Monthly Labor Review

March 2017

Unemployment holds steady for much of 2016 but edges down in the fourth quarter

The U.S. labor market showed continued improvement in 2016. The unemployment rate—4.7 percent in the fourth quarter of 2016—edged down 0.3 percentage point over the year, with most of the decline occurring in the fourth quarter. Employment rose during the year, and the civilian labor force participation rate was little changed.

Vernon Brundage Jr.
brundage.vernon@bls.gov

Vernon Brundage Jr. is an economist in the Division of Labor Force Statistics, Office of Employment and Unemployment Statistics, U.S. Bureau of Labor Statistics.

Evan Cunningham
cunningham.evan@bls.gov

Evan Cunningham is an economist in the Division of Labor Force Statistics, Office of Employment and Unemployment Statistics, U.S. Bureau of Labor Statistics.

The number of unemployed and the unemployment rate both declined during 2016, continuing their downward trends. In the fourth quarter of 2016, 7.6 million people were unemployed and the unemployment rate was 4.7 percent, 0.3 percentage point lower than a year earlier. Employment, as measured by the Current Population Survey (CPS; see accompanying box), expanded by 2.5 million in 2016, about in line with the gains in the previous year. After rising between the fourth quarter of 2015 and the first quarter of 2016, the employment–population ratio held fairly steady, ending the year at 59.7 percent in the fourth quarter. The civilian labor force—the sum of the employed and the unemployed—grew by 2.1 million, to 159.6 million. The labor force participation rate, at 62.7 percent in the fourth quarter of 2016, was little changed from a year earlier.[1]

This article examines the behavior of key labor market indicators from the CPS in 2016 and takes a detailed look at these indicators by various demographic characteristics, including age, gender, and race and ethnicity. In addition, the article explores changes in usual weekly earnings, duration of unemployment, and labor force flows and reviews the employment situation of veterans, people with a disability, and the foreign born.

Unemployment

Both the number of unemployed people and the unemployment rate were down over the year. Total unemployment declined by 353,000, to 7.6 million, in 2016. The unemployment rate declined to 4.7 percent in the fourth quarter, down by 0.3 percentage point over the year. Most of the improvement in the unemployment measures occurred in the fourth quarter of 2016. Unemployment has been declining since the first quarter of 2010, although the rate of decline in these measures has tapered off in recent years. (See table 1 and figure 1.)

Table 1. Employment status of the civilian noninstitutional population 16 years and older, by age and selected characteristics, quarterly averages, seasonally adjusted, 2015–16 (levels in thousands)

Characteristic	2015	2016				Change, fourth quarter 2015 to fourth quarter 2016
	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	
Total, 16 years and older						
Civilian labor force	157,480	158,842	158,779	159,544	159,580	2,100
Participation rate	62.6	62.9	62.7	62.8	62.7	0.1
Employed	149,568	150,959	151,059	151,709	152,020	2,452
Employment–population ratio	59.4	59.8	59.7	59.8	59.7	0.3
Unemployed	7,912	7,883	7,720	7,836	7,559	-353
Unemployment rate	5.0	5.0	4.9	4.9	4.7	-0.3
Men, 20 years and older						
Civilian labor force	80,766	81,600	81,648	81,880	81,922	1,156
Participation rate	71.4	71.9	71.7	71.7	71.5	0.1
Employed	76,986	77,904	78,006	78,125	78,314	1,328
Employment–population ratio	68	68.6	68.5	68.4	68.4	0.4
Unemployed	3,780	3,696	3,642	3,755	3,609	-171
Unemployment rate	4.7	4.5	4.5	4.6	4.4	-0.3
Women, 20 years and older						
Civilian labor force	71,022	71,370	71,284	71,706	71,784	762
Participation rate	58.2	58.3	58.1	58.3	58.2	0
Employed	67,794	68,111	68,144	68,563	68,723	929
Employment–population ratio	55.6	55.7	55.6	55.8	55.7	0.1
Unemployed	3,228	3,259	3,140	3,143	3,060	-168
Unemployment rate	4.5	4.6	4.4	4.4	4.3	-0.2
Total, 16 to 19 years						
Civilian labor force	5,693	5,872	5,847	5,958	5,874	181
Participation rate	34.3	35.2	35	35.6	35.1	0.8
Employed	4,789	4,944	4,909	5,021	4,983	194
Employment–population ratio	28.8	29.7	29.4	30.0	29.8	1.0
Unemployed	904	928	938	937	890	-14
Unemployment rate	15.9	15.8	16.0	15.7	15.2	-0.7
White						
Civilian labor force	123,646	124,732	124,519	124,777	124,632	986
Participation rate	62.6	63.1	62.9	62.9	62.7	0.1

See footnotes at end of table.

Table 1. Employment status of the civilian noninstitutional population 16 years and older, by age and selected characteristics, quarterly averages, seasonally adjusted, 2015–16 (levels in thousands)

Characteristic	2015	2016				Change, fourth quarter 2015 to fourth quarter 2016
	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	
Employed	118,222	119,385	119,220	119,357	119,314	1,092
Employment–population ratio	59.9	60.4	60.2	60.2	60	0.1
Unemployed	5,424	5,347	5,300	5,419	5,317	-107
Unemployment rate	4.4	4.3	4.3	4.3	4.3	-0.1
Black or African American						
Civilian labor force	19,414	19,519	19,466	19,714	19,834	420
Participation rate	61.5	61.5	61.2	61.7	61.9	0.4
Employed	17,668	17,799	17,811	18,089	18,219	551
Employment–population ratio	56.0	56.1	56.0	56.6	56.8	0.8
Unemployed	1,746	1,720	1,655	1,625	1,614	-132
Unemployment rate	9.0	8.8	8.5	8.2	8.1	-0.9
Asian[(1)]						
Civilian labor force	9,093	9,366	9,471	9,706	9,703	610
Participation rate	62.8	62.9	63.4	63.5	63.1	0.3
Employed	8,747	9,009	9,113	9,321	9,409	662
Employment–population ratio	60.4	60.5	61.0	61.0	61.2	0.8
Unemployed	347	357	358	385	294	-53
Unemployment rate	3.8	3.8	3.8	4.0	3.0	-0.8
Hispanic or Latino ethnicity						
Civilian labor force	26,230	26,623	26,613	26,951	27,000	770
Participation rate	65.6	66.1	65.6	66.0	65.7	0.1
Employed	24,580	25,123	25,053	25,379	25,441	861
Employment–population ratio	61.4	62.3	61.8	62.2	61.9	0.5
Unemployed	1,650	1,500	1,560	1,572	1,559	-91
Unemployment rate	6.3	5.6	5.9	5.8	5.8	-0.5

Notes:

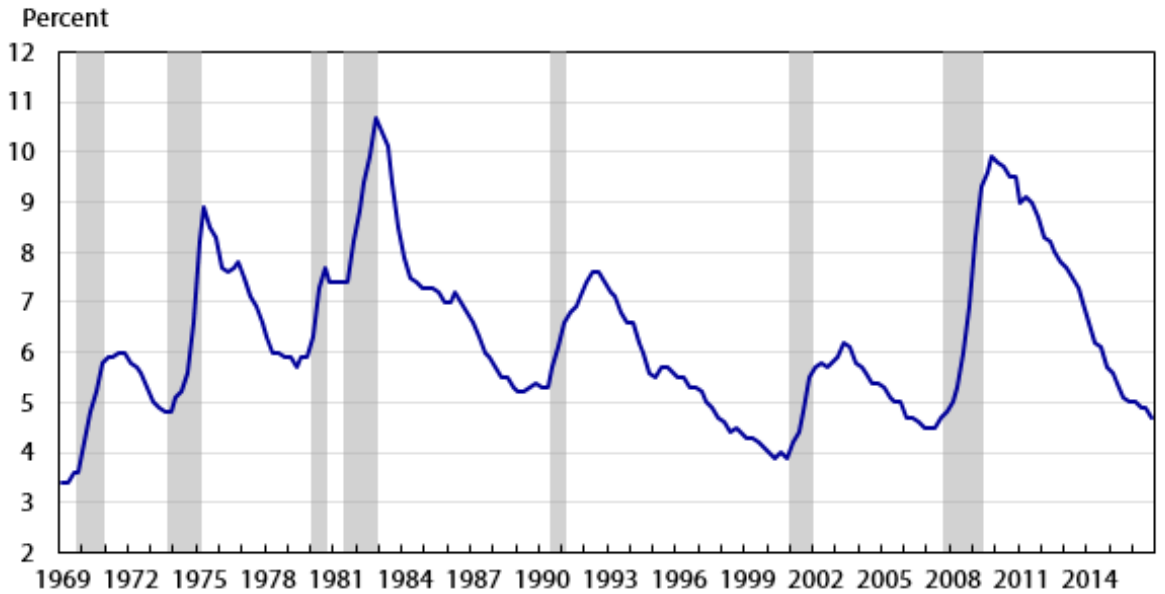
See footnotes at end of table.

(1) Data for Asians are not seasonally adjusted.

Note: Race and Hispanic ethnicity totals do not sum to overall total for people 16 years and older because data are not presented for all races and because people of Hispanic ethnicity may be of any race and are also included in the race groups. Updated population controls are introduced annually with the release of January data.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

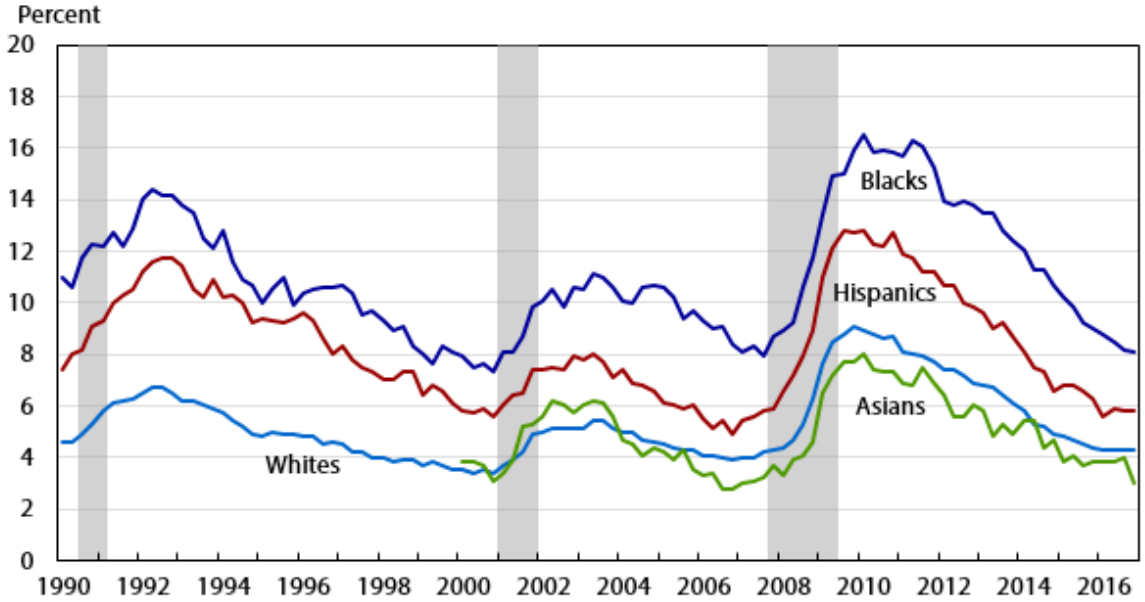
Figure 1. Unemployment rate for people 16 years and older, quarterly averages, seasonally adjusted, 1969–2016



Note: Shaded regions represent recessions as designated by the National Bureau of Economic Research. Turning points are quarterly.
Source: U.S. Bureau of Labor Statistics, Current Population Survey.

