



NC Justice Center

*Opportunity  
and prosperity for all*

## A PROFILE OF UNEMPLOYMENT IN NORTH CAROLINA

At the end of their careers,  
North Carolina's older workers face challenges in today's labor market.

### North Carolina's workers aged 55 and older who are unemployed remain jobless for longer.

- Older workers are less likely to be unemployed than younger workers, but when they do experience unemployment, 56 percent are likely to be without a job for 26 weeks or longer.<sup>1</sup>
- Long-term unemployment continues to be driven by the lack of jobs but is further compounded for older workers by the challenge of finding similar employment despite strong work histories.
- Due to longer periods of unemployment, older workers are more likely to exhaust their unemployment benefits<sup>2</sup> and can be pushed into unplanned retirement.<sup>3</sup>

### Long-term joblessness creates financial challenges unique to older workers.

- Older workers without jobs are more likely to begin spending down their retirement early and lose out on the retirement savings they would have accumulated during their final years of employment. More than six in ten households headed by persons 55 years or older lost wealth over the course of the Great Recession.<sup>4</sup>
- In 2010, the poverty rate in North Carolina for those older than 55 was 11.4% -- a two-percentage-point increase since the start of the Great Recession.<sup>5</sup>
- Older workers represented nearly 20 percent of the state's labor force in 2010, a near doubling of their participation rate in 1979. A study from 2009 of older unemployed workers who were low-income found that 46 percent needed to work to keep their apartments or homes and 43 percent needed to work to cover medical expenses or access health-care benefits.<sup>6</sup>

### Unemployment in North Carolina is driven by the lack of jobs and the continued loss of jobs even during the official economic recovery. Current projections suggest that employment levels nationally will not reach pre-recession rates until 2015.<sup>7</sup>

- North Carolina has a jobs shortfall of 515,500; that is the number of jobs the state will need to add to reach pre-recession employment levels.<sup>8</sup>
- Since the official recovery began in June 2009, North Carolina has experienced job growth in only ten months.<sup>9</sup>
- The loss of state and local government jobs in the recovery period has dragged down total employment. From August to September alone North Carolina lost 13,700 jobs in state and local government.<sup>10</sup>

<sup>1</sup> Economic Policy Institute analysis of Bureau of Labor Statistics, 2010.

<sup>2</sup> Whitaker, Julie. RL32757, Unemployment Compensation (UC)/Unemployment Insurance (UI): Trends and Contributing Factors in UC Benefit Exhaustion. Congressional Research Service: Washington, DC.

<sup>3</sup> Whitaker, Julie. RL32757, Unemployment and Older Workers. Congressional Research Services: Washington, DC.

<sup>4</sup> Hartmann, Heidi, October 11, 2011. Testimony to Senate Committee on Health, Education, Labor and Pensions. IWPR: Washington, DC.

<sup>5</sup> Economic Policy Institute analysis of Bureau of Labor Statistics, 2010.

<sup>6</sup> Experience Works, 2009. Overlooked and Underserved: The Crisis Facing America's Older Workers.

<sup>7</sup> Wall Street Journal, November 14, 2011. A State By State Look at the Long Road to Recovery. Accessed at: <http://blogs.wsj.com/economics/2011/11/14/a-state-by-state-look-at-long-road-to-jobs-recovery/>

<sup>8</sup> Bureau of Labor Statistics, September 2011.

<sup>9</sup> Data includes up to September 2011.

**Unemployment insurance provides older workers with critical support without threatening the financial security of their retirement.**

- The average weekly benefit amount of unemployment insurance paid in 2010 was \$298.<sup>11</sup> For the average worker, this represents just 38.6% of their wages before job loss.
- Recent national data from the American Community Survey found that unemployment insurance benefits kept 3.2 million Americans out of poverty in 2010.<sup>12</sup>

**Extended unemployment benefit programs currently supported with federal dollars will expire on December 31, 2011.**

- Federal legislation established the Emergency Unemployment Compensation (EUC) program and allowed states to receive full federal funding for the Extended Benefits (EB) program. Together, the federal EUC and EB programs provide 34 to 73 weeks of assistance after state unemployment programs have been exhausted. In North Carolina, state unemployment benefits end after 26 weeks.
- The National Employment Law Project estimates that 69,700 North Carolinians will be affected by the loss of unemployment benefits in January 2012 alone.<sup>13</sup> Many thousands of North Carolina's older jobless workers will face significant financial challenges without this modest support.

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<sup>10</sup> Bureau of Labor Statistics, September 2011.

<sup>11</sup> ESC, Monthly Activity Report, January 2011.

<sup>12</sup> American Community Survey, 2011.

<sup>13</sup> National Employment Law Project, October 2011. Hanging by a Thread. Accessed at: [http://nelp.3cdn.net/68172c0cee6bd3e294\\_czm6iiviu.pdf](http://nelp.3cdn.net/68172c0cee6bd3e294_czm6iiviu.pdf)