



Changing Realities at Work Require Reforms in U.S. Workforce Policies

Carl Van Horn*

Professor and Director

John J. Heldrich Center for Workforce Development, Rutgers University

Presented to the Conference on Long-Term Unemployment,
hosted by the National Association of State Workforce Agencies,
World Association for Public Employment Services,
and Organisation for Economic Co-Operation and Development

February 20-22, 2013

Washington, D.C.

* Author of *Working Scared (Or Not at All): The Lost Decade, Great Recession, and Restoring the Shattered American Dream* (Rowman & Littlefield, 2013)

The Changing Realities of Work in America

Mid to Late 20th Century

Permanent

Stable

Advancement

Loyalty

One and Done Education

Health Care from Employer

Defined Benefit Pension

“Early” Retirement

Early 21st Century

Temporary/Contingent

Volatile

Stagnation

Disaffection

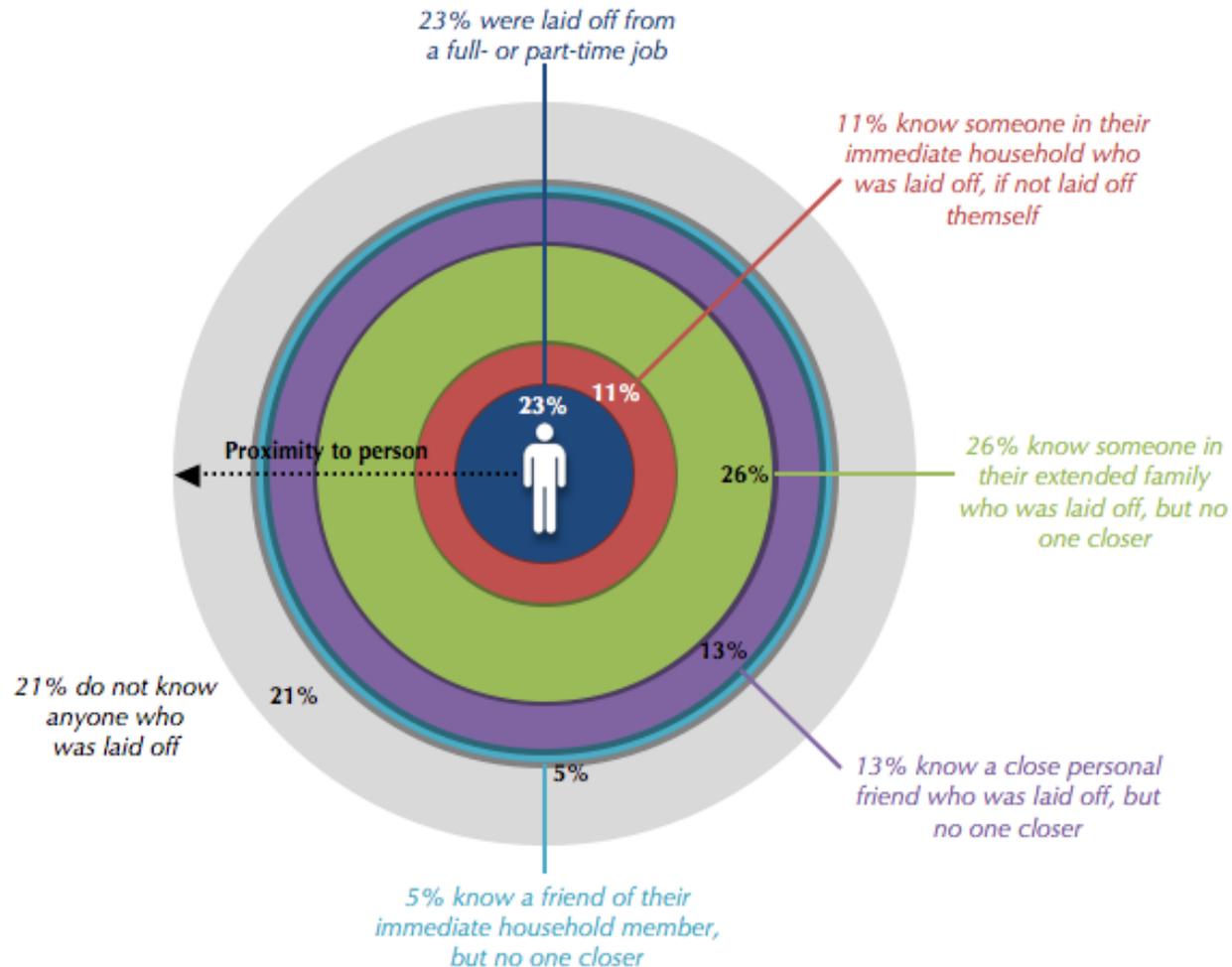
Lifelong Learning

Shared Health Care Responsibility

Defined Contribution

“Never” Retire

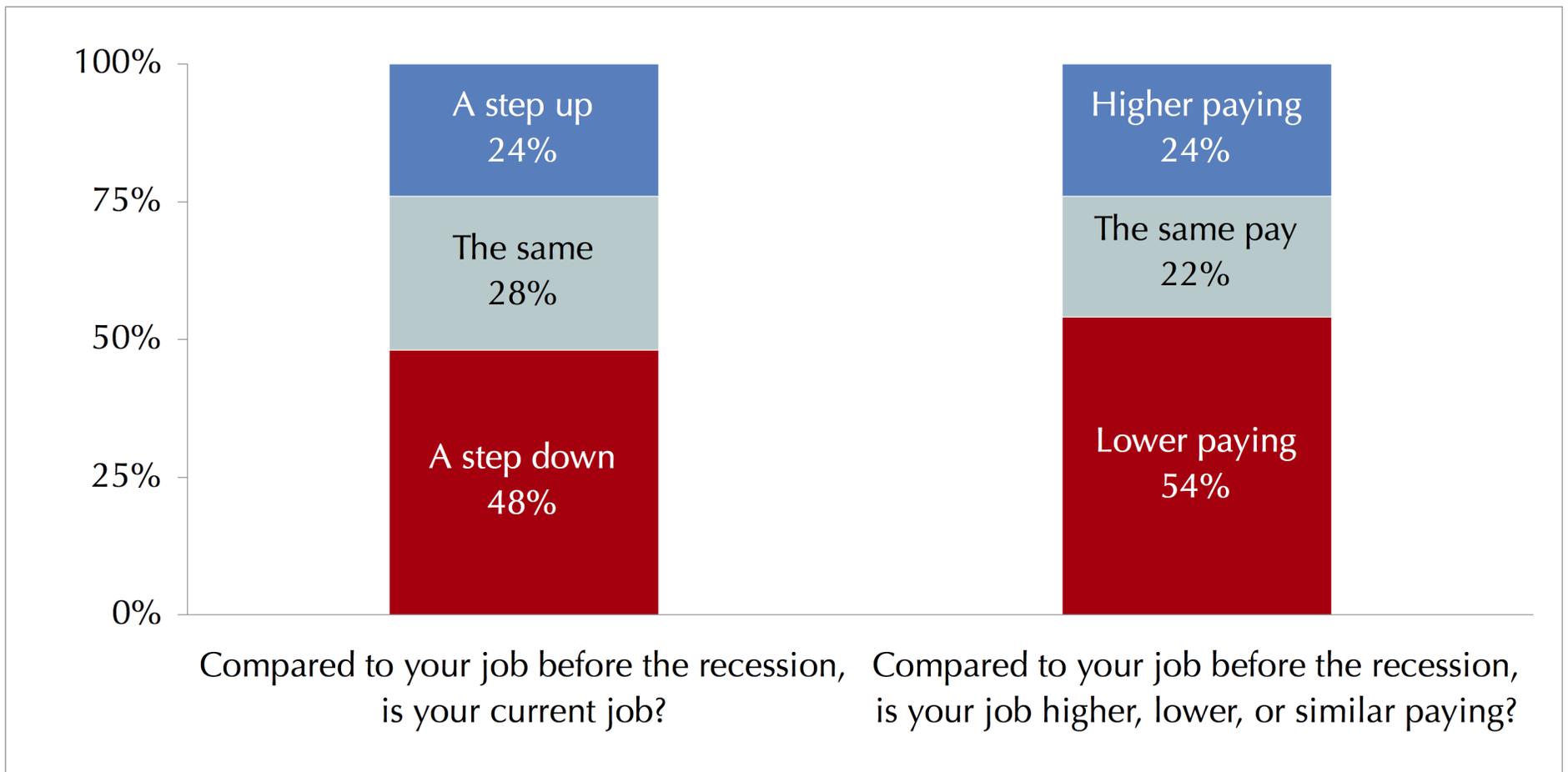
During the Great Recession, Most Americans Experienced Unemployment — Directly or Indirectly



