

“The Distressed American Worker”: Fears of Permanent Job Loss Soar

Rutgers’ Nationwide *Work Trends* Survey of U.S. Workers Finds Widespread Worry that the American Economy Faces Lasting Changes

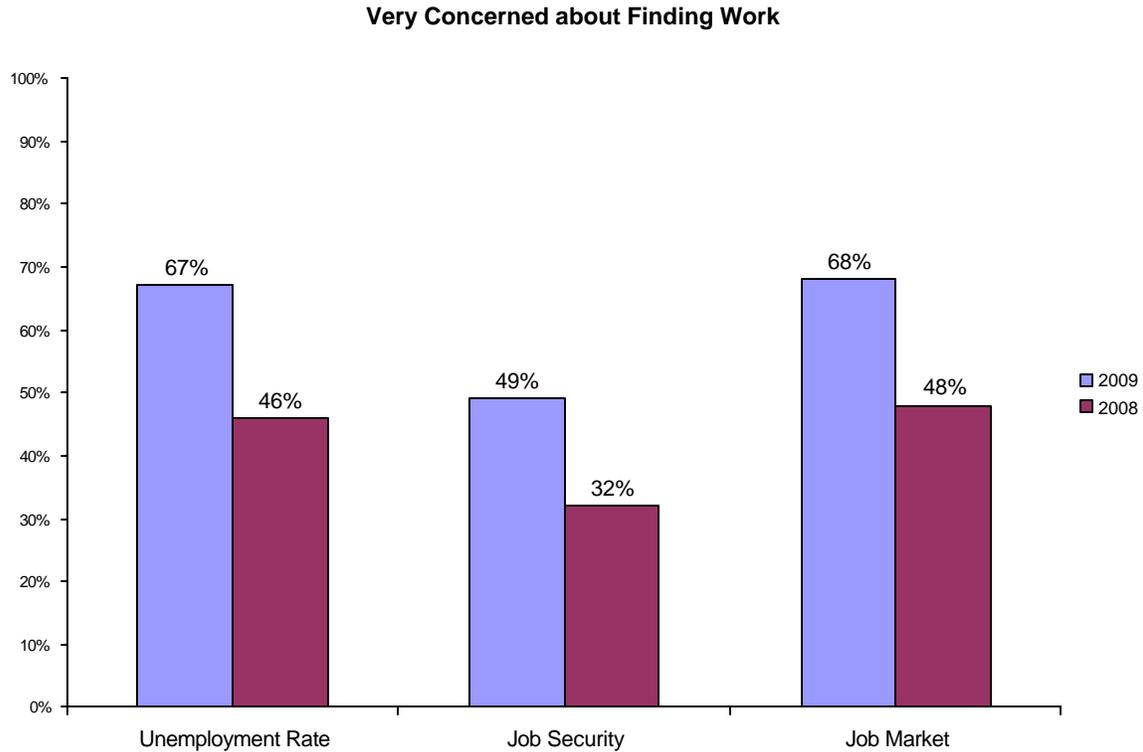
A new Work Trends survey by the Heldrich Center for Workforce Development at Rutgers University finds the American worker in a state of deep distress due to the economic downturn. Nearly a third (32%) of those in the labor force believe the United States economy is in a depression, and half (53%) think the economic problems indicate the economy is undergoing fundamental and lasting changes. Job losses are widespread. Nearly one quarter (23%) of workers say they have been laid off from a full- or part-time job in the past 3 years. Four in ten workers (42%) have watched co-workers get laid off over the last three years. Nearly a third of workers (29%) expect layoffs to occur in their workplace in the next 12 months. Only 11 percent say they have a great deal of confidence in the American banking system.

“Americans are experiencing the severity and depth of this recession on a daily basis,” says Carl Van Horn, Ph.D., Director of the Heldrich Center for Workforce Development and Professor at Rutgers University. “And they are not optimistic about the future job market either.”

Since the last Work Trends survey conducted in May 2008, perceptions of economic conditions have significantly declined and workers express significant concerns. Compared to the 2008 Work Trends survey, *The Anxious American Worker*, Americans in the labor force have become significantly distressed about keeping their jobs and are pessimistic about new job prospects.

Nearly 7-in-10 (67%) workers are now very concerned with the unemployment rate, compared to 5-in-10 (46%) workers in 2008. Nearly half of the labor force (49%) is now very concerned with job security for those currently working, compared to a third (32%) in 2008. And nearly 7 in 10, or 68% of respondents, say they are very concerned about the job market for those looking for work, up 20 percentage points since last spring (48%).

