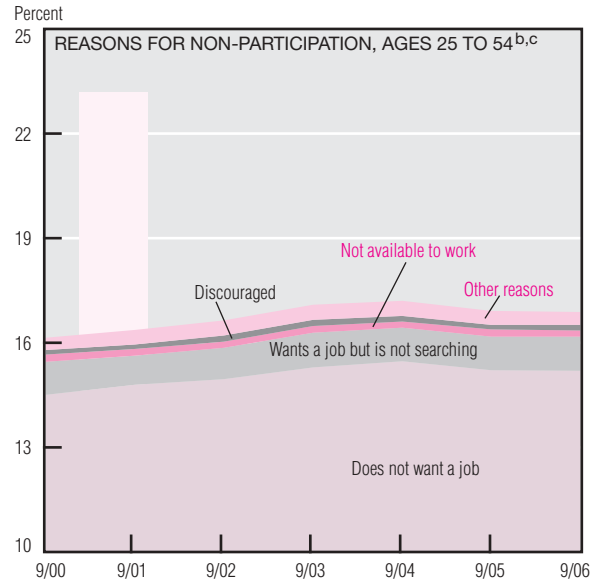
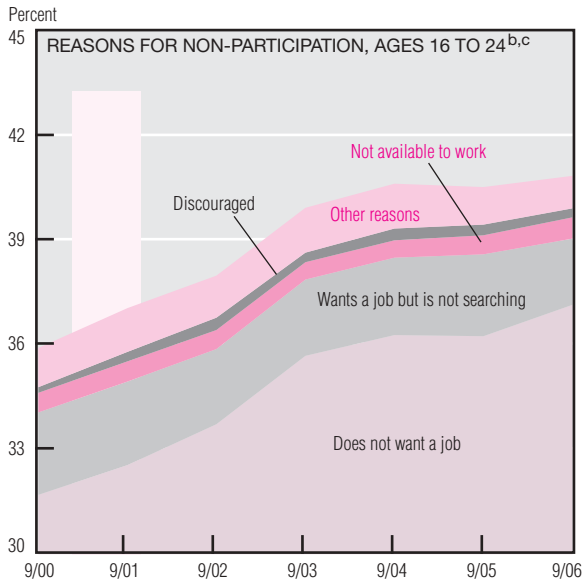
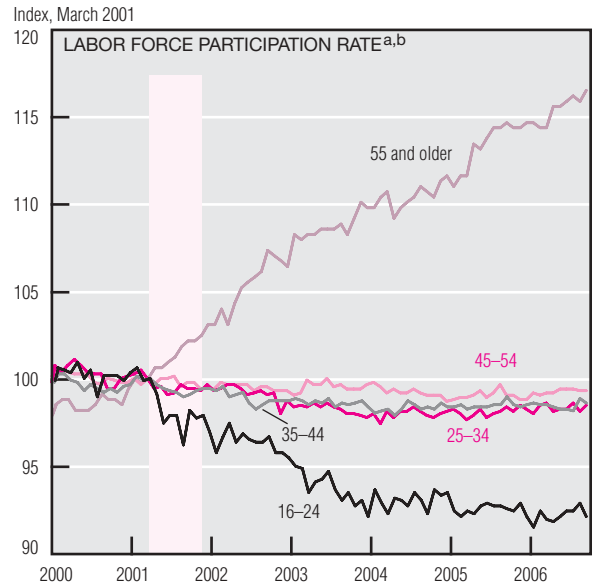
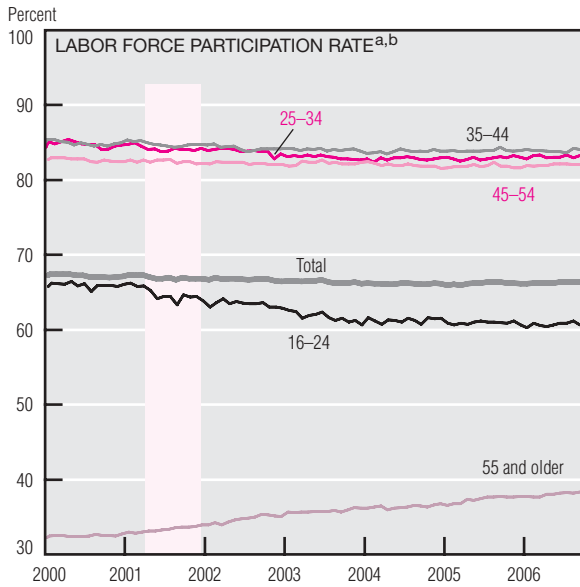


Labor Force Participation



a. Data are seasonally adjusted.
 b. Shaded areas indicate recessions.
 c. Non-participation reasons for those 16 to 24 years old as a percent of the civilian non-institutional population of the same age, not seasonally adjusted.
 d. Non-participation reasons for those 25 to 54 years old as a percent of the civilian non-institutional population of the same age, not seasonally adjusted.
 SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

Unemployment rates have fallen during the economy's recovery from the 2001 recession, partly because increasing numbers of people do not participate in the labor force. One major drag on national labor force participation since the recession has been the group of people 16 to 24 years old, whose rates have dropped 5.2%. Rates have fallen less for those aged 25 to 54 than for the younger cohort. Some age groups have even been edging back up to their pre-recession levels: People over 55 have

increased their participation rate by 5.4% since March 2001.

As in most age groups, the majority of young non-participants do not want a job. They could have any of several reasons that the Bureau of Labor Statistics classifies as non-economic. Those who do want a job are grouped according to their current availability to work and whether they have searched for a job in the past year. People who have searched and are available are classified as discouraged if they report a lack of

jobs as the reason they have stopped searching. Discouragement among people aged 16 to 24 has been growing, but this change is dwarfed by the increasing numbers who do not want a job. Discouraged workers make up an even smaller share of the group between 25 and 54 years old. Their recent pattern of participation, like that of the 16-24 age group, has been strongly affected by changes in the number of people who do not want a job.