Changes in the unemployment rate in 2016 varied across demographic groups. In the fourth quarter of 2016, the jobless rates for adult men (4.4 percent) and adult women (4.3 percent) were both down over the year, while the rate for teenagers (16 to 19 years of age) was little changed, at 15.2 percent. Among the major race and ethnicity groups, the unemployment rate for Blacks was much higher than the rates for other major race and ethnicity groups. Over the year, the unemployment rate for Blacks declined by 0.9 percentage point, to 8.1 percent, the lowest rate since the third quarter of 2007. The rate for Asians declined by 0.8 percentage point, to 3.0 percent in the fourth quarter, and the jobless rate for Hispanics fell by 0.5 percentage point, to 5.8 percent.[2] In contrast, the unemployment rate for Whites, at 4.3 percent, was little changed from a year earlier. (See figure 2.)

Figure 2. Unemployment rates, by race and Hispanic or Latino ethnicity, quarterly averages, seasonally adjusted, 1990–2016



Note: Shaded regions represent recessions as designated by the National Bureau of Economic Research. Turning points are quarterly. People of Hispanic or Latino ethnicity may be of any race. Data for Asians are not available before 2000 and are not seasonally adjusted before 2010.
Source: U.S. Bureau of Labor Statistics, Current Population Survey.

Unemployment rates in 2016 continued to be higher for workers with less education than for those with more education. Among people 25 years and older, the jobless rate for those with less than a high school diploma was over 3 times higher than the rate for those with a bachelor's degree or higher. The unemployment rate for those with less than a high school diploma edged up 0.7 percentage point, to 7.7 percent by the end of the year. The unemployment rate for high school graduates was little changed, at 5.1 percent in the fourth quarter of 2016, as was the rate for those with at least a bachelor's degree, at 2.4 percent. The jobless rate for those with some college fell by 0.4 percentage point, to 3.9 percent. (See table 2 and figure 3.)

Table 2. Employment status of the civilian noninstitutional population 25 years and older, by educational attainment, quarterly averages, seasonally adjusted, 2015–16 (levels in thousands)

Characteristic	2015	2016				Change, fourth quarter 2015 to fourth quarter 2016
	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	
Less than a high school diploma						
Civilian labor force	10,831	10,809	10,598	10,741	10,576	-255
Participation rate	45.6	46.1	45.3	46.3	45.1	-0.5
Employed	10,073	10,016	9,813	9,948	9,762	-311
Employment–population ratio	42.4	42.7	42.0	42.9	41.6	-0.8

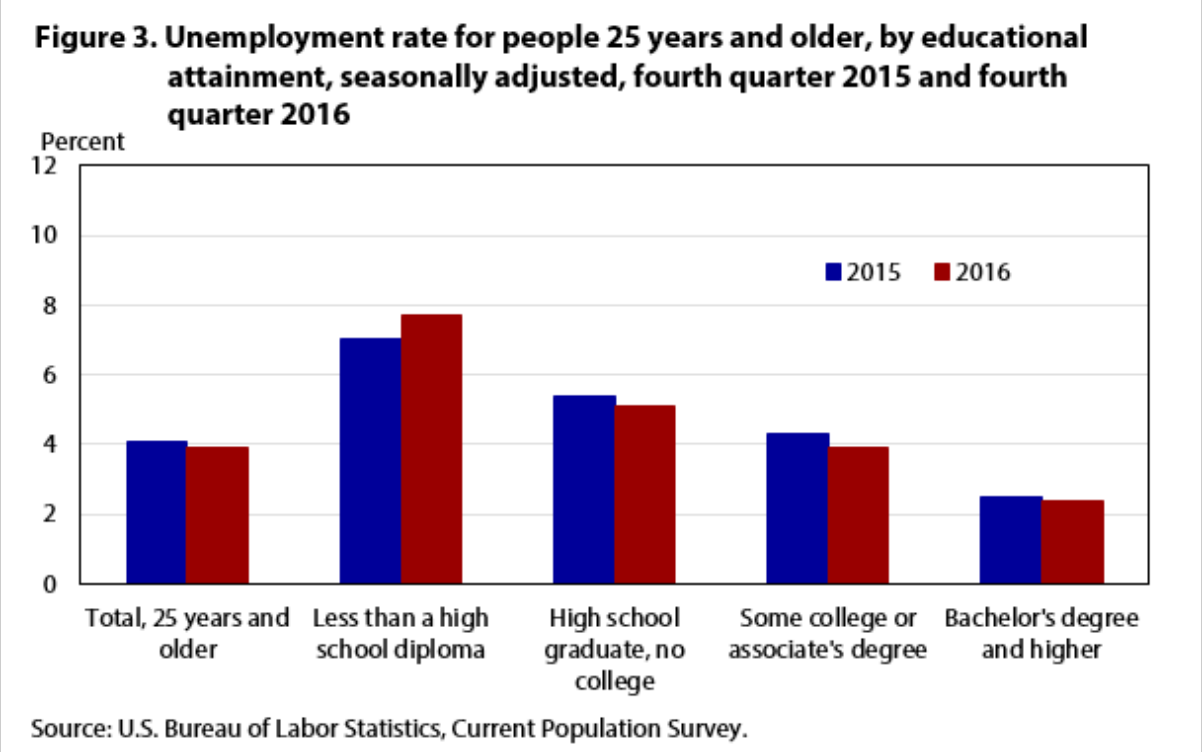
See footnotes at end of table.

Table 2. Employment status of the civilian noninstitutional population 25 years and older, by educational attainment, quarterly averages, seasonally adjusted, 2015–16 (levels in thousands)

Characteristic	2015	2016				Change, fourth quarter 2015 to fourth quarter 2016
	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	
Unemployed	758	793	785	793	814	56
Unemployment rate	7.0	7.3	7.4	7.4	7.7	0.7
High school graduate, no college						
Civilian labor force	35,193	35,582	35,501	35,710	35,788	595
Participation rate	57.2	57.6	57.3	57.2	57.7	0.5
Employed	33,298	33,695	33,663	33,893	33,947	649
Employment–population ratio	54.1	54.6	54.3	54.3	54.8	0.7
Unemployed	1,895	1,887	1,838	1,817	1,842	-53
Unemployment rate	5.4	5.3	5.2	5.1	5.1	-0.3
Some college or associate's degree						
Civilian labor force	37,559	37,954	37,821	37,809	38,184	625
Participation rate	66.3	66.3	66.1	66.7	66.3	0.0
Employed	35,936	36,359	36,290	36,218	36,714	778
Employment–population ratio	63.4	63.5	63.4	63.9	63.8	0.4
Unemployed	1,624	1,596	1,531	1,591	1,470	-154
Unemployment rate	4.3	4.2	4.0	4.2	3.9	-0.4
Bachelor's degree and higher						
Civilian labor force	52,873	53,132	53,603	54,140	53,998	1,125
Participation rate	74.1	74.1	74.3	74.0	73.8	-0.3
Employed	51,562	51,783	52,276	52,747	52,679	1,117
Employment–population ratio	72.3	72.2	72.5	72.1	72.0	-0.3
Unemployed	1,311	1,349	1,327	1,393	1,319	8
Unemployment rate	2.5	2.5	2.5	2.6	2.4	-0.1

Note: Updated population controls are introduced annually with the release of January data.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.



In 2016, jobless rates varied across the major occupation groups.[3] The rate continued to be lowest in the management, professional, and related occupations, although it edged up to 2.3 percent from 2.1 percent in 2015. The jobless rate for service occupations decreased by 0.9 percentage point, to 5.7 percent, and the rate for sales and office occupations declined over the year, to 4.2 percent. The jobless rate was little changed over the year for natural resources, construction, and maintenance occupations (6.3 percent) and for production, transportation, and material moving occupations (5.6 percent). (See table 3.)

Table 3. Unemployment rates, by occupation group, quarterly averages, not seasonally adjusted, 2015–16 (in percent)

Occupational group	Total			Men			Women		
	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016
Management, professional, and related occupations	2.1	2.3	0.2	2.0	2.4	0.4	2.2	2.3	0.1
Management, business, and financial operations occupations	2.1	2.4	0.3	1.8	2.2	0.4	2.4	2.6	0.2
Professional and related occupations	2.1	2.3	0.2	2.1	2.5	0.4	2.2	2.1	-0.1

See footnotes at end of table.

