

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

Rutgers, The State University of New Jersey

Americans' Attitudes About Work, Employers and Government

# **Work Trends**

*Standing on Shaky Ground:*

*Employers Sharply Concerned in Aftermath  
of Recession and Terror*

*A Joint Project with:*

Center for Survey Research and  
Analysis University of Connecticut

February 2002

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Center for Survey Research and Analysis  
University of Connecticut

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February 2002

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# Background

## *Work Trends: The New Employer Series*

Work Trends is the joint project of two distinguished social science research centers, the John J. Heldrich Center for Workforce Development at Rutgers, the State University of New Jersey, and the Center for Survey Research and Analysis at the University of Connecticut. This multi-year public opinion series, in its first phase, explores the attitudes of the U.S. workforce on the challenges faced by workers, families, and employers in the changing global economy. To date *Work Trends* reports encompass ten major surveys and contain data from 10,000 worker interviews on a range of trends and national workplace and policy issues. The series was conceived in order to explore the practices and perceptions of American workers about the economy, their jobs, and employers. The project is co-directed by Dr. Carl E. Van Horn of the John J. Heldrich Center for Workforce Development at Rutgers, and Dr. Kenneth Dautrich of the Center for Survey Research and Analysis at the University of Connecticut, respective directors of the two centers.

Through rigorous, objective, and balanced field methodology, the series provides a new public voice for America's workforce. *Work Trends* reports have received major media coverage in the *Washington Post*, *Wall Street Journal*, *Business Week*, *Fortune*, *Money*, Reuters, AP, Bloomberg Business Radio, Marketplace Radio, National Public Radio, ABC, NBC, CNN, CNN-fn, *USA Today*, and many other outlets on a regular basis. *Work Trends* reports and data have been used by a wide audience of economists and analysts, researchers, corporate executives, human resources consultants and experts, unions, activists, community based organizations, and students.

*Standing on Shaky Ground: Employers Sharply Concerned in Aftermath of Recession and Terror* is the first survey in a new series that seeks the views of American *employers* on the policies and practices that govern the workplace and workforce, on changing economic conditions, and government policies that affect the economy and the workplace. It is launched as the United States confronts a vastly different set of economic and political realities than existed before September 11, 2001. This new initiative will provide fresh, carefully evaluated field research about the views of employers across the spectrum regarding changing events and conditions that affect their own and the nation's workforce, from the threat of terror to the nature of applied technology. The survey will incorporate longitudinal trend questions that will allow researchers to track employer responses to the economy, politics, and jobs over time.

In addition, the *Work Trends* team will use this new data to compare how workers and employers view big-picture economic concerns as well as specific choices being made about policy and practice in the workplace. For example, this new report asks employers how the events of September 11 changed their views of the economy and various security policies affecting their workers. In addition, the survey questions employers about how they plan to address a slowdown in their business, and how their recruiting and workforce needs are changing. Employers were also asked questions that parallel worker data from previous *Work Trends* surveys. The new survey series will explore many other areas of conflict and cooperation that are defining the new compact between workers and employers taking shape in the economy and society of the 21st century. In future *Work Trends* surveys, researchers will track worker and employer opinion on key

trend topics at the same points in time, allowing direct point by point comparisons on cutting-edge workplace issues.

### *The John J. Heldrich Center for Workforce Development*

The John J. Heldrich Center for Workforce Development is located at the Edward J. Bloustein School of Planning and Public Policy, at Rutgers, the State University of New Jersey. It is a university-based research and consulting center dedicated to raising the effectiveness of the American workplace by strengthening workforce education, placement and training programs and policies. The Center's efforts concentrate on both nurturing concrete innovations in local, state, and regional workforce practices, as well as addressing broad-scale economic policy changes that ensure Americans receive the education and training they need to be productive and prosperous in the knowledge economy of the 21st century.

The Heldrich Center was founded in 1997 and is well on its way to realizing its organizational goal of becoming the nation's leading academic center for the study of workforce issues. With an annual budget of \$4 million, it supports a staff of 25 full and part-time associates, which includes analysts, managers, and faculty. This group is now engaged in over 30 major projects with corporate, state and federal, nonprofit and foundation clients.

The Center embodies its slogan 'Solutions at Work' by teaming with partners and clients to translate cutting-edge research and analysis into practices and programs that companies, unions, schools, CBOs, and government officials can leverage to strengthen their workforces, create jobs, and remain competitive. Ultimately, the Center serves as a laboratory to create innovative, applied solutions to well-documented workplace challenges. These include the gap between worker skills and employer needs; under-per-

forming government programs; economic disruptions resulting from a globalized economy; and the persistence of poverty despite work.

### *The Center for Survey Research and Analysis*

Two years ago, the University of Connecticut announced the formation of its new **Center for Survey Research and Analysis (CSRA)**, thus strengthening its focus on conducting original survey research. The Center is an outgrowth of the tremendous success of original survey research conducted under the aegis of the Roper Center/Institute for Social Inquiry. For twenty years, Roper Center/ISI had conducted high quality, high profile original research; this tradition is being continued and expanded. The Center, a nonprofit, non-partisan research and educational facility, is a leader in conducting important public opinion research in the public and private sectors. CSRA staff have completed more than 300 survey projects, for a wide variety of clients, in the twenty years of survey research at UConn. The Center for Survey Research and Analysis has extensive experience in surveying special populations, including studies of Members of Congress, journalists, business owners and managers, parents, teen-agers, college seniors, and university faculty. In addition to quantitative research, CSRA also conducts in-depth qualitative research, including nationwide focus groups, one-on-one interviewing, and case studies. The staff has worked with clients to develop strong secondary research programs in support of on-going research in a variety of fields. Expert statisticians are also available for additional analysis of original and secondary data. CSRA strictly adheres to the code of ethics published by the American Association of Public Opinion Research, which, among other things, requires us to fully divulge our research methods, treat all respondents with respect

and honesty, and insure that our results are not presented in a distorted or misleading manner. During the past three years staff now affiliated with CSRA have conducted more than seventy national, regional and local survey projects.

