

Issues in Labor Statistics

U.S. Department of Labor U.S. Bureau of Labor Statistics



How long before the unemployed find jobs or quit looking?

Each month, the Bureau of Labor Statistics (BLS) publishes duration-of-unemployment measures derived from the Current Population Survey (CPS). These measures include the average and median number of weeks that the jobless have been searching for work, as well as the number of unemployed persons by defined categories ranging from less than 5 weeks to 52 weeks or more. Analysts and news reports have frequently associated the mean or median duration measure with the length of time it takes jobseekers to find employment. However, the published data represent the current duration of unemployment and are not measures of completed periods of job search.

This brief report presents estimates of the length of time someone is unemployed before finding a job or before giving up searching for work. These measures were derived from the CPS labor force status flow data, which capture the extent to which the unemployed find jobs, leave the labor force, or stay unemployed from one month to the next.¹

Recently, researchers at BLS linked unemployment duration for persons jobless in one month with their labor force status in the following month. In this manner, estimates of unemployment duration were created for the unemployed who became employed in the subsequent month, as well as for the unemployed who quit looking for work and left the labor force.

Labor force status in the CPS is determined for one week each month, usually during the survey reference week that contains the 12th; therefore, it is

not possible to obtain information on the precise week between survey reference periods that unemployed individuals became employed or left the labor force. For example, if someone had been *unemployed* for 10 weeks as of the October reference week and reported they were *employed* in November, their duration of unemployment would be 10 weeks. However, the actual length of any one individual job search could have been as much as an additional 3 weeks—the number of weeks from the October to November survey reference periods.² Therefore, estimates of duration in this report are somewhat understated.³ Data presented in this paper are not seasonally adjusted and, because they can fluctuate from month to month, a 12-month moving average is used in the charts, with the latest data point representing an average for 2010.

By the end of 2010, the *median* number of weeks jobseekers had been unemployed in the month prior to finding work was a little more than 10 weeks.⁴ In contrast, prior to the start of the recent recession in 2007, the median was 5 weeks. Unemployment duration also increased among those who eventually quit looking and left the labor force. Unemployed individuals were jobless for about 20 weeks in 2010 before giving up their job search and leaving the labor force. Whereas in 2007, those who were not successful in their job search had been unemployed for about 8.5 weeks before leaving the labor force.⁵ (See chart 1.)

The recent recession has had a profound effect on the length of successful job search. The table shows the distribution of transitions from unemployment to employment by duration of unemployment (in weeks). From 1994 through 2008, roughly half of all unemployed jobseekers found jobs within 5 weeks. In 2007, for example, 49 percent of those who were unemployed in the prior month and employed in the

subsequent month had been jobless for less than 5 weeks. During the same year, less than 3 percent of the unemployed who found work had been jobless for more than 52 weeks. In stark contrast, 11 percent of transitions from unemployment to employment exceeded a year in 2010, and only 34 percent lasted less than 5 weeks.

The information on unemployment duration from the flow data also provides evidence that the likelihood of becoming employed decreases the longer one is unemployed. For example, the chance that a person who had been unemployed for less than 5 weeks would become employed in a subsequent month was about 30 percent in 2010. For those unemployed 27 weeks or more, that chance in a subsequent month was only 10 percent. (See charts 2 and 3.)

In summary, the length of time it took for the jobless to be successful in their job search increased sharply during the recent recession and in its aftermath. The median number of weeks unemployed doubled—from 5 to 10 weeks—and a far greater share of successful jobseekers spent in excess of a year in their

search for employment. At the same time, the median duration for unemployed persons who were unsuccessful in their job search and left the labor force also rose dramatically. Moreover, once unemployed, the likelihood that one would be successful in one's job search decreased as the length of time spent searching for work increased.

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Notes

¹ The CPS, or household survey, is a monthly sample survey of approximately 60,000 households. Because three-quarters of the sample overlap from month-to-month, it is possible to derive changes in the labor force status of individuals between employment, unemployment, and not in the labor force. For more information on the development and analytical uses of labor force status flows, see Harley J. Frazis, Edwin L. Robison, Thomas D. Evans, and Martha A. Duff, "Estimating gross flows consistent with stocks in the CPS," *Monthly Labor Review*, September 2005, pp.3-9, and Randy E. Ilg, "Analyzing CPS data using gross flows," *Monthly Labor Review*, September 2005, pp.10-18.

² In this example, the person's labor force status would have changed to employed during the November reference period which is the fourth week after the October reference period.

