

One in five US workers laid off during the recession still unemployed

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More than one in five American workers who lost their jobs after the 2008 financial crash are still unemployed, according to a Rutgers University study on unemployment in the US released Monday. The study concludes that "one-third of Americans who experienced a period of long-term unemployment during the past five years can be said to have been 'devastated' because they reported a major and permanent change in their lifestyle."

The net effect of the 2008 crisis has been a significant fall in workers' wages and benefits. Among workers who lost their jobs since 2008 but were subsequently re-hired, 46 percent report that their new employer pays lower wages, while 21 percent report that their current job pays the same.

Insofar as the political establishment is concerned, the three million long-term jobless workers in the United States might as well not exist. The media, the Obama administration and the two big business parties ignore them. The Democrats, after proclaiming that restoring long-term jobless pay would be a "bookend issue" in the upcoming midterm elections, have completely dropped the matter.

And yet these three million people, some of whom have been sending out resumes and job applications every single month for years on end, make up a third of the 9.5 million officially unemployed people in America.

The great majority of the long-term unemployed receive no government social assistance, with less than one in ten getting either job training or job placement funded by the federal government.

"There is a popular perception that when people lose their jobs there is all sorts of government aid," Carl Van Horn, the author of the Rutgers University study, told the *World Socialist Web Site*. "Most of the long-

term unemployed are left to fend for themselves. They've lost income so they can't afford to invest in education and training. They don't have the skills to land a job, and they have no access to programs that will help them make that transition," he said.

The study's findings back up this assertion. Only 18 percent of unemployed people "took courses to help them improve their job search strategies," while only about 15 percent enrolled in training programs. This is largely because government funding for such programs is almost non-existent. Only nine percent of the long-term jobless say they have received government assistance in job placement, while only four percent said they participated in a government-funded job training program.

Dr. Van Horn, the director of the John J. Heldrich Center for Workforce Development at Rutgers, said that his study was unique in focusing on obtaining individual, detailed information on the long-term jobless. This approach allowed researchers to show that long-term unemployment affects a broader section of the population than might be expected.

"Fifty percent of the long-term unemployed are older than 44," Van Horn said. "There are almost as many who are college-educated as those who are not, and a third had above median income before losing their jobs," he said.

Asked to reply to claims that the long-term unemployed were holding out for better work, Dr. Van Horn replied categorically. "People don't hold out more than a few months. In the first several months of unemployment, they have a tendency not to accept a lower wage than they had before. But then their savings get depleted, and they take what they can get. Most of the long-term unemployed who took another job took a pay cut, and a third took a temporary job."

Van Horn said the long-term unemployed faced additional hurdles simply for being out of the workforce for an extended period. “The longer you are unemployed, the more likely it is that you get disconnected from the labor market in the sense that your skills are not up to date and your social network shrinks,” he said.

“Employers generalize about the long-term unemployed in a negative manner; they discriminate against them in the hiring process,” he added. “When employers look at resumes, people who have been unemployed long-term are half as likely to be called in for an interview.”

Van Horn added that many of the long-term unemployed were thrown into long-term unemployment because the industries they worked in have disappeared in the areas where they are located, noting in particular the heavy manufacturing and construction sectors. “People are actually not all that mobile, especially when they are 45 and up,” he said.

“When you’re unemployed, first you give up things that are optional, and then you give up things that are essential,” said Van Horn. The study found that more than 4 in 10 of the long-term unemployed and currently unemployed sold some of their possessions, and more than a third borrowed money from family or friends. Additionally, one third of the long-term unemployed moved in with friends and family.

The study also showed the traumatic impact of the cutoff of federal extended unemployment benefits at the end of last year, which was organized in a bipartisan maneuver that allowed both parties to skirt blame for cutting off the only cash benefits to millions of long-term unemployed people and their families.

Among workers who received unemployment benefits, 47 percent said they ran out before they were able to find another job. This figure is up from 21 percent in January 2013. “In almost every state, if you’re unemployed beyond 28 weeks you now get nothing,” concluded Van Horn.



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