The *Work Trends* series: download reports and releases at  
[www.heldrich.rutgers.edu](http://www.heldrich.rutgers.edu):

Work Trends IX: *A Workplace Divided: How Americans View Discrimination and Race on the Job.*  
Publication Date: 1/14/02

Work Trends V: *Nothing But Net: American Workers and the Information Economy.*  
Publication Date: 2/10/00

Work Trends Special Release: *Workers Respond to Terrorism and its Impact.*  
Publication Date: 10/26/01

Work Trends IV: *Who Will Let the Good Times Roll? A National Survey on Jobs, the Economy, and the Race for President.*  
Publication Date: 9/2/99

Work Trends VIII: *Holding On: Americans Assess A Changing Economic Landscape.*  
Publication Date: 5/24/01

Work Trends III: *Working Hard But Staying Poor.*  
Publication Date: 7/22/99

Work Trends VII: *Second Wind: Workers, Retirement, and Social Security.*  
Publication Date: 9/26/00

Work Trends II: *Balancing Work and Family.*  
Publication Date: 2/15/99

Work Trends VI: *Making the Grade? What American Workers Think Should Be Done to Improve Education.*  
Publication Date: 6/12/00

Work Trends I: *The Economy & Job Security.*  
Publication Date: 9/3/98

# Executive Summary

As the nation bids farewell to its longest economic expansion in history and experiences an economic recession while coping with the effects of the unprecedented terrorist attacks of September 11, the workplace has become an increasingly unpredictable place for the nation's workers and employers. The dot.com bust of the late 1990s and today's rising unemployment demonstrates that the highly-touted "new economy" forged with explosive growth in high tech jobs and the mass application of technology is not immune to the traditional business cycle. According to the U.S. Department of Labor, the unemployment rate for January 2002 stood at 5.6%, up from 4.2% one year ago, and job losses continued in manufacturing, transportation, and trade industries. In addition, real GDP decreased 1.3% in the third quarter of 2001, while corporate profits from current production decreased 8.3% at a seasonally adjusted quarterly rate.

*Standing on Shaky Ground: Employers Sharply Concerned in Aftermath of Recession and Terror* explores the implications of the recession economy and recent terrorist-related events for the nation's employers. The report focuses on the impacts of September 11 on the economy and workplace, employer concerns regarding the state of the economy and other economic issues, and the impact these issues will have on their ability and willingness to recruit and train enough qualified, skilled workers. This report also compares employer views with the opinions expressed by employees in previous Work Trends, including *A Workplace Divided: How Americans View Discrimination and Race on the Job*, conducted in October 2001.

*Standing on Shaky Ground* finds that American employers are far less concerned about the effects of September 11 and

threats such as anthrax than they are about how the state of the economy and the availability of skilled workers will impact their business.

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*Standing on Shaky Ground: Employers Sharply Concerned in Aftermath of Recession and Terror* explores the implications of the recession economy and recent terrorist-related events for the nation's employers.

- While more than half (51%) of employers do not anticipate that the terrorist attacks will cause a decline in their business, they express a high level of concern regarding the effect of a weakening economy. The majority (60%) of employers say that they anticipate that the slowing economy will cause economic problems for their business.
- Employers express high levels of concern over several economic issues. The majority (84%) say that they are very or somewhat concerned about the state of the economy, with 36% saying they are very concerned. In stark contrast, only 5% of employers say that they are not at all concerned about the state of the economy.
- The current unemployment rate is of particular concern to employers. Nearly three-fourths (72%) say they are very or somewhat concerned about unemployment, with 25% saying they are very concerned. Only 13% say that they are not too or not at all concerned about the current rate of unemployment.

- The high level of concern about the economy expressed by employers is matched by workers. Both employers and workers communicate high levels of concern about the current unemployment rate with 72% of employers voicing concern and 25% reporting that they are very concerned. Seventy-eight percent of workers indicate concern and 35% say they are very concerned. Similarly, employers and workers report being very concerned about job security for those currently working, with 76% of workers and 67% of employers stating they are concerned.

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Despite heightened security at many workplaces, most (61%) employers indicate that they are not very concerned about the threat of bioterrorism, such as anthrax, to their employees. At the same time, only 19% of employers say they are paying a lot of attention to national security alerts published by the FBI and the Office of Homeland Security.

- By a large majority (79%), employers say they are now more concerned about some of these economic issues than they were this time last year.
- Company size plays a significant role in predicting employer concern regarding economic issues. For example, 63% of employers with 5-24 employees anticipate that the slowing economy will cause economic problems for their business compared to only 53% of employers with 100+ employees.

Despite the generally low economic impact the September 11 terrorist attacks have had on the nation's employers, efforts are underway at many companies to create a more secure workplace. However, employers do not express high levels of concern

over potential terrorist threats to their employees, nor are they paying much heed to government security alerts.

- In the wake of the September 11 terrorist attack on the World Trade Center and the Pentagon, the majority (63%) of employers indicate that the attacks have not affected the amount of work for their business. However, most employers have implemented a series of security measures as a result of 9/11, particularly around access to mail. Larger companies are more likely than smaller companies to have enacted such measures.

- Despite heightened security at many workplaces, most (61%) employers indicate that they are not very concerned about the threat of bioterrorism, such as anthrax, to their employees. At the same time, only 19% of employers say they are paying a lot of attention to national security alerts published by the FBI and the Office of Homeland Security.

Many employers adjusting to the weakened economy are considering laying off some workers as a strategy to insulate their business from further economic difficulties. Among those employers who anticipate that the slowing economy will cause economic problems for their business, 38% are considering laying off workers.

Even though employers are eliminating some positions, they still report difficulties in finding the skilled, qualified workers they need. They anticipate, however, that the slowing economy may make this task easier in the months to come. Despite the need, many employers remain reluctant to pay for or provide continuing education and training for their employees, despite strong support for such strategies by employees. Despite a high level of agreement between workers and employers over concern for economic issues, *Standing on Shaky Ground* demon-



strates a real disconnect between workers and employers when it comes to continuing education and training.

- Nearly half (46%) of all employers reported difficulty in hiring qualified workers in the past year and close to a third (29%) believe they will experience difficulty in the year ahead, despite the recession and increasing unemployment rate.
- Earlier *Work Trends* data also show that eight in ten workers would enroll in an education or training course if their employer subsidized continuing education through tuition remission.<sup>1</sup> Among workers who have received training from their employer, almost all (91%) say that training helped them to be more productive at work. Yet only 14% of employers state here they should be primarily responsible for worker education and training pro-

grams, and one in four employers intend to scale back or eliminate such programs in a declining economy.

- Many workers have said in earlier *Work Trends* surveys that workers are primarily responsible for training (47%), rather than employers or government. However, workers are more likely than employers to say to say that their employers should bear responsibility for training (23% to 14%).

The survey finds that the uncertainty and instability characteristic of the American workforce in the new economy is only intensifying. The findings suggest that more debate and discussion is needed regarding the federal government's capacity to regulate and set rules in the economy, and make targeted investments in skills and job transition benefits to ease public anxieties, calm markets, and bolster the economy.

