

Pushed by recession, millions make dramatic job changes

By Paul Davidson, USA TODAY

The automotive industry was the only life Ed Wozniak knew. As a teenager, he would take apart vintage cars, soup them up and put them back together in a weekend. His father was a machine repairman, and Wozniak got an apprenticeship doing similar work for Chrysler.

But in late 2007, after he took a buyout to avoid his second layoff in five years, the 17-year veteran had enough. At 35, he started classes at a Michigan university and is now an intensive care nurse earning about \$55,000, far less than his former annual pay of \$80,000.

"I thought it was always going to be a struggle from here on out, with people cutting back and foreign automakers coming in," says Wozniak, of Royal Oak, Mich. "It was time to move on."

Millions of Americans are making dramatic career turnabouts in this withering recession as a range of industries — including those involving cars, finance, real estate and construction — are shedding hundreds of thousands of jobs, many of which analysts say likely won't return for years, if ever. Meanwhile, fields such as health care, clean energy, computer science and the government are expected to grow robustly in coming years.

The reshuffling has workers in shrinking sectors racing to retool for spots in expanding fields. Transitions can be arduous, often forcing the unemployed to spend thousands of dollars to acquire new skills and take pay cuts in their new slots. And there's no guarantee of a job.

Such structural shifts in employment are common in economic downturns. Some industries cut positions permanently by becoming more efficient or less vibrant. That's what happened to railroads in the early 1980s downturn and communications in the slump of 2001.

A 2003 study by the Federal Reserve Bank of New York found permanent job losses rose sharply in the past two recessions compared with the previous four.

It blamed overexpansion during boom times, efficiency gains and the growing use of overseas and temporary workers. Study co-author and New York Fed economist Erica Groshen says permanent job cuts are likely even greater in the current slump because of widespread layoffs in sectors such as autos and finance.

Permanent losses

About 45% of the 6.5 million Americans who joined the jobless rolls in this downturn lost their positions permanently, according to the Labor Department. The rest included people on temporary layoffs and those who quit jobs. By contrast, people who lost jobs permanently made up about 35% of the unemployed in the 1990-91 and 2001 recessions.

The realignment is touching off a scramble that's turning auto industry veterans into clean-energy

pioneers, Wall Street highfliers into math teachers and construction workers into aviation mechanics. According to a CareerBuilder survey this year, 71% of workers who were laid off and haven't found work said they're looking for jobs outside their fields.

The shift will keep the 9.5% jobless rate high for a longer period, perhaps over 6% even after an economic recovery, some economists say. Many workers will take years training for new jobs and then finding them. Still others lack the skills to reinvent themselves.

"There'll be a great skills mismatch that persists into the recovery," says Bruce Kasman, chief economist for JPMorgan Chase.

Many laid-off manufacturing workers, for example, lack skills for jobs in growing fields such as information technology, says Wachovia chief economist John Silvia. One sign of the imbalance: Even in a bruising recession, high-skill fields such as computers and health care have more than twice as many online job ads as unemployed workers, a Conference Board report shows.

The federal government is trying to ease the pain. The economic stimulus package is channeling \$4 billion over three years to retrain and place laid-off workers in new jobs. That includes \$500 million for clean-energy jobs such as solar-energy system installation.

"The transition into new fields can be difficult," Labor Secretary Hilda Solis says. But, "There are opportunities, even in the current economic climate."

Michigan's No Worker Left Behind program has trained 81,700 workers since August 2007, according to the state Department of Energy, Labor and Economic Growth. While the state is trying to attract green jobs, it can't offset huge losses, especially in the auto industry. From 2005 to 2008, Michigan gained 2,500 new jobs in clean energy and 27,100 in health care — a fraction of the 303,000 positions the state lost the past year.

Wozniak, 36, turned to nursing after a lifetime in the car industry, first at Chrysler, then, after he was laid off in 2002, at supplier Visteon. But when Visteon closed a few plants in 2005, Wozniak took some undergraduate anatomy and biology classes.

"It seemed like (nursing) was always on the top of the list of secure positions," he says.

Plus, "When my two girls were born, watching the nurses, I thought it was pretty exciting."

Wozniak's one-year nursing program at Oakland University cost \$20,000, of which \$5,000 was paid by the No Worker Left Behind program. He used most of his \$20,000 buyout from Visteon to pay the rest. But Wozniak struggled. "It was hard to get back into the groove of" studying.

