



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

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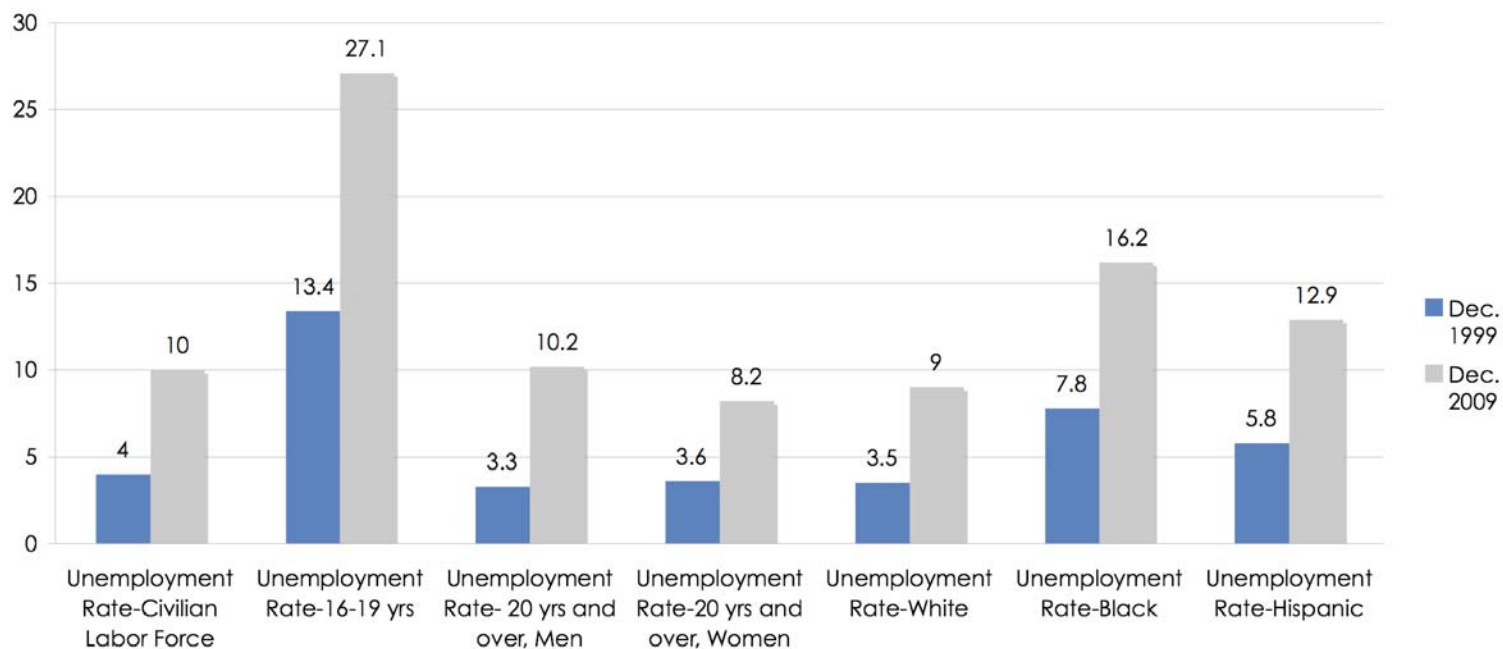
## The Katrina of Recessions