Table 3. Unemployment rates, by occupation group, quarterly averages, not seasonally adjusted, 2015–16 (in percent)

Occupational group	Total			Men			Women		
	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016
Service occupations	6.6	5.7	-0.9	6.7	5.9	-0.8	6.5	5.5	-1.0
Health care support occupations	5.4	5.1	-0.3	2.5	5.3	2.8	5.7	5.1	-0.6
Protective service occupations	4.4	3.2	-1.2	4.2	2.8	-1.4	5.1	4.7	-0.4
Food preparation and serving related occupations	7.3	6.6	-0.7	7.5	7.2	-0.3	7.1	6.1	-1.0
Building and grounds cleaning and maintenance occupations	8.1	6.6	-1.5	8.0	7.3	-0.7	8.3	5.7	-2.6
Personal care and service occupations	5.7	5.0	-0.7	6.6	4.4	-2.2	5.5	5.2	-0.3
Sales and office occupations	4.6	4.2	-0.4	4.6	4.1	-0.5	4.6	4.3	-0.3
Sales and related occupations	5.1	4.6	-0.5	4.2	3.5	-0.7	5.9	5.6	-0.3
Office and administrative support occupations	4.2	3.9	-0.3	5.2	4.9	-0.3	3.8	3.5	-0.3
Natural resources, construction, and maintenance occupations	6.7	6.3	-0.4	6.4	6.0	-0.4	12.6	11.4	-1.2
Farming, fishing, and forestry occupations	13.1	11.6	-1.5	11.2	9.3	-1.9	19.0	19.7	0.7
Construction and extraction occupations	7.8	7.3	-0.5	7.7	7.2	-0.5	13.2	9.7	-3.5
Installation, maintenance, and repair occupations	3.3	3.4	0.1	3.4	3.4	0.0	3.2	3.3	0.1
Production, transportation, and material moving occupations	5.8	5.6	-0.2	5.5	5.4	-0.1	7.1	6.3	-0.8
Production occupations	5.0	5.4	0.4	4.6	5.2	0.6	6.0	5.8	-0.2

See footnotes at end of table.

Table 3. Unemployment rates, by occupation group, quarterly averages, not seasonally adjusted, 2015–16 (in percent)

Occupational group	Total			Men			Women		
	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016
Transportation and material moving occupations	6.6	5.9	-0.7	6.2	5.6	-0.6	8.8	7.1	-1.7

Note: Updated population controls are introduced annually with the release of January data.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

Despite some relief in recent years, the proportion of people unemployed for long periods of time remained high by historical standards. In the fourth quarter of 2016, 1.9 million people were long-term unemployed (defined as those who were jobless for 27 weeks or longer); this number was down 211,000 from a year earlier.[4] The long-term unemployed made up about 25 percent of the total unemployed in the fourth quarter of 2016. Although much lower than the historical high of 45.1 percent in the second quarter of 2010, the proportion of long-term unemployed was still notably higher than the prerecession figure of 17.8 percent in the third quarter of 2007.[5] (See table 4 and figure 4.)

Table 4. Unemployed people, by reason and duration of unemployment, quarterly averages, seasonally adjusted, 2015–16 (levels in thousands)

Reason and duration	2015	2016				Change, fourth quarter 2015 to fourth quarter 2016
	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	
Reason for unemployment						
Job losers and people who completed temporary jobs	3,894	3,769	3,736	3,806	3,643	-251
On temporary layoff	945	938	927	1,023	974	29
Not on temporary layoff	2,949	2,831	2,810	2,783	2,669	-280
Permanent job losers	2,101	1,987	1,987	1,985	1,904	-197
People who completed temporary jobs	848	844	823	798	765	-83
Job leavers	795	789	835	877	928	133
Reentrants	2,450	2,463	2,276	2,303	2,275	-175
New entrants	844	817	868	825	767	-77
Percent distribution						
Job losers and persons who completed temporary jobs	48.8	48.1	48.4	48.7	47.9	-0.9
On temporary layoff	11.8	12.0	12.0	13.1	12.8	1.0
Not on temporary layoff	36.9	36.1	36.4	35.6	35.1	-1.8
Job leavers	10.0	10.1	10.8	11.2	12.2	2.2

See footnotes at end of table.

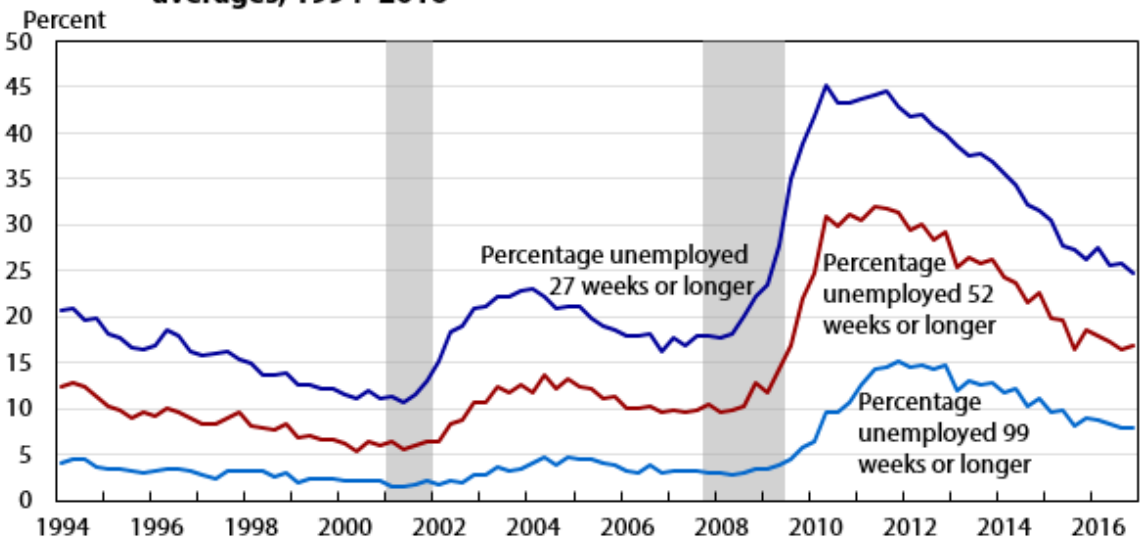
Table 4. Unemployed people, by reason and duration of unemployment, quarterly averages, seasonally adjusted, 2015–16 (levels in thousands)

Reason and duration	2015	2016				Change, fourth quarter 2015 to fourth quarter 2016
	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	
Reentrants	30.7	31.4	29.5	29.5	29.9	-0.8
New entrants	10.6	10.4	11.2	10.6	10.1	-0.5
Duration of unemployment						
Less than 5 weeks	2,384	2,329	2,396	2,350	2,396	12
5 to 14 weeks	2,254	2,245	2,188	2,267	2,188	-66
15 weeks or longer	3,334	3,304	3,178	3,126	3,030	-304
15 to 26 weeks	1,239	1,149	1,198	1,134	1,146	-93
27 weeks or longer	2,095	2,155	1,979	1,992	1,884	-211
Average (mean) duration, in weeks	28.0	28.7	27.4	27.6	26.4	-1.6
Median duration, in weeks	11.0	11.3	10.7	10.9	10.2	-0.8
Percent distribution						
Less than 5 weeks	29.9	29.6	30.9	30.3	31.5	1.6
5 to 14 weeks	28.3	28.5	28.2	29.3	28.7	0.4
15 weeks or longer	41.8	41.9	40.9	40.4	39.8	-2.0
15 to 26 weeks	15.5	14.6	15.4	14.6	15.1	-0.4
27 weeks or longer	26.3	27.4	25.5	25.7	24.7	-1.6

Note: Updated population controls are introduced annually with the release of January data.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

Figure 4. Long-term unemployed as a percentage of total unemployed, quarterly averages, 1994–2016

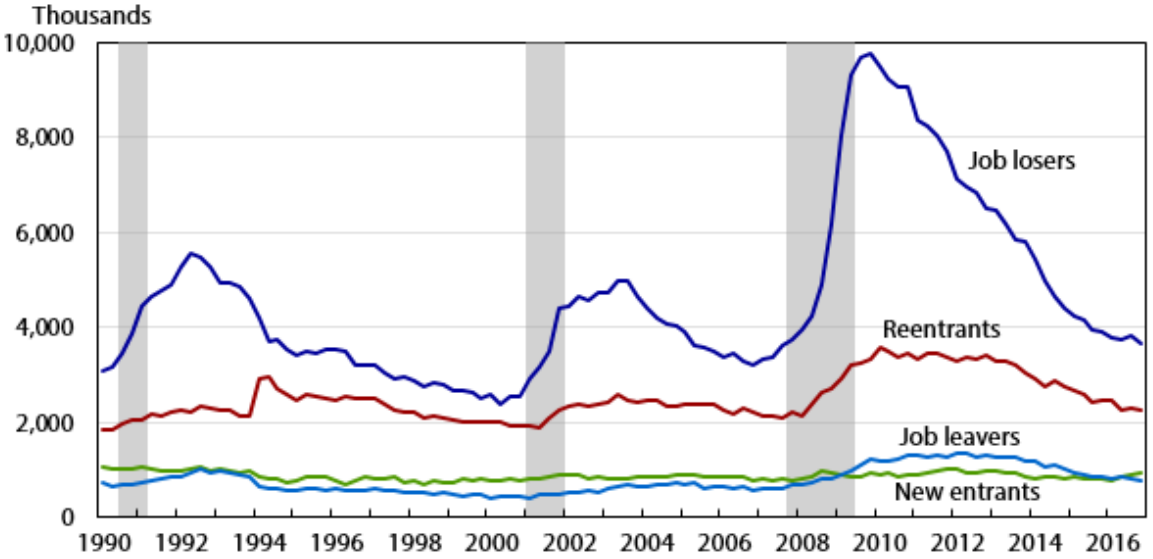


Note: Data for 27 weeks or longer are seasonally adjusted. Data for 52 weeks or longer and 99 weeks or longer are not seasonally adjusted. Shaded regions represent recessions as designated by the National Bureau of Economic Research. Turning points are quarterly.
Source: U.S. Bureau of Labor Statistics, Current Population Survey.

The number of people unemployed for a year or longer (1.2 million in the fourth quarter of 2016, not seasonally adjusted) edged down in 2016. This number represents 16.8 percent of the total unemployed in the fourth quarter of 2016, the lowest proportion since the second quarter of 2009 (14.2 percent). The number of people who were jobless for 99 weeks or longer, or about 2 years, was 565,000 in the fourth quarter of 2016. Despite declines in recent years, about 8 percent of unemployed people had been jobless for about 2 years or longer at the end of 2016—still well above prerecession levels.[6]

The CPS categorizes the unemployed by reason for unemployment. The four groups are (1) job losers and people who complete temporary jobs, (2) job leavers, (3) reentrants, and (4) new entrants. The number of people unemployed because they lost their job continued to decline in 2016, reaching a level of 3.6 million by the end of the year. Job losers accounted for the largest share of the unemployed—47.9 percent in the fourth quarter of 2016. Job losers are divided into two categories: people on temporary layoff who expect to be recalled to their jobs and people not on temporary layoff. Those in the latter category do not expect to be recalled; they are further categorized as either permanent job losers or people who have completed temporary jobs. (See table 4 and figure 5.)