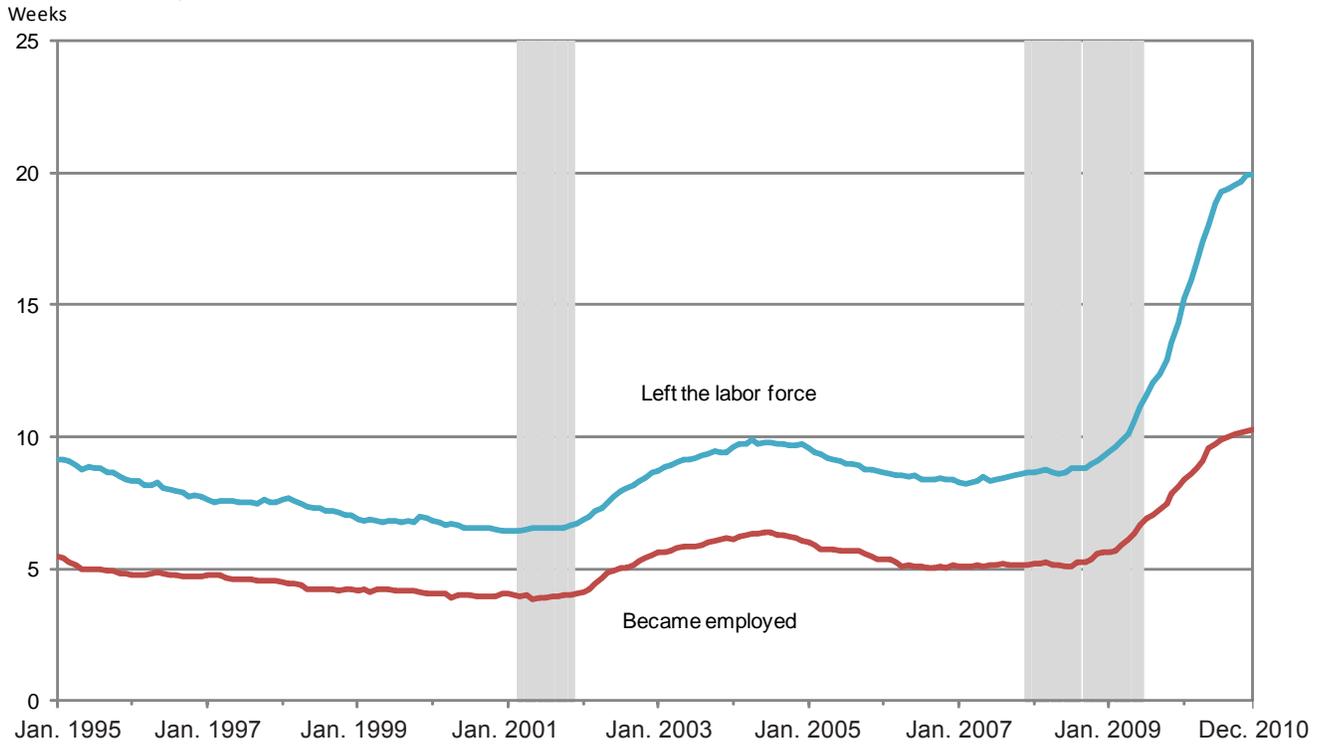
³ Estimates of duration also may be understated because only three-quarters of the sample are accounted for in month-to-month flows; duration estimates for months-in-sample 4 and 8 are not included and have been shown to be slightly higher. In addition, duration measures likely are affected by entry rates into, and exit rates from, unemployment. This analysis implies a steady-state

labor market where entry and exit rates are stable.

⁴ In this report, the median duration measure is used because it is considered to be a better descriptor of the distribution and is not distorted by outliers and extreme values, as are means. In addition, the mean duration estimate is somewhat biased because the greatest number of weeks of unemployment that could be recorded in the CPS was capped at 2 years through 2010. In the aftermath of the particularly severe recent recession, 9 percent of the unemployed were jobless for 99 weeks or longer in 2010. Data presented in this report encompass the period from February 1994 through December 2010. A major redesign of the CPS to improve the quality of the data derived from the survey was implemented in January 1994. One of the important features of the redesign was the adaptation of a computer-assisted automated instrument which permitted dependent interviewing. Dependent interviewing reduces respondent and interviewer burden, while improving consistency of the data from one month to the next.

⁵ As a reminder, medians represent the length of time individuals had been classified as unemployed in the survey reference period prior to becoming employed or leaving the labor force.