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<sup>1</sup> *Work Trends: Americans' Attitudes about Work, Employers and the Government*, Winter 1999

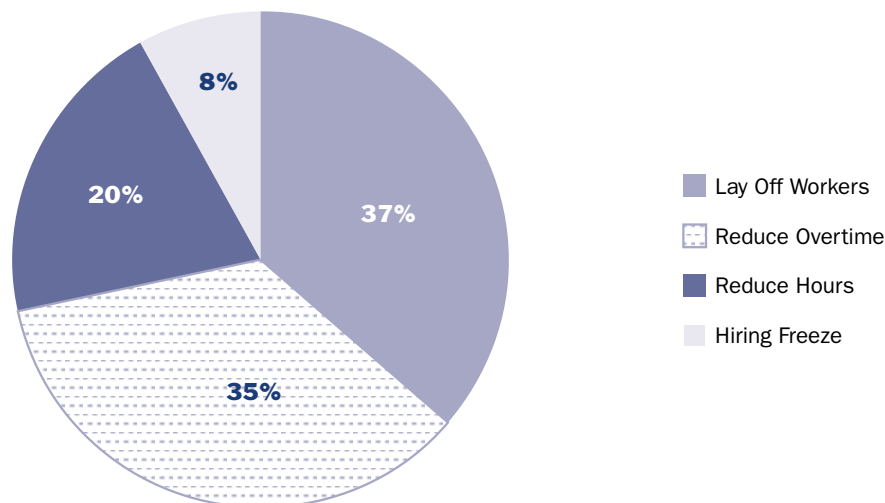
## Section 1: Employers React to Events of September 11 and Bioterrorism

The terrorist attacks against the United States that took place on September 11, 2001 profoundly affected our nation. The unprecedented loss of life and destruction of the World Trade Center—one of the most potent symbols of our economic strength—shook our country to the core. Both our strength as a nation and our economy continue to be tested. The emotional and economic aftershocks of the attack continue to reverberate five months later, and will continue to do so far into the future. The mail-borne anthrax attacks that followed in the wake of the September 11 catastrophe further jarred and disturbed the nation, its employers, and workers, claiming four victims and stirring public panic about mail delivery. Whether or not the anthrax attacks were linked in some way to the events of September 11, their timing served to synergize public anxiety to much greater levels during the fall of 2001. Today, Americans and the nation's employers are doing their utmost to weather these turbulent times and respond to these new threats with effective, fair, and prudent policies and practices.

In examining the response of employers to these events, *Standing on Shaky Ground* finds that employers express mixed opinions as to the extent of the impact of September 11 on their business activity, their security policies, and their perceptions about the economy. In general, employers are much more concerned with the economy than with the threats of terrorism and most (63%) report that September 11 had no impact on the amount of work for their business. More than one-fourth (27%) say the attacks resulted in less work for their business, while just 8% say that the attacks resulted in more work.

In examining the reaction of those employers who lost work as a result of September 11, less than one-third (27%) report laying-off workers, 26% reduced overtime, and 15% reduced hours. Only 6% say they instituted a hiring freeze. Among the small number of employers who say that the attacks resulted in more work, 28% reacted by hiring more workers, and 15% increased overtime hours for their current workers.

Fig. 1.1: Employer Reactions to Less Work as a Result of 9/11



Employer concern over terrorist threats is minimal. Few (14%) employers report that they are extremely or very concerned that the terrorist attacks will cause a decline in work for their company within the next six months. An additional 30% indicate that they are somewhat concerned; however, more than half (55%) of all employers indicate that they are not very concerned that September 11 will cause a decline in work for their company in the next six months.

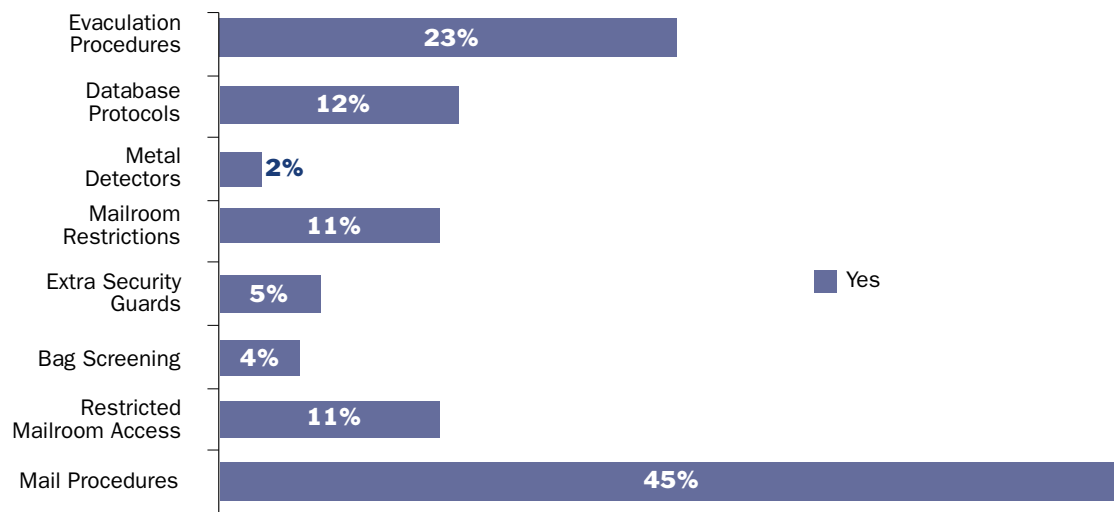
The survey polled employers about changes they made to increase security at their workplace in the wake of the suicide and anthrax attacks. The most common security measures involve mail handling and delivery of mail. Employers tell *Work Trends* that nearly half (45%) of them have put in place safeguards and procedures for handling suspicious mail, although only 11% have restricted access to the mailroom. Similarly, only 11% of employers say they have issued employees ID cards needed to gain access to the workplace, and only 4% say they now screen bags/briefcases for all employees before entering the workplace. Almost one-fourth (23%) now conduct drills

on evacuation procedures, but only 12% have implemented new protocols for accessing company databases, and only 5% have hired extra security guards.

Larger companies are more likely than smaller companies to have implemented various security measures. Among companies, 59% with 100 or more employees have implemented safeguards and procedures for handling suspicious mail, while less than half (44%) of companies with 25-99 workers have done so, and 40% of businesses with 5-24 employees have taken measures to handle suspicious mail.

Employers express moderate concern about the threat of bioterrorism, such as anthrax, to their employees. In general, only 10% say they are very concerned, and 28% say they are somewhat concerned. But bioterrorism is much more alarming for larger companies. Nearly half (46%) of businesses with 100 or more employees are very or somewhat concerned about the threat of bioterrorism, compared to 38% of businesses with 25-99 employees and 35% of businesses with 5-24 employees.

*Fig. 1.2: Post 9/11 Security Measures Instituted by Employers*



Note: Totals add up to more than 100% because many employers utilize more than one measure.

National security alerts published by the FBI have become a new feature of American life since September 11. However, employers are only mildly concerned with the alerts. Less than one-fifth (19%) of employers say they are paying a lot of attention, and another one-fourth (25%) are paying at least some attention. More than half (51%) say they are only paying a little or no attention to national security alerts. Again, larger companies are more likely than smaller companies to say they are paying attention to security alerts, and employers who are paying some or a lot of attention to national security alerts are more likely to have instituted security policies in their workplace.

