Recession, Recovery, and Regeneration: Workforce Development in the 21st Century

Carl Van Horn, Ph.D.
Professor and Director
John J. Heldrich Center for Workforce Development
and Edward J. Bloustein School of Planning and Public Policy

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www.heldrich.rutgers.edu
The nation’s longest recession

Highest official unemployment rate in 30 years

Over 17 million officially unemployed; millions more discouraged or underemployed

8 million jobs lost since December 2007

Longest average length of unemployment in 62 years
Widespread Unemployment, but Worse for Some Americans

Cutting across genders, age groups, and ethnicities, the unemployment rate was up drastically in 2009 as compared to December 1999. Not only is the unemployment rate up for all demographic groups, it is more than double in each category. Everyone is hurting in the current downturn, and bear in mind these numbers only reflect those who are unemployed and still looking for work; those workers who have given up or those working part time, but seeking full-time work, are not included here.

The Unemployment Rate by Age, Gender, and Race

High Unemployment at All Levels of Education

While those with higher levels of education generally experience lower levels of unemployment, the unemployment rate has risen significantly for each group as compared to 10 years ago. The unemployment rate is lowest for those with a Bachelor's degree or higher, and it is one-third of the unemployment rate for those without a high school diploma. Unemployment, however, is up significantly for all groups, demonstrating that a degree is not necessarily a guarantee of job security.

The Unemployment Rate by Education Level

A Longer Job Search for the Unemployed

The amount of time, on average, that an unemployed worker spends looking for a job has more than doubled from 1999 to 2009, from slightly over three months to more than seven months. Many Americans are out of work much longer than they expected, and have exhausted savings they set aside in the event they became unemployed. This is the longest average length of unemployment since 1948 when the data were first collected.

Average Number of Weeks Workers are Unemployed

Unemployment Insurance Covers Fewer Workers

It is a common assumption that the unemployed can rely on Unemployment Insurance to help until they find another job, but only 36% of those who are unemployed but still looking for work are covered by Unemployment Insurance. If those who are discouraged and no longer looking for work are factored into this equation, only 30% of the unemployed are covered.

Unemployed Workers with Unemployment Insurance
(as a percentage, seasonally adjusted)


The figures presented here are based on a methodology developed by the Center on Budget and Policy Priorities, (Initial claims+continued claims)/total unemployed=UI coverage rate). For the “Real Unemployed” figure, a broadened definition was applied to include members of the population that are not working but would like to be, and are not counted as unemployed. Sources: “Unemployment Weekly Claims Report,” Employment and Training Administration, U.S. Department of Labor; Chad Stone, Robert Greenstein, and Martha Coven, “Addressing Longstanding Gaps in Unemployment Insurance Coverage,” Center on Budget and Policy Priorities, August 7, 2007, http://www.cbpp.org/cms/?fa=view&id=517.
The Changing Realities of Work in the 21st Century Economy

**Mid to Late 20th Century**
- Permanent
- Stable
- Advancement
- Loyalty
- One and Done Education
- Health Care from Employer
- Defined Benefit Pension
- “Early” Retirement
- Safety Net for Most

**Early 21st Century**
- Temporary/Contingent
- Volatile
- Stagnation
- Disaffection
- Lifelong Learning
- Shared Health Care Responsibility
- Defined Contribution
- “Never” Retire
- Safety Net for Few
What’s the “Next Big Thing” in the Job Market?

Forecasting the fastest growing occupations over 10 years has proven to be an inexact science, and job seekers should take such projections with a grain of salt. The projections released from 1998 through 2008 were mostly wrong, demonstrating the unpredictability of the labor market and economy. These data show how difficult it is to predict which occupations will “boom” over the coming decade.

Job Growth Predictions are Uncertain

Predicting which occupations will experience the largest growth is also very difficult. While some occupations met or came close to expectations, many of these predictions were off by a long shot. Job growth depends largely on macroeconomic trends and industry growth, which are difficult to forecast and can be derailed by an economic downturn.

In the Future, Most Jobs Will Not Require a College Degree, but Will Require Training Beyond High School

The occupations with the largest projected growth require a wide range of education and skill levels, indicating opportunities for job seekers at various skill and education levels. While it is difficult to forecast job growth for specific occupations, it may be helpful for job seekers to bear in mind that although education costs have risen, none of the occupations forecast for steep decline require postsecondary education, while among the occupations forecast for growth, there are opportunities for job seekers at various levels of skill and education.

Where Will Most of the Jobs Be?

Most of the occupations predicted to experience the largest job growth are ones that currently comprise a major source of employment for the labor force. Occupations such as nurses, home health aides, retail salespersons, and office clerks are jobs that cannot be outsourced to other countries.

Ten Occupations with the Largest Projected Growth, 2008-2018

College Graduates: Is there Room for Everyone?

