

## STILL LOOKING: The Lengthening of Unemployment Duration

**T**he impact of a recession on the labor force can be measured in many different ways. The measures most frequently mentioned in the media are the unemployment rate, the percent of job losses, and the number of jobs lost. Another gauge of the economy's performance that receives somewhat less attention is unemployment duration. This measure can give us insights into the functioning of the labor market and the difficulties faced by the unemployed.

As a measure of labor market performance, unemployment duration is closely related to employment turnover. In good times and bad, people leave their jobs for a variety of reasons, spend a period time unemployed, and eventually reenter the ranks of the employed. When the labor market is functioning smoothly, the time between leaving a job and finding a new one is relatively short; during recessions, the time increases significantly. In the latter case, the labor market is not performing its task of rapidly reallocating workers to positions of new employment.

Unemployment duration also adds another dimension to our characterization of the unemployed. When the average length of unemployment duration increases, a larger share of the unemployed population experiences an increasingly dire predicament. During lengthy periods of unemployment, unemployed workers are forced to deplete their savings, they cannot pay their

mortgages, and they often develop stress-related health problems. In this sense, unemployment duration gives us a better understanding of the potential difficulties faced by the unemployed.

### COMPARING UTAH WITH THE U.S.

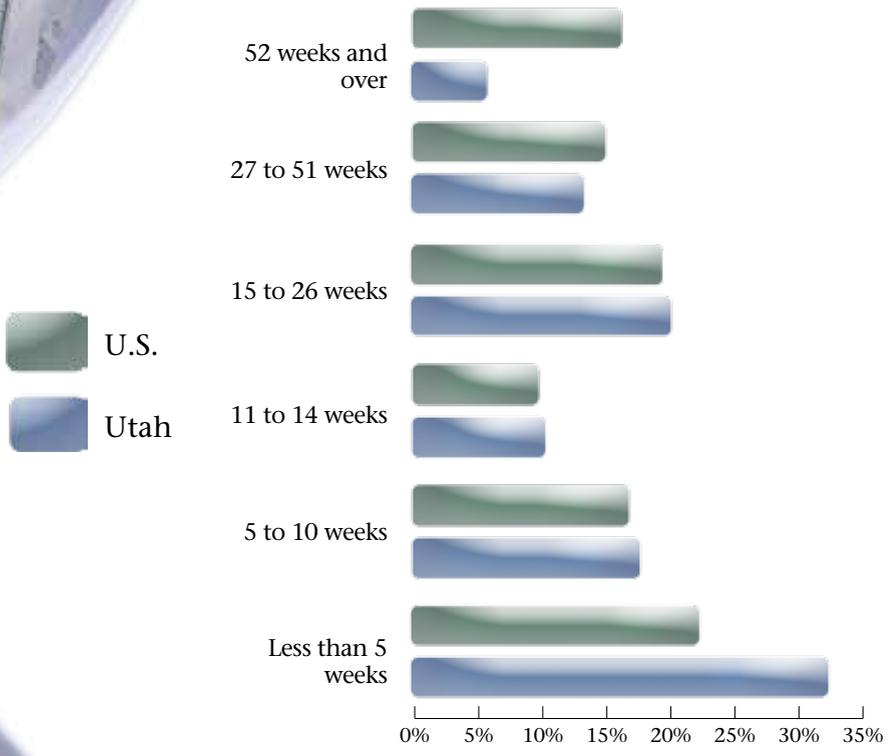
The distribution of unemployed individuals by the length of their spell of unemployment during 2009 is shown in Figure 1. As the figure reveals, the unemployed in Utah spent less time job-seeking, on average, than the unemployed in the U.S. Approximately 50 percent of Utah's job seekers were unemployed for 11 weeks or more, while 61 percent of the unemployed in the U.S. were seeking employment for 11 or more weeks. Utah's overall average duration was approximately one-third lower than nationwide: 16.2 weeks versus 24.4 weeks.

### UNEMPLOYMENT DURATION THROUGH THE RECESSION

Even though Utah's unemployed are jobless for a relatively shorter time, on average, than the nation's unemployed, the recession significantly lengthened average unemployment duration in



Figure 1.  
The Distribution of  
Unemployment Duration  
**2009**



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

*Utah's overall average duration was approximately one-third lower than nationwide.*

*The construction and manufacturing industries suffered the most job losses in the current recession.*



the state. Figure 2 compares unemployment duration in 2007, the last year before the onset of the recession, with 2009, the middle of the recession. Only 25 percent of all job seekers were unemployed for 11 weeks or more in 2007. By 2009, 50 percent were unemployed for 11 or more weeks. During this period, the recession lengthened the average unemployment duration in Utah from 11.3 weeks to 16.2 weeks.

#### **DOES UNEMPLOYMENT DURATION DIFFER BY GENDER?**

At the national level, there is little difference between unemployment duration among men and women. The average unemployment duration for men in the U.S. during 2009 was 24.6 weeks as compared to 24.1 weeks for women. However, there is a considerable difference within Utah. Men in Utah were unemployed for an average of 17 weeks while women in Utah were unemployed for 14.7 weeks. As shown in Figure 3, 54.4 percent of

men were unemployed for 11 weeks or more as compared to 41.8 percent of women.