- 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**

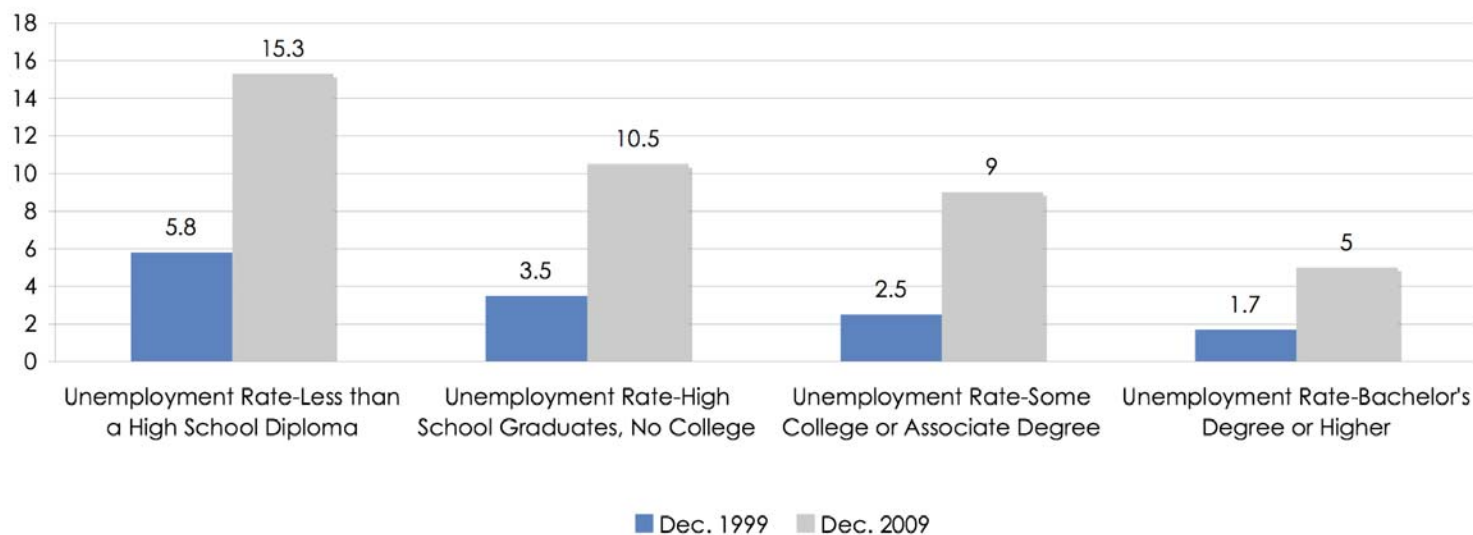


Source: U.S. Census Bureau, Current Population Survey, December 2009; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics Program, December 2009.

## 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**

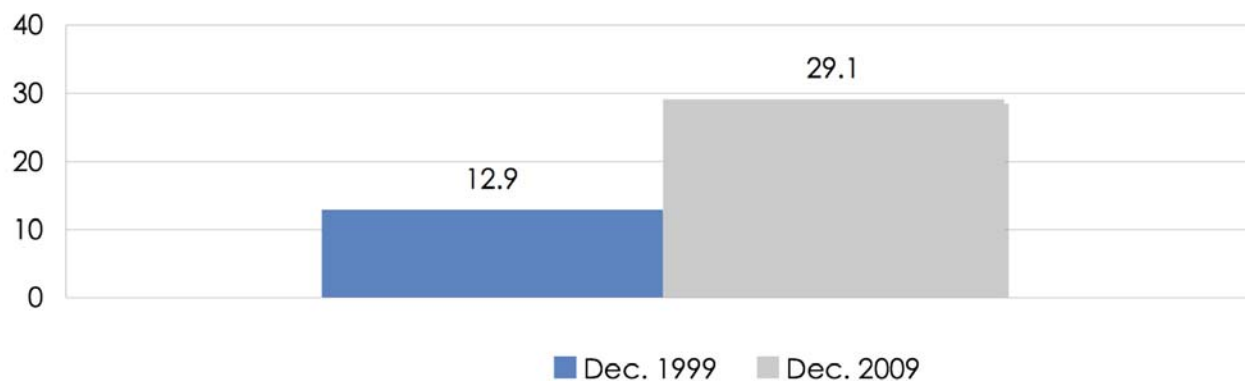


Source: U.S. Census Bureau, Current Population Survey, December 2009; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics Program, December 2009.

## 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.

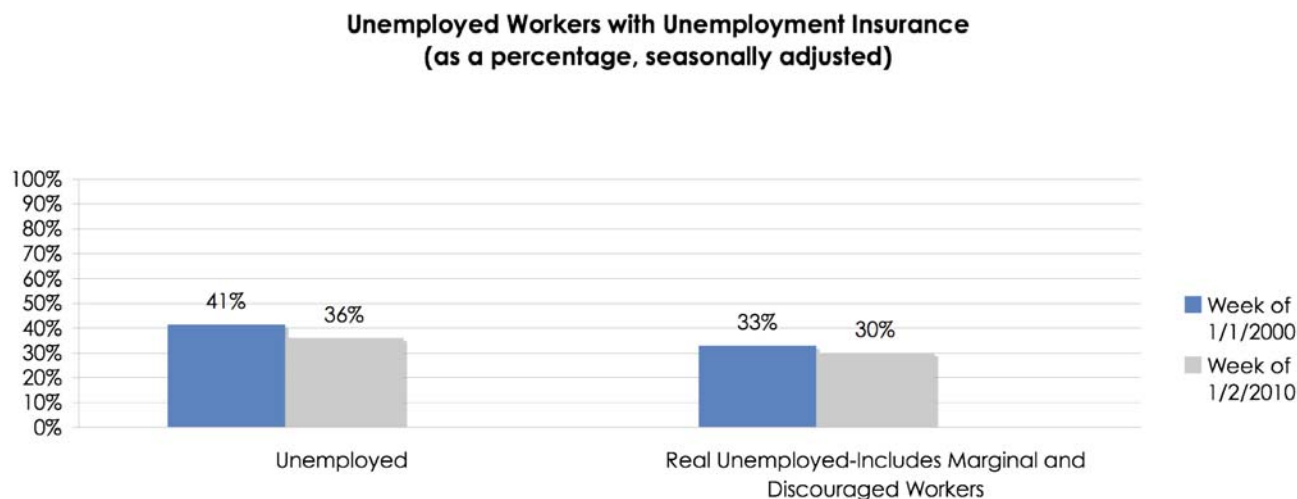
**Average Number of Weeks Workers are Unemployed**



Source: U.S. Census Bureau, Current Population Survey, December 2009.

## 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.



Source: U.S. Department of Labor, Employment and Training Administration, Unemployment Insurance Weekly Claims Report.