He got a C-plus in his first class, psychology. But he devised a regimen, leaving the house nightly to study at a library to avoid distractions. He graduated with honors in December. Classes were interspersed with hospital rounds. "The first time was scary. You never want to hurt anybody."

In January, he started at Royal Oak Beaumont Hospital. "It's more gratifying than going to work in a factory," he says. "You're making an impact on somebody's life."

Something different

Wozniak enjoys diagnosing patients' needs based on their symptoms and sees similarities with his old job. "The human body is kind of like a big machine," he says.

At the same time, he adds, "Every day is something different." The auto industry "was kind of monotonous after a while."

Despite the pay cut, he hopes to specialize and eventually exceed his auto industry pay.

Wages will shrink more sharply for Mary Kunka, a 24-year Wall Street executive who will soon teach high school math.

Formerly a senior vice president for Lehman Bros., Kunka, 45, was at the center of last year's financial storm, bundling hotel and office loans into commercial mortgage-backed securities as she sat at a tiny cubicle on a vast trading floor.

"I liked using my math skills to make things as profitable as you can," she says. "It was fast-paced. There was a lot of pressure."

But mortgage-backed securities are now deemed "toxic assets" amid a commercial real estate slump. When Lehman went bankrupt last fall, Kunka lost her job. She turned down an offer to dispose of troubled assets for a fraction of her former mid-six-figure salary, at longer hours.

In May, she saw a newspaper article about a federally funded New Jersey Labor Department program called Traders to Teachers, which trains financial workers to be high school math teachers in three months. She starts in September and is guaranteed a teaching job in January. Normally, aspiring math teachers must have majored in math or have two years of college courses.

For Kunka, the opportunity fulfills a 25-year-old dream that fell by the wayside when she got a summer job at a small brokerage. "It's challenging to get up every day in front of a bunch of kids and see if you can make them enjoy and understand math. It takes me out of my comfort zone."

Math teacher salaries start at about \$45,000, much less than she could have earned at the Wall Street job she turned down. But when the New Jersey resident figures the costs to commute to Manhattan for a finance job and pay a full-time babysitter, and factors in the summers she'll have off at her new one to spend with her two kids, Kunka says the pay disparity was nominal.

She and her husband, an insurance executive, will tone down a lifestyle that included sometimes-lavish vacations. "I consider myself a pretty good person," she says. "This is an opportunity to give back."

Melissa Dovey worries more about making ends meet. The 47-year-old real estate broker was riding high during the housing boom, selling 20 homes a month at a Naples, Fla., development and earning \$80,000 a year.

"Everybody was making all kinds of money," she says. Plus, "I loved talking to people."

An unraveling market

But when the market started to unravel in January 2007, Dovey's pace slowed to a sale every six months. To pay the bills, she drained her \$130,000 in retirement savings.

Dovey recently got a \$26,000 job with the state Department of Revenue, helping divorced parents collect child-support payments from deadbeat spouses. She's also training at Edison State College to be a network administrator, a path she chose because she has some experience working at a computer help desk. It's a two-year program that pays her \$9,000 tuition. She says she can eventually earn more than \$40,000 a year.

"These ups and downs (in real estate) are too tough," she says. "At least the state and federal government seem to have some stability and great benefits."

Despite the successes, many prospective students walk out of orientation sessions when they learn it can take a year or more to earn certifications.

"We've had them say, 'By the time I get through that, I will have lost my home,' " says Cindy Lewis, Edison State's enrollment dean.

Others cling to hopes they'll find a job in their chosen field. After losing his \$75,000-a-year construction foreman job early last fall, Michael Day, 50, of San Bernardino County, Calif., hunted for a similar gig for about six months. "I loved taking a bare piece of land and turning it into a work of art," Day says.

A few months ago, he relented and took a two-month truck-driving course through the county's workforce development board. The widower hopes to snare a job starting at about \$35,000 carrying cargo cross-country "just to pay my bills and live out the years I have left.

"All I've got to do now is push on the gas, push on the brake and hold the steering wheel straight," he says, though he frets about aggressive drivers and finding a clean place to shower.

His county has pegged transportation as a hot area, but Day has yet to land a job: "I'm assuming it's because of the economy."