Figure 5. Reasons for unemployment, quarterly averages, seasonally adjusted, 1990–2016



Note: Shaded regions represent recessions as designated by the National Bureau of Economic Research. Turning points are quarterly.
Source: U.S. Bureau of Labor Statistics, Current Population Survey.

The number of unemployed reentrants into the labor force continued to decline, falling by 175,000 over the year and reaching 2.3 million in the fourth quarter. Reentrants are people who had previously worked but were not in the labor force before actively seeking work again. Reentrants accounted for about 3 in 10 of the unemployed at the end of 2016. The number of unemployed job leavers (people who voluntarily left their jobs) rose by 133,000, reaching 928,000 in the fourth quarter of 2016. The number of new entrants to the labor force (job seekers who have never worked before), at 767,000 in the fourth quarter, showed little movement over the year.

Labor force flows

In a given month, millions of people move between the three labor force states: employment, unemployment, and not in the labor force.[7] Labor force status flows measure this labor market "churn" and capture the underlying movement between the monthly stock (or point-in-time) estimates. In 2016, 16.2 million people, or 6.4 percent of the population 16 years and older, changed their labor force status in an average month. This represented the lowest rate of labor market churn since flows data became available in 1990. The series peaked at 7.5 percent of the population in 2010, in the aftermath of the most recent recession (2007–09).

One can better understand unemployment by using flows data to analyze the current employment status of people who were unemployed in the previous month. Figure 6 shows the proportions of the unemployed who found a job, remained unemployed, or stopped looking for work and left the labor force over the month. These proportions are calculated as 3-month moving averages. The likelihood of an unemployed person finding a job was 25.7 percent in December 2016, little changed from a year earlier. Before the start of the last recession, the rate was 26.9 percent. The year 2016 was the second consecutive year in which unemployed people were about as likely to become employed as they were to leave the labor force. From 2009 to 2014, a higher proportion of the unemployed

stopped looking for work than found a job. These measures have been moving toward, but have not quite returned to, their prerecession patterns. (See figure 6.)

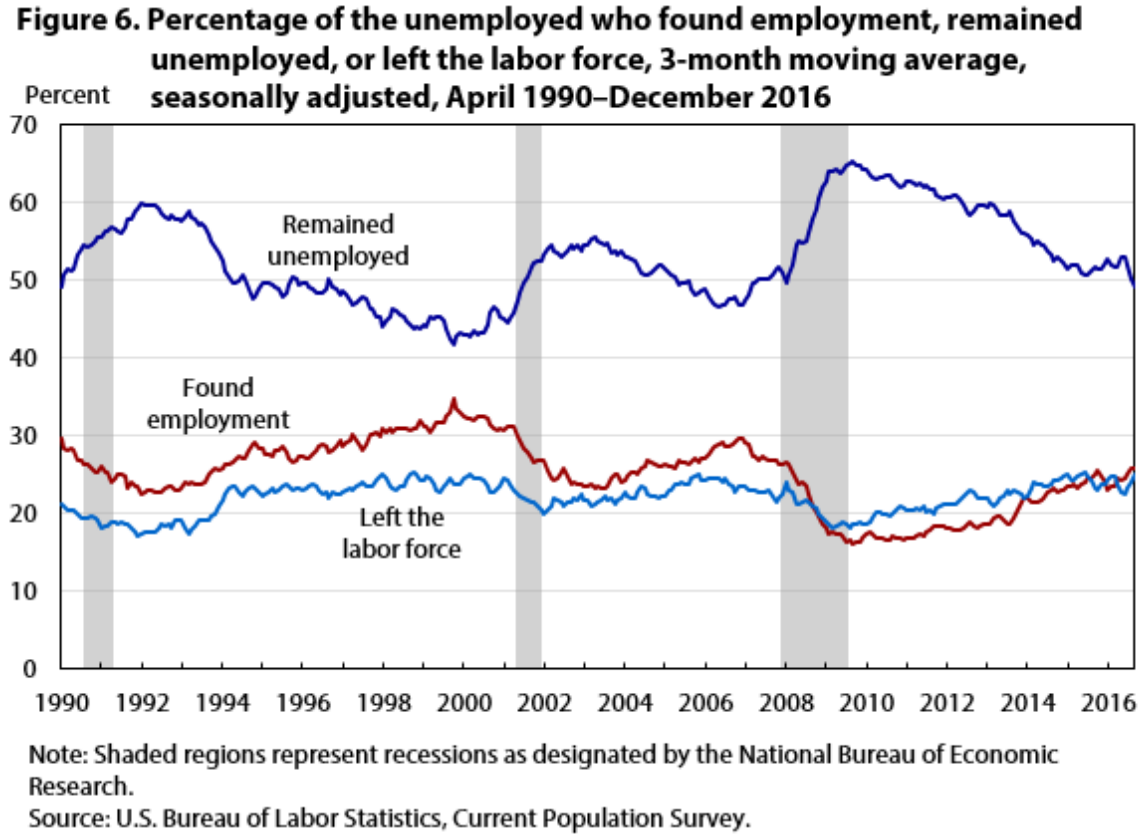


Figure 6. Percentage of the unemployed who found employment, remained unemployed, or left the labor force, 3-month moving average, seasonally adjusted, April 1990–December 2016

Note: Shaded regions represent recessions as designated by the National Bureau of Economic Research.
Source: U.S. Bureau of Labor Statistics, Current Population Survey.

In December 2016, the share of those who remained unemployed over the month was 49.2 percent, down 2.4 percentage points from December 2015. The likelihood of the unemployed remaining unemployed from one month to the next was the lowest since May 2007, when the rate was 48.2 percent.

Employment

Employment (as measured by the CPS, or household survey) grew at about the same pace in 2016 as it did in 2015. The number of employed people grew by 2.5 million in 2016, reaching 152 million in the fourth quarter. In contrast to 2015, when employment growth was more concentrated among adult women, 2016 saw larger employment employment gains for adult men. Over the year, the number of employed adult men rose by 1.3 million, to 78.3 million, and the number of employed adult women rose by 929,000, to 68.7 million. Employment among teenagers rose by 194,000 in 2016. (See table 1.)

The CPS and the CES

The Bureau of Labor Statistics (BLS) produces two monthly employment series independently obtained: the estimate of total nonfarm jobs, derived from the Current Employment Statistics (CES) survey, also called the establishment or payroll survey; and the estimate of total civilian employment, based on the Current Population Survey (CPS), also called the household survey. The two surveys use different definitions of employment, as well as different survey and estimation methods. The CES survey is a survey of employers that provides a measure of the number of payroll jobs in nonfarm industries. The CPS is a survey of households that provides a measure of employed people age 16 and older in the civilian noninstitutional population. Employment estimates from the CPS give information about workers in both the agricultural and nonagricultural sectors and in all types of work arrangements: workers with wage and salary jobs (including employment in a private household), those who are self-employed, and those doing unpaid work for at least 15 hours a week in a business or farm operated by a family member. CES payroll employment estimates are restricted to nonagricultural wage and salary jobs and exclude private household workers. As a result, employment estimates from the CPS are higher than those from the CES survey. In the CPS, however, employed people are counted only once, regardless of whether they hold more than one job during the survey reference period. By contrast, in the CES survey, which counts jobs instead of people, each nonfarm job is counted once, even when two or more jobs are held by the same person.

The reference periods for the surveys also differ. In the CPS, the reference period is generally the calendar week that includes the 12th day of the month. In the CES survey, employers report the number of workers on their payrolls for the pay period that includes the 12th of the month. Because pay periods vary in length across employers and may be longer than 1 week, the CES employment estimates can reflect longer reference periods.

For purposes of comparison, however, some adjustments can be made to CPS employment estimates to make them more similar in definitional scope to CES employment figures. BLS routinely carries out these adjustments to evaluate how the two employment series are tracking. The long-term trends in the two surveys' employment measures are quite similar. Nonetheless, throughout the history of the surveys, there have been periods when the short-term trends diverged or when growth in one series significantly outpaced growth in the other. For example, following the end of the 2001 recession, CPS employment began to trend upward while CES employment continued to decline for a number of months.

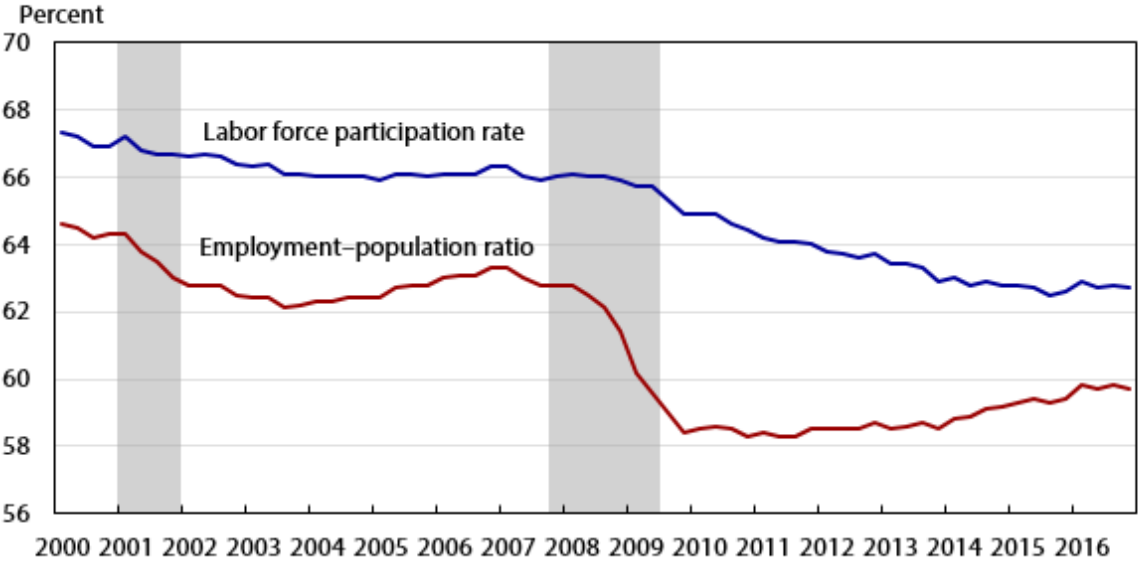
BLS publishes a monthly report with the latest trends and comparisons of employment as measured by the CES survey and the CPS. (See "Employment from the BLS household and payroll surveys: summary of recent trends" (U.S. Bureau of Labor Statistics), www.bls.gov/web/empsit/ces_cps_trends.htm.) This report includes a summary of possible causes of differences in the surveys' employment trends as well as links to additional research on the topic.

