

Socolow, David

From: Carl Vanhorn [vanhorn@rci.rutgers.edu]
Sent: Wednesday, September 02, 2009 3:17 PM
To: Socolow, David
Subject: The Anguish of Unemployment: A Heldrich Center Report

David, Wanted to give you a heads up on a report we released today that is embargoed for Thursday AM. It is the first national, random scientific survey of Americans who have lost their jobs in the last year. Today, we are just releasing the big picture findings, but of course, we have a lot more information on the demographics and so on. Hope you are well. Best, Carl

EMBARGOED UNTIL 12:01 A.M., THURSDAY, SEPTEMBER 3, 2009

Press Release

John J. Heldrich Center for Workforce Development
Rutgers, The State University of New Jersey

"The Anguish of Unemployment"
Nationwide Work Trends Survey of 1,200 Unemployed
U.S. Workers Reveals the Economic and Personal Costs
of Prolonged Joblessness

Advance Release to Media: Wednesday, September 2, 9:00 a.m. EST

Public Release Date: Thursday, September 3, 12:01 a.m. EST

Contact Dr. Carl Van Horn (vanhorn@rutgers.edu; 732-932-4100, ext. 6305) for further information or to schedule an interview.

The report can be downloaded at <http://bit.ly/2eJN9X>

A comprehensive national survey conducted among 1,200 Americans nationwide who have been unemployed and looking for a job in the past 12 months, including 894 who are still jobless, portrays a shaken, traumatized people coping with serious financial and psychological effects from an economic downturn of epic proportion.

The survey, conducted and released by the John J. Heldrich Center for Workforce Development, a research and policy center at Rutgers University, is one of the first and most comprehensive national scientific samples of unemployed Americans during the present recession. It provides an in-depth portrait of the social and economic experiences of unemployed Americans as they are occurring now.

The survey shows that the great recession of 2007-2009 may have long-lasting financial and psychological effects on millions of people, and therefore on the nation's social fabric. Two-thirds of respondents say they are depressed, over half have borrowed money from friends or relatives, and a quarter have skipped mortgage or rent payments. The survey gathered hundreds of verbatim comments from the unemployed, many of whom used raw, forceful language to describe harrowing financial and family problems.

The survey finds that **60% of the recently unemployed lost their jobs suddenly**, without advance warning. Eight in ten got two week's notice or less. Just 15% of the jobless received any severance, and virtually none were offered retraining. Three in four unemployed workers say the economic situation has had a **major** impact on them and their family.

Only 40% of the currently unemployed received unemployment insurance to help them weather the economic crisis and 83% of those who did receive aid are concerned that their benefits will run out before they find a job. Underscoring another important debate, only half of the jobless have health benefits.

More than half of the jobless think the changes in the economy will be fundamental and lasting, and when the unemployed are asked when the economy will recover, **only 20% believe it will do so in the next year.**

Over half of the unemployed have **lost their jobs for the first time**, while 4 in 10 had held the same job for three or more years. Nor do these veteran workers believe their employers will hire them back: 8 in 10 say they do not expect that they have much chance of returning to the place they once worked, **even though most workers (72%) held what they had thought were permanent jobs.**

Job loss is hitting more affluent workers and educated professionals hard - a metric of the recession's seismic impact. More than one in four of those who were unemployed for the first time earned \$75,000 or more in their previous job; one in four first-time unemployed workers have at least a four-year college degree. The project - part of the ongoing *Work Trends* series that has surveyed the American workplace since 1998 - is directed by two Rutgers University professors at the Heldrich Center for Workforce Development: Cliff Zukin is a senior fellow at the Heldrich Center and past president of the American Association for Public Opinion Research and Carl Van Horn is director of the Heldrich Center.

"Millions of unemployed Americans are suffering economic and personal catastrophes," Van Horn said. "This is not your ordinary dip in the business cycle. Americans believe that this is the Katrina of recessions. Folks are on their rooftops without a boat. The water is rising, and many see no way out."

The survey's financial picture is discouraging in its implications for the economy and for Americans who are still unemployed. Nearly all the jobless have cut back on spending; most have postponed a vacation or planned home repair (70%) and more than half report using money set aside for other purposes, such as retirement or education. Over half (56%) report borrowing money from family or friends and one-third has increased their credit card debt. About a quarter have missed a mortgage, rent, or credit card payment. More of the jobless say it is government's responsibility to ensure the jobless have a safety net, than say it is the individual's responsibility to better their own situation.

"The proportion of people who have been forced to move is in double-digits," states Zukin, "and a non-insignificant number have been forced to declare bankruptcy. The jobless have had to face the fact that their old jobs, incomes, and work identity are gone. They are our neighbors, our former colleagues, and they are living in a world of hurt."

The personal and family impact on the respondents suggests a **mental health epidemic** that could have long-lasting effects on people's willingness to spend, invest, save, and take risks. Three-quarters of the still jobless report stress in their daily lives, two-thirds report being depressed, three-fifths feel helpless, and more than half say they're angry.

Significant numbers report having trouble sleeping, avoiding social situations, strained family relations, and increased substance dependency.

Despite their anguish, the jobless continue to search for work. While the unemployed are frustrated with their efforts, their determination to persevere is confirmed in survey data and verbatim comments. The currently unemployed are split whether they are optimistic or pessimistic about their chances for finding a new job. But, they understand the job-hunting situation to be dire.

Under one-third believe they will be employed within four months; many simply are not sure and are living with this concern on a daily basis. Three-quarters say they would take a cut in pay to be working; a similar number say they might have to change careers in order to gain employment. While about half of the unemployed have been on a job interview, just 15% say they were offered a job.

"The Anguish of Unemployment" is the 21st in a series of *Work Trends* surveys launched in 1998 to better understand the public's attitudes about work, employers, and the government, and to improve workplace practices and policy. The new survey was conducted in mid-August 2009, among 1,200 adults in the labor force who are currently unemployed or have been jobless within the past 12 months.

The John J. Heldrich Center for Workforce Development is located at the Edward J. Bloustein School of Planning and Public Policy, at Rutgers University. It is one of the nation's leading university-based research and policy centers dedicated to raising the effectiveness of the American workplace through improved workforce education, placement, and training. The Center identifies innovative workforce practices and practical economic policy changes that can help Americans receive the education and training they need to be productive and prosperous in a global knowledge economy. Learn more at <http://www.heldrich.rutgers.edu>