# Delaware's Unemployment Rate & Labor Force Participation Rate Trends by Age Group

In 2025, Delaware's official not seasonally adjusted annual average unemployment rate increased to 4.8 percent, the highest level since 2021, when it stood at 5.5 percent. The official unemployment rate is produced through the Local Area Unemployment Statistics (LAUS) program. However, detailed demographic labor market data are available only from the Current Population Survey (CPS), which is used for the comparison between age groups.

## Current Population Survey (CPS)

The Current Population Survey (CPS) is a monthly survey of approximately 60,000 households nationwide and serves as the primary source for calculating the national unemployment rate. In Delaware, about 850 households participate in the CPS each month. This sample is too small to independently produce the state's official unemployment rate. Instead, CPS data are incorporated into an econometric model used to estimate Delaware's unemployment rate. Detailed labor market information—such as the demographic labor force data shown in the graphs below—comes directly from the CPS. By using annual averages, the data is smoothed from month-to-month statistical fluctuations that are more noticeable in the monthly data, due to the small sample size.

## Unemployment Rates

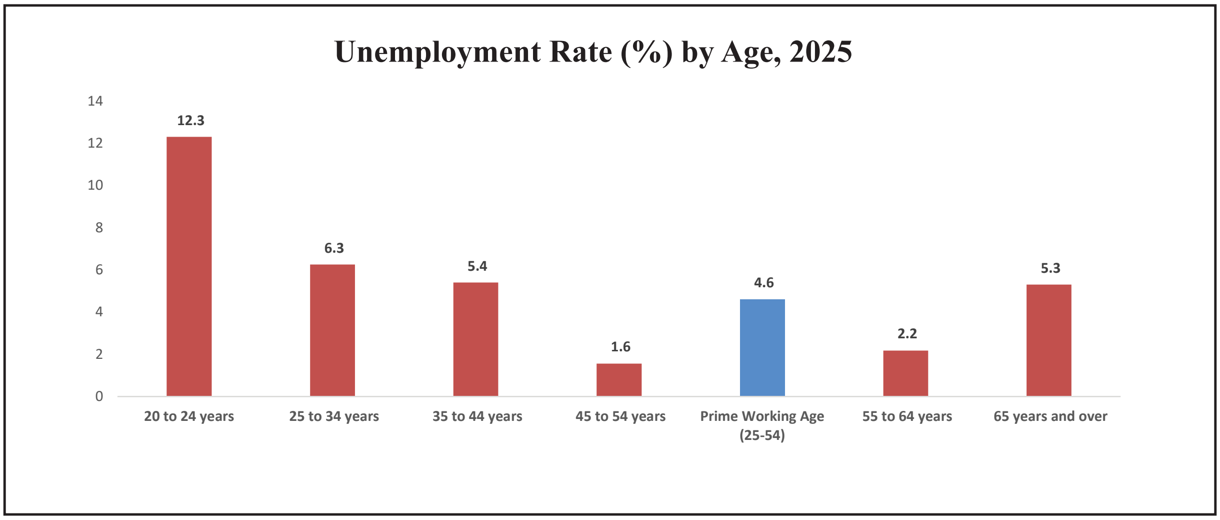
The CPS data suggests a divide in employment outcomes by age in 2025. While unemployment increased among younger workers (ages 20–44) and older workers (65+), workers in the middle-to-late stages of their careers (ages 45–64) experienced greater job stability and even saw unemployment rates decline.

The unemployment rate among workers aged 20 to 24 was highest in 2025 at 12.3 percent, highlighting the challenges younger workers face when entering or establishing themselves in the workforce. Individuals in this age range have limited work experience compared to older workers, smaller professional networks, and may be more likely to work in industries that are sensitive to economic fluctuations. As a result, they may be among the first to be affected when employers slow hiring or reduce staff. In contrast, workers ages 45 to 54 recorded the lowest unemployment rate at just 1.6 percent. Lower unemployment among this age group may suggest that in 2025, employers valued experienced workers who often possess specialized skills, institutional knowledge, or proven work histories. Employees in this age group may also occupy more senior positions that are less vulnerable to layoffs and economic uncertainty.