Employment grew among all the major race and ethnicity groups over the year. The number of employed Hispanics rose by 861,000, to reach 25.4 million in the fourth quarter of 2016. Employment among Blacks rose by 551,000 over the year, to 18.2 million. Blacks made up 12.0 percent of total employment in 2016, but accounted for

about 22 percent of the overall over-the-year increase in employment. Since 2012, Blacks have accounted for about one-fourth of total employment growth, while making up about one-tenth of total employment. Employment of Asians rose by 662,000, to 9.4 million, accounting for 27.0 percent of the overall over-the-year increase in employment, while only making up 6.2 percent of total employment in 2016. The number of employed Whites rose by 1.1 million over the year, to reach 119.3 million in the fourth quarter of 2016.

The employment–population ratio for all people age 16 and older held fairly steady in 2016, at 59.7 percent, after rising between the fourth quarter of 2015 and the first quarter of 2016. (See figure 7.) The employment–population ratio is the proportion of the civilian noninstitutional population that is employed. The ratio for adult men (68.4 percent) edged up over the year, whereas the ratio for adult women (55.7 percent) was little changed from a year earlier. Although the gap between the ratios for men and women has narrowed over the past several decades, the employment–population ratio for adult men was about 13 percentage points higher than the ratio for adult women in 2016. The ratio among teenagers edged up by 1.0 percentage point, to 29.8 percent in the fourth quarter. (See table 1.)

Figure 7. Labor force participation rate and employment–population ratio, quarterly averages, seasonally adjusted, 2000–16



Note: Shaded regions represent recessions as designated by the National Bureau of Economic Research. Turning points are quarterly.
Source: U.S. Bureau of Labor Statistics, Current Population Survey.

The employment–population ratio varied across race and ethnicity groups. In 2016, the ratio for Blacks rose by 0.8 percentage point, to 56.8 percent, marking 3 straight years of growth. The employment–population ratios for Hispanics and Asians edged up over the year, to 61.9 percent and 61.2 percent, respectively. The ratio for Whites, at 60.0 percent, was little changed.

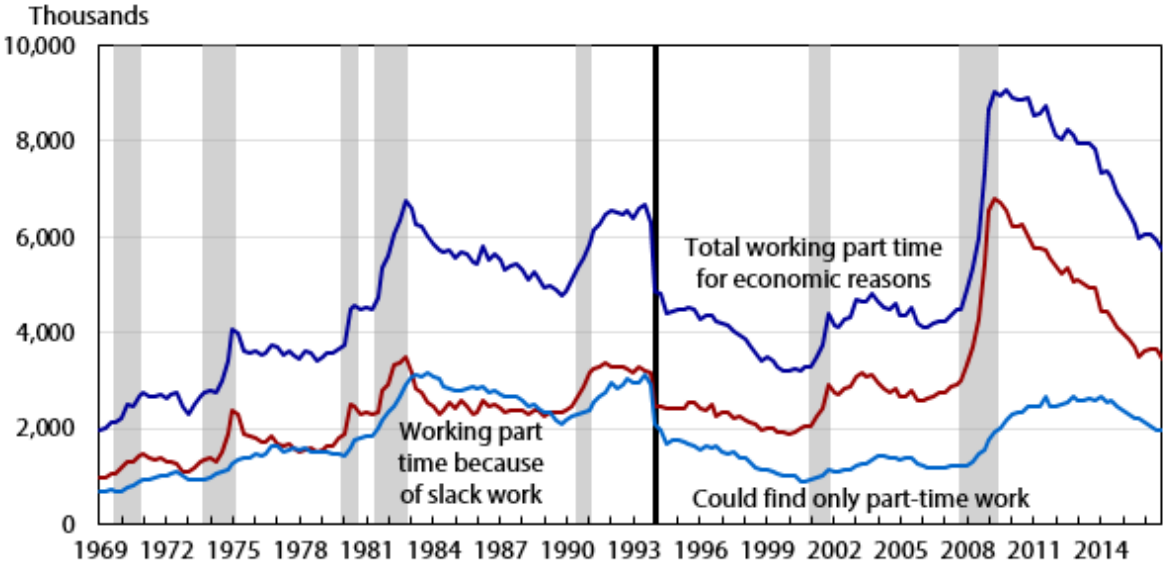
The number of workers holding more than one job edged up by 227,000 in 2016, to 7.7 million. Multiple jobholders accounted for 5.1 percent of the employed—little changed over the year. The percentage of multiple jobholders in

the labor force has ranged between 4.7 percent and 5.1 percent over the past 5 years. Before the recession, the rate was slightly higher at 5.3 percent.

The total number of self-employed workers increased by 406,000 in 2016.[8] In the fourth quarter, 15.4 million workers (not seasonally adjusted) were self-employed. The self-employment rate—the proportion of total employment made up of the self-employed—edged up from the previous year, to 10.1 percent in the fourth quarter. Of all self-employed people, 9.6 million, or about two-thirds, owned unincorporated businesses, while the remaining 5.8 million owned incorporated businesses.

The number of people employed part time for economic reasons declined to 5.7 million in 2016. Also referred to as involuntary part-time employment, this measure of underemployment ended the fourth quarter 266,000 lower than its year-earlier level but still remained high by historical standards.[9] Slack work or unfavorable work conditions, as opposed to an inability to find full-time work, typically has been the primary reason for working part time involuntarily. Slack work accounted for about three-fifths of people employed part time for economic reasons in 2016. However, the over-the-year decline in the number of involuntary part-time workers was largely driven by a decline in the number of people who could not find a full-time job. (See figure 8.)

Figure 8. Number of people employed part time for economic reasons, quarterly averages, seasonally adjusted, 1969–2016



Note: Shaded regions represent recessions as designated by the National Bureau of Economic Research. Turning points are quarterly. Beginning in 1994 (denoted by vertical black line), data are affected by the redesign of the Current Population Survey and are not strictly comparable with data for previous years.
Source: U.S. Bureau of Labor Statistics, Current Population Survey.

In 2016, employment rose in two out of five major occupation groups. Employment in service occupations increased by 963,000, to 26.8 million in the fourth quarter of 2016, after seeing little change in the prior year. Management, professional, and related occupations grew by 1.1 million over the year, to 59.8 million, with almost all of the gain occurring among adult men. Employment in these two broad groups accounted for nearly all of the job growth in 2016. (See table 5.)

Table 5. Employment, by occupational group and gender, quarterly averages, not seasonally adjusted, 2015–16 (in thousands)

Occupation group	Total			Men			Women		
	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016
Total, 16 years and over	149,728	152,173	2,445	79,293	80,699	1,406	70,435	71,474	1,039
Management, professional, and related occupations	58,718	59,847	1,129	28,200	29,191	991	30,517	30,656	139
Management, business, and financial operations occupations	24,344	25,063	719	13,632	14,326	694	10,712	10,737	25
Professional and related occupations	34,374	34,784	410	14,568	14,865	297	19,806	19,919	113
Service occupations	25,849	26,812	963	11,301	11,586	285	14,548	15,226	14,326
Health care support occupations	3,464	3,408	-56	426	403	-23	3,039	3,005	-34
Protective service occupations	3,130	3,171	41	2,499	2,484	-15	631	687	56
Food preparation and serving related occupations	8,177	8,521	344	3,760	3,886	126	4,417	4,635	218
Building and grounds cleaning and maintenance occupations	5,885	5,776	-109	3,461	3,451	-10	2,424	2,325	-99
Personal care and service occupations	5,193	5,935	742	1,155	1,361	206	4,038	4,574	536
Sales and office occupations	33,592	33,794	202	12,736	12,980	244	20,856	20,814	-42
Sales and related occupations	15,572	15,856	284	7,823	8,073	250	7,749	7,782	33
Office and administrative support occupations	18,020	17,939	-81	4,913	4,907	-6	13,106	13,031	-75
Natural resources, construction, and maintenance occupations	13,872	13,930	58	13,189	13,242	53	684	689	5

See footnotes at end of table.

Table 5. Employment, by occupational group and gender, quarterly averages, not seasonally adjusted, 2015–16 (in thousands)

Occupation group	Total			Men			Women		
	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016
Farming, fishing, and forestry occupations	1,055	1,002	-53	812	799	-13	242	203	-39
Construction and extraction occupations	7,756	7,938	182	7,526	7,640	114	230	297	67
Installation, maintenance, and repair occupations	5,062	4,991	-71	4,850	4,803	-47	212	188	-24
Production, transportation, and material moving occupations	17,697	17,789	92	13,867	13,700	-167	3,830	4,089	259
Production occupations	8,358	8,328	-30	5,966	5,877	-89	2,392	2,451	59
Transportation and material moving occupations	9,340	9,461	121	7,901	7,823	-78	1,438	1,638	200

Note: Updated population controls are introduced annually with the release of January data.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

Labor force participation

The civilian labor force increased by 2.1 million, to 159.6 million in the fourth quarter of 2016, whereas the labor force participation rate, at 62.7 percent, was little changed. The labor force participation rate—the proportion of the civilian noninstitutional population 16 years and older that is working or looking for work—had previously been trending downward. The labor force participation rates for all of the major race and ethnicity groups also showed little change in 2016. (See table 1 and figure 7.)

People not in the labor force

People who are not in the labor force are neither employed nor unemployed. In the fourth quarter of 2016, 95.1 million people were not in the labor force (not seasonally adjusted), an increase of 692,000 from the previous year. This represents the smallest over-the-year increase since 2006. All of the net increase for people not in the labor force occurred among those who did *not* want a job.[10] The number of people outside the labor force who indicated that they *wanted* a job was little changed over the year, at 5.5 million in the fourth quarter of 2016.[11] (See table 6.) Of those not in the labor force, about 40 percent were 65 years and older.

Table 6. Number of people not in the labor force, quarterly averages, not seasonally adjusted, 2012–16 (in thousands)

Category	Fourth quarter 2012	Fourth quarter 2013	Fourth quarter 2014	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016
Total not in the labor force	88,957	91,774	92,698	94,442	95,134	692
People who do not currently want a job[1]	82,567	86,090	86,511	88,864	89,605	741
People who currently want a job	6,390	5,684	6,187	5,578	5,529	-49
People marginally attached to the labor force[2]	2,517	2,269	2,187	1,822	1,772	-50
Discouraged workers[3]	953	831	736	641	502	-139
Other people marginally attached to the labor force[4]	1,564	1,438	1,451	1,181	1,271	90

Notes:

See footnotes at end of table.

(1) Includes some people who were not asked if they want a job.