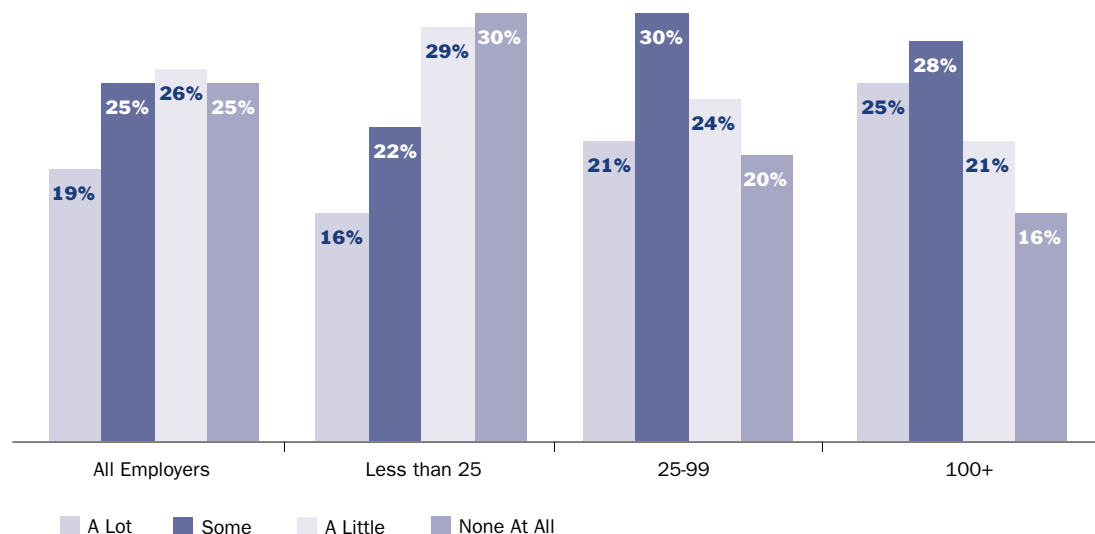
Of the employers who are paying attention to FBI alerts, 64% have instituted safeguards and procedures for handling suspicious mail, while 56% of those who say they are paying some attention have instituted such a policy. In contrast, only 22% of those employers who are not paying any attention to security alerts and 39% of those who are paying a little attention have instituted this policy. Most (89%) employers have not restricted employee business air travel in any way as the result of the terrorist attacks, and only a few (13%) say that

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they have offered additional services to employees to deal with the stress brought on by the terrorist attacks and the potential for future attacks. Among companies with more than 100 employees, 32% say they are providing additional services, compared to 17% of companies with 25-100 employees and 6% of companies employing 5-24 people.

Employers who say they are very or somewhat concerned about the threat of bioterrorism are more likely to pay attention to national security alerts. For example, 80% of employers who are very concerned and 55% of those who are somewhat concerned say they are paying some or a lot of attention to FBI security alerts. In contrast, only 39% of those employers who are not very concerned and 26% of those who are not at all concerned pay the same level of attention to security alerts.

*Fig. 1.3: FBI National Security Alerts by Company Size: Who Is Paying Attention?*



## Section 2: Standing on Shaky Ground

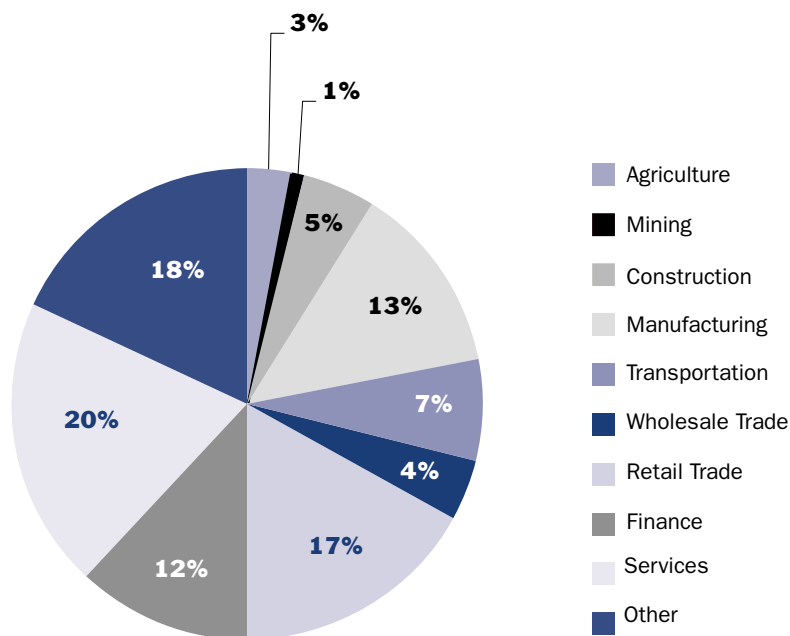
Employers are deeply concerned with the state of the economy and anticipate that the current recession will continue to negatively affect their business. The majority (84%) of employers are concerned about the state of the economy, with 36% saying they are very concerned. In stark contrast, only 5% of employers say that they are not at all concerned about the state of the economy.

Although many of the nation's employers are taking the threat of terrorism in stride, it is the economic state of the nation that is the most alarming to employers. The clear majority (60%) say they anticipate that the slowing economy will cause economic problems for their business or organization. Among these anxious employers, more than one-third (38%) anticipate laying off workers while a smaller number (17%) indicate considering a reduction in overtime or reducing hours (11%). Only 8% think they will have to institute a hiring freeze in the event of an

economic downturn in their business. Less than one-fifth (18%) say they will take no action or make any changes to their business practices in the event of continued economic problems.

Employer reactions to the slowing economy vary significantly by industry, however. Nearly half (49%) of the employers surveyed for this report have been in business for twenty years or more, and span a range of industries, including services (20%), retail trade (17%), manufacturing (13%), and finance/insurance/real estate (12%). The remaining employers come from industries such as agriculture, mining, construction, transportation, and communications. Most (93%) are private, for profit businesses, the majority (60%) of which employ 5-24 people. Almost one-fourth (19%) employ 25-99 workers while 20% employ 100 people or more.

Fig. 2.1: Business Classifications Among Survey Sample



The survey shows employers in the manufacturing industry are the most likely to anticipate being hurt by economic conditions. Among these employers, 67% anticipate that the slowing economy will cause economic problems for their business. Those in the retail trade also anticipate problems, with 61% agreeing that the weak-