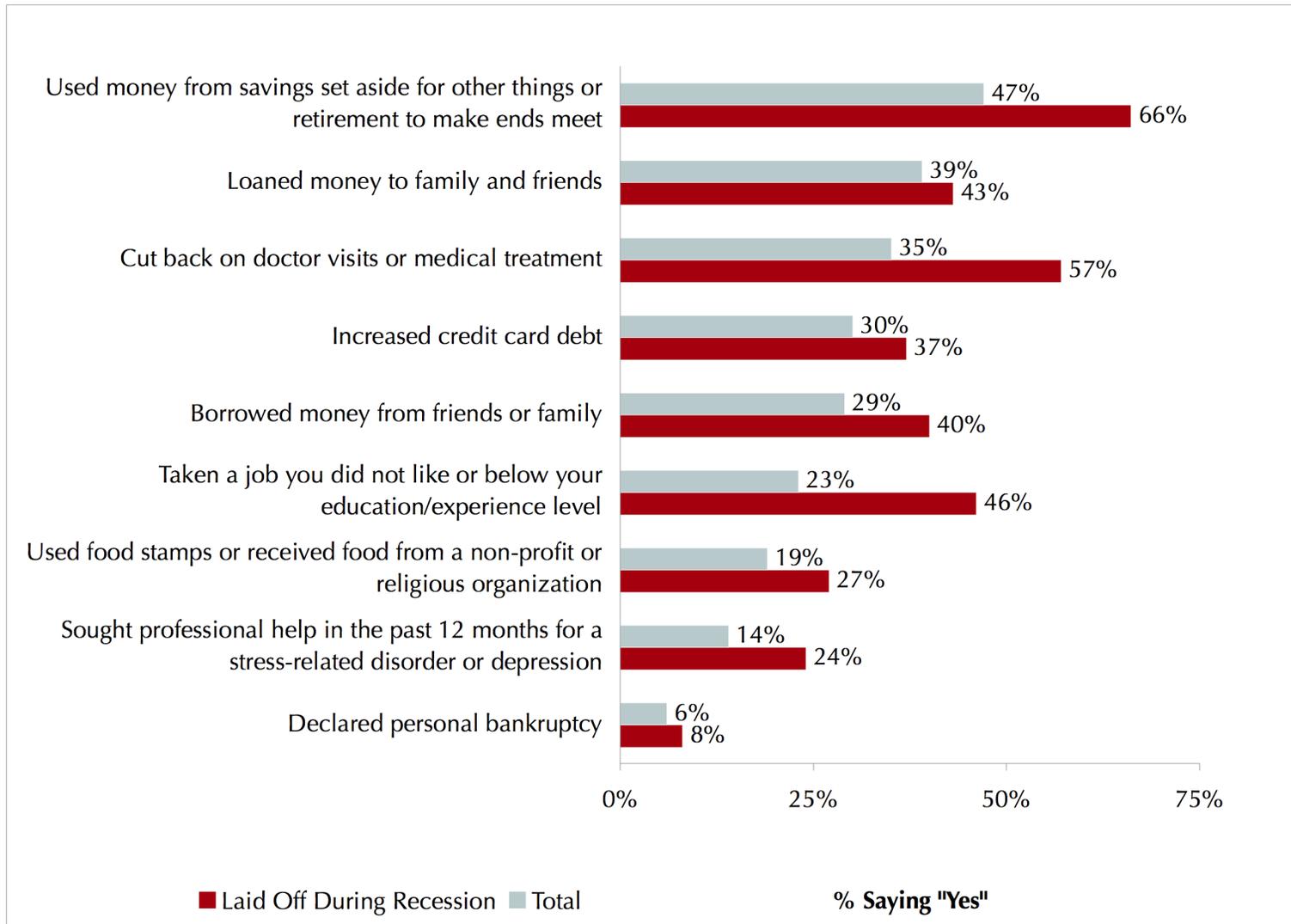
Most Unemployed Workers Could Not Get Another Full-time Job During the Recession Era