(2) Refers to people who wanted a job, had searched for work during the prior 12 months, and were available to take a job during the reference week, but had not looked for work in the past 4 weeks.

(3) Includes those who did not actively look for work in the prior 4 weeks for reasons such as thinks no work available, could not find work, lacks schooling or training, employer thinks too young or old, and other types of discrimination.

(4) Includes those who did not actively look for work in the prior 4 weeks because of school or family responsibilities, ill health, transportation problems, or other reasons not identified separately in the survey.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

Among those not in the labor force who currently wanted a job, the number who were marginally attached to the labor force, 1.8 million in the fourth quarter of 2016, was essentially the same as that a year earlier. These individuals had searched for work sometime in the previous year and were available for work had a job been offered to them. These individuals were not counted as unemployed because they had not actively searched for work in the 4 weeks preceding the survey. Among the marginally attached, there were individuals currently not looking for work because (1) they felt that no jobs were available for them, (2) they could not find work, (3) they lacked schooling or training, (4) they were too old or too young, or (5) they faced other types of discrimination. The subset of the marginally attached who are not looking for work because of any of these five job-market reasons is defined as “discouraged workers.” In 2016, the number of discouraged workers declined by 139,000 and totaled 502,000 in the fourth quarter.

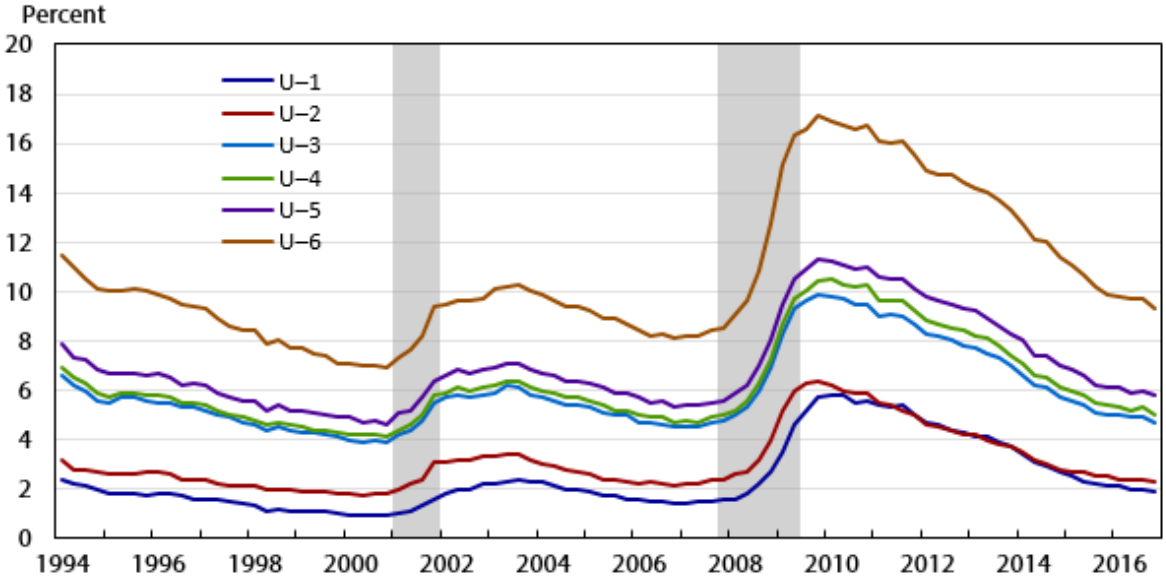
The remaining 1.3 million people marginally attached to the labor force in the fourth quarter of 2016 had not searched for work in the 4 weeks preceding the survey because of school attendance, family responsibilities, health-related issues, transportation problems, and other reasons not identified separately in the CPS. The number of these individuals was little changed over the year.

Alternative measures of labor underutilization

BLS publishes a range of indicators that point to the extent to which labor resources are being utilized. Known as U–1, U–2, and U–4 through U–6 (U–3 is the official unemployment rate), these alternative measures of labor underutilization provide insight into a broad range of problems encountered by workers in today’s labor market.[12] Similar to the official unemployment rate, the alternative measures are presented as a percentage of the labor force (adjusted as necessary). U–1 shows the number of individuals unemployed 15 weeks or longer as a percentage of the labor force, while U–2 presents job losers and people who completed temporary jobs as a percentage of the labor force. U–4 through U–6 are broader than U–1, U–2, and the official unemployment measure: in addition to the total unemployed, U–4 adds discouraged workers; U–5 adds all persons marginally attached to the labor force (including discouraged workers); and U–6 adds all people marginally attached to the labor force, plus people employed part time for economic reasons.

All five alternative measures declined over the year. By the end of 2016, U–1 and U–2 each had declined by 0.2 percentage point, to 1.9 percent and 2.3 percent, respectively. Among the remaining three alternative measures, U–4 declined to 5.0 percent, U–5 dropped to 5.8 percent, and U–6 fell to 9.3 percent. None of the measures, including U–3 (the official unemployment rate), returned to their prerecession low points, but all have shown a similar downward trend. (See figure 9.)

Figure 9. Measures of labor underutilization, quarterly averages, seasonally adjusted, 1994–2016



Note: Shaded regions represent recessions as designated by the National Bureau of Economic Research. Turning points are quarterly. Measures of labor underutlization are as follows: U–1 = people unemployed 15 weeks or longer, as a percentage of the civilian labor force; U–2 = job losers and people who completed temporary jobs, as a percentage of the civilian labor force; U–3 = total unemployed, as a percentage of the civilian labor force (official unemployment rate); U–4 = total unemployed plus discouraged workers, as a percentage of the civilian labor force plus discouraged workers; U–5 = total unemployed, plus discouraged workers, plus all other marginally attached workers, as a percentage of the civilian labor force plus all marginally attached workers; U–6 = total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percentage of the civilian labor force plus all marginally attached workers.
Source: U.S. Bureau of Labor Statistics, Current Population Survey.

Earnings

Median weekly earnings of full-time wage and salary workers rose by 2.8 percent in 2016, to $832, outpacing the over-the-year change in the Consumer Price Index for All Urban Consumers (CPI-U), which was 1.3 percent.[13] (See table 7; the data in this section are annual averages.) The earnings comparisons in this section are on a broad level and do not control for many factors that can be significant in explaining differences in earnings, such as job skills and responsibilities, work experience, and specialization.

Table 7. Median usual weekly earnings of full-time wage and salary workers, by selected characteristics, annual averages, 2015–16

Characteristic	Current dollars		
	2015	2016	Percent change, 2015–16
Total, 16 years and older	$809	$832	2.8
CPI-U (1982-1984 = 100)	237.02	240.01	1.3
Men	$895	$915	2.2

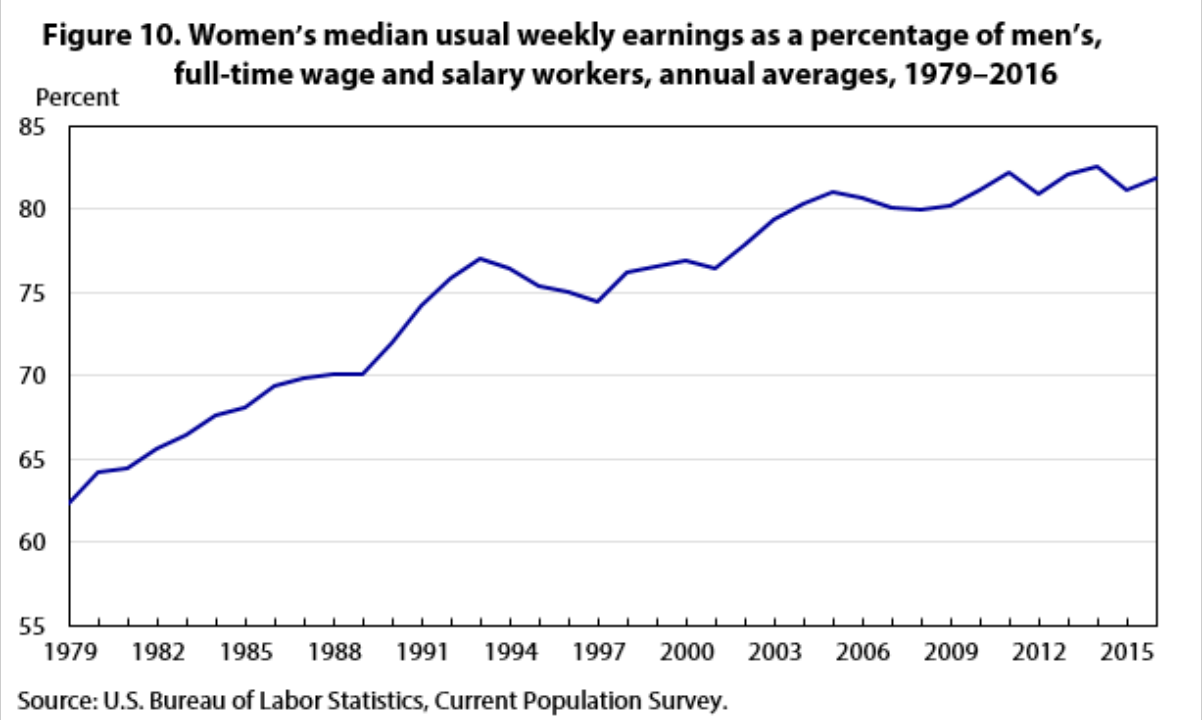
See footnotes at end of table.

Table 7. Median usual weekly earnings of full-time wage and salary workers, by selected characteristics, annual averages, 2015–16

Characteristic	Current dollars		
	2015	2016	Percent change, 2015–16
Women	726	749	3.2
White	835	862	3.2
Men	920	942	2.4
Women	743	766	3.1
Black or African American	641	678	5.8
Men	680	718	5.6
Women	615	641	4.2
Asian	993	1,021	2.8
Men	1,129	1,151	1.9
Women	877	902	2.9
Hispanic or Latino ethnicity	604	624	3.3
Men	631	663	5.1
Women	566	586	3.5
Total, 25 years and older	860	885	2.9
Less than a high school diploma	493	504	2.2
High school graduate, no college	678	692	2.1
Some college or associate's degree	762	779	2.2
Bachelor's degree or higher	1,230	1,259	2.4

Source: U.S. Bureau of Labor Statistics, Current Population Survey and Consumer Price Index.

