

The logo for the Arapahoe/Douglas Workforce Board is centered in a white circle. It features a stylized blue wave above the text "Arapahoe/Douglas WORKFORCE BOARD" in a blue, sans-serif font. The background of the slide is a solid blue color with a repeating pattern of faint, circular, concentric designs.

Arapahoe/Douglas
WORKFORCE BOARD

Long-Term Unemployed

February 5, 2015

A nightmare that won't end



"This is like a nightmare. You wonder if you are ever going to work again...As far as retirement goes, I have nothing. And I don't see, at this point, how I am going to catch up."

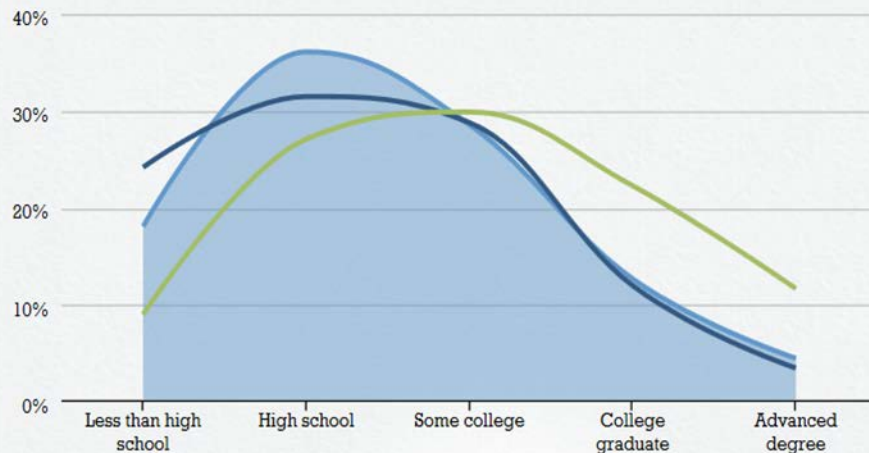
Sharon McGregor, Age 43, Patterson, NJ

What long-term unemployment looks like

- Self-confidence goes down
- Savings consumed
- Deferred maintenance
- May not be able to afford basic needs
- Work skills atrophy
- Less likely to get hired or even get call-backs from employers

Some characteristics of the long-term unemployed

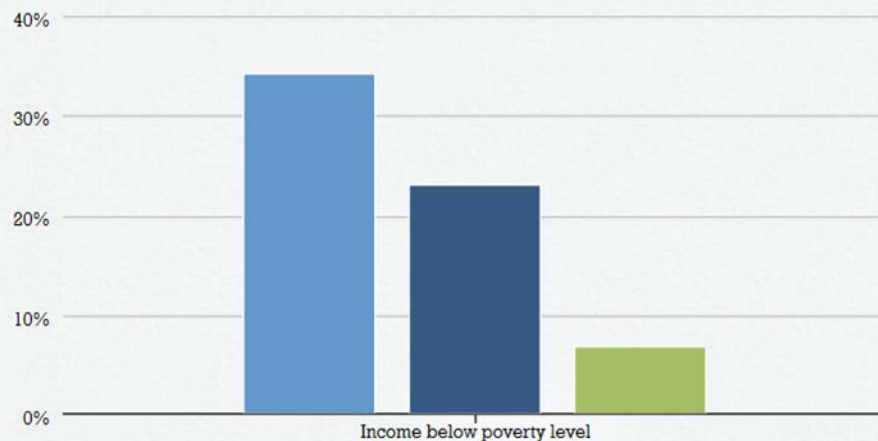
Education
Share of employment group



Source: Josh Mitchell, "Who Are the Long-Term Unemployed?" (Washington, DC: The Urban Institute, 2013).

Notice that both long term unemployed and newly unemployed tend to have lower levels of educational attainment than the employed.

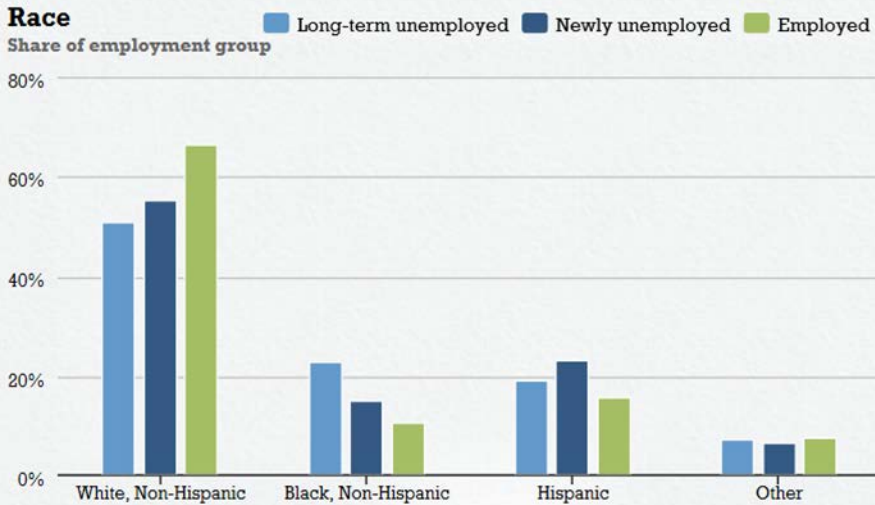
Poverty
Share of employment group



Source: Josh Mitchell, "Who Are the Long-Term Unemployed?" (Washington, DC: The Urban Institute, 2013).

Not surprisingly, nearly 35% of long-term unemployed are living in poverty. However, both the long-term and newly unemployed have higher levels of poverty, suggesting that working poor are more likely to be laid off.

