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INCREASE IN NUMBER OF UNEMPLOYED OVER PAST 12 MONTHS WAS LARGEST IN NEARLY 20 YEARS

Increase in Number of Long-term Unemployed Set Post-World War II Record in November

The increase over the past 12 months in the number of unemployed workers was the largest such increase in any 12-month period in nearly 20 years. Labor Department data issued today show that between November 2000 and November 2001, the number of unemployed workers rose by 2.5 million — from 5.7 million to 8.2 million. Unemployment has not risen that much in a 12-month period since the period from December 1981 to December 1982.

The increase in the unemployment rate over the last 12 months (as distinguished from the increase in the number of unemployed workers) is the largest such increase since the 12-month period from June 1990 to June 1991. In addition, the increase in the unemployment rate over the last two months (an increase of 0.8 percentage points, from 4.9 percent in September to 5.7 percent in November) is the largest two-month increase since the spring of 1980.

Of particular concern, the new data also indicate that long-term unemployment is on the rise:

- In November, 2.4 million workers had been unemployed 15 weeks or longer. This represented an increase in the number of such unemployed workers of 336,000 people — or 16 percent — from October.

- Some 1.2 million workers were unemployed for 27 weeks or longer. That represented an increase of 280,000 people, or 32 percent, from October. The increase between October and November in the number of workers who were unemployed for 27 weeks or longer was the largest such one-month increase since these data began being collected 53 years ago in 1948.

Since regular unemployment benefits typically expire after 26 weeks, the increasing number of people unemployed for longer than 26 weeks is of significant concern. Without federally financed additional weeks of unemployment benefits, a rapidly rising number of unemployed workers who are unable to find new jobs are experiencing periods when they have neither wages nor unemployment benefits. Indeed, other data that are currently available only
through October show that the number of workers who exhausted their regular unemployment insurance benefits that month without qualifying for additional benefits already was at the highest level in 10 years.

There are other signs as well that the duration of unemployment is increasing. In November, the average spell of unemployment lasted 14.5 weeks. The average duration of unemployment increased by a week and a half over the October figures. This is the largest increase in a single month since June 1976.

Also of note, the unemployment rate for women who maintain families increased by 3.1 percentage points over the past year, from 5.2 percent to 8.3 percent. This is the largest increase in the unemployment rate for that population in a 12-month period since the period from December 1981 to December 1982.

The Center on Budget and Policy Priorities is a nonprofit, nonpartisan research organization and policy institute that conducts research and analysis on a range of government policies and programs. It is supported primarily by foundation grants.

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