In 2016, median weekly earnings for men increased by 2.2 percent, to $915, while women's earnings increased by 3.2 percent, to $749. Adjusted for inflation, men's earnings rose by 1.1 percent and women's earnings increased by 1.6 percent. Women's earnings as a proportion of men's earnings increased by 0.8 percentage point, to 81.9 percent in 2016, partially offsetting a 1.4-percentage-point decline in 2015. This proportion has been fluctuating in the 80-percent to 83-percent range since 2004. (See table 7 and figure 10.)



Among full-time wage and salary workers in the major race and ethnicity groups, the median usual weekly earnings of Asians ($1,021) and Whites ($862) continued to be higher than those of Blacks ($678) and Hispanics ($624). While the increases in earnings for all these groups outpaced inflation, Blacks saw the largest over-the-year increase in percentage terms—5.8 percent—after essentially no earnings growth in 2015. Earnings for Whites, Hispanics, and Asians rose at similar rates in 2016—by 3.2 percent, 3.3 percent, and 2.8 percent, respectively.

In 2016, among full-time workers age 25 and older, median weekly earnings growth in percentage terms was relatively consistent across levels of educational attainment. Earnings for workers with less than a high school diploma rose 2.2 percent over the year (to $504). Earnings of workers whose highest level of education was a high school diploma rose by 2.1 percent (to $692), while earnings for workers with some college or an associate's degree increased by 2.2 percent (to $779). In 2016, median weekly earnings for workers with a bachelor's degree or higher ($1,259) were up 2.4 percent from a year earlier.

Veterans

In the fourth quarter of 2016, the unemployment rate for veterans—at 4.4 percent (not seasonally adjusted)—was little changed over the year, while the rate for nonveterans declined to 4.4 percent. (See table 8.) In the CPS, veterans are defined as men and women 18 years and older who have previously served on active duty in the U.S. Armed Forces and who were civilians at the time the survey was conducted.[14] Veterans are categorized as having served in one of the following periods: Gulf War era II (September 2001 to the present); Gulf War era I (August 1990 to August 2001); World War II (December 1941 to December 1946), the Korean War (July 1950 to January 1955), and the Vietnam era (August 1964 to April 1975); and other service periods (all other periods).

Table 8. Employment status of people 18 years and older, by veteran status, period of service, and gender, quarterly averages, not seasonally adjusted, 2015–16 (levels in thousands)

Employment status, veteran status, and period of service	Total			Men			Women		
	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016
Veterans, 18 years and older									
Civilian labor force	10,760	10,535	-225	9,517	9,264	-253	1,243	1,272	29
Participation rate	51.0	50.7	-0.3	49.9	49.4	-0.5	62.0	62.9	0.9
Employed	10,317	10,074	-243	9,128	8,870	-258	1,190	1,204	14
Employment–population ratio	48.9	48.5	-0.4	47.8	47.3	-0.5	59.4	59.6	0.2
Unemployed	442	461	19	389	393	4	53	68	15
Unemployment rate	4.1	4.4	0.3	4.1	4.2	0.1	4.3	5.3	1.0
Gulf War–era II veterans									
Civilian labor force	3,067	3,312	245	2,552	2,793	241	515	519	4
Participation rate	82.3	82.8	0.5	84.2	84.4	0.2	73.9	75.0	1.1
Employed	2,918	3,126	208	2,436	2,640	204	482	487	5
Employment–population ratio	78.3	78.1	-0.2	80.4	79.8	-0.6	69.2	70.3	1.1
Unemployed	149	186	37	116	153	37	33	33	0
Unemployment rate	4.9	5.6	0.7	4.5	5.5	1.0	6.4	6.3	-0.1
Gulf War–era I veterans									
Civilian labor force	2,691	2,641	-50	2,345	2,258	-87	346	383	37
Participation rate	79.4	79.4	0.0	80.6	80.4	-0.2	72.1	73.9	1.8
Employed	2,588	2,555	-33	2,251	2,187	-64	337	368	31
Employment–population ratio	76.3	76.8	0.5	77.3	77.8	0.5	70.2	70.9	0.7
Unemployed	104	86	-18	94	71	-23	9	16	7
Unemployment rate	3.8	3.3	-0.5	4.0	3.1	-0.9	2.7	4.1	1.4
World War II, Korean War, and Vietnam-era veterans									
Civilian labor force	2,261	1,969	-292	2,191	1,898	-293	70	71	1
Participation rate	25.9	23.6	-2.3	26.0	23.6	-2.4	22.5	23.9	1.4
Employed	2,185	1,887	-298	2,123	1,821	-302	62	65	3
Employment–population ratio	25.0	22.6	-2.4	25.2	22.6	-2.6	20.0	21.9	1.9
Unemployed	76	83	7	68	77	9	8	6	-2
Unemployment rate	3.4	4.2	0.8	3.1	4.0	0.9	11.3	8.5	-2.8
Veterans of other service periods									
Civilian labor force	2,741	2,612	-129	2,429	2,314	-115	312	298	-14
Participation rate	52.4	51.1	-1.3	51.5	50.3	-1.2	60.5	58.3	-2.2
Employed	2,627	2,506	-121	2,318	2,222	-96	308	284	-24

See footnotes at end of table.

Table 8. Employment status of people 18 years and older, by veteran status, period of service, and gender, quarterly averages, not seasonally adjusted, 2015–16 (levels in thousands)

Employment status, veteran status, and period of service	Total			Men			Women		
	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016
Employment–population ratio	50.2	49.0	-1.2	49.2	48.3	-0.9	59.9	55.7	-4.2
Unemployed	114	106	-8	111	93	-18	3	14	11
Unemployment rate	4.2	4.1	-0.1	4.6	4.0	-0.6	1.1	4.6	3.5
Nonveterans, 18 years and older									
Civilian labor force	144,683	146,906	2,223	72,978	74,504	1,526	71,706	72,402	696
Participation rate	65.2	65.4	0.2	74.5	74.7	0.2	57.9	57.9	0.0
Employed	137,843	140,462	2,619	69,403	71,091	1,688	68,439	69,371	932
Employment–population ratio	62.2	62.5	0.3	70.9	71.3	0.4	55.3	55.5	0.2
Unemployed	6,841	6,444	-397	3,574	3,413	-161	3,266	3,031	-235
Unemployment rate	4.7	4.4	-0.3	4.9	4.6	-0.3	4.6	4.2	-0.4

Note: Veterans served on active duty in the U.S. Armed Forces and were not on active duty at the time of the survey. Nonveterans never served on active duty in the U.S. Armed Forces. Veterans could have served anywhere in the world during these periods of service: Gulf War era II (September 2001–present), Gulf War era I (August 1990–August 2001), Vietnam era (August 1964–April 1975), Korean War (July 1950–January 1955), World War II (December 1941–December 1946), and other service periods. Veterans who served in more than one wartime period are classified as being only in the most recent one. Veterans who served during one of the selected wartime periods and another period are classified only in the wartime period. Updated population controls are introduced annually with the release of January data.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

Of the 20.8 million veterans in the civilian noninstitutional population in the fourth quarter of 2016, those who served during World War II, the Korean War, and the Vietnam era accounted for the largest share (8.3 million). Another 4.0 million veterans served during Gulf War era II, 3.3 million served during Gulf War era I, and 5.1 million served outside of these designated periods.

Over the year, the unemployment rate for male veterans was little changed, at 4.2 percent in the fourth quarter of 2016. The rate for female veterans was also little changed, at 5.3 percent.

Overall, 49.4 percent of male veterans were in the labor force in the fourth quarter of 2016, compared with 74.7 percent of their male nonveteran counterparts. This disparity is due in large part to the age distribution of male veterans relative to that of male nonveterans: the percentage of male veterans in older age brackets is greater, and older individuals tend to have lower labor force participation rates. In the fourth quarter, the participation rate for veterans of Gulf War era II—who tend to be younger than other veterans—was 84.4 percent for men and 75.0 percent for women.

Foreign-born workers

In the fourth quarter of 2016, the unemployment rate for the foreign born was 4.3 percent (not seasonally adjusted), little changed from a year earlier, while the rate for the native born declined by 0.3 percentage point over the year, to 4.6 percent. (See table 9.) Foreign-born workers are those who reside in the United States but were born outside the country or one of its outlying areas (such as Puerto Rico or Guam) to parents neither of whom was a U.S. citizen. Included among the foreign born are legally admitted immigrants, refugees, temporary residents (such as students or temporary workers), and undocumented immigrants.

Table 9. Employment status of the foreign- and native-born populations by gender, quarterly averages, not seasonally adjusted, 2015–16 (levels in thousands)

Employment status and nativity	Total			Men			Women		
	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016
Foreign born, 16 years and older									
Civilian labor force	26,537	27,169	632	15,426	15,629	203	11,112	11,539	427
Participation rate	65.7	65.0	-0.7	78.2	77.3	-0.9	53.8	53.5	-0.3
Employed	25,347	26,014	667	14,813	15,023	210	10,534	10,991	457
Employment–population ratio	62.8	62.3	-0.5	75.1	74.3	-0.8	51.0	51.0	0.0
Unemployed	1,191	1,155	-36	613	606	-7	578	549	-29
Unemployment rate	4.5	4.3	-0.2	4.0	3.9	-0.1	5.2	4.8	-0.4
Native born, 16 years and older									
Civilian labor force	130,762	132,232	1,470	67,997	69,065	1,068	62,765	63,167	402
Participation rate	61.9	62.1	0.2	66.8	67.2	0.4	57.3	57.4	0.1
Employed	124,382	126,159	1,777	64,480	65,676	1,196	59,901	60,483	582
Employment–population ratio	58.8	59.3	0.5	63.3	63.9	0.6	54.7	55.0	0.3
Unemployed	6,380	6,073	-307	3,517	3,389	-128	2,864	2,684	-180
Unemployment rate	4.9	4.6	-0.3	5.2	4.9	-0.3	4.6	4.2	-0.4

Note: The foreign born are those residing in the United States who were not U.S. citizens at birth. That is, they were born outside the United States or one of its outlying areas, such as Puerto Rico or Guam, to parents neither of whom was a U.S. citizen. The native born are people who were born in the United States or one of its outlying areas, such as Puerto Rico or Guam, or who were born abroad of at least one parent who was a U.S. citizen. Updated population controls are introduced annually with the release of January data.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

In the fourth quarter of 2016, the foreign born accounted for 17.0 percent of the U.S. civilian labor force. The labor force participation rate for the foreign born edged down to 65.0 percent, while the rate for the native born ticked up to 62.1 percent. The labor force participation rate for native-born men increased by 0.4 percentage point, to 67.2 percent in the fourth quarter of 2016, but continued to be lower than the rate for foreign-born men, which declined

0.9 percentage point, to 77.3 percent. The participation rate of native-born women (57.4 percent) continued to exceed that of foreign-born women (53.5 percent); both rates changed little over the year.

