PERSONALLY SPEAKING

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FULL-TIME WORKERS HIT HARD BY RECESSION

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Information collected by the Bureau of Labor Statistics but not included in the monthly report on the labor force released on December 4 indicates that full-time workers are especially hard hit by the current recession. Mayo Research Institute was able to generate data from the Bureau's website which reveal a reversal of the experience of earlier years. For men and women alike joblessness is significantly different than the rates commonly reported by the media and hidden from view by the overall rate of 10.0 percent. For all men 16 years and older in the labor force, the November unemployment rate was 11.2 percent. For women in the same ages the rate was 8.6 percent.

However, among full-time working women joblessness in November stood at 9.9 percent, down from 10.1 percent in October, but more than twice as high as the rate for those women in January 2008. Joblessness among part-time working women, on the other hand, was 5.1 percent, in effect pushing the rate to 8.6 for all women 16 years of age and older. This part-time rate has hardly changed for women in the past 24 months, hovering between 4.3 percent and 5.6 percent. In sharp contrast, this rate was higher than 5.1 percent in every month without exception between 1970 and 1988.

Whereas the unemployment rate for all men reported for November was 11.2 percent, the rate for all full-time working men was 12.0 percent compared to 4.8 percent in January 2008. Even more telling, the November rate was higher than it has ever been at any time since 1968 when this information first became available including every month during the last serious recession of the early 1980s. In contrast, joblessness for all part-time working men was 6.7 percent in November, lower than in any month since August 2008. Looking back, there was not a single month between 1970 and 1995 that the rate for part-time working men was lower than 6.7 percent.

Since full-time workers typically earn more than part-time workers their loss of earnings during a spell of unemployment is greater and for that reason the burden of lost income to their families is more substantial. By lumping together everyone who is unemployed without differentiating among them according to lost earnings the overall unemployment rate is based on the premise that everyone's unemployment has the same significance. Following that premise, the drop in joblessness from 10.2 percent in October to 10.0 percent is greeted as a sign that the economy is improving.

The Labor Department unfortunately does not report lost earnings for the unemployed and for that reason we are not able to determine the burden of unemployment on jobless persons and their families. Even so, other data suggest that the recent small decrease in the rate provides an overly optimist view of conditions in the U.S. labor market.

■ Unemployment insurance information, for example, does not support the optimistic view. Specifically, insured unemployment during the week ending November 21, according to the Department of Labor, stood at 5.465 million, up by 28,000 -- not down -- from the preceding week. Thus, approximately 64 percent of the 15.375 million jobless persons in November were not receiving unemployment insurance benefits. And for 36 percent covered by unemployment benefits, their benefits averaged no more than 50 percent of their regular working pay.

■ At the very same time the total number of persons out of work *decreased* by 325,000 in November, the number whose spell of unemployment has lasted 27 weeks or longer *increased* by 293,000. It is not unreasonable to assume that the overall burden of joblessness that lasts that long also increased.

■ A total of 6.0 million persons who were not in the labor force in November and therefore were not counted as unemployed currently want a job. In like manner, it is not unreasonable to speculate that their not having a job has taken a toll on family finances.

■ The number of unemployed white men who are married spouse present, *increased* by 155,000 in November, adding to our presumption that the overall burden of unemployment has not decreased and further casting doubt on the optimistic view that economic conditions are improving.

Three observations are in order. First, it would be helpful if the Labor Department were to collect information that would tell us more about the lost earnings of the unemployed and how that loss impacts family financial resources. Second, we know from common sense that the unemployment of a teenager living in a middle-class family is less significant that the joblessness of the breadwinner in that family. Even so, both are effectively weighted the same in the overall unemployment rate and for that reason focusing strictly on that rate can be misleading. Third, this recession is unlike earlier ones and we need to know if this is a reflection of structural changes in the American economy, the American family, or both.

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