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ABSTRACT

First of a two-part report on a 1982 study by the staff of the Education and Work program at Northwest Regional Educational Laboratory (NWREL), this issue presents the preliminary findings from questionnaires (and telephone surveys) of 30 unemployed men and women. In order to determine how unemployment affects people, NWREL's study identified and explored the following four categories of problems: (1) economic effects; (2) psychological effects; (3) family/sociological effects; and (4) barriers to further education, retraining, and relocation to find employment. Details on how the study was conducted and how the participants were selected are given. A profile of the unemployed in the Northwest is drawn from an analysis of the responses obtained in the four categories listed above. (EM)

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THE HUMAN COSTS OF UNEMPLOYMENT

Ideas for Action in Education and Work  
Issue 7 November 1982

Northwest Regional Educational Laboratory

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# Northwesterners Out of Work: The Human Costs of Unemployment

*(First of a two-part report)*

## Beyond the Statistics: An Indepth Study

With the Northwest in the grip of high unemployment, educators, employment and training providers, social agencies and government leaders are rightfully concerned about the human costs of unemployment, not just the statistical ones.

But what are these costs? Staff of the Education and Work program at Northwest Regional Educational Laboratory conducted a study in 1982 to determine how being unemployed affects people.

To help design the study and to assure that the appropriate questions would be asked, we went to representatives of each of the sectors listed above to find out what they needed to learn about the experiences Northwesterners encounter when they are unemployed. From these interviews four categories of problems emerged:

- Economic effects

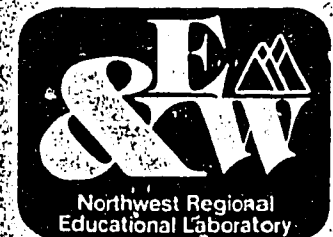
- Psychological effects, such as reduced self-esteem and self-confidence
- Sociological effects, such as changes in family relationships
- Barriers to further education, retraining and relocation to find new employment

Questions addressing these categories were then formulated and incorporated into two survey instruments - a mailback questionnaire and a telephone interview.

## How the Study Was Conducted

A letter requesting assistance in identifying and recruiting participants for the study was mailed to approximately 250 social and educational agencies and employers in Oregon and Washington. We asked them to post a flyer that announced the study and asked unemployed individuals to volunteer. NWREL staff also attended an employment workshop sponsored by Mt. Hood Community College to recruit participants.

# IDEAS FOR ACTION



Issue 7 - November 1982

# in Education and Work

We looked for individuals who were at least 35 years of age who had been unemployed for at least six months from a career at which they worked for three years or more.

Participants were previously employed in industries and occupations that had suffered due to economic setbacks or decline, corporate down-sizing or advancing technology. These occupations included wood products, home construction, truck manufacturing, electronics, social work, education, counseling, forestry, title insurance, child care, delivery services, telephone operations, stenography, farming or textiles.

From a preliminary analysis of information provided by fifteen male and fifteen female respondents, a picture of the plight of the unemployed Northwesterner is emerging. The realities it reflects are sobering.

## The Unemployed in the Northwest: A Profile

Study participants ranged in age from 33 to 61, with an average age of 42. About 45 percent are divorced and half have children living at home. About thirteen percent have a high school education or less and 43 percent finished college with 23 percent holding an advanced degree. Fourteen individuals were employed in administrative, business or professional positions, five were clerical, sales or technical workers, four held skilled manual positions and six were in semi-skilled or unskilled jobs.

Respondents have been unemployed between six and eighteen months from a career at which they worked for three years or more. Some are working at part-time or temporary jobs, some are volunteering, and a few are trying to start their own businesses.

### The Economic Impact

- Only 57 percent receive unemployment insurance benefits.
- Only 20 percent receive food stamps.

- Only three percent receive aid to dependent children and none receive union unemployment benefits.
- Personal gross weekly income has been cut by at least half for most respondents from an average of \$346 a week to \$173 a week.
- About 60 percent report that finances are their most serious problem.
- The most often-reported measures for reducing expenses were cutbacks in food and in medical and dental care.
- About 50 percent expect to earn less than they earned before when they return to permanent employment and only 25 percent expect to earn more.

For nearly all the participants, looking for a new job has had a financial impact; 29 out of 30 reported they have spent money on their job search activities. Four went to private employment agencies and 29 incurred transportation expenses. Five individuals paid for career counseling. Thirteen invested in professional resume preparation while eleven paid for meals out and thirteen purchased new clothing.

