-2018/reports/53452-lfpr.pdf>.

⁹ Educational attainment data are based on the highest degree received for people age 25 and older.

¹⁰ In the CPS, veterans are men and women who have previously served on Active Duty in the U.S. Armed Forces and who were civilians at the time of data collection. Data are tabulated for people age 18 and older. Veterans are classified by their period of service: Gulf War era II (September 2001–present); Gulf War era I (August 1990–August 2001); World War II (December 1941–December 1946), Korean War (July 1950–January 1955), and the Vietnam era (August 1964–April 1975); and other service periods (all other periods). Veterans who served in more than one wartime period are classified in the most recent one. Veterans who served in both a wartime period and any other service period are classified in the wartime period. Effective with data for November 2017, estimates for veterans incorporate population controls derived from an updated Department of Veterans Affairs population model. In accordance with usual practice, BLS did not revise estimates for previous years. Information about the updated veteran population model is available from the Department of Veterans Affairs at https://www.va.gov/vetdata/docs/Demographics/New_Vetpop_Model/Vetpop16_Overview.pdf.

¹¹ Labor force statistics for people with and without a disability are available back to June 2008, the first month disability questions were added to the CPS.

¹² The foreign born are people who reside in the United States but were born outside the country or outside one of its outlying areas, such as Puerto Rico or Guam, to parents who were not U.S. citizens. The foreign born include legally admitted immigrants; refugees; temporary residents, such as students and temporary workers; and undocumented immigrants.

¹³ The unemployed are classified by occupation according to their last job, which may or may not be similar to the job they are currently looking for.

¹⁴ The measure “part time for economic reasons” is based on an individual’s actual hours at work during the survey reference week. An economic reason may include slack work, unfavorable business conditions, inability to find full-time work, or seasonal declines in demand. To be classified as involuntary part-time workers, people who usually work part time and worked part time during the survey reference week must indicate that they want and are available for full-time work. For more research on involuntary part-time workers; for example, see Jonathan L. Willis, “Stuck in part-time employment,” *The Macro Bulletin: Macroeconomic research from the Federal Reserve Bank of Kansas City* (Federal Reserve Bank of Kansas City, January 18, 2017), <https://www.kansascityfed.org/~media/files/publicat/research/macrobulletins/mb17willis0118.pdf> or Rob Valletta, “Involuntary part-time work: Yes, it’s here to stay,” *San Francisco Fed Blog* (Federal Reserve Bank of San Francisco, April 11, 2018), <https://www.frbsf.org/our-district/about/sf-fed-blog/involuntary-part-time-work-here-to-stay/>.

¹⁵ For additional information, see Steven F. Hipple, “People who are not in the labor force: why aren’t they working?” *Beyond the Numbers*, vol. 5, no. 15, December 2015, <https://www.bls.gov/opub/btn/volume-4/people-who-are-not-in-the-labor-force-why-arent-they-working.htm>.

¹⁶ Discouraged workers may indicate that no jobs are available for them; they lack education, training, or experience needed to find a job; or they believe they face some type of discrimination, such as being too young or too old.

¹⁷ The alternative measures of labor underutilization are defined as follows: U-1 is people who are unemployed for 15 weeks or longer, as a percentage of the civilian labor force; U-2 is the number of people who lost their jobs or people who completed temporary jobs, as a percentage of the civilian labor force; U-3 is the total number of people who are unemployed, as a percentage of the civilian labor force (official unemployment rate); U-4 is the total number of people who are unemployed, plus discouraged workers, as a percentage of the civilian labor force plus discouraged workers; U-5 is the total number of people who are unemployed, plus discouraged workers, plus all other people marginally attached to the civilian labor force, as a percentage of the labor force plus all people marginally attached to the labor force; and U-6 is the total number of people who are unemployed, plus all people marginally attached to the labor force, plus the total employed part time for economic reasons, as a percentage of the labor force plus all people marginally attached to the civilian labor force. For further information, see Vernon Brundage, “Trends in unemployment and other labor market difficulties,” *Beyond the Numbers*, vol. 3, no. 25, 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>.

¹⁸ For additional information and analyses, see Harley Frazis, “Employed workers leaving the labor force: an analysis of recent trends,” *Monthly Labor Review*, May 2017, <https://doi.org/10.21916/mlr.2017.16>; 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>; and “Research series on labor force status flows from the Current Population Survey” is available at https://www.bls.gov/cps/cps_flows.htm.

¹⁹ The earnings comparisons are on a broad level and do not control for many factors that can be important in explaining earnings differences, such as job skills and responsibilities, work experience, and specialization. The CPS data on earnings represent earnings before taxes and other deductions, and they include any overtime pay, commissions, or tips typically received. Regarding multiple jobholders, only earnings received at their main job are included. Earnings reported nonweekly are converted to a weekly equivalent. The term “usual” reflects each survey respondent’s own understanding of the term. If the respondent asks for a definition of “usual,” interviewers are instructed to define the term as more than half the weeks worked during the past 4 or 5 months. Wage and salary workers are defined as those who receive wages, salaries, commissions, tips, payment in kind, or piece rates. This definition includes both public and private sector employees but excludes all self-employed people, regardless of whether their business is incorporated or unincorporated. Finally, full-time workers are those who usually work 35 hours or more per week at their main job.

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