



November 7, 2009

## Broader Measure of U.S. Unemployment Stands at 17.5%

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For all the pain caused by the Great Recession, the job market still was not in as bad shape as it had been during the depths of the early 1980s [recession](#) — until now.

With the release of the jobs report on Friday, the broadest measure of unemployment and underemployment tracked by the Labor Department has reached its highest level in decades. If statistics went back so far, the measure would almost certainly be at its highest level since [the Great Depression](#).

In all, more than one out of every six workers — 17.5 percent — were unemployed or underemployed in October. The previous recorded high was 17.1 percent, in December 1982.

This includes the officially unemployed, who have looked for work in the last four weeks. It also includes discouraged workers, who have looked in the past year, as well as millions of part-time workers who want to be working full time.

The official jobless rate — 10.2 percent in October, up from 9.8 percent in September — remains lower than the early 1980s peak of 10.8 percent.

The broader rate is highest today, sometimes 20 percent, in states that had big housing bubbles, like California and Arizona, or that have large manufacturing sectors, like Michigan, Ohio, Oregon, Rhode Island and South Carolina.

The new benchmark is a sign of just how much damage financial crises tend to inflict. A [recent book](#) by Carmen M. Reinhart and Kenneth S. Rogoff, two economists, found that over the last century the typical crisis had caused the jobless rate in the country where it occurred to rise for almost five years. By that standard, the

jobless rate here would continue rising for two more years, through the end of 2011.

Most economists predict that the rate will in fact begin to fall next year, largely because of the federal government's aggressive response — fiscal stimulus, interest-rate cuts and a variety of creative steps by the [Federal Reserve](#) and [Treasury Department](#). Friday's report showed that monthly job losses continued to slow recently, though the improvement has been gradual.

At the White House Friday, [President Obama](#) signed a bill to extend unemployment benefits and a tax credit for home buyers, and said that he was looking at ways to enact more stimulus. On Wednesday, the Fed announced that it expected to leave its benchmark interest at zero for “an extended period.”

Nearly 16 million people are now unemployed and more than seven million jobs have been lost since late 2007.

Officially, the Labor Department's broad measure of unemployment goes back only to 1994. But early this year, with the help of economists at the department, The New York Times created a version that estimates it going back to 1970. If such a measure were available for the Depression, it probably would have exceeded 30 percent.

Compared with the early 1980s, a smaller share of workers today are officially unemployed and a smaller share are considered discouraged workers.

But there are many more people who would like to be working full time and have been able to find only part-time work, according to the government's monthly survey of workers. The rapid increase in their ranks and in the officially unemployed has caused the rate to rise much faster in this recession than in the early 1980s. Two years ago, it was only 8.2 percent.

One of the more striking aspects of the Great Recession is that most of its impact has fallen on a relatively narrow group of workers. This is evident primarily in two ways.

First, the number of people who have experienced any unemployment is surprisingly low, given the severity of the recession. The pace of layoffs has increased, but the peak layoff rate this year was the same as it was during the 2001 recession, which was a fairly mild downturn. The main reason that the unemployment rate has soared is the hiring rate has plummeted.

So fewer workers than might be expected have lost their jobs. But those without work are paying a steep price, because finding a new job is extremely difficult.

Second, wages have continued to rise for most people who still have jobs. The average hourly wage for rank-and-file workers, who make up about four-fifths of the work force, actually accelerated in October, according to the new report.

Even though some companies have cut the pay of workers, the average hourly wage has still risen 1.5 to 2.5 percent over the last year, depending on which government survey is examined. Average weekly pay has risen less — zero to 1 percent — because hours have been cut. But average prices have fallen. Altogether, the typical worker has received a 1 to 2 percent inflation-adjusted raise over the last year.

In the other two severe recessions in recent decades, workers with jobs fared considerably worse. At the same point in the mid-1970s downturn, real weekly pay had fallen 7 percent; in the early 1980s recession, it had fallen 4 percent.

It is a strange combination: workers who still have a job are doing better than in other deep recessions, but the unemployment and underemployment have risen to their highest level since the Depression.

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