Reemployment Rates for Demographic Groups, August 2009 through November 2011	
Workers 55 and older	15%
Workers 18-34	41%
Workers 35-54	32%
High school education or less	33%
Some college	28%
Bachelor's degree or higher	43%
Black, non-Hispanic/Other, Hispanic	29%
Income less than \$30,000	27%
Income \$30,000 to \$60,000	29%
Income more than \$60,000	56%

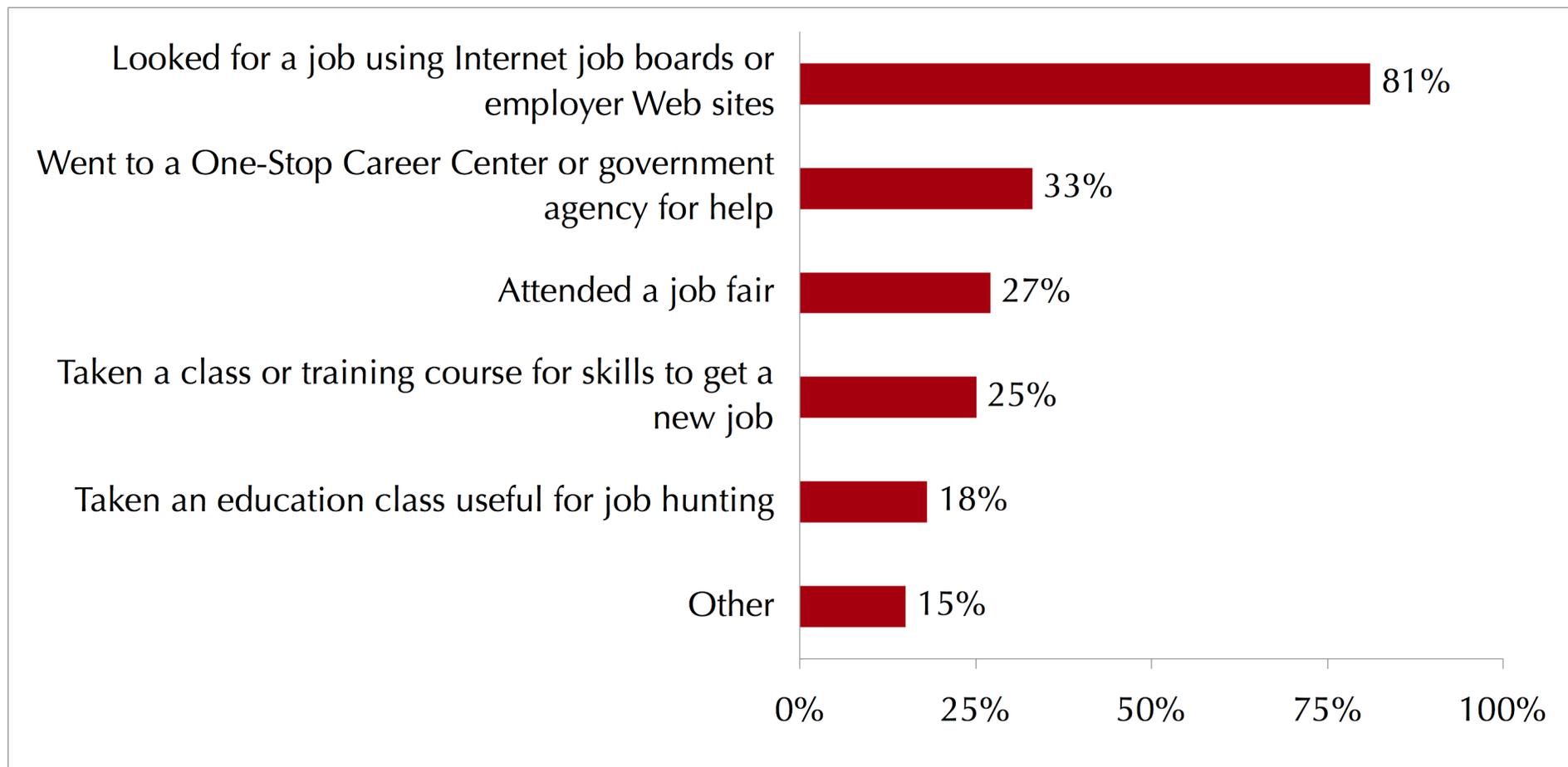
Most American Workers Have Not Recovered from the Great Recession