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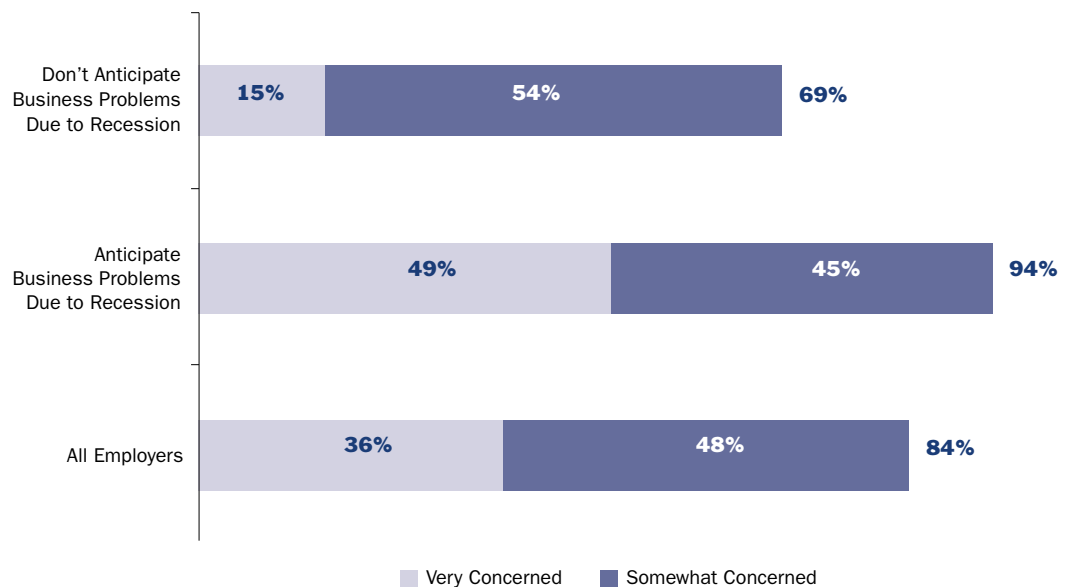
ening economy may pose a threat to their business. In contrast, employers in the finance/insurance/real estate industries and those in the services industries express less concern (54% and 58%, respectively).

For three years, the *Work Trends* series has spoken to workers and recorded their strong concerns and views about the economy and job security. After the mass layoffs of the 1980s and the upheaval and

'creative destruction' that characterizes the new economy, workers are now familiar with the absence of long-term job security, and many now desire higher pay and skills training as a trade-off for job security. *Standing on Shaky Ground* finds that employers report worker layoffs as the most common strategy to address slowing economy, although they have a range of alternatives to lay-offs, including eliminating overtime and reducing salaries.

When asked to consider what strategies they might use to avoid lay-offs and allow their employees to retain their jobs, 44% of employers say they would eliminate overtime. Manufacturers are the most likely to say they would eliminate overtime, while the financial/insurance/real estate industries are the least likely (60% and 19%, respectively). Nearly one-fifth (19%) of all employers report that they would hold off on upgrading or purchasing new equipment or technology. Only a few employers say they would institute a salary freeze or reduce their own salaries (6% and 4%, respectively), while even fewer would consider forcing workers to take unpaid time off, or slow or decrease

Fig. 2.2: Employer Concern About the State of the Economy



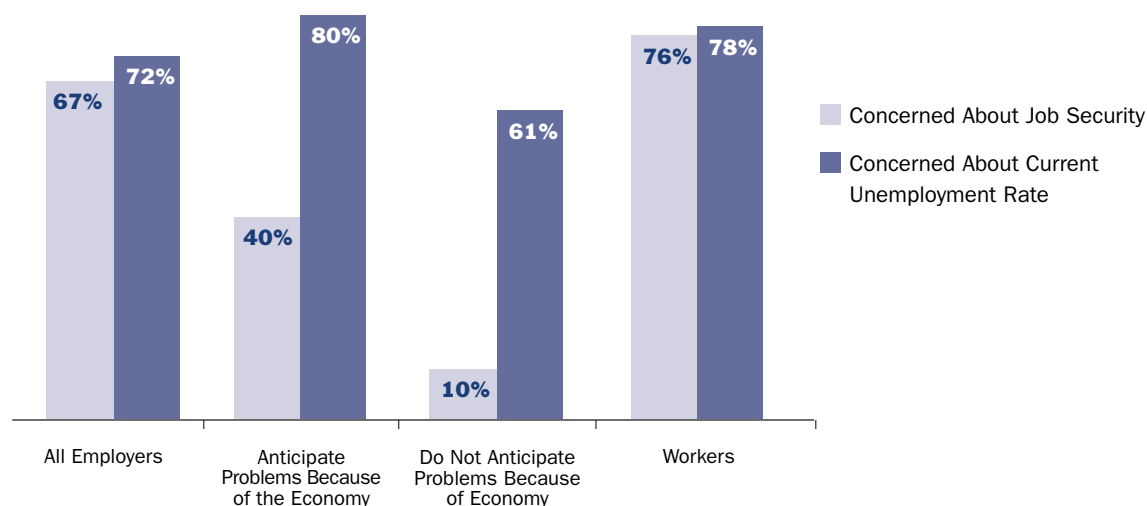
production (2% and 3%, respectively). Many of these trends are already evident as employers adjust to the current economic downturn. According to the U.S. Department of Labor, employers have shifted one million full-time employees into part-time work, and the number of workers who have had their hours reduced has climbed by 34%, to 4.2 million today from 3.2 million in March 2001.<sup>2</sup>

Employers and workers both report concern over economic issues such as job security and the unemployment rate; however, workers appear to show higher levels of concern than employers. The majority (67%) of employers express concern about job security for those currently working with 28% being very concerned and 39% being somewhat concerned. However, in a recent *Work Trends* survey, 76% of workers themselves expressed concern about job security for those currently working.<sup>3</sup> This job security gap points to a lack of trust workers have about the availability and security of jobs in this economy. When asked about their own job security, employers feel more

secure, with less than half (41%) expressing concern, and only 20% expressing serious concern.

The current unemployment rate is also a source of great anxiety to employers, with nearly three-fourths (72%) of all employers voicing concern and 25% saying they are very concerned. Again, workers are even more worried, with 35% saying they are very concerned about the current unemployment rate. Even employers who are not anticipating business problems because of the economy express high levels of concern about the current unemployment rate (61%), although not as high as employers who are anticipating negative economic fallout (80%). Mirroring the slowdown of economic growth, the vast majority (79%) of employers say that they are now more concerned about some of these issues than they were at the same time last year. In addition, company size plays a significant role in determining employer concern regarding economic issues, with smaller companies expressing higher levels of concern than larger companies.

*Fig. 2.3: Employer vs. Worker Concern About Economic Issues*



<sup>2</sup> *Wall Street Journal*, January 3, 2002, “Do Part-time Workers Hold Key to When The Recession Breaks?”

<sup>3</sup> *A Workplace Divided: How Americans View Discrimination and Race on the Job*, January 2002

## Section 3: Recruiting and Training the Workforce

Both employers and workers are adjusting to a very different economy than that experienced in the explosive expansion of the 1990s. With a still-strong economy in Fall 2000, only 29% of workers told *Work Trends* researchers they were very or extremely likely to get additional job training or education in the event of a slowing economy.<sup>4</sup>

However, now that the economy has indeed slowed down, many workers are thinking about ways to increase their skills and marketability. At the same time, many employers are looking for ways to keep productivity high and costs low, while maintaining a skilled workforce. Employers, however, indicate that they are having a tough time recruiting enough qualified, skilled workers. It is clear from the four years of research in the *Work Trends* series culminating with this new employer data, that workers and employers share strong concerns about connecting workers to skills required for jobs in today's workplace. However, there exists a significant disconnect between employers and workers regarding who is responsible for skill requirements and who should pay for continuing education and training.

