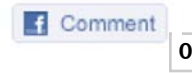


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Media Release

**John J. Heldrich Center for Workforce Development
Rutgers University**

The Shattered American Dream: Unemployed Workers Lose Ground, Hope, and Faith in their Futures

National survey finds...

**Nearly 6 in 10 unemployed workers have sought new job for more than one year;
fully one-third have searched for more than two years.**

**41% of jobless Americans doubt the ability of either President Obama or a
Republican Congress to lead economic recovery**

**Prolonged unemployment of U.S. workers leads them to question the value of hard
work**

Contact:

Professor Carl Van Horn, vanhorn@rutgers.edu (732) 932-4100, ext. 6305, Professor Cliff Zukin,
zudin@rutgers.edu (732) 932-4100, ext. 6205, or Robb C. Sewell, Senior Writer/Editor,
rcsewell@rutgers.edu or (732) 932-4100, ext. 6312.

Copies of *The Shattered American Dream: Unemployed Workers Lose Ground, Hope, and Faith in their Futures* are available online at <http://bit.ly/hDB6q4>.

A new survey of unemployed American workers documents dramatic erosion in the quality of life for millions of Americans. Their financial reserves are exhausted, their job prospects nil, their family relations stressed, and their belief in government's ability to help them is negligible. They feel hopeless and

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The survey shows that only one-quarter of those first interviewed in August 2009 have found full-time jobs some 15 months later. And most of those who have become reemployed have taken jobs they did not really want for less pay. Moreover, the recession has wreaked havoc on the retirement plans of older workers.

These are some of the main findings of ***The Shattered American Dream: Unemployed Workers Lose Ground, Hope, and Faith in their Futures***, a new report from the John J. Heldrich Center for Workforce Development at Rutgers, The State University of New Jersey. The Heldrich Center first interviewed a national sample of 1,202 unemployed workers in August 2009, using the web-enabled KnowledgePanel® conducted by Knowledge Networks of Menlo Park, CA. Just over 900 were re-interviewed in March 2010, and 764 were re-interviewed between November 5 and 28, 2010 for this report.

The survey, coming on the heels of the national election on November 2, finds that only 30% of the unemployed feel more hopeful about an economic recovery as a result of the election. When asked to choose between President Obama and the Republicans in Congress in who they trust to do a better job handling the economy, “neither” wins at 41%. One third (32%) chose the President and far fewer — just 17% — pick the Republicans in Congress. Another 9% say they trust “both.”

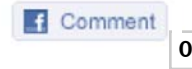
Professor Carl Van Horn, Director of the Heldrich Center and a co-author of the study, commented, “Well over half of the unemployed have been looking for a job for over a year, and are pessimistic about their chances of getting a new job in the next year. They face a situation not of their own making and have exhausted all ideas of what to do next to get work and take care of their families. The climate is one of pessimism, tinged with resignation.”

Among the main findings of the survey:

- More than half of the unemployed (58%) are pessimistic about finding a job in the near future.
- By a margin of 61% to 35%, more feel they will be stuck in their current financial shape rather than making it back to where they were before the recession began.
- Over half (54%) say the recession has caused stress among family members.
- Three in five (61%) say the economic situation has had a major impact on their family; over half say the recession has caused them to make a major change in their lifestyle.

The amount of time people have been without a job documents the intransigence of the country’s fight with unemployment. About 6 in 10 of the unemployed have been on the job hunt for at least a year, with fully one-third looking for over two years. Just under half of the unemployed believe another year will go by before they begin working again, if ever, or are unsure when they’ll return to earning a regular income.

Unemployed workers’ assessment of the long-term impact of the recession is bleak. Just 9% think the economy will begin to recover in the next year, with another 33% anticipating economic recovery within two years; 56% believe recovery is three or more years out. Half believe there will be lasting changes in how secure workers feel in their jobs, the ability of young people to attend college, and workers having to take jobs below their skill level. Even more, around 60%, feel that older workers will not be able to retire when they want and will have to work part time in retirement.

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The financial condition of the unemployed is dire. Some 81% rate their personal financial situation as being in only fair or poor shape, with 46% saying they are in flat out poor shape. Comparing how much they now have in salary and savings to before the recession began, 73% say they have less, including 58% who say they have a lot less. Just 38% feel they will do better in the coming year. And, in a sad state of resignation, only 35% believe they will get back to where they were before the recession — 61% are resigned to the idea that they will have to accept a downwardly mobile economic station.

The unemployed are in perilous economic shape. Whatever fat there may have been in the family budget is long gone. At this point, sacrifices are cutting into muscle, and the soul is being diminished. Half of the panelists surveyed say they have given up things they consider desirable, and another 40% are also forgoing what is essential to get by. When asked to name areas where they have reduced spending so much that it has made a difference in their family's day-to-day life, 51% check off food, 73% clothing, 42% shelter, and 45% health care. Overall, 52% say there has been a major change in their lifestyle.

Professor Cliff Zukin, a co-author of the study, commented, "The depth and length of the recession's toll on the unemployed has caused them first to question and now to disbelieve one of the fundamental tenets of the American credo — that people have it in their power to succeed if they work hard enough."

A national survey conducted in the late fall by *The Washington Post*, the Kaiser Family Foundation, and Harvard University found that 66% of the general public believe that "most people who want to get ahead can make it if they're willing to work hard," and 32% feel that "hard work and determination are no guarantee of success." The Heldrich Center survey of the unemployed finds 57% believing that hard work does not guarantee success, and just 40% feeling that hard work will lead to success.

The recession has hit jobless workers over 50 years of age particularly hard. It has scrambled the retirement plans of the great majority of those over 50: 27% are involuntarily retired, unable to find jobs and dropping out of the labor force; another 46% say they will have to put off retirement. These plans will have significant consequences for demands on the nation's system of social security: one-fifth of unemployed workers over age 50 reports having filed for social security, while another two-fifths say they will do so as soon as they are eligible.

The reemployed have no bed of roses. Between first contact in August 2009 and the November 2010 survey, just 26% landed full-time jobs. Adding part-time workers who do not want a full-time job brings this number up to 34%. While they are now employed, it has come at a substantial cost. By a margin of 54% to 46%, more say their new job is just something to get them by while they look for something better, as opposed to really wanting to do for the long term. Fully 4 in 10 say they had to take a job in a new field or career. Just over half say they are satisfied with their job; less than half say they are not concerned with job security in their new perch. Half took a cut in pay or benefits.


The **John J. Heldrich Center for Workforce Development** is based at the Edward J. Bloustein School of Planning and Public Policy, at Rutgers University. It is one of the nation's leading university-based

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