**Average Annual Unemployment Rate**

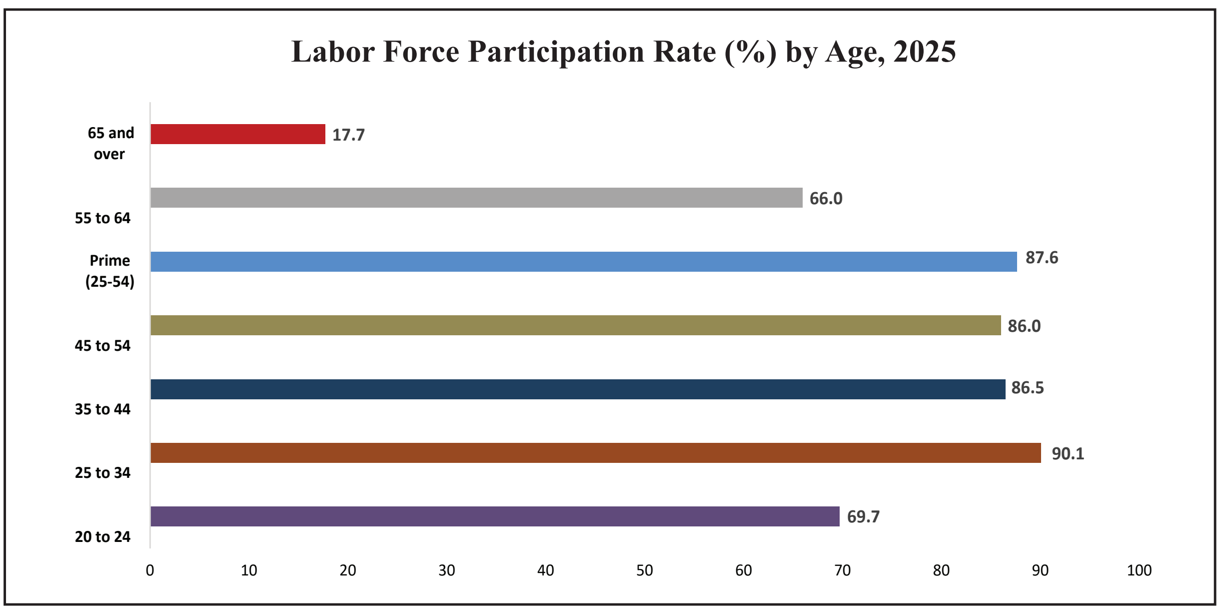
| | 2024 | 2025 | OTY Change |
|---|---|---|---|
| 20 to 24 | 6.4 | 12.3 | 5.9 |
| 25 to 34 | 2.9 | 6.3 | 3.4 |
| 35 to 44 | 2.0 | 5.4 | 3.4 |
| 45 to 54 | 3.5 | 1.6 | -1.9 |
| 55 to 64 | 2.9 | 2.2 | -0.7 |
| 65 and over | 2.3 | 5.3 | 3.0 |

Prime-age workers, defined as those between 25 and 54 years old, had an unemployment rate of 4.6 percent. This group is considered the core of the labor force because these workers are typically past the transition from school to work and have not yet begun retirement and their unemployment rate serves as an important indicator of overall labor market health.




## Labor Force Participation Rate (LFPR)

Workers aged 20 to 24 experienced the largest decline in their labor force participation rate, falling from 73.8 percent in 2024 to 69.7 percent in 2025—a decrease of 4.1 percentage points. Although the population of this age group increased by 6,000 individuals, the labor force expanded by only 2,000 workers. Because labor force growth did not keep pace with population growth, a smaller share of young adults was either employed or actively seeking employment than in 2024. This decline may reflect a variety of factors, such as increased school enrollment, delayed entry into the workforce, difficulty finding employment opportunities, or a decision by some workers to temporarily leave the labor market. This group's relatively high unemployment rate mentioned above, along with their decrease in participation, suggests that younger workers faced greater challenges connecting to employment opportunities in 2025.




In contrast, workers ages 25–34 recorded the largest increase in labor force participation among all age groups. Their LFPR rose by 6.2 percentage points, reaching 90.1 percent in 2025—the highest participation rate of any age category. Despite flat population growth, the labor force expanded by 7,000 workers. This increase suggests that labor force growth was driven primarily by individuals entering or re-entering the labor market rather than by population gains.