Table 1: Increasing Concerns about Finding Work



The national survey was conducted March 19-29, 2009, among 700 adults in the labor force, defined as those working full- or part-time jobs or unemployed and actively seeking employment. Amid the stress of layoffs, lack of job security, loss of retirement savings, and the dismal job market, the survey depicts American workers stunned by the direness of the country's economic situation.

Is the Nation Experiencing the Great Depression 2.0?

Nearly one-third of American workers (32%) think the United States' economy is in a depression, while a little over half (57%) say the nation's economy is in a recession. And a majority of workers think that the recent problems are evidence of fundamental and lasting changes in the economy. Over half (53%) think the recent problems in the economy indicate lasting economic change, while four in ten (42%) say the economy's downturn is temporary. The economy's deterioration is reaching into both the workplace and the home, fueling pessimism and the idea that these economic changes may become permanent.

The stock market's freefall is affecting most retirement plans: Nearly 60% of workers (57%) say they are not sure they will have enough money to retire when the time comes, compared to just 4 in 10 in 2008 (43%).

Six-in-ten workers (59%) say they have lost money in the stock market or lost retirement savings, and most don't think their hard-earned nest egg is coming back anytime soon. Of those who have lost money, nearly a third (30%) believe the money is gone for good, while about half (46%) say that it will take five years or more to make it back.

Lay Offs: We Haven't Hit the Bottom Yet

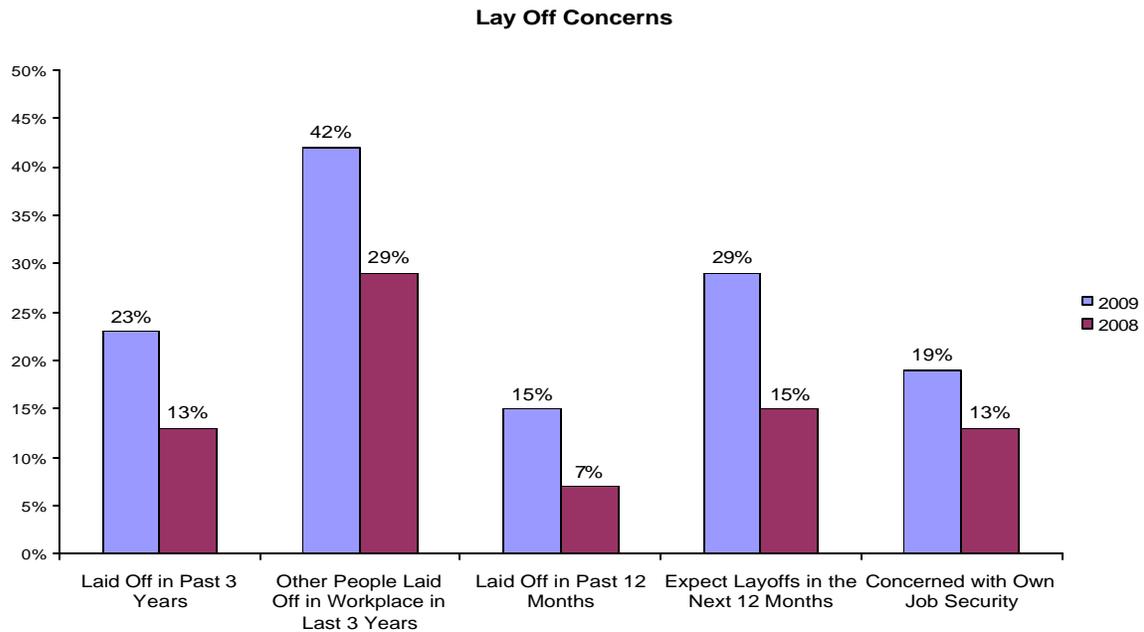
The last Work Trends report, *The Anxious American Worker* (May 2008)¹ revealed an increasing anxiety among workers as the economy slid into recession. Since then, the job situation has worsened dramatically, as evidenced by the unemployment data released on April 3 by the Bureau of Labor Statistics, revealing the unemployment rate at 8.5%.

More workers have experienced the loss of a job since the last survey – nearly a quarter (23%) of respondents say they have been laid off from a full- or part-time job in the past 3 years, compared to 13 percent in 2008. And 4 in 10 workers (42%) say others have been laid off in their workplace in the last three years, up from 29 percent last spring.

Two-thirds, or 66 percent, of these laid-off workers say they were laid off in the last 12 months, which means about 15 percent of our survey's respondents were laid off in the last year, compared to 7 percent in 2008.