People with a disability

In 2016, there was a slight improvement in the employment situation of people with a disability. In the fourth quarter, their labor force participation rate was 20.0 percent and their employment–population ratio was 18.1 percent (not seasonally adjusted); while still relatively low compared with data for people with no disability, both measures increased over the year. (See table 10.) Among people with no disability, the labor force participation rate was 68.4 percent and the employment–population ratio was 65.4 percent. In the fourth quarter of 2016, the unemployment rate for people with a disability was 9.6 percent—a 1.4-percentage-point decline from a year earlier—but continued to be more than twice as high as the rate for people with no disability (4.3 percent).

Table 10. Employment status of the civilian noninstitutional population, by gender, age, and disability status, quarterly averages, not seasonally adjusted, 2015–16 (levels in thousands)

Employment status, gender, and age	People with a disability			People with no disability		
	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016
Total, 16 years and older						
Civilian labor force	5,715	6,043	328	151,585	153,358	1,773
Participation rate	19.2	20.0	0.8	68.3	68.4	0.1
Employed	5,087	5,462	375	144,642	146,711	2,069
Employment–population ratio	17.1	18.1	1.0	65.1	65.4	0.3
Unemployed	628	581	-47	6,943	6,647	-296
Unemployment rate	11.0	9.6	-1.4	4.6	4.3	-0.3
Men, 16 to 64 years						
Civilian labor force	2,438	2,645	207	76,081	76,924	843
Participation rate	31.9	34.2	2.3	81.9	82.2	0.3
Employed	2,133	2,379	246	72,424	73,395	971
Employment–population ratio	27.9	30.8	2.9	78.0	78.5	0.5
Unemployed	305	266	-39	3,657	3,528	-129
Unemployment rate	12.5	10.0	-2.5	4.8	4.6	-0.2
Women, 16 to 64 years						
Civilian labor force	2,275	2,308	33	67,570	68,208	638
Participation rate	28.2	28.6	0.4	70.4	70.7	0.3
Employed	2,004	2,065	61	64,536	65,374	838
Employment–population ratio	24.9	25.6	0.7	67.2	67.7	0.5
Unemployed	272	244	-28	3,035	2,834	-201
Unemployment rate	11.9	10.5	-1.4	4.5	4.2	-0.3
Total, 65 years and over						
Civilian labor force	1,002	1,089	87	7,933	8,226	293
Participation rate	7.2	7.6	0.4	23.9	24.0	0.1

See footnotes at end of table.

Table 10. Employment status of the civilian noninstitutional population, by gender, age, and disability status, quarterly averages, not seasonally adjusted, 2015–16 (levels in thousands)

Employment status, gender, and age	People with a disability			People with no disability		
	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016	Fourth quarter 2015	Fourth quarter 2016	Change, fourth quarter 2015 to fourth quarter 2016
Employed	950	1,018	68	7,682	7,941	259
Employment–population ratio	6.8	7.1	0.3	23.2	23.2	0.0
Unemployed	52	72	20	251	285	34
Unemployment rate	5.2	6.6	1.4	3.2	3.5	0.3

Note: A person with a disability has at least one of the following conditions: is deaf or has serious difficulty hearing; is blind or has serious difficulty seeing even when wearing glasses; has serious difficulty concentrating, remembering, or making decisions, because of a physical, mental, or emotional condition; has serious difficulty walking or climbing stairs; has difficulty dressing or bathing; or has difficulty doing errands alone such as visiting a doctor's office or shopping, because of a physical, mental, or emotional condition. Updated population controls are introduced annually with the release of January data.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

The relatively low labor force participation rate among people with a disability is driven, in part, by a high concentration of people 65 years and older in the group. Independent of disability status, people 65 years and older tend to participate in the labor force at lower rates. However, even among those ages 16 to 64 years, people with a disability had much lower labor force participation rates than those with no disability. Over the year, the labor force participation rate for men ages 16 to 64 years with a disability increased by 2.3 percentage points, to 34.2 percent in the fourth quarter of 2016, while the rate for women ages 16 to 64 years (28.6 percent) was little changed. Among those in the 16-to-64 age group with no disability, the labor force participation rates for men (82.2 percent) and women (70.7 percent) edged up over the year. Among those 65 years and older, the rates for people with a disability (7.6 percent) and without a disability (24.0 percent) were little changed in 2016.

Summary

CPS data indicate continued improvement in the U.S. labor market in 2016. Both the number of unemployed and the unemployment rate continued to decline, with much of the improvement occurring in the fourth quarter. The proportion of people unemployed for long periods of time continued to decline but remained high by historical standards. Employment, as measured by the CPS, expanded over the year by 2.5 million, about the same as in 2015. The employment–population ratio for all people 16 years and older increased between the fourth quarter of 2015 and the first quarter of 2016, but then held fairly steady through 2016. The labor force participation rate was little changed over the year. The rate of labor market "churn"—the proportion of people changing their labor force status—hit its lowest point since the series began in 1990.

Among the major demographic groups, Blacks, in line with a recent trend, continued their noteworthy employment growth, which was also reflected in an increase in the group's employment–population ratio. Asian employment also rose in 2016, accounting for about one-fourth of total employment growth. Finally, the employment situation of people with a disability saw a slight improvement.

SUGGESTED CITATION

Vernon Brundage Jr. and Evan Cunningham, "Unemployment holds steady for much of 2016 but edges down in the fourth quarter," *Monthly Labor Review,* U.S. Bureau of Labor Statistics, March 2017, https://doi.org/10.21916/mlr.2017.11.

NOTES

1 The data in this article are based on information collected in the Current Population Survey (CPS), also called the household survey, which is a monthly sample survey of about 60,000 households nationwide. The survey is conducted by the U.S. Census Bureau for the U.S. Bureau of Labor Statistics (BLS). Although the CPS is a monthly survey, the data analyzed in the article are seasonally adjusted quarterly averages, unless otherwise noted. All over-the-year changes are comparisons of fourth-quarter data from 2015 with fourth-quarter data from 2016, unless otherwise noted. Effective with the release of data for January 2016, updated population estimates were used in the household survey. Each year, the U.S. Census Bureau updates its population estimates to reflect new information and assumptions about the growth of the population during the decade. In accordance with usual practice, BLS did not revise the official household survey estimates for December 2015 and earlier months. For additional information on the population adjustments and their effect on national labor force estimates, see “Adjustments to household survey population estimates in January 2016” (U.S. Bureau of Labor Statistics, February 2016), https://www.bls.gov/cps/population-control-adjustments-2016.pdf.

2 People whose ethnicity is identified as Hispanic or Latino may be of any race. In the CPS, about 90 percent of people of Hispanic or Latino ethnicity identify themselves as White.

3 Unemployment rates by occupation are based on the most recent job an individual held. Excluded are unemployed people who have no previous work experience.

4 The duration of joblessness is the length of time (through the current reference week) that people classified as unemployed have been looking for work. This measure refers to the duration of the current spell of unemployment rather than to the duration of a completed spell.

5 The National Bureau of Economic Research (NBER) is the official arbiter of the beginning and ending dates of recessions in the United States. According to the NBER, the most recent recession began in December 2007 and ended in June 2009. Turning points are quarterly—fourth quarter 2007 and second quarter 2009—for this article.

6 For additional information, see Thomas Luke Spreen, “Ranks of those unemployed for a year or more up sharply,” *Issues in Labor Statistics*, Summary 10-10 (U.S. Bureau Labor Statistics, October 2010), https://www.bls.gov/opub/ils/pdf/opbils87.pdf.

7 For additional information and analysis of data, see Randy E. Ilg and Eleni Theodossiou, “Job search of the unemployed by duration of unemployment,” *Monthly Labor Review*, March 2012, pp. 41–49, https://www.bls.gov/opub/mlr/2012/03/art3full.pdf; Randy E. Ilg, “How long before the unemployed find jobs or quit looking?” *Issues in Labor Statistics*, Summary 11-1 (U.S. Bureau of Labor Statistics, May 2011), https://www.bls.gov/opub/ils/pdf/opbils89.pdf; “Labor force flows in the most recent recession,” *Issues in Labor Statistics*, Summary 10-08 (U.S. Bureau of Labor Statistics, July 2010), https://www.bls.gov/opub/ils/pdf/opbils85.pdf; and Harley J. Frazis and Randy E. Ilg, “Trends in labor force flows during recent recessions,” *Monthly Labor Review*, April 2009, pp. 3–18, https://www.bls.gov/opub/mlr/2009/04/art1full.pdf.

8 The self-employed are those who work, as their main job, for profit or fees either in their own business, profession, or trade or on their own farm. In this article, data on the self-employed include both those whose businesses were incorporated and those whose businesses were not incorporated.

9 For additional information, see Emy Sok, “Involuntary part-time work on the rise,” *Issues in Labor Statistics*, Summary 08-08 (U.S. Bureau of Labor Statistics, December 2008), https://www.bls.gov/opub/ils/pdf/opbils71.pdf.

10 For additional information, see Steven F. Hipple, "People who are not in the labor force: why aren't they working?" *Beyond the Numbers*, December 2015, https://www.bls.gov/opub/btn/volume-4/people-who-are-not-in-the-labor-force-why-arent-they-working.htm.

11 The number of people not in the labor force but who want a job is a measure derived from those who reported wanting a job without necessarily having looked for one; conceptually, this group includes all people who are not in the labor force but who currently want a job.

12 For further information, see Vernon Brundage, "Trends in unemployment and other labor market difficulties," *Beyond the Numbers* (U.S. Bureau of Labor Statistics, November 2014), https://www.bls.gov/opub/btn/volume-3/pdf/trends-in-unemployment-and-other-labor-market-difficulties.pdf; and Steven E. Haugen, "Measures of labor underutilization from the Current Population Survey," Working Paper 424 (U.S. Bureau of Labor Statistics, March 2009), https://www.bls.gov/osmr/research-papers/2009/pdf/ec090020.pdf.

13 Data on earnings are collected from one-fourth of the CPS sample each month and are limited to the earnings of wage and salary workers. Earnings of self-employed workers, whether or not their businesses are incorporated, are excluded from CPS earnings estimates.

14 Veterans who served in more than one wartime period are classified in the most recent one.

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