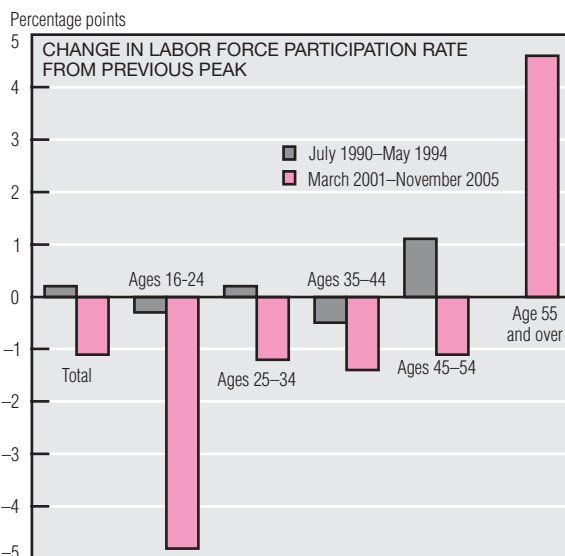
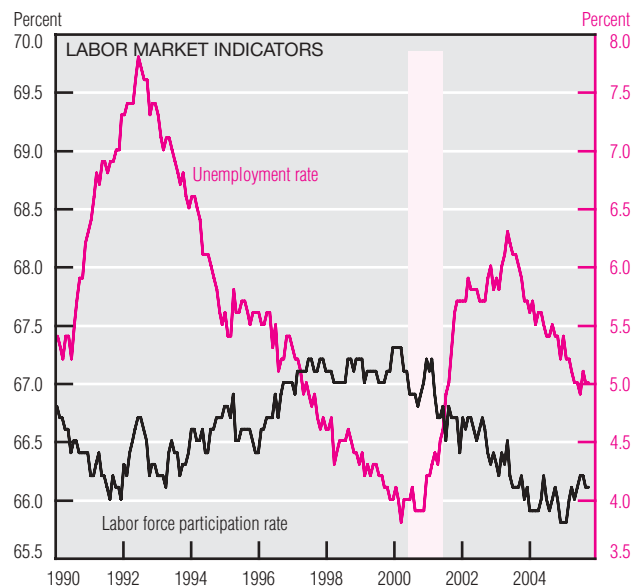
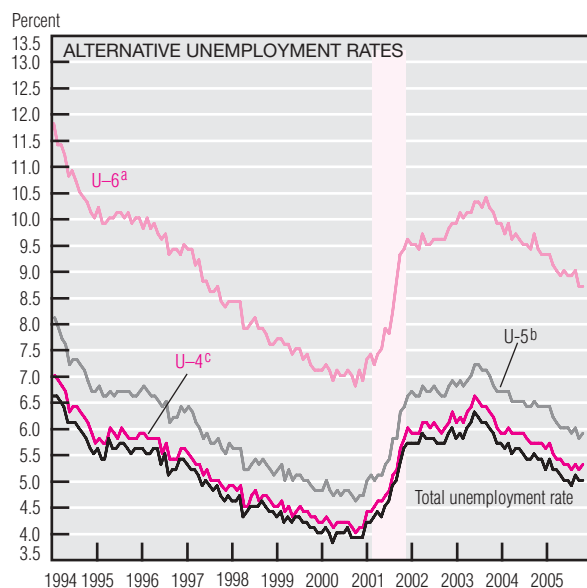


## Unemployment in the Economic Expansion



### People Ages 16 to 24 Who Did Not Work or Look for Work (percent distribution)

	1991	1994	2000	2004
Sick or disabled	2.9	4.8	3.9	5.2
Retired	0.1	0.5	0.3	0.6
Home responsibilities	15.7	16.8	12.8	12.3
Attending school	74.5	72.4	77.7	77.0
Could not find work	2.5	1.7	1.6	1.7
Other	4.2	3.9	3.7	3.1

a. Total unemployed plus all marginally attached workers and those employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers.

b. Total unemployed plus discouraged workers and all other marginally attached workers, as a percent of the civilian labor force plus all marginally attached workers.

c. Total unemployed plus discouraged workers, as a percent of the civilian labor force plus discouraged workers.

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

During the current economic expansion, the unemployment rate has fallen from a peak of 6.3% in June 2003 to 5.0% in November 2005, consistent with rates in the mid-1990s. Trends in alternative measures, which broaden the definition of unemployment by including discouraged workers, marginally attached workers (who have sought work in the recent past), and workers who have settled for less work for economic reasons, also suggest an improving labor market.

Throughout the 1990s, employment growth was supported by rising labor force participation and a falling unemployment rate. During the current expansion, reductions in labor force participation have helped to lower the unemployment rate despite moderate employment growth. Trends in labor force participation for older and younger people since the March 2001 business-cycle peak differ from trends after the 1990 recession: Those older than 55 have increased their participation rates nearly 5 percentage

points (pp) since March 2001; after the 1990 recession, participation returned to pre-recession levels within the same length of time. After the 1990 recession, participation among people ages 16 to 24 fell less than 0.5 pp; since March 2001, however, it has dropped nearly 5 pp. The decline in young people's participation is partly the reflection of an increase in the number of individuals not working because of illness, disability, retirement, or difficulty in finding employment.