Unfortunately, for many, the layoffs don't seem to be over. Nearly a third of workers (29%) expect layoffs to occur in their workplace in the next 12 months. And workers' concern with their own job security has risen: one in five (19%) is now very concerned about the security of his or her job, compared to 13 percent in 2008.

Table 2: Increasing Concerns about Lay Offs



What can be done for laid off workers? Thirty-one percent of those in the labor force say that workers are mainly responsible for helping people laid off from work, followed by 25 percent who say government is mainly responsible, and 18 percent who say employers are mostly responsible.

Government’s role, according to our survey respondents, is to provide the money – over a third of workers (36%) say that unemployment insurance benefits are the most important service government can provide, followed by job placement services (17%) and job training (13%).

A large majority (68%) is in favor of government assistance for laid-off workers to pay for education and training, but this is down from 76% in spring of 2008. Support remains high for government aid to maintain laid-off workers’ health insurance at 78 percent.

The Workplace: Stress and Apprehension

The economy’s freefall is disrupting the workplace environment. Over three-quarters of workers (78%) say that people in their workplace express fear or worry about the economy. Nearly 4 in 10 workers (37%) say the economic downturn has had a major impact at the place where they work, and another 38 percent say the downturn has had a minor impact. For 43% of workers, morale in the workplace is lower than a year ago, while 43% say it is the same.

The economic situation and how it may affect workers’ jobs and benefits is a main subject of conversation around the proverbial water cooler. Nearly half (48%) of all workers say they had discussed salary freezes, pay cuts, or loss of bonuses during the last work week,

while 4 in 10 had discussed layoffs (42%). About a quarter of workers had talked about cutbacks in healthcare coverage (26%), furloughs, or unpaid time off (25%), and longer hours (24%).

Financial (In)Security: The Depression Hits Home

Almost a third (29%) of the labor force say the downturn has had a major impact on their families. The percentage feeling the downturn’s impact most intensely increases dramatically among those who have been laid off in the last three years (63%) and among those who make less than \$35,000 (44%). Black and Hispanic workers (39%) and women (36%) are also more likely to report that the economic downturn has had a major impact on their family. Nearly half of all workers (49%) report a minor impact.

Nearly four in ten (37%) with jobs or looking for jobs are struggling financially, saying they often don’t have enough money to make ends meet. Of those who have been laid off in the last three years, nearly 7 in 10 (68%) express difficulty making ends meet. While it is not surprising that those with low incomes are having greater troubles (64% of those with incomes less than \$35,000), nearly half (46%) of middle-income workers—those making \$35,000 to \$69,000—say they often don’t have enough to make ends meet, and almost 1 in 5 (17%) with incomes over \$70,000 say they often cannot make ends meet.

P4. And how about the economic downturn’s effect on you and your family—a major impact, a minor impact, or no impact at all?

	All	Laid Off in last 3 years	White	Black /Hispanic	<\$35k	\$35k- \$69k	>\$70k	Male	Female
Major impact	29%	63%	26%	39%	44%	36%	18%	24%	36%
Minor impact	48	28	53	34	35	48	59	51	46
No impact	21	7	21	25	18	15	23	24	19
DK/NA	1	2	*	2	2	*	*	1	*
Total ²	99	100	100	100	99	100	100	100	101
n-size	700	160	506	172	159	193	288	370	330

AT1B. Please just tell me whether you agree or disagree with the following statements: I often don’t have enough money to make ends meet.

	All	Laid Off in last 3 years	<\$35k	\$35k- \$69k	>\$70k
Agree	37%	68%	64%	46%	17%
Disagree	61	32	34	53	82
Depends	1	1	1	1	1
DK/NA	1	*	2	*	*
Total	100	101	101	100	100
n-size	700	160	159	193	288

Despite an ominous economy and grim workplace situations, nearly four-in-ten (38%) believe their family's financial situation will improve over the next year, a third (34%) say it will stay the same, and only a quarter say it will get worse (25%). And while the majority (53%) express that they are concerned when thinking about their family and the national economy, only 9 percent say they are scared, and 25 percent are worried.

As for the upheaval on Wall Street and its effects on the nations' banks, American workers have lost confidence. Only 11 percent have a great deal of confidence in the United States Banking System, and about half (46%) have not much or no confidence at all in the banking system. But three-fourths of workers are somewhat (37%) or very (38%) confident that any money they have in the bank is safe, perhaps testimony to the FDIC and the government's guarantee of a basic level of safekeeping.

Workers Feel the Recession's Depth and Set New Priorities

It may not be surprising in this environment that job satisfaction has declined. A third (33%) of workers say they are less satisfied with their job than a year ago. In 2008, just a quarter (25%) were less satisfied.