American employers are finding it difficult to fill required jobs. Nearly half (46%) of employers say they experienced difficulty in finding qualified workers to fill jobs at their business during the past year, while 53% say they did not experience such difficulty. What's more, nearly one-third (29%) say they anticipate difficulty finding qualified workers in the next year. Employers in different industries express different degrees of concern. Among employers, 62% of those in retail do not anticipate having problems finding qualified workers, while 71% of employers in finance/insurance/real estate do anticipate such problems.

In particular, employers who cannot fill

jobs cite the lack of workers with the skill requirements to fill high-level positions (36%). Some employers say that there are not enough lower-skilled workers to fill entry-level positions or note that the work at their business is physically demanding (14% and 5%, respectively). In addition, employers

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cite the state of the economy, their location, the level of interest in their type of business or the very specialized skill requirements of their business as impediments to securing an adequate number of qualified employees.

If the current economic slowdown continues for another six months, 38% of employers believe it will become easier to find qualified workers, while 53% say it will stay the same. Only 8% say it will become more difficult to find qualified workers in the event of a continued slowdown. Most employers (62%) think that now is a bad time to find a quality job, mirroring worker views (64%) found in a contemporaneous *Work Trends* poll (Sept.-Oct. 2001). Manufacturers are the most likely to say that it will be easier to find qualified workers, while those in the service industry are least likely to say it will become easier (42% and 30%, respectively).

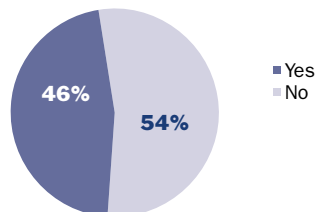
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<sup>4</sup> *Holding On: Americans Assess a Changing Economic Landscape*, May 2001

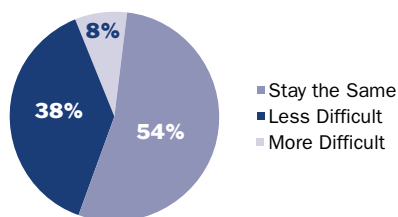


Fig. 3.1: Employer Opinion on Worker Recruitment

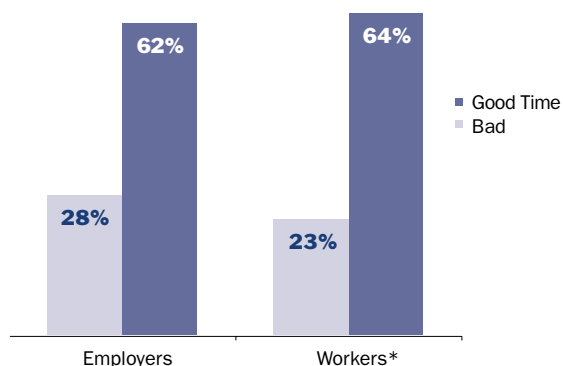
**Employers Who Experienced Difficulty in Finding Qualified Workers During the Past Year**



**Difficulty of Finding Qualified Workers if the Current Economic Slowdown Continues**



**Employers and Workers Who Think "Now is a Good Time to Find a Job"**



\*A Workplace Divided: How Americans View Race and Discrimination on the Job, October 2001

Similarly, larger companies have had more difficulty in finding experienced workers in the past year. More than half (57%) of 100+ companies say they have had difficulty securing employees, while less than half (47%) of those employers with 25-99 workers say the same. Companies that employ 5-24 people are least likely (42%) to say that finding workers has been difficult for them. However, 100+ companies are more likely than those that employ 5-24 workers anticipate that, if the current economic slowdown continues for another six months, it will be easier to find qualified workers (49% and 33%, respectively).

To advance to better jobs, many workers need education and training beyond formal schooling. When asked about the importance of upgrading their skills, 85% say that needing more specific training in a skill is an important barrier to getting a job. At the

same time, 88% of workers say that the opportunity to get more education and training from their employer is important to them. The benefits of continuing skills training likely are the reason for this high level of support. Among workers who have received training from their employer, almost all (91%) say that training helped them to be more productive at work, while 65% say it enhanced their job security. Among workers whose employer provided financial support for education and training outside the job, 84% say that the training increased their productivity and 64% say it enhanced their job security.<sup>5</sup>

Findings from this survey and previous *Work Trends* surveys demonstrate that there are common views among workers and employers. Among employers, 47% say that workers are primarily responsible for this training and education. Surprisingly, this

<sup>5</sup> *Work Trends: Americans' Attitudes about Work, Employers and the Government*, Winter 1999

Fig. 3.2: Worker Recruitment by Company Size

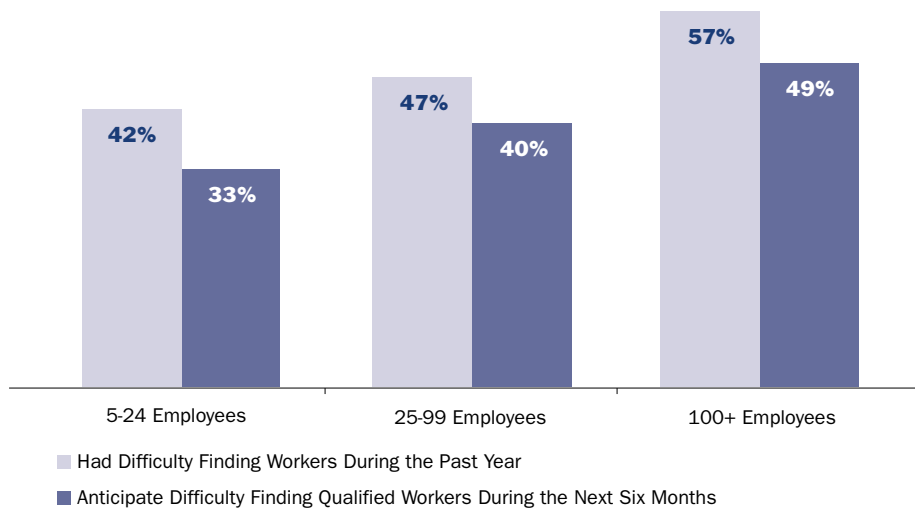


figure is true for workers as well. Workers are more likely than employers to think that their employers bear the responsibility (23% and 14%, respectively). Relatively few workers or employers think that government is chiefly responsible for education and training (12% and 8%, respectively), but 16% of employers see a role for all three stakeholders. In contrast, only 6% of workers think that job training is the equal responsibility of employers, workers and government.<sup>6</sup> Employers in the finance/insurance/real estate fields are the most likely to say that workers are primarily responsible for their continuing education and job training, while manufacturers and those in service industries are the least likely (53% and 42%, respectively).