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

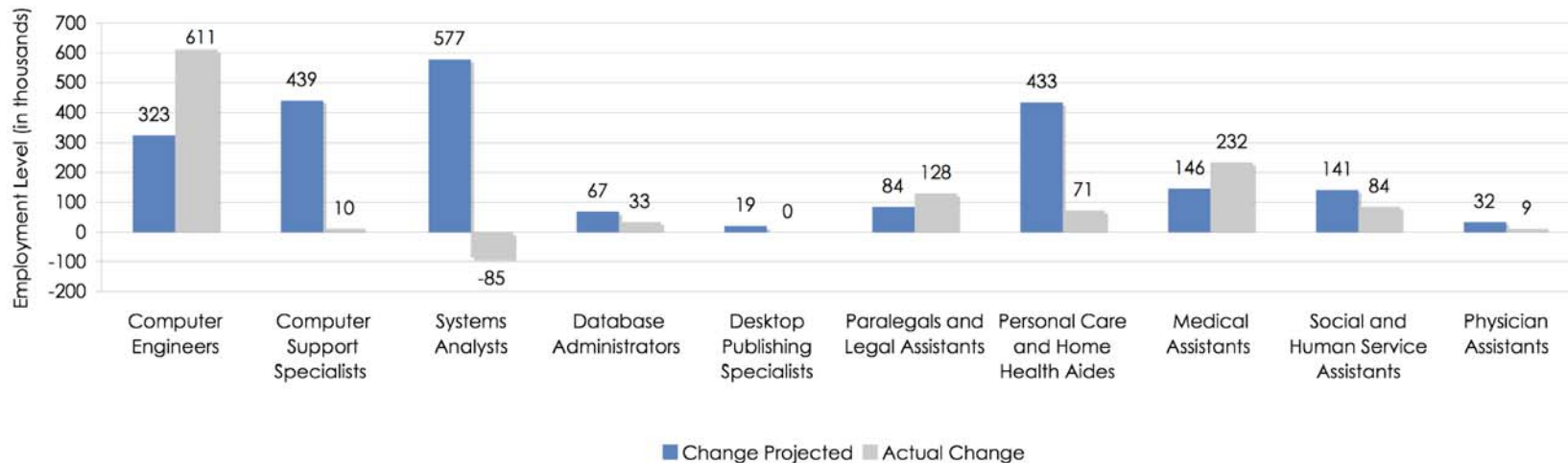
### Early 21st Century

- 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.

Fastest Growing Occupations: As Projected in 1998 through 2008, Against Actual Employment Level in 2008



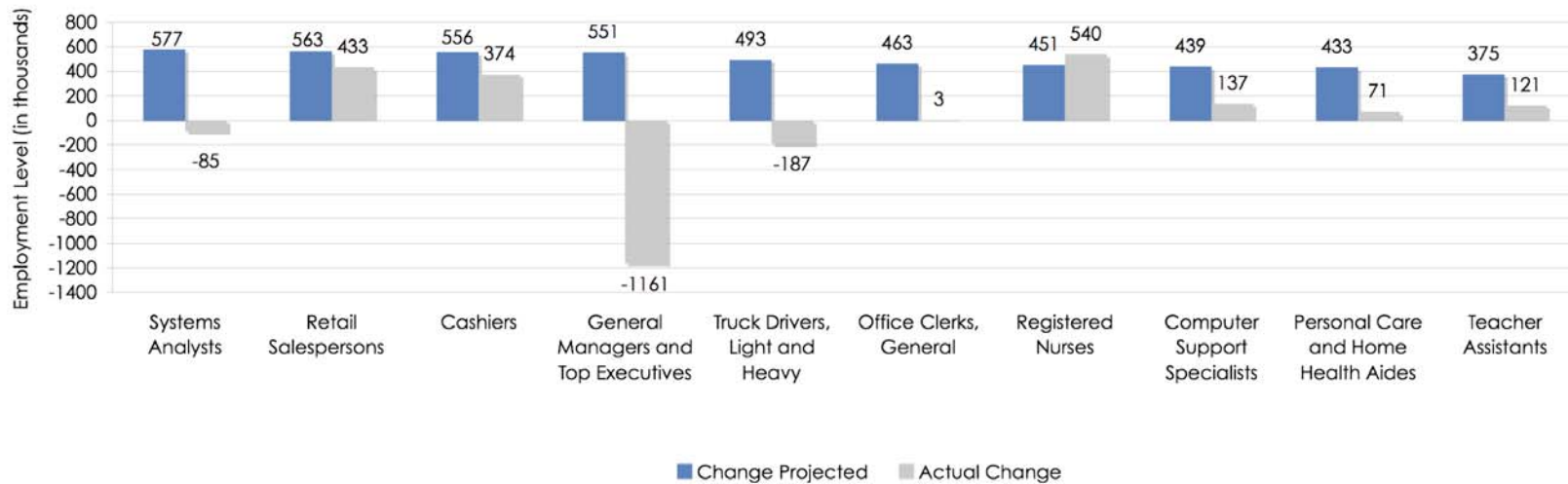
Source: U.S. Bureau of Labor Statistics, Employment Projections Program, Employment Projections 1998-2008, news release, November 30, 1999.



