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Unemployment Hits Harder For Youth and Over 50

Older workers less likely to lose their jobs, but when they lose their jobs, they remain unemployed substantially longer than other workers

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WASHINGTON—The national unemployment rate in December 2010 was a whopping 9.4 percent. Still more bad news in the unemployment picture is the fact that since the recession began in December 2007, the number of long-term unemployed who go jobless for more than six months or even a year has increased sharply.

According to the Bureau of Labor Statistics, nearly half of the 14.6 million persons who make up the unemployed—46 percent—could not find a job for 27 weeks or longer, and 31 percent for 52 weeks or longer in the second quarter of 2010.

The prolonged unemployment pattern since the recent recession is unprecedented.

Averages don't tell the whole story. The picture worsens when one looks at the breakdowns of these statistics. Behind the official 9.4 percent unemployment rate are teens, who have an unemployment rate of 25 percent—two and half times the national average, according to Harry Holzer, Urban Institute fellow and professor, Georgetown Public Policy Institute. Unemployment is still higher for Hispanic teens, 32 percent, and black teens, 44 percent.

Dr. Holzer was speaking at a Jan. 25 forum at the Urban Institute on the special difficulties facing younger and older workers as a result of the recession. He was joined by other experts in this area who are engaged in the unemployment problem as researchers, policymakers, or hands-on practitioners.

At the other end of the age spectrum are the older workers who have been impacted differently from younger workers. Only 7 percent of adults 55 and over are unemployed. When they lose their jobs, however, it takes them much longer than younger workers to become re-employed.

Richard Johnson provided analysis based on U.S. Census Bureau surveys showing the impact that the recession has had on two older groups of workers, 50-61 and 62 plus. Johnson, who is a senior fellow and director of the Program on Retirement Policy at the Urban Institute, compared the percentages of unemployed adults out of work for more than six months during years 1983, 2009, and 2010.

For those 50-61, the percent unemployed more than 27 weeks in 1983, 2009, and 2010 was 34, 39, and 53

percent, respectively. For the 62-plus age group, the differences widen more: 30, 41, and 53 percent, respectively. In 1983, also a recession time, the employment rate was roughly what it is today. Hence this most recent recession, beginning in December 2007, brought about a new pattern of prolonged unemployment as evidenced by the differences between 1983 and 2009. The data also show that this trend got still worse as the recession progressed last year when more than half of the unemployed over 50 years old were unable to be re-employed after six months.

To put these numbers in some context, for the age group 16-24, the percentage of unemployed in 2010 out of work for more than 27 weeks was 30 percent, up from 15 percent in 1983. So, the trend of longer unemployment duration is operating on younger workers too, but not nearly as acute as with the over 50 groups.

Thus, younger workers are facing new challenges in entering the work force due to far higher unemployment rates, while the 50-years-plus workers are facing a much harder time becoming re-employed when they lose their jobs. For different reasons, both the young and old are faced with sustained unemployment.

Older 50-plus workers now make up nearly one-third (31 percent) of the work force, up from 20 percent 15 years ago, said Johnson. The reason is that more people are working past 62. So, paradoxically, more unemployment accompanies more employment of our mature workers.

Finding Solutions

While the statisticians can outline the problem, the details need to be filled in by people who are dedicated practitioners in workforce development. Such a person is Roberta Gassman, who was former secretary of the Wisconsin Department of Workforce Development.

“Even with the recession right now, we still do have employers who are not finding—if they are hiring—the kinds of skills in workers that they need for their company to be able to grow,” said Gassman.

Gassman said the workforce difficulties in Wisconsin are typical of the rest of the country. Wisconsin’s unemployment rate of 7.5 percent is below the national average and substantially below the heavy manufacturing states in the Midwest. Given the relatively low unemployment in Wisconsin, it may be doing something effective about the problem.

“For our economy to be successful as possible, we have to upgrade the skills of our current workforce,” said Gassman. For older workers, who are losing their jobs—and in some cases, the jobs are not coming back—there needs to be “investments in retraining them,” she said. But they have skills and a good work ethic, and so “you can build on that.”

The young people are what worries Gassman. “Young people are our future. If they don’t have a high school degree and not the skills, our future economy cannot be successful,” she said. Gassman said that in Wisconsin “40 percent of adults, 26 and older, have no credential past the high school degree. This is at a time when we need more skilled workers.”

Both Holzer and Gassman spoke at length about the abundance of what they termed as “middle skilled jobs.” These are jobs that require something beyond the high school level but less than a college diploma. These are jobs like health care and elder care, repair jobs and maintenance, and in the service sector, said Holzer. These jobs require at least a community college certificate or apprenticeship as well as some minimum communications skills.



JOBS WITHOUT COLLEGE DEGREES: Harry Holzer, Urban Institute fellow and professor, Georgetown Public Policy Institute, said the U.S. economy is creating good jobs at the middle level of skill which require more than a high school diploma but less than a college degree. He spoke Jan. 25 at the Urban Institute. (Gary Feuerberg/The Epoch Times)

The middle skilled jobs are “good” jobs in that they enable the low skilled worker to move up to higher skills, higher wages, so that they can support themselves and their family and not have to live in poverty.

The common problem with our system of employment is that young people, parents, and teachers still don’t have enough knowledge about where the jobs will be, said Gassman. She advocated strongly for the role of state governments’ workforce development boards, to take the lead and build partnerships with employers and the business community to define the new workforce needs for skilled labor and to bring the technical colleges on board to develop the curricula for training in those areas.

This is a lot better than having students enrolling randomly in classes.

Disadvantaged Youth

The economy has shed 7.2 million jobs since the recession began in December 2007, and six unemployed workers are competing for every job available, according to the Center for American Progress. The poor labor market makes the job of aiding disadvantaged youth in securing employment all the harder.

Kerry Owings, as the program manager of Westside Youth Opportunity Community Center in Baltimore, works to bring disadvantaged youth into the workforce, which is even more of a challenge compared to the skilled workers who are the focus of Gassman and Holzer.

“They are competing with adults who have a proven track record of attendance. If it weren’t for the economy, [the older workers] would still be working,” said Owings.

Owings said that even high school graduates in his program often can’t read at the fifth- or sixth-grade level, which is “definitely, a hindrance in their future where they can go.”

Owings described their most popular class for becoming certified nursing assistants. To get into the class, the applicant must be a high school graduate and attain seventh grade math level. This class is “hard to fill,” he said.

Owings’s center partners with prospective employers with internship and trial employment programs. He said that by far their greatest challenge is for them to make prospective employers better understand the nature of the youth seeking to enter the workforce.