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# Jobless and Hopeless, Many Quit the Labor Force

By **MONICA DAVEY** with **DAVID LEONHARDT**

**P**ITTSBURGH, April 26 — Worn down by job searches that have stretched on for months, demoralized by disappointing offers or outright rejections, some unemployed people have simply stopped the search.

As the nation enters a third year of difficult economic times, these unemployed — from factory workers to investment bankers — have dropped out of the labor force and entered the invisible ranks of people not counted in the unemployment rate.

Some are going back to school or getting new job training. Others have chosen to stay home with young children or aging parents and to rely on their spouse's salary, at least for now. Still others are plainly waiting: living on their government benefits and hoping that the economy will get better in a while.

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After working 25 years in the heat of the factory line at a steel plant here, Bill Jacobs accepted his layoff calmly last year. He thought he could find some other job working with his hands, or go back to the line once business picked up.

But eight months passed, and nothing came. Not long ago, he signed up for nursing school.

"There aren't any jobs, just not any," Mr. Jacobs said. "I had been waiting it out. I thought there was a strong possibility that I'd get recalled to the plant, or I'd get something else, anything that paid at least \$10 an hour. But it turns out there is nothing. It's a dead-end street."

Mr. Jacobs, who is 50 and raising four children on his own, said he had "absolutely never" planned to change careers. But he heard about the possibility of a government grant to pay for his schooling and decided he would prefer to spend the next two years tucked safely inside a classroom rather than continue to fight for a job in an economy he describes as "heading nowhere."

Over the last two years, the portion of Americans in the labor force — those who are either working or actively looking for work — has fallen 0.9 percentage points to 66.2 percent, the largest drop in almost 40 years.

More than 74.5 million adults were considered outside of the labor force last month, up more than 4 million since March 2001, the Department of Labor says. They are people who fall outside the government's definitions of either employed or unemployed: they do not hold jobs, but they also have not gone out seeking work within the past month.



Justin Merriman for The New York Times  
Janis M. Leftridge has been without a job since 2001. She is thinking about working from home, selling items like health supplements.

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This group includes retirees and parents who have been home taking care of their children for years, but the surge of dropouts suggests that the jobless rate — which was 5.8 percent last month, roughly where it has been for the past year — offers an artificially sanguine picture of the labor market, many economists say.

"People use the unemployment rate as some kind of gauge of the health of the economy," said Robert H. Topel, a professor of economics at the University of Chicago. But because of the number of people now outside of the labor force, he said, "the unemployment rate does not give you the same kind of information it did in the 1970's or 1960's."

Job counselors say the trigger for the exodus is easy to see. Among those people whom the government considered unemployed, the average length of time out of work has been rising over the past two years, to 18 weeks last month from about 13 weeks two years ago.

In Pittsburgh, members of one support group for unemployed people have been jobless for so long that the group recently started holding separate conversations during their regular Monday night sessions just for those who have been out of work more than six months. More than 20 people usually show up.

"This is what we see today — job searches that can take 6 to 12 months," said Charlie Beck, who has directed the support group, Priority Two, for the past 20 years. "By six months, people really start to doubt themselves, and they start to doubt they're ever going to find anything. They start to doubt everything."

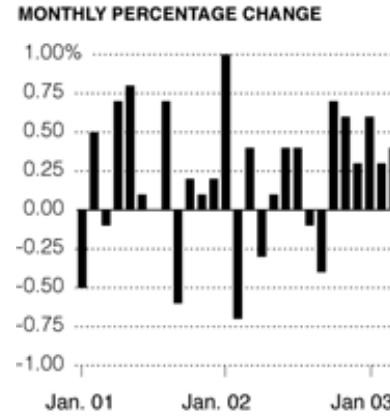
Uncertainty crept slowly into Mike Guido's outlook. But after the third "really good opportunity" slipped away, "it started to dawn on me," Mr. Guido said. "It just wasn't happening. It wasn't going to."



Justin Merriman for The New York Times  
After nine months of looking for a job and realizing "it just wasn't happening," Mike Guido decided to go back to school for a Ph.D.

### No Longer Working

The percentage of people who are not in the work force neither working nor looking for work has increased in 19 of the past 26 months.



Source: Department of Labor

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