## 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.

Occupations Projected to Experience the Largest Job Growth from 1998-2008, Against Actual Growth to 2008

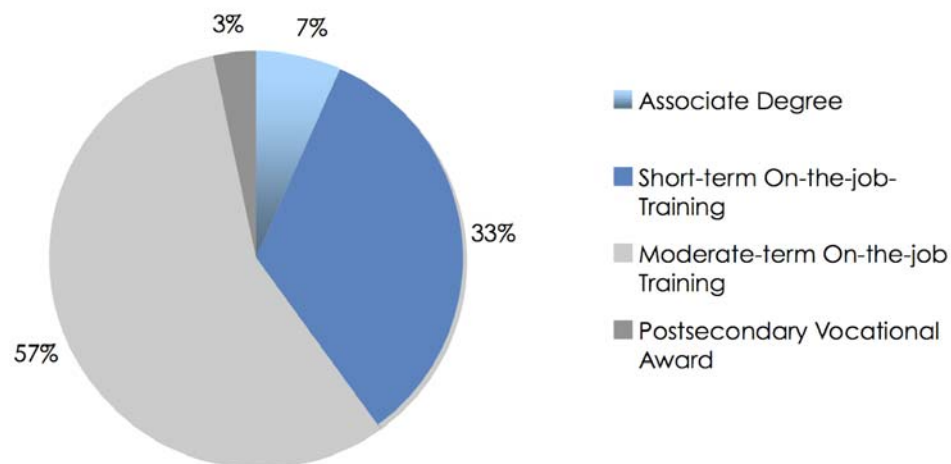


Source: U.S. Bureau of Labor Statistics, Employment Projections Program, Employment Projections 1998-2008, news release, November 30, 1999.

## 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.

**Most Significant Source of Postsecondary Education Required for the 30 Occupations with the Largest Employment Growth Projected, 2008-2018**

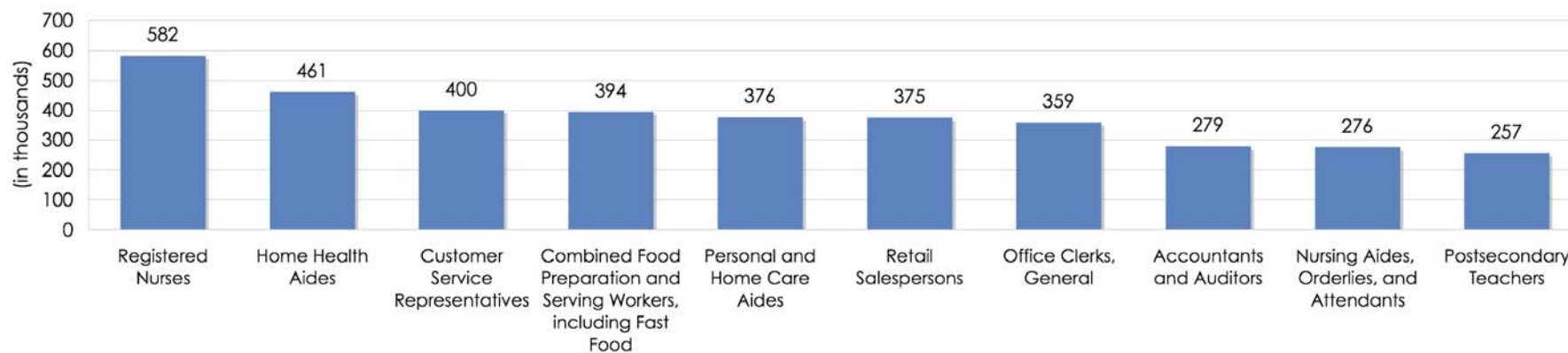


Source: U.S. Bureau of Labor Statistics, Employment Program, Employment Projections 2008-2018, news release, December 11, 2009.

## 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

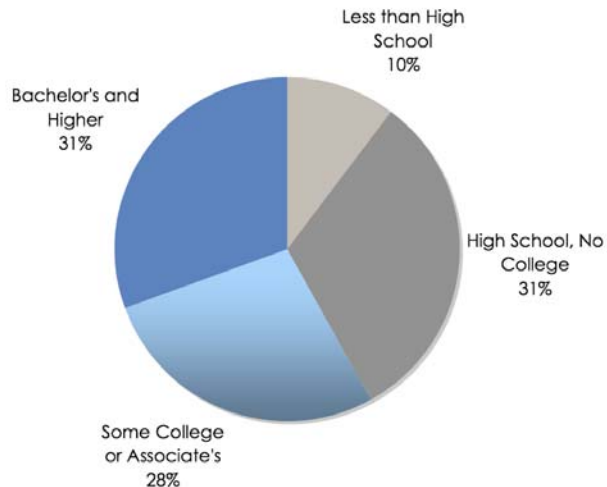


Source: U.S. Bureau of Labor Statistics, Employment Program, Employment Projections 2008-2018, news release, December 11, 2009.

## College Graduates: Is there Room for Everyone?

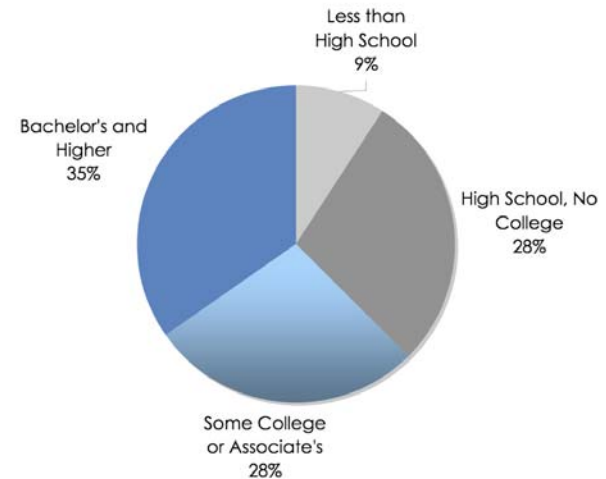
The projected retirement of many Baby Boomers during the 1998-2008 period was expected to create enough room in the labor market for the large number of college graduates predicted to enter the labor force over that period. Baby Boomers, however, have remained in the labor force longer, college graduates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

The Labor Force, December 1999



"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."  
 - "The outlook for college graduates, 1998-2008: A balancing act," *Occupational Outlook Quarterly*, Bureau of Labor Statistics, Fall 2000.