Employed and Unemployed Workers Forced to Make Tough Choices During Recession



Unemployed Workers' Job Search and Training Activities



Most American Workers Think that the Changes are Permanent

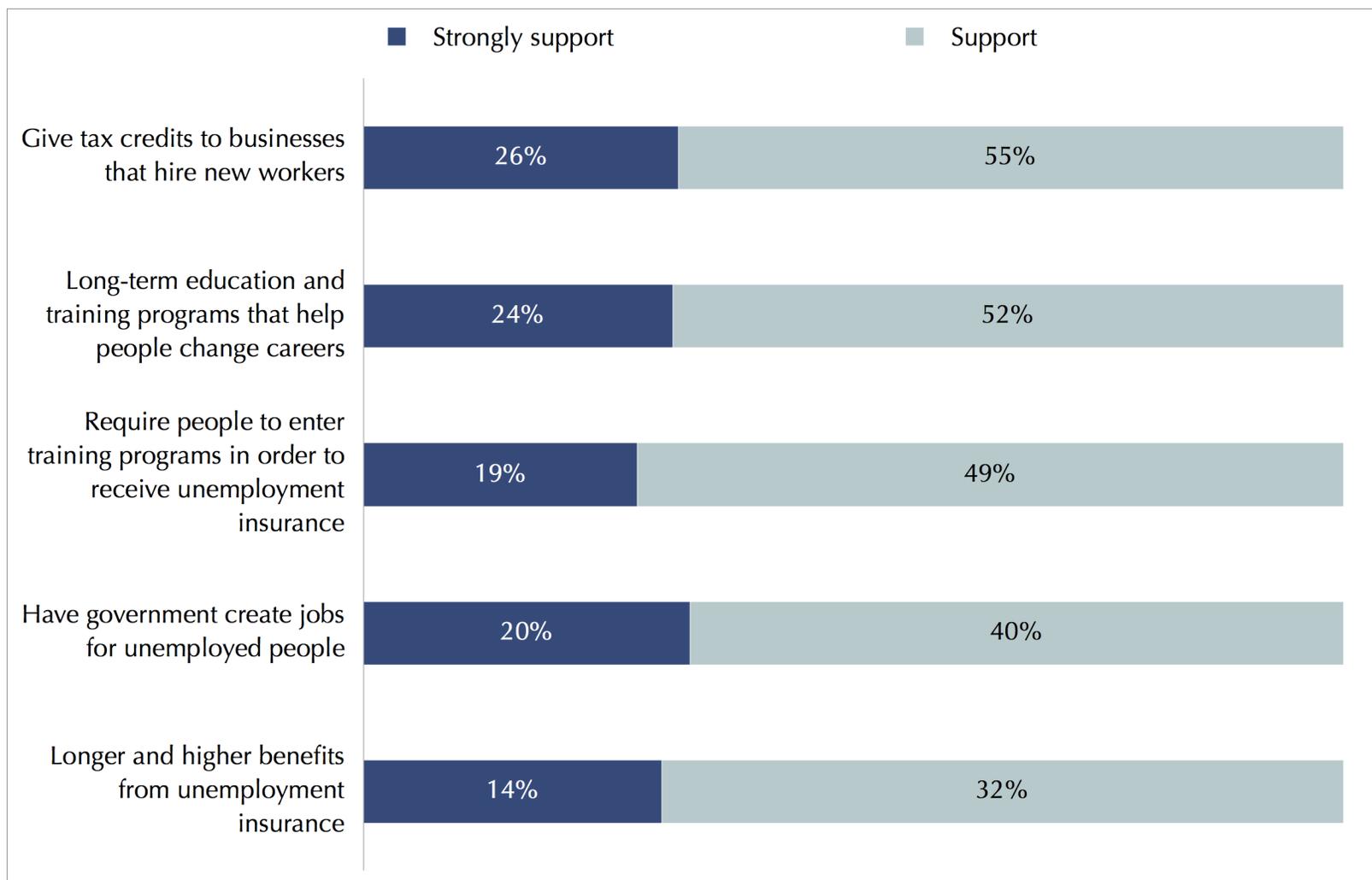
Do you think the Great Recession of the past four years has left us with:		
	Jan. 2013	Aug. 2010
A permanent change in what are normal economic conditions in the nation	60%	56%
A temporary change that the economy will recover from	41%	43%