The projected retirement of many Baby Boomers during the 1998-2008 period was expected to create enough room in the labor market for the large number of college graduates predicted to enter the labor force over that period. Baby Boomers, however, have remained in the labor force longer, college graduates have outpaced forecasted growth, and this segment of the labor force has grown while job openings have not kept pace.

"For the first time in many years, a Bureau of Labor Statistics analysis finds that total college-level job openings between 1998 and 2008 will nearly equal the number of college-educated entrants to the labor force. And a primary reason is the large number of retirements expected from workers at the leading edge of the "baby boom" generation – those born between 1946 and 1964 – who are in college level jobs."


"As the sour economy dries up employment prospects, more than four-in-ten nonworking people say they have tried without success to find a job. At the same time, nearly four-in-ten employed adults ages 62 and older say they bad economy has forced them to delay their retirement plans."


An Uncertain Retirement Income

In 1983, the majority of workers with a pension plan had a “Defined Pension Plan,” guaranteeing set benefits upon retirement for life. In 2007, the majority of workers had a “Defined Contribution Plan,” which has no guaranteed benefits but rather depends on contributions to and investment earnings on the participant’s account.

Source: Center for Retirement Research at Boston College, calculations based on data from the U.S. Board of Governors of the Federal Reserve System Survey of Consumer Finances (various years).
The Unemployment Experience

- Laid off Without Warning: 60%
- Laid off - Less than Two Weeks Notice: 78%
- No Severance Pay: 84%
- No Health Insurance: 53%
- Unemployed for first time in Five Years: 55%
- Not a good chance of returning to previous position: 89%
- Do not think they will be employed in next two months: 82%

Financial Impacts of Unemployment

- Reduced overall spending: 93%
- Put off plans for home improvements or a vacation: 70%
- Used money from savings set aside for other things or retirement to make ends meet: 63%
- Borrowed money from family or friends: 56%
- Increased credit card debt: 34%
- Missed a mortgage or rent payment: 25%
- Missed a credit card payment: 24%
- Taken a job you did not like: 22%
- Forced to move to a different house or apartment: 17%
- Borrowed money against your house or from a bank: 8%
- Declared personal bankruptcy: 5%

The Personal Impact of Unemployment

- Stressed: 77%
- Depressed: 68%
- Eager for a new start: 66%
- Anxious: 65%
- Helpless: 61%
- Angry: 55%
- Hopeless: 54%
- Motivated: 42%
- Hopeful: 40%

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The Symptoms of Stress for the Unemployed

I have experienced this

- Uneasiness or Restlessness: 62%
- Change in Sleeping Patterns/Loss of Sleep: 61%
- Strain in Family Relations: 58%
- Avoid Social Situations with friends and acquaintances: 54%
- Quick to anger: 43%
- Loss of contact with close friends: 41%
- Substance Dependency: 10%

Percent of Currently Unemployed

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Changing American Attitudes About Work from the Heldrich Center’s Work Trends Series, 1999 to 2009

1. Declining Job Security. In 2009, only 41% of working Americans felt very satisfied with the security of their jobs, down from 59% a decade ago. To translate that into numbers, that equals nearly 100 million Americans.

2. Declining Job Satisfaction. Less than half of America’s workforce (49%) is very satisfied with their job today - a significant drop from 59% a decade ago.

3. Diminished Training Opportunities. Workers report fewer opportunities for additional education and on-the-job training, down from 40% to 28% since 1999. Younger workers under 40 are particularly disappointed, with their satisfaction levels dropping from 42% to 26%.

4. Plummeting Outlook for Future Job Prospects. In 1999, 70% of workers considered it a good time to be looking for a quality job. Only 12% believed that in 2009. Similarly, 64% were confident that they could find a new job as good as or better than their previous job, while only 20% believe that today.

“Previous downturns have proven that the worst budget years for a state are the two years after the national recession is declared over…Recoveries from the current recession, however, will be prolonged with most economists projecting a slow and potentially jobless national recovery.

The bottom line is that states will not fully recover from this recession until late in (this) decade.”

-Ray Scheppach, Executive Director, National Governors Association

New Demands on Workers and Employers

Workers
- Become more labor market savvy
- Get better at preparing, learning, and changing careers
- Construct a do-it-yourself career

Employers
- Manage unrelenting competition for talent
- Cope with skeptical and disaffected workers
- Increase transparency
Recovery and Regeneration of the Workforce

- Extend and reform Unemployment Insurance
- Enhance advance warning laws
- Preserve jobs with fiscal relief to states
- Create public service employment jobs for the long-term unemployed
- Incent lifelong learning opportunities
Recovery and Regeneration of the Workforce

- Link workforce development with economic development
- Align education and employer needs
- Enhance labor market intelligence
- Create a culture of accountability, informed choice, and consumer protection
- Bolster the workforce development system