When asked who they think should be primarily responsible for paying for further education and skill training, workers see even less of a role for themselves and employers, and a greater role for government. Among workers, 37% think that the individual who receives the training should pay, while 17% believe employers should foot the bill. More than one-fourth (27%) say that government is responsible for pay-

ing for continuing education. In this new economy, both employers and workers recognize the importance of life-long learning to success in the workplace, but confusion exists as to who should provide this educa-

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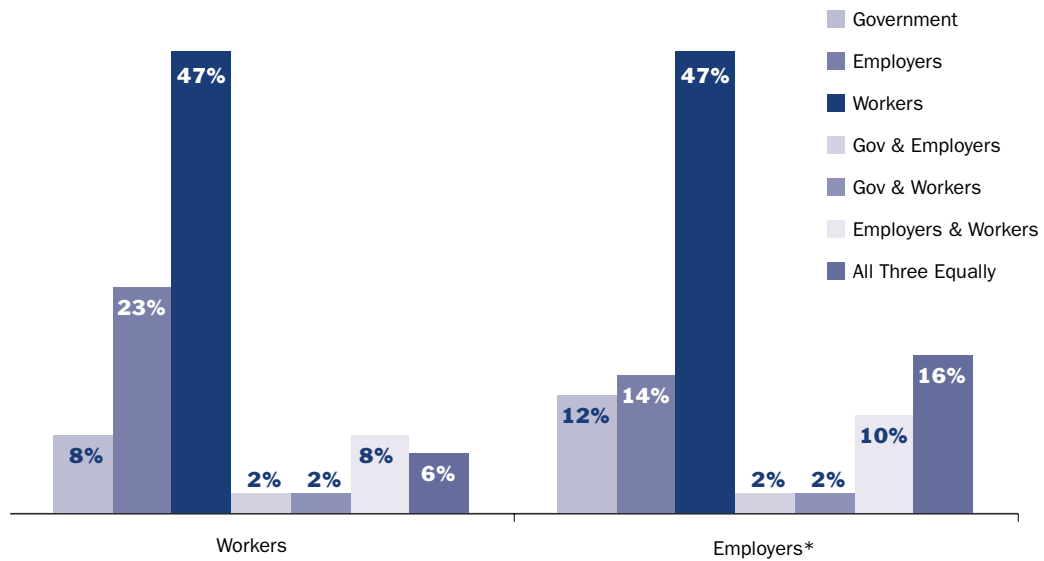
tion, and who should pay for it. Workers acknowledge their responsibility to engage in education and training opportunities, but it is clear that workers believe that employers and government have a role to play in providing and paying for such opportunities.

Many employers complain that there are not enough workers with the skills they

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<sup>6</sup> *Who Will Let The Good Times Roll?*, September 1999

Fig. 3.3: Who Is Responsible for Education and Training?



\* Who Will Let the Good Times Roll?, September 1999

need, but they are divided as to how willing they are to pay for or provide education and training. The current economic climate is giving some employers pause when it comes to providing their employees with education

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and training. While more than half (53%) of employers say that they are as likely now to pay for or provide continuing training and education, 22% of employers say they are less or not at all likely to provide such opportunities. An equal number (22%) of employers say they are more likely, in the current economic climate, to pay for or provide their employees with continuing education and training.

Willingness to provide continuing education and training to employers varies by industry and company size. While only 15% of retail trade employers say they are more likely to train and educate their workers,

27% of finance/insurance/real estate employers say they are likely to continue to provide or pay for employee training. Nearly one-third (32%) of companies that employ 100 or more employees say they are more likely, in the current economic climate, to pay for or provide continuing education and training of their employees, compared to 20% of companies with 25-99 employees and 19% of companies with 5-24 employees.

Past recruitment experiences influences an employer's likelihood of providing workers with additional education and training. Among employers who say they are much more likely to provide training in the current economic climate, 70% indicate that in the past year they experienced difficulty in finding enough qualified workers. Similarly, more than half (51%) of these employers anticipate difficulty finding qualified workers in the next year. In contrast, only 43% of those employers who say they are not at all likely to pay for continuing education and training say they had difficulty finding workers in the past year, and only 22% anticipate difficulty in the next year.

## Appendix 1: Methodology

The survey was drawn from 501 interviews with businesses from December 3rd through December 7th, 2001. Businesses were selected randomly from a database of all businesses throughout the continental United States. Businesses with fewer than 5 employees were left off the sample. Colleges, Universities and government offices were ineligible to participate.

The eligible respondent was the personnel director, human resources director, or other person in charge of hiring for their respective company. The average length

of the survey was 9 minutes. The sample error is +/- 4.38% at the 95% confidence level.

The sampling frame used in the Employer Work Trends report yields a representative sample of the nation's employers. Consistent with common practice in survey research of employers, the sample frame for Employment Work Trends excludes firms with fewer than 5 employees. In addition to being difficult to contact, employers with fewer than 5 employees are often self-employed individuals and consultants and are not representative of employers that hire

full-time workers or make policies affecting an actual workplace. Looking at the population of workers in the United States, only 5% of workers are employed by employers with fewer than 5 employees. In addition, the sampling frame excludes public sector employers (governments and institutions of higher education) so that the results reflect the perceptions and actions of private employers.

## Appendix 2: Survey Results

Hello, my name is \_\_\_\_\_ and I'm calling from Braun Research, Inc. We are conducting a brief national survey of employers regarding the American workforce and the events of September 11, 2001.

I have a few questions about the terrorist attacks against the United States that took place on Tuesday, September 11, 2001.

**Q1. Thinking now about your company as a whole, have the terrorist attacks resulted in more work for your business, less work for your business or haven't they affected the amount of work for your business one way or another?**

N=501

More work—GO TO Q2a	8%
Less work—GO TO Q2	27%
No impact—GO TO Q3	63%
DK/Ref	2%

**Q2. Please tell me which of the following things, if any, have happened at your workplace since the terrorist attacks**

N=136

Laid off workers	27%
Reduced overtime	26%
Reduced hours	15%
Instituted hiring freeze	6%
Reduced pay	0%
Reduced benefits—what kind	0%
Other	4%
DK/Ref	15%

**Q2a Please tell me which of the following things, if any, have happened at your business since the terrorist attacks**

N=40

Hired more workers	28%
Increased overtime hours	15%
Others	18%
DK/Ref	40%

**Q3. How concerned are you that the terrorist attacks will cause a decline in work for your company within the next six months? Are you extremely concerned, very concerned, somewhat concerned, not too concerned, not concerned at all, or not concerned at all?**

N=501

Extremely concerned	6%
Very concerned	8%
Somewhat concerned	30%
Not too concerned	29%
Not concerned at all	26%
Don't know	1%
Refused	0%

**Q4a. Do you anticipate that the slowing economy will cause economic problems for your business or organization?**

N=501

Yes (Go to Q4b)	60%
No (Go to Q5)	37%
DK/refused	3%

**Q4. If the economy continues to experience problems for another six months, what steps if any, do you anticipate will be needed at your business? Read list**

N=318

Lay off workers (Go to Q5)	38%
Reduce overtime	17%
Reduce hours	11%
Institute hiring freeze	8%
Reduce pay	1%
Reduce benefits, such as health insurance or paid vacation	0%
Other	7%
No changes	18%

