

Study documents desperate conditions facing the unemployed in America

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A study published Friday by Rutgers University documents the desperate situation facing millions of American workers who lost their jobs in the recession that began four years ago. The survey of laid-off workers, conducted by the John J. Heldrich Center for Workforce Development at Rutgers, found that only 22 percent of those who lost their jobs between August 2008 and August 2009 were working full-time as of August 2011.

Just 7 percent of the unemployed initially contacted by the Heldrich Center in the summer of 2009 say they have regained their previous income level. Another 23 percent say they are on their way back, having experienced a minor downward change in their quality of life that they believe to be temporary.

But a full 36 percent speak of “cataclysmic effects” of the recession and prolonged unemployment, including 21 percent whom the report’s authors consider to have been “devastated” and another 15 percent “who appear to have been *wrecked* by the recession.” (Emphasis in the original). The former category includes those in poor financial shape who have suffered a major decline in their standard of living, even if they believe it to be temporary. The latter comprises workers who are in poor financial shape, have suffered a major decline in lifestyle and believe the new state of affairs to be permanent.

Forty-seven percent of those surveyed say their personal financial situation is in “poor shape,” 58 percent say the economic crisis has had a “major impact” on themselves and their families, and 41 percent believe that the impact on their standard of living will be permanent.

The study found that the crisis has taken its biggest toll on those with no college education, 46 percent of whom have been “devastated” or “wrecked.” However, nearly a quarter (24 percent) of college graduates in the survey have likewise been “devastated” by the jobs crisis.

The age group most severely impacted consists of workers between the ages of 45 and 59, 48 percent of whom have been devastated. Close behind are laid-off workers aged 30 to 44, 43 percent of whom have been devastated by the

crisis.

An indication of the toll—economic, social and psychological—of the slump on the unemployed is given by the responses to questions concerning the experiences of workers in the different categories. Eighteen percent of “recovering” workers sold possessions to make ends meet; 41 percent of those in a middle category called “downsized” sold possessions, as did 66 percent of those “devastated” by the crisis. Large percentages in each of these categories borrowed money from family or friends, including half of those “recovering” and two-thirds of those “devastated.”

Those surveyed commonly cut back on medical visits and reduced spending on food “so much it affects daily life.” In all of the categories, excluding the 7 percent who had “made it back,” a majority of respondents reported “strain in family relations,” including 60 percent of the downsized workers and 79 percent of the devastated workers.

The authors of the study, entitled “Categorizing the Unemployed by the Impact of the Recession”, surveyed 1,202 people who had been laid off between August 2008 and 2009, then asked the group the same questions in March 2010, November 2010 and August 2011.

Cliff Zukin, a professor of public policy and political science at Rutgers and one of the authors of the report, said, “The news is strikingly bad.” He went on to say that the data from the survey provided “a tremendous impression of dislocation and pain and wasted talent.”

Neither President Obama nor any other member of his administration has even mentioned the Rutgers report. Instead, Obama on Friday hailed the Labor Department employment report for November released the same day. That report showed a tepid increase in US payrolls and a 0.4 percent decline in the official jobless rate, caused by a mass exodus of 315,000 discouraged workers from the labor force.

It also showed that the average duration of unemployment had hit a new record of 40.9 weeks in November and the portion of the unemployed out of work for more than six months had increased to 43 percent. *Bloomberg*, citing

Labor Department statistics, reported that 12 million people in the US were out of work and receiving no benefits in November, an increase of nearly 700,000 from the previous year.

The mass media have barely reported the Rutgers report, reflecting the callous indifference of the entire political establishment to the social devastation resulting from the jobs crisis and the policies of the government and both big business parties.

The Rutgers study is only the latest in a series of reports documenting growing poverty and social inequality and widespread social misery in the United States. Last month, the Census Bureau released a new measurement of poverty that increased the estimate of the number of poor people in the US to 49 million. Earlier the same month, a study by the Brookings Institution found that Americans living in high-poverty neighborhoods increased by one third over the past 10 years.

In October, Gallup released a poll showing that the portion of Americans who did not have enough money to buy adequate food in the past 12 months grew from 9 percent to 19 percent between 2008 and 2011. This figure was three times higher than in China, where only 6 percent of people reported not having enough money for food in the same period.

Also in October, the Congressional Budget Office reported that the richest 1 percent of US households nearly tripled their income between 1979 and 2007 and doubled their share of the national income.

These conditions are not merely the result of impersonal forces. They are the product of definite policies pursued by successive US administrations, Democratic as well as Republican, in behalf of the narrow and selfish interests of the corporate-financial elite. The Obama administration has intensified the ruling class assault on the living standards of the working class carried out by previous administrations.

Obama has rejected any serious policies to provide jobs or real relief for the unemployed, while devoting his administration's efforts to bailing out the financial aristocracy and ensuring its further enrichment. This has included a policy of wage cutting, initiated with the forced bankruptcy of General Motors and Chrysler, and support for brutal cuts in social services, jobs, wages, health benefits and pensions at the state and local levels.

The result has been a sharp fall in labor costs and a surge in corporate profits. Since 2008, labor costs have fallen by over 3 percent, according to Bureau of Labor Statistics data. By comparison, in the postwar period unit labor costs on average increased 3 percent per year.

In the midst of the greatest economic downturn since the Great Depression, corporate profits have risen every year

since 2008. In 2009 they were up by 12.6 percent and in 2010 by 19.0 percent. They are on course to hit a new record this year.

The next step is a frontal assault on the core social programs that remain—Medicare, Medicaid, Social Security, food stamps—as part of the drive to make the working class pay for the plundering of the state treasury in the multitrillion-dollar bailout of Wall Street.

In 2009, the *World Socialist Web Site* wrote that “the current government-corporate offensive is aimed at fundamentally restructuring class relations in the US. There is to be no return to the conditions that existed prior to the current economic crisis. The aim is nothing less than the destruction of all that remains of the gains won by previous generations of workers and the impoverishment of the entire working class.”

This analysis has been completely vindicated by events. The Obama administration, acting in behalf of the capitalist class, is utilizing the crisis precipitated by the parasitic and criminal operations of the banks to carry out a social counterrevolution. The conscious aim is to destroy all of the past social gains of the working class.

The Occupy Wall Street protests, which are an initial expression of deep-rooted anger and mounting hostility toward capitalism among broad sections of the population, anticipate the emergence of mass working class struggles. They have been met with brutal repression by local governments headed by Democratic as well as Republican politicians all across the country, carried out with the tacit support of the Obama administration.

This demonstrates that the fight against social inequality, poverty and the domination of the banks is a political fight against the capitalist state and all of its parties and representatives. The only way forward is the building of a mass socialist movement of the working class to break the grip of the financial oligarchy and place the corporations and banks under the democratic control of the people, so that production can be carried out to meet social needs, not private profit.



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