The Labor Force, December 2009



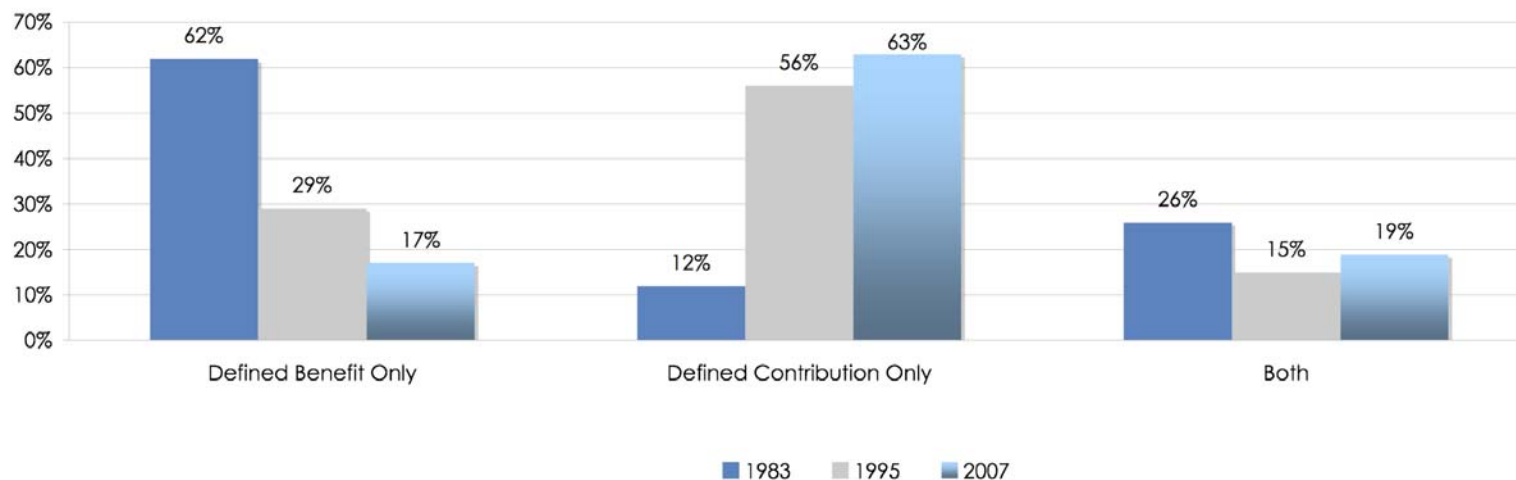
"As the sour economy dries up employment prospects, more than four-in-ten nonworking people say they have tried without success to find a job. At the same time, nearly four-in-ten employed adults ages 62 and older say they bad economy has forced them to delay their retirement plans."  
 - *Recession Turns Graying Office Grayer: America's Changing Workforce*, Pew Research Center, September 2009.

Source: U.S. Census Bureau, Current Population Survey, December 2009.