**Q5. In order to avoid lay-offs, what strategies would you consider to deal with an economic slow down that allow your employees to retain their jobs?**

N=501

Eliminate overtime	44%
Institute a salary freeze	6%
Reduce your own salary	4%
Force workers to take unpaid time off	2%
Slow or decrease production	3%
Hold off on upgrading or purchasing new equipment or technology	19%
DK/ref	22%

**Q6. I am going to read you a list of new security policies that some firms have instituted recently. For each one, please tell me whether you have or have not instituted the policy in your firm?**

**Q6a. Safeguards and procedures for handling suspicious mail**

N=501

Yes	45%
No	54%
DK/Ref	1%

**Q6b. Employees issued ID cards needed for admittance into workplace**

N=501

Yes	11%
No	88%
DK/Ref	1%

**Q6c. Screening of bags/briefcases for all employees before entering the workplace**

N=501

Yes	4%
No	95%
DK/ref	1%

**Q6d. Extra security guards hired**  
N=501

Yes	5%
No	95%
DK/ref	0%

**Q6e. Access to mailroom restricted**  
N=501

Yes	11%
No	88%
DK/ref	1%

**Q6f. Metal detectors erected**  
N=501

Yes	2%
No	98%
DK/ref	0%

**Q6g. No new policies have been introduced**  
N=501

Yes, policies introduced	16%
No	83%
DK/Ref	1%

**Q6h. New protocols for accessing company databases**  
N=501

Yes	12%
No	86%
DK	2%

**Q6i. Drills on evacuation procedures**  
N=501

Yes	23%
No	76%
DK	0%

**Q7a. How concerned are you about the threat of bioterrorism, such as anthrax, to employees of your business?**  
N=501

Very concerned	10%
Somewhat concerned	28%
Not very concerned	35%
Not at all concerned	26%
DK/refused	1%

**Q7b. Where are you getting information about how to respond to bioterrorism, such as Anthrax?**  
Open-ended

**Q7c. How much attention is your organization paying to national security alerts published by the FBI?**  
N=501

A lot	19%
Some	25%
A little	26%
None at all	25%
DK/refused	5%

**Q7d. Has your company restricted employer air travel in any way as a result of the terrorist attacks?**  
N=501

Yes	8%
No	89%
DK/ref	2%

**Q7e. In how many months do you anticipate travel procedures to return to normal**  
Open ended

**Q7f. Has your company offered additional services to employees to deal with stress brought on by the terrorist attacks and the potential for future attacks?**  
N=501

Yes	13%
No	86%
DK/ref	1%

**Section: Economic Issues**

I am going to read you a list of some economic issues. For each one, please tell me whether you are very concerned, somewhat concerned, not too concerned, or not at all concerned about it.

**Q8. The state of the economy**  
N=501

Very concerned	36%
Somewhat concerned	48%
Not too concerned	10%
Not concerned at all	5%
DK/ref	0%

**Q9. Job security for those currently working**  
N=501

Very concerned	28%
Somewhat concerned	39%
Not too concerned	15%
Not concerned at all	18%
DK/ref	1%

**Q10. Your own job security**  
N=501

Very concerned	20%
Somewhat concerned	21%
Not too concerned	20%
Not concerned at all	39%
DK/ref	0%

**Q11. The current unemployment rate.**  
N=501

Very concerned	25%
Somewhat concerned	47%
Not too concerned	13%
Not at all concerned	13%
DK/ref	1%

**Q12. Would you say you are now more concerned about some of these issues than you were this time last year?**  
N=501

Yes, more concerned	79%
Just as concerned	12%
No, less concerned	8%
DK/refused	1%

**Section: Worker Recruitment, Skills, Etc.**

**Q13. In the past year, did you experience difficulty in finding qualified workers to fill job at your business?**

	N=501
Yes	46%
No	53%
DK/Ref	1%

**Q14. In the next year, do you anticipate difficult in finding qualified workers to fill jobs at your business?**

	N=501
Yes—Go to Q15	29%
No	68%
DK/Refused	3%

**Q15. Why do you think you will have difficulty in finding enough qualified workers?**

	N=145
Not enough workers with the skill requirements to fill high-level positions	36%
Not enough lower-skilled workers to fill entry-level positions	14%
Salaries at my business are not competitive with others in my industry	4%
The work at my business is physically demanding	5%
Other	37%
DK/Refused	5%

**Q16. If the current economic slowdown continues for another six months, do you anticipate that it will be easier or harder to find qualified workers for your business or do you expect it will remain the same?**

	N=501
It will become easier to find qualified workers	38%
It will become more difficult to find qualified workers	8%
It will remain the same	53%
DK/refused	2%

**Q17. Do you think this is a good time or a bad time to find a quality job?**

	N=501
Good time	28%
Bad time	62%
DK/refused	9%

**Q18. In order to advance to better jobs, many workers need education and training beyond formal schooling. Who should be primarily responsible for this training and education? The government, employers or workers themselves?**

	N=501
The government	8%
Employers	14%
Workers	47%
Government and employers	2%
Government and workers	2%
Employers and Workers	10%
All three equally	16%
Other	0%
DK/ref	1%

**Q19. In the current economic climate is your firm more or less likely to pay for or provide continuing education and training of your employees?**

	N=501
Much more likely	12%
Somewhat more likely	10%
About the same	53%
Somewhat less likely	9%
Not at all likely	13%
DK/refused	3%

**Section: Demographics**

**ID1. Now, I just have a few questions for classification purposes.**

**I am going to read you a list of general activities undertaken by firms, please tell me the one that most closely corresponds to the primary work done by your business (Read choices)**

	N=501
Agriculture, Forestry, Fishing	3%
Mining	1%
Construction	5%
Manufacturing	13%
Transportation, Communications, Electric, Gas, and Sanitary Services	7%
Wholesale Trade	4%
Retail trade	17%
Finance, Insurance, and Real Estate	12%
Services	20%
Public Administration	0%
Other (specify)	18%
DK/ref	0%

**D2. Which best describes your business or organization? Is it a...(Read choices 1-4)**

	N=501
Private, for profit business	93%
A non-profit organization	6%
Other (specify)	0%
DK/ref	1%

**D3. How many people does your organization or company employ? (Read choices)**

	N=501
Less than 25 people	60%
25-99 people	19%
100-249 people	9%
to 499	3%
500 or more people	8%
DK/ref	1%

**D4. For how long has your company or organization been in business**

N=501

<i>0-5 years</i>	<i>17%</i>
<i>6-10 years</i>	<i>14%</i>
<i>11-15 years</i>	<i>9%</i>
<i>16-20 years</i>	<i>9%</i>
<i>20+ years</i>	<i>49%</i>
<i>DK/refused</i>	<i>1%</i>

**D5. In what state is your business located?**

*List States*

**Thank you for your time and cooperation. That's all the questions I have.**

**D10. Record Gender**

N=501

<i>Male</i>	<i>51%</i>
<i>Female</i>	<i>49%</i>





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