Why does unemployment duration differ between men and women in Utah? It seems that the answer has to do with which industries were hardest hit by the recession. The construction and manufacturing industries suffered the most job losses in the current recession, accounting for 43 percent of all job losses in Utah from 2007 to 2009. Male workers make up 81 percent of construction employment and 70 percent of manufacturing employment. In contrast, the two industries that showed the largest employment gains from 2007 to 2009 were education and healthcare. Female workers make up 72 percent of employment in healthcare and 64 percent of employment in education. These percentages are indicative of a historical tendency for men and women to gravitate toward different occupations, leading to some industries being dominated by one gender or

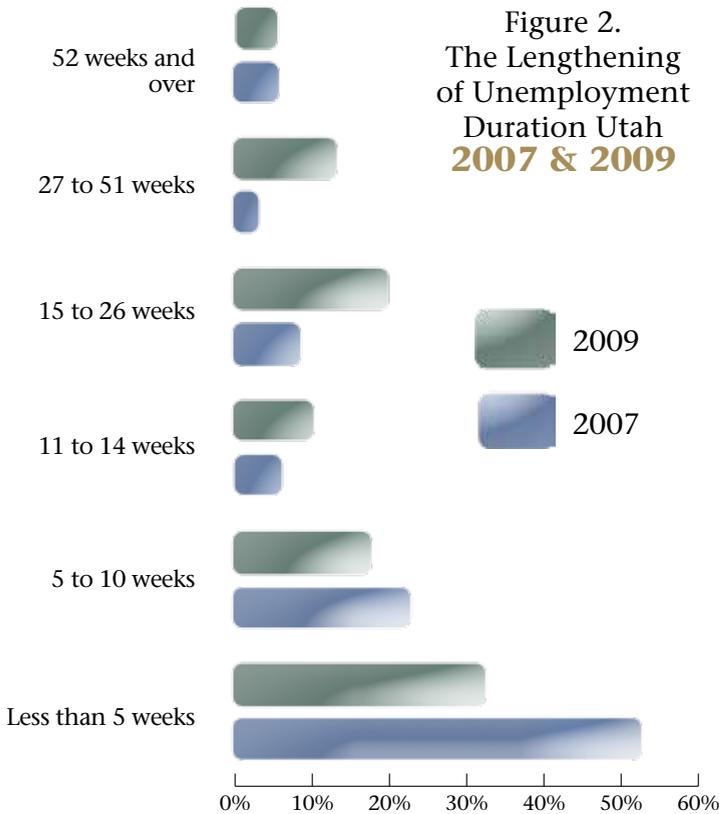


Figure 2.  
The Lengthening  
of Unemployment  
Duration Utah  
2007 & 2009

*Utah job seekers are experiencing shorter spells of unemployment, on average, as compared to the nation.*

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

the other. Because the effects of the recession have varied across industries, women have found relatively more employment opportunities than men.

### UTAH THROUGH THE PERSPECTIVE OF UNEMPLOYMENT DURATION

Although unemployment duration has increased during the recession, job seekers in Utah are experiencing shorter spells of unemployment, on average, as compared to the nation. While unemployed men and women in Utah endure shorter periods of unemployment as compared to the U.S. averages, unemployment duration for Utah's women is considerably lower than for Utah's men.

If the traditionally male-dominated industries continue to contract and the female-dominated industries continue to expand, we may see more men enter industries that have traditionally been dominated by women. 📍

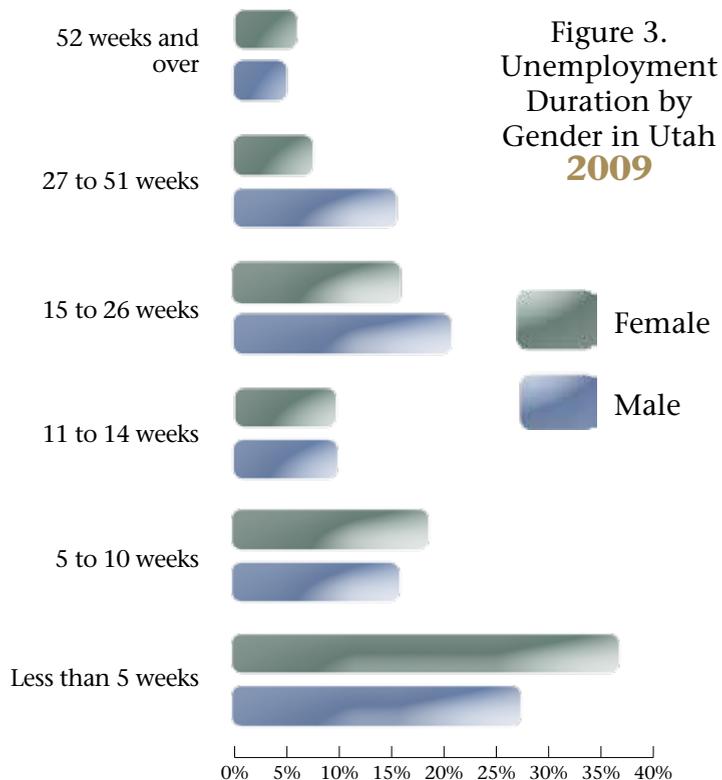


Figure 3.  
Unemployment  
Duration by  
Gender in Utah  
2009

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