## An Uncertain Retirement Income

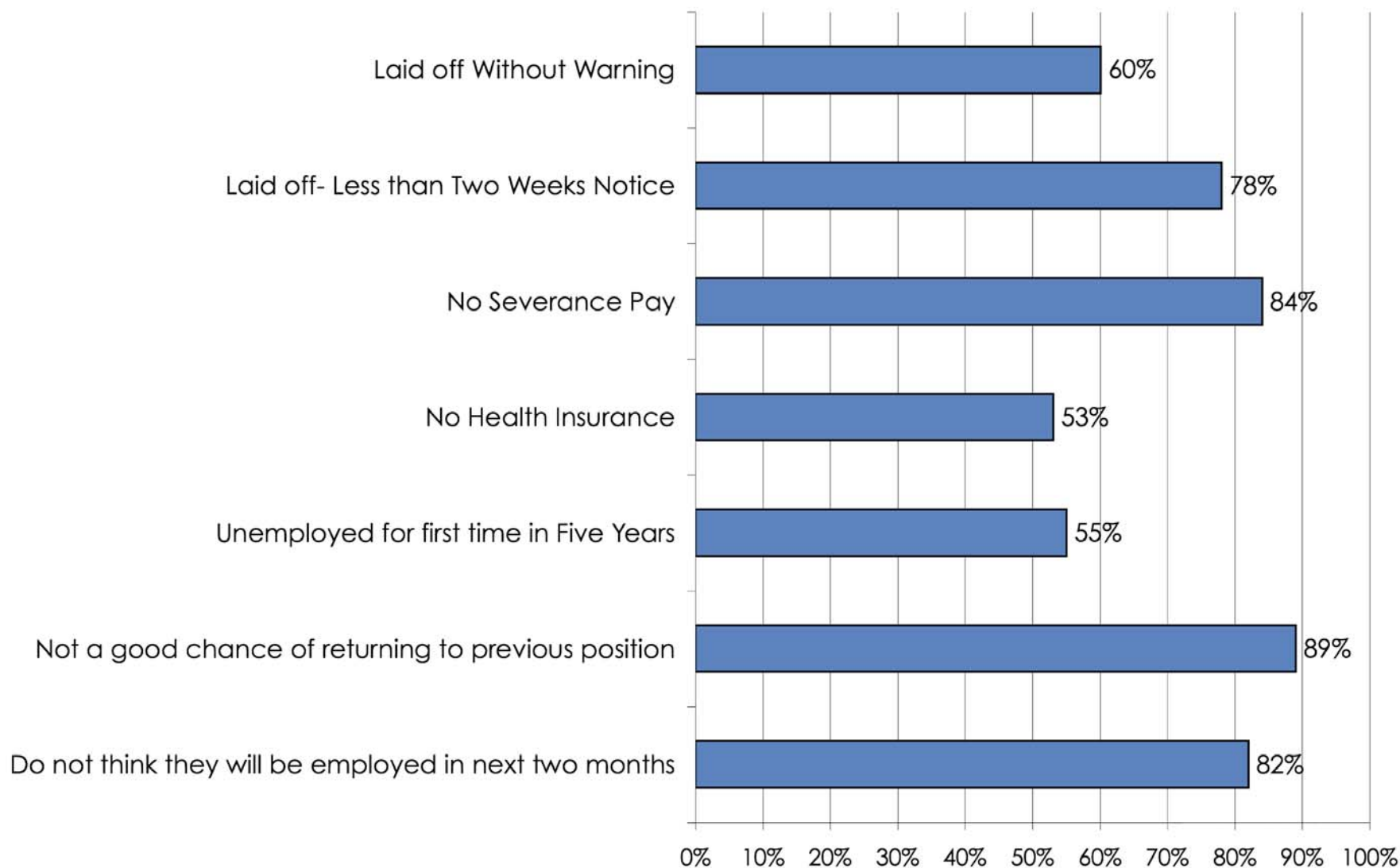
In 1983, the majority of workers with a pension plan had a “Defined Pension Plan,” guaranteeing set benefits upon retirement for life. In 2007, the majority of workers had a “Defined Contribution Plan,” which has no guaranteed benefits but rather depends on contributions to and investment earnings on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

**Workers with Pension Coverage, by Pension Type, 1983, 1995, and 2007**



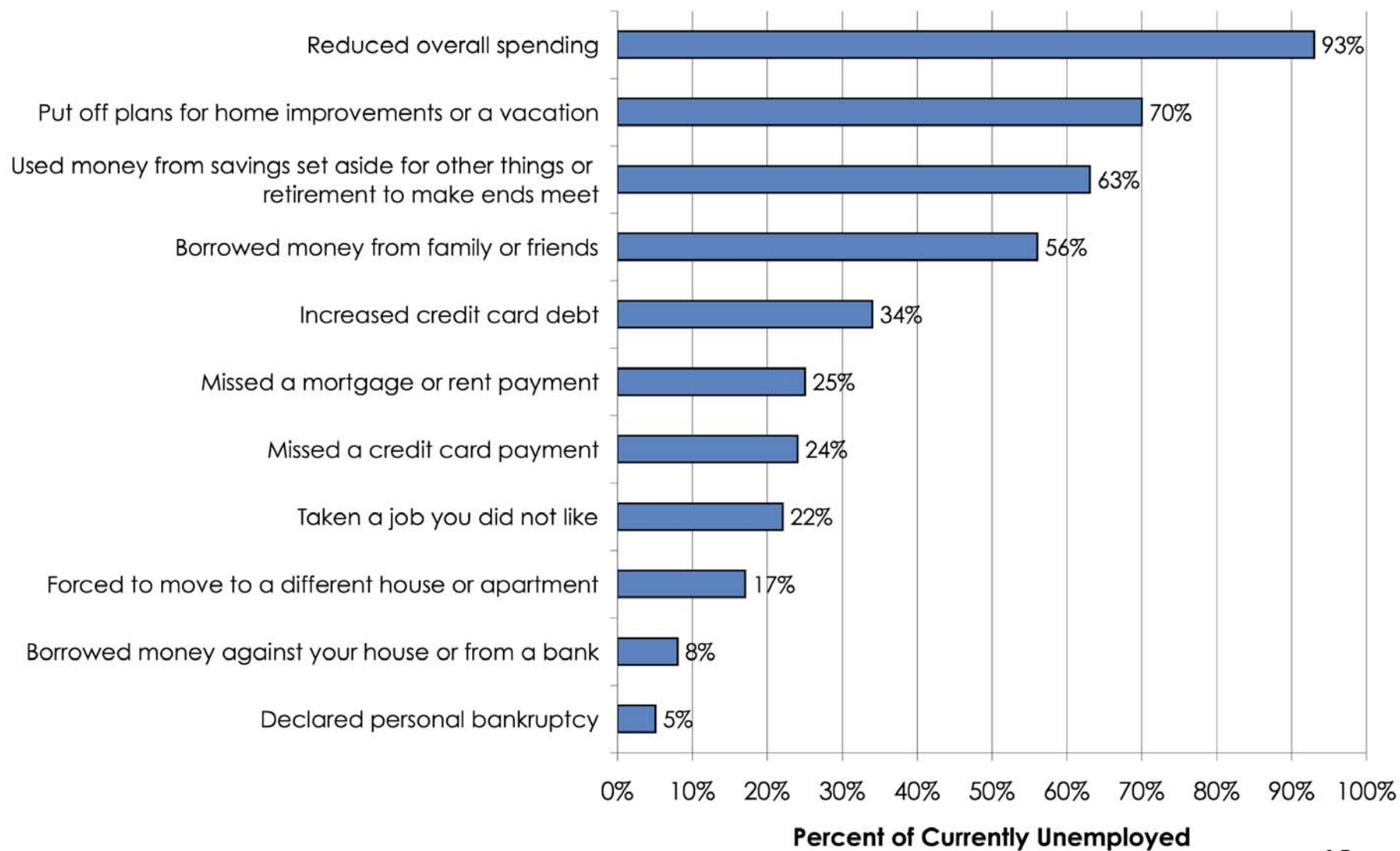
*Source: Center for Retirement Research at Boston College, calculations based on data from the U.S. Board of Governors of the Federal Reserve System Survey of Consumer Finances (various years).*