### The Psychological Impact

For many of the individuals in our study, the seeds of psychological distress were sown in the layoff process itself. Respondents reported feeling shock, anger, disbelief and disappointment. Some told us that their layoffs had been handled in an impersonal manner that made them feel betrayed by the organizations to which they had devoted much time and energy. Others believed that their employers had not been honest with them about conditions that caused the layoffs.

Since the layoffs, about one-third of the respondents reported that their most serious problems are psychological in nature. Frequent responses to our questions about how the experience of unemployment had changed respondents included:

- "I'm more cynical"
- "I'm selfish now"
- "I'm depressed all the time"
- "I need a psychiatrist, but I can't afford it"
- "I feel degraded"
- "It's humiliating to have to ask for help"
- "I don't want to leave my place"

Interviewers reported that many subjects cried or seemed close to tears during the interview.

It is interesting to note, however, that some individuals reported positive changes centering around the idea that they had grown from the experience, becoming more self-sufficient and realistic.

### The Family/Sociological Impact

Study results support what other researchers have found: families of the unemployed undergo stress and change during periods when a member is unemployed. The majority of the respondents in this study felt that their families suffered from a combination of financial deprivation and their own depression and irritability. Most families have been supportive and understanding, but a few are putting negative pressure on the unemployed individual to get a job. Some families are experiencing increased use of alcohol.

About half of the study participants report some degree of traditional male/female role reversals. Male respondents have picked up more homemaking responsibilities since becoming unemployed. Some seem to resent this shift, while others are thankful for the appreciation they receive for doing these tasks.

"I've really found out who my friends are" was a common response to our question about changes in relationships with friends. Some subjects have withdrawn from friends because they feel they have

nothing positive to talk about. Almost all said that socializing is difficult or impossible because of a lack of money. Some said that they envy friends who are working and feel embarrassed to admit that they can't find work.

### What Are the Barriers?

Respondents blame the economy and conditions of the firms they left as roadblocks to re-hiring. More than half of this group believe that no jobs are available. Over one-half believe that they will have to change their occupations in order to become satisfactorily employed again. Not quite half cited the cost of retraining as a barrier to an occupational change. About one-fifth don't know what career to enter.

Relocating to find work would be difficult for most respondents. Thirty percent are not willing to move, twenty-three percent said they might be willing, seventeen percent were somewhat willing and thirty percent said they were very willing to move. Almost half of the individuals said they would find it hard to leave relatives and friends, and more than one-third feared losing the new job after moving and anticipated difficulty in selling their homes. Four-fifths of this group said that a guarantee of a new job in their present occupation would encourage them to move to a new location to find satisfactory work.

Older workers in this study believe their age to be a negative factor in their continued unemployment.

These data represent only a small portion of the total unemployed and their experiences as dislocated workers. The second part of this study will be described in the next issue of Ideas for Action. It will present a more in depth analysis and examine the implications of these findings for policy education and training practice.

## Editor's Note

IDEAS FOR ACTION IN EDUCATION AND WORK is a new kind of service. The steady growth of interest in education/work programs has generated a wealth of new information, but the sheer mass of this knowledge has hindered practitioners and policymakers from using it to make decisions. We hope this document and the ones to follow will provide information in a usable form.

This is the seventh issue in the series. The first six are:

- #1 Removing Barriers to CETA/School Collaboration (out of print)
- #2 Improving Learning in the Workplace
- #3 Teaching Independent Living Skills to Youth
- #4 Volunteering--Pathway to Paid Employment
- #5 Striving for Excellence: Middle Schoolers Study "Work"
- #6 Learning Responsibility: The Importance of the Home, School and Workplace

Back issues are available from the NWREL Education and Work Program while the supply lasts. They will also be in the Educational Resources Information Center (ERIC) System available on microfiche through major public and educational libraries.

Ultimately, we hope this series will contribute in a small way to forging bonds among people and programs who want to solve problems related to transitions between education and work.

For further information, please contact Larry McClure, Program Director or Marilyn Clark, Study Coordinator, Adult Career Development and Learning, Education and Work, Northwest Regional Educational Laboratory, 300 S. W. Sixth Avenue, Portland, Oregon 97204, 1-800-547-6339.



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