Correspondingly, 35% of workers are less satisfied with their job security than a year ago. So what matters the most to workers right now?

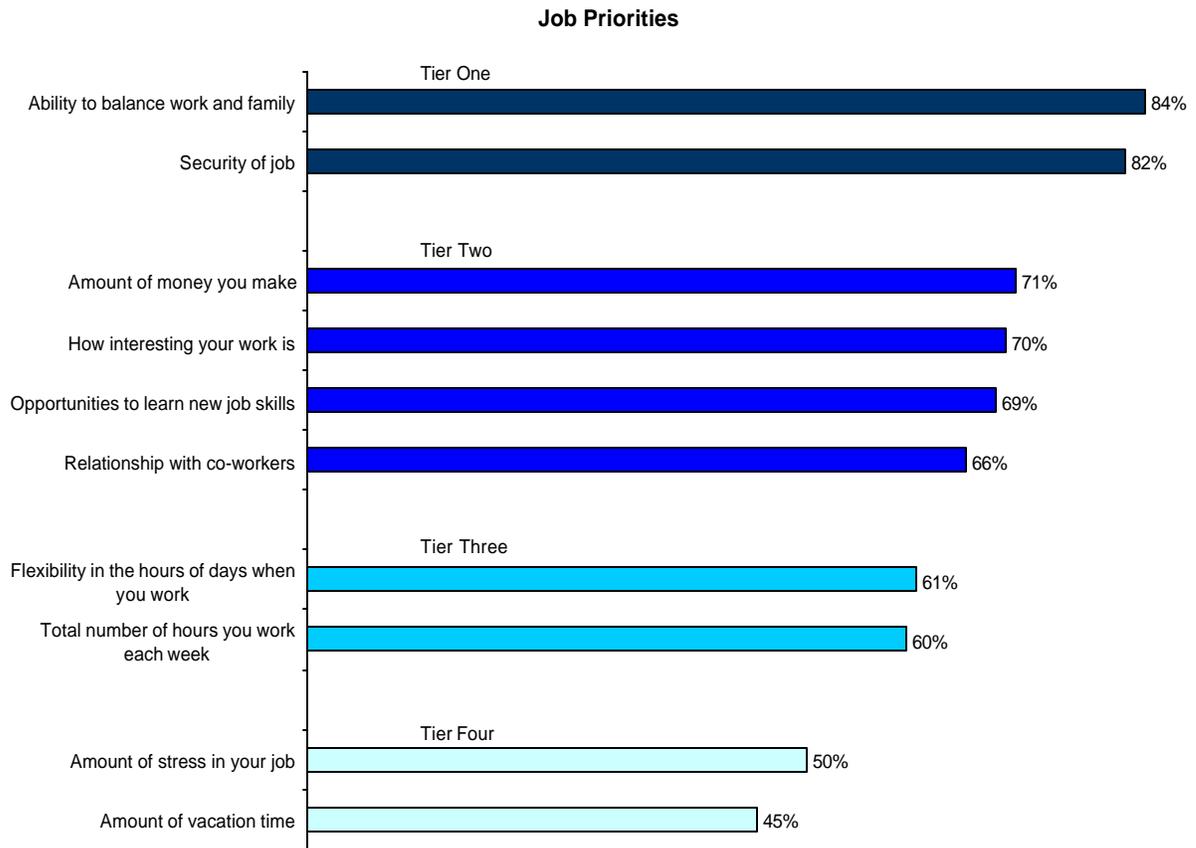
American workers say they care most about balancing work and family lives and having the confidence that there will be a job to go to and a paycheck to bring home.

Second tier issues include how much workers earn, that there is interesting work to be done, as well as that jobs provide the chance to develop skills and that one can create connections to fellow employees.

Finally, American workers seem to place the least importance on the amount of stress and the amount of vacation time that are associated with a job.

Below is a ranking of what respondents consider "important" when describing a job (Extremely and Very Important combined):

Table 3: Ranking of Job Attributes



¹ “The Anxious American Worker,” Krista Jenkins, Allison Kopicki, Carl Van Horn, and Cliff Zukin. John J. Heldrich Center for Workforce Development. Conducted from May 14 to 25, 2008, with a scientifically selected random sample of 1,000 United States residents, 587 of whom were employed in a full- or part-time job or were unemployed and actively looking for work. All comparisons in this release to 2008 data are based on the sample of 587 respondents who were in the labor force. “The Anxious American Worker” can be accessed at:

<http://www.heldrich.rutgers.edu/uploadedFiles/Publications/Work%20Trends%20August%202008.pdf>.

² Some totals may not equal 100 due to rounding.