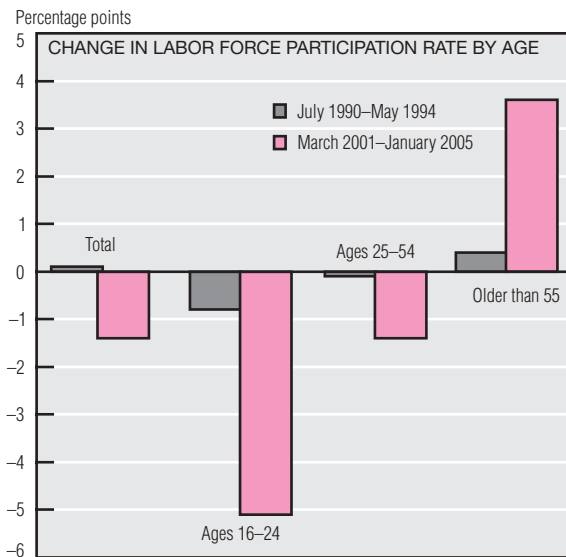
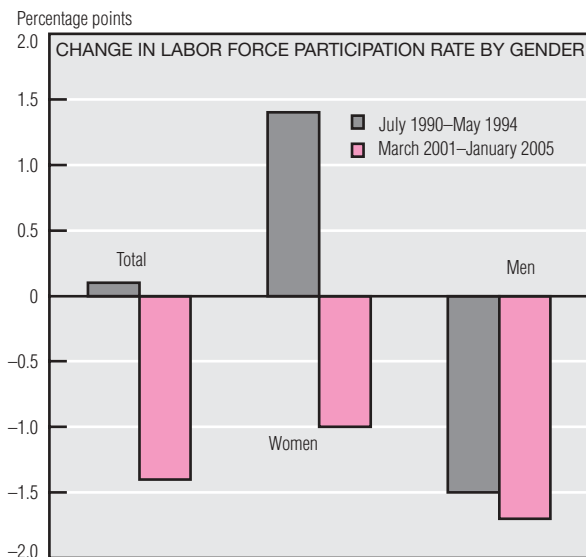


Labor Force Participation



Reasons Why People Did Not Work or Look for Work (percent distribution)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Women aged 25–54													
Ill or disabled	12.6	14.0	16.5	17.7	19.2	19.5	21.3	20.9	20.2	21.1	21.9	21.3	21.9
Retired	1.3	1.3	2.1	2.5	2.2	3.2	3.2	3.3	3.0	4.4	4.5	5.1	4.5
Home responsibilities	77.2	75.8	71.6	69.7	69.9	68.8	67.6	67.6	68.6	67.7	66.3	65.3	65.3
Going to school	4.6	4.6	7.2	7.0	6.0	5.2	5.5	5.6	5.9	4.9	4.9	5.4	5.9
Could not find work	1.9	2.3	0.9	0.9	0.6	1.0	0.7	0.6	0.4	0.6	0.6	0.6	1.0
Other	2.4	2.0	1.7	2.2	2.1	2.3	1.6	2.0	1.9	1.4	1.8	1.8	1.4
Total aged 16–24													
Ill or disabled	2.9	3.2	4.2	4.8	4.2	3.9	4.4	4.1	3.8	3.9	3.8	3.6	4.0
Retired	0.1	0.1	0.4	0.5	0.4	0.4	0.3	0.5	0.7	0.3	0.6	0.8	0.7
Home responsibilities	15.7	16.2	16.5	16.8	15.5	13.9	12.6	11.4	12.3	12.8	13.2	11.3	11.6
Going to school	74.5	74.0	73.4	72.4	73.7	75.5	76.9	78.3	77.4	77.7	77.5	79.2	78.8
Could not find work	2.5	2.9	1.9	1.7	2.2	1.9	1.9	1.3	1.8	1.6	1.5	2.0	1.8
Other	4.2	3.6	3.6	3.9	4.0	4.4	3.9	4.4	4.0	3.7	3.5	3.1	3.2

Source: U.S. Department of Labor, Bureau of Labor Statistics.

In the 46 months between the March 2001 business cycle peak and January 2005, the labor force participation rate fell from 67.2% to 65.8%. After the 1990 recession, however, the rate slightly exceeded prerecession levels (66.6%) within 46 months of the peak. Comparing these recessions shows that the decline in participation since 2001 can be attributed primarily to people aged 16 to 24 and to women.

From March 2001 to January 2005, women's participation fell 1 percentage point; after the 1990 recession, it

rose 1.4 percentage points within the same length of time. The share of women not participating in the labor force because of illness or disability increased dramatically from 12.6% in 1991 to 21.9% in 2003. Although this occurred well before the 2001 recession, it may partly explain the sustained decline in women's participation. Indeed, experiences in several European countries suggest that people who leave the labor force because of illness or disability may be less likely than others to return. Greater difficulty finding jobs also limited women's participation.

Participation among people aged 16 to 24 is down 5.1 percentage points from March 2001; after the 1990 recession, it fell less than 1 percentage point. The difference probably reflects the delayed entry into the labor force associated with more time pursuing an education.

Unlike their younger counterparts, people older than 55 increased their participation more than 3 percentage points after March 2001, possibly because of lower stock prices and changes in Social Security regulations.