**The Unemployment Experience**



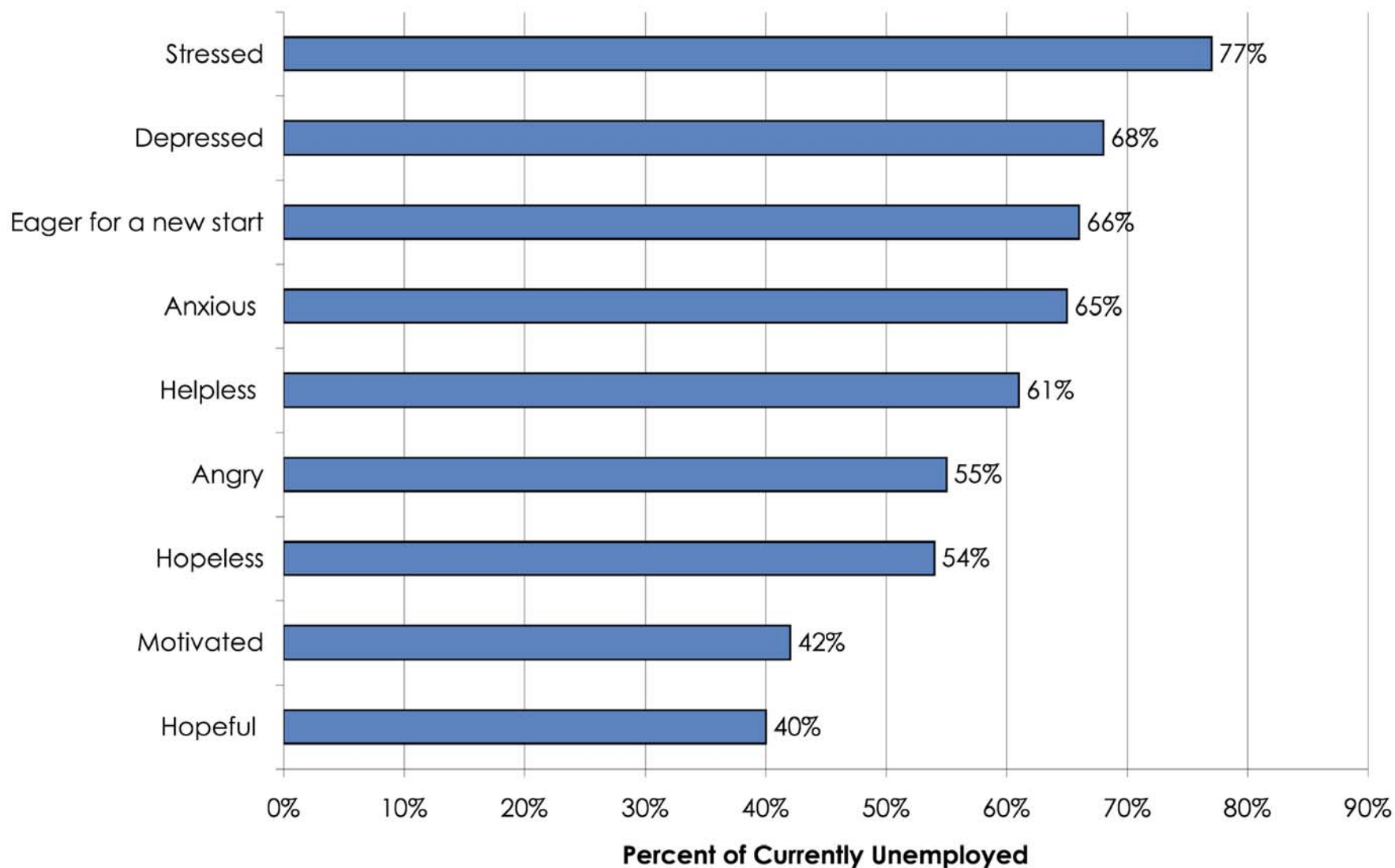
Source: Van Horn, C., and Zukin, C., "The Anguish of Unemployment," New Brunswick, NJ: John J. Heldrich Center for Workforce Development, Rutgers University, September 2009.