Just 19% agree that overall, job, career, and employment opportunities will be better for the next generation

Most American Workers are Pessimistic About the Future of the U.S. Labor Market

Ratio of Bad to Good		Will Come Back Soon	Will Never Come Back
6.4 to 1	The ability of young people to afford college	9%	58%
3.3 to 1	Workers feeling secure in their jobs	13%	43%
3.2 to 1	Workers having to take jobs below their skill level	13%	42%
2.8 to 1	The elderly having to find part-time work after retiring	17%	47%
2.1 to 1	The availability of good jobs at good pay for those who want to work	14%	34%
1.9 to 1	A lower unemployment rate	15%	29%

Americans Support a Wide Range of Potential Solutions to Bring Down Unemployment



A New Workforce Paradigm

- Bolster and refocus workforce development system
- Greater transparency from workforce and educational institutions
- High-tech, Internet-based services for most; high-touch, intensive services for some

A New Workforce Paradigm (cont.)

- Next generation reform of high school and college education
 - Increase completion rate — degree attainment
 - Integrate academic, financial, and career information and advice
 - Prepare high school and college students for jobs and careers
 - Greater alignment between educational preparation and employers' needs
 - Better preparation of students in core competencies

A New Workforce Paradigm (cont.)

- Extensive lifelong learning opportunities for workers
 - Learning accounts
 - Pell grants
 - Trade adjustment-like training services for long-term unemployed

A New Workforce Paradigm (cont.)

- Replace Unemployment Insurance with Reemployment Insurance
 - Expand UI to cover part-time and contingent workers
 - Encourage work-sharing models
 - Condition UI assistance with enrollment in job search and career training
- Strengthen advance warning of layoffs and early layoff intervention

Sources

- 25,000+ interviews conducted by the Heldrich Center from 1998 to 2013.
- M. Szeltner, C. Van Horn, and C. Zukin, *Diminished Lives and Futures: A Portrait of America in the Great-Recession Era* (New Brunswick, NJ: Heldrich Center for Workforce Development, Rutgers University, 2013).
- C. Stone, C. Van Horn, and C. Zukin, *Out of Work and Losing Hope: The Misery and Bleak Expectations of American Workers* (New Brunswick, NJ: Heldrich Center for Workforce Development, Rutgers University, 2011).
- C. Van Horn, *Working Scared (Or Not at All): The Lost Decade, Great Recession, and Restoring the Shattered American Dream* (Rowman & Littlefield, 2013).

Contact Information

Carl E. Van Horn, Ph.D.
Professor and Director
John J. Heldrich Center for Workforce
Development, Rutgers University
www.heldrich.rutgers.edu

vanhorn@rutgers.edu
732.932.4100 x6305