Chart 1. Median duration of unemployment for persons who became employed or left the labor force in the subsequent month, not seasonally adjusted 12-month moving average, January 1995–December 2010



NOTE: Shaded areas represent recessions as determined by the National Bureau of Economic Research (NBER). Duration is based on the number of weeks unemployed in the month before becoming employed or leaving the labor force and, therefore, is somewhat understated.

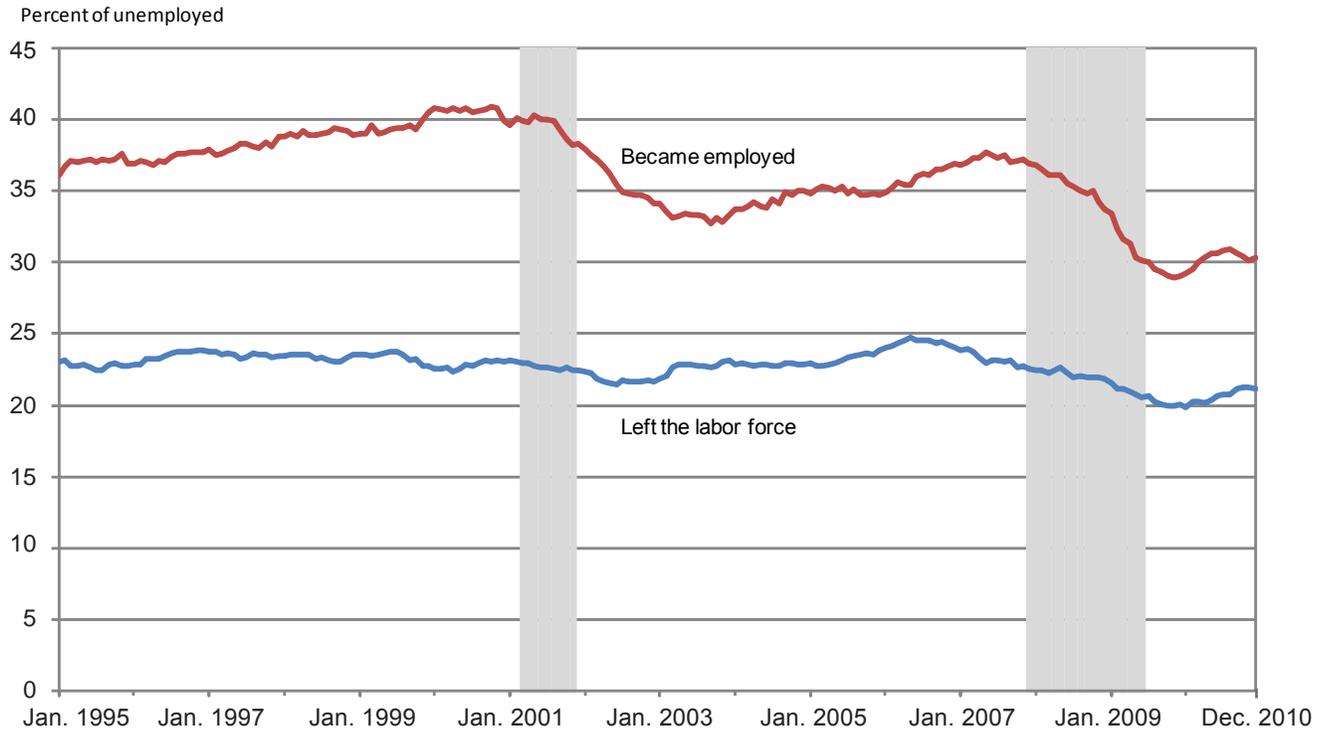
Table. Share of the unemployed who found jobs by weeks of duration of unemployment, annual averages, 1994–2010
 (Percent distribution)

Year	Transitions from unemployed to employed (In thousands)	Less than 5 weeks	5 to 14 weeks	15 to 26 weeks	27 to 52 weeks	53 weeks and over
1994	2,208	47.3	29.0	11.4	8.3	4.0
1995	2,072	50.5	28.6	10.7	6.6	3.5
1996	2,035	52.1	28.8	10.1	6.5	2.6
1997	2,003	52.3	28.9	10.3	6.0	2.5
1998	1,909	54.5	28.5	8.9	5.8	2.4
1999	1,874	55.6	28.3	9.2	5.0	2.0
2000	1,839	56.5	28.2	8.1	4.9	2.1
2001	1,952	55.7	29.0	9.2	4.6	1.6
2002	2,111	47.4	29.8	12.1	8.1	2.6
2003	2,085	44.7	29.1	12.8	9.3	4.1
2004	2,065	45.5	28.6	12.3	9.3	4.3
2005	1,985	47.3	28.7	12.0	8.0	3.9
2006	1,967	49.5	28.5	11.7	7.5	2.8
2007	1,930	49.0	29.7	11.4	7.1	2.8
2008	2,064	47.2	30.4	11.9	7.3	3.2
2009	2,402	38.9	29.1	14.9	12.1	5.1
2010	2,517	34.0	25.9	13.8	15.3	11.0

NOTE: Duration is based on the number of weeks unemployed in the month before becoming employed and, therefore, is somewhat understated.