Financial Impacts of Unemployment



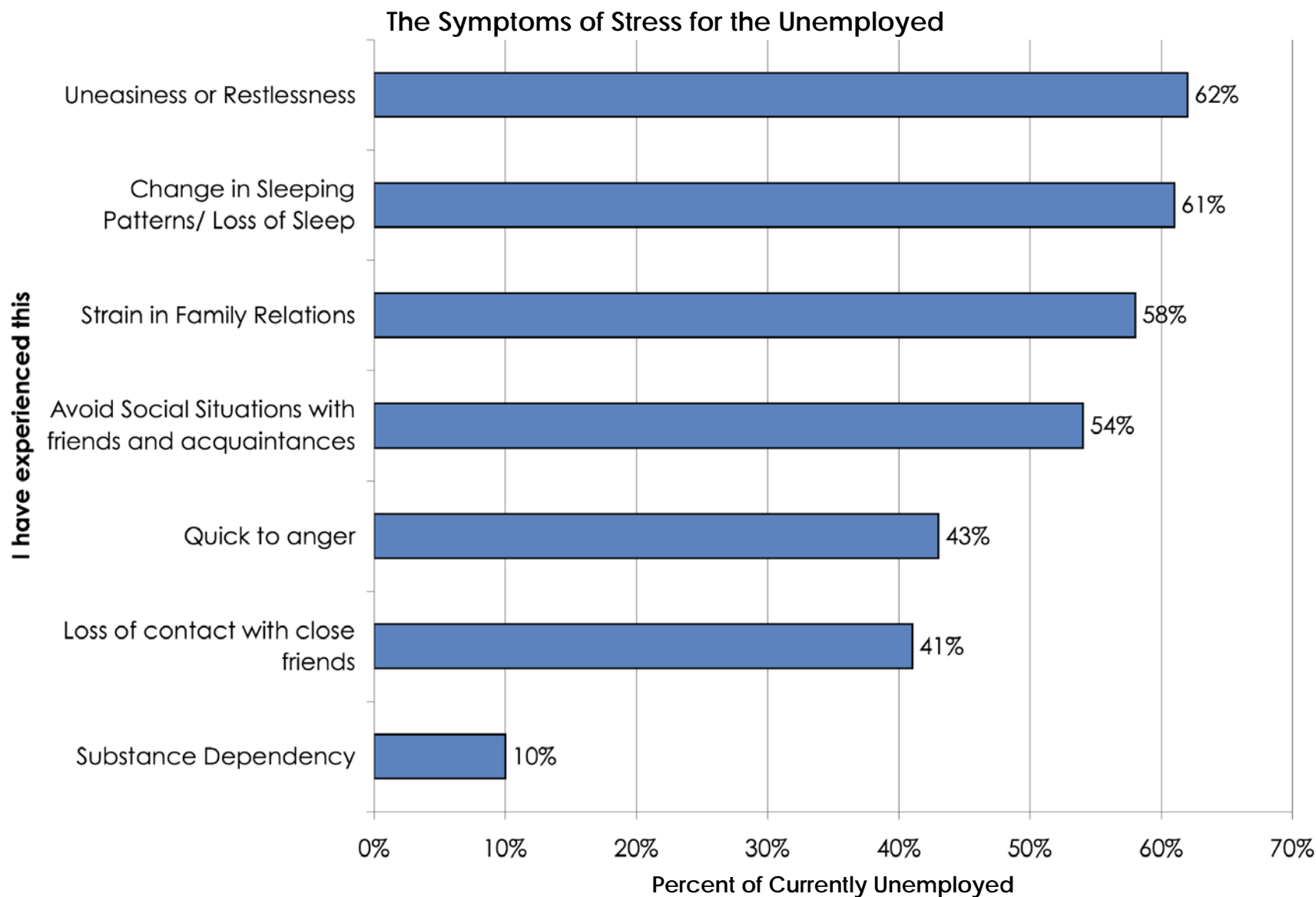
Source: Van Horn, C., and Zukin, C., "The Anguish of Unemployment," New Brunswick, NJ: John J. Heldrich Center for Workforce Development, Rutgers University, September 2009.

**The Personal Impact of Unemployment**



Source: Van Horn, C., and Zukin, C., "The Anguish of Unemployment," New Brunswick, NJ: John J. Heldrich Center for Workforce Development, Rutgers University, September 2009.





Source: Van Horn, C., and Zukin, C., "The Anguish of Unemployment," New Brunswick, NJ: John J. Heldrich Center for Workforce Development, Rutgers University, September 2009.

## 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.

*Source: Van Horn, C., and Zukin, C., "The Labor Market, Then and Now: Changing Realities in the 21st Century," New Brunswick, NJ: John J. Heldrich Center for Workforce Development, Rutgers University, February 2010.*

## The Enduring Legacy of the State Fiscal Crisis

“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

*Source: Scheppach, R., “The State Fiscal Outlook: The New Normal,” remarks at the 2009 Caplin Conference on the World Economy, December 10, 2009.*

## 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