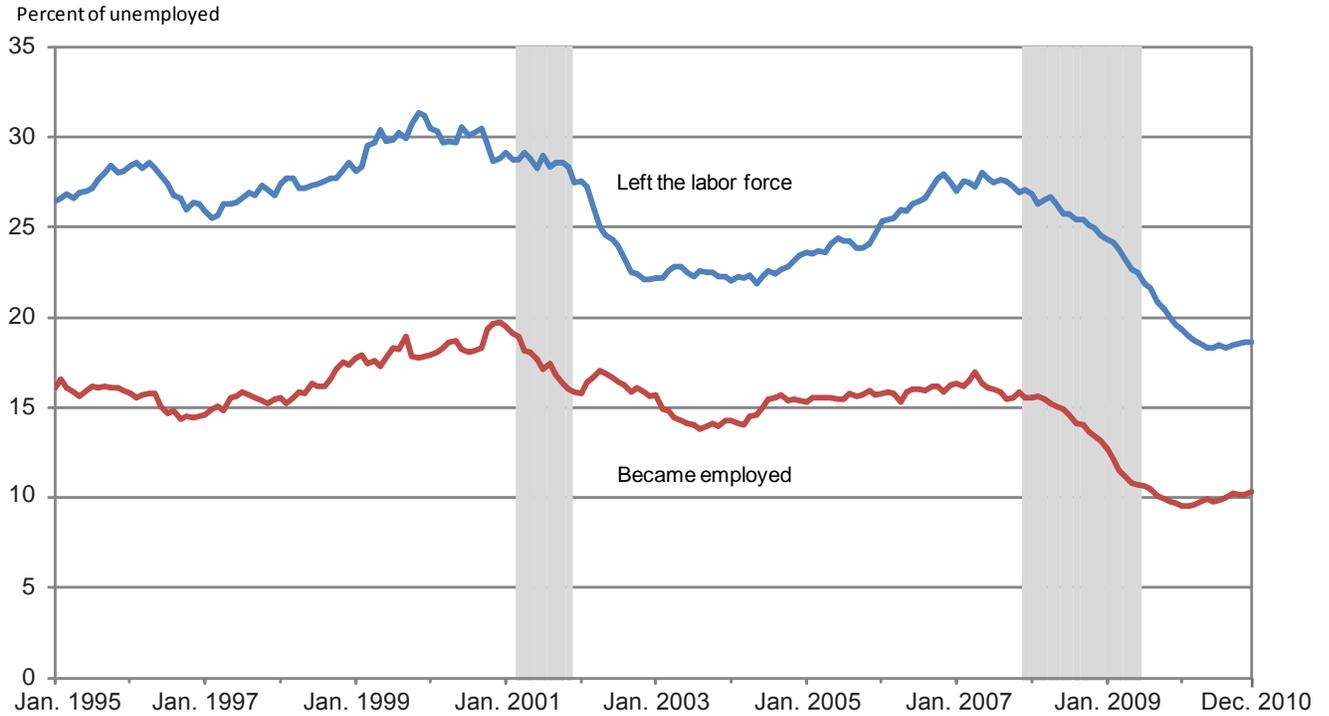
SOURCE: Research series from the Current Population Survey.

Chart 2. **Share of the unemployed who were jobless for less than 5 weeks who became employed or left the labor force in the subsequent month, not seasonally adjusted 12-month moving average, January 1995–December 2010**



NOTE: Shaded areas represent recessions as determined by the National Bureau of Economic Research (NBER). Duration is based on the number of weeks unemployed in the month before becoming employed or leaving the labor force and, therefore, is somewhat understated.

Chart 3. **Share of the unemployed who were jobless for 27 weeks and over who became employed or left the labor force in the subsequent month, not seasonally adjusted 12-month January 1995–December 2010**



NOTE: Shaded areas represent recessions as determined by the National Bureau of Economic Research (NBER). Duration is based on the number of weeks unemployed in the month before becoming employed or leaving the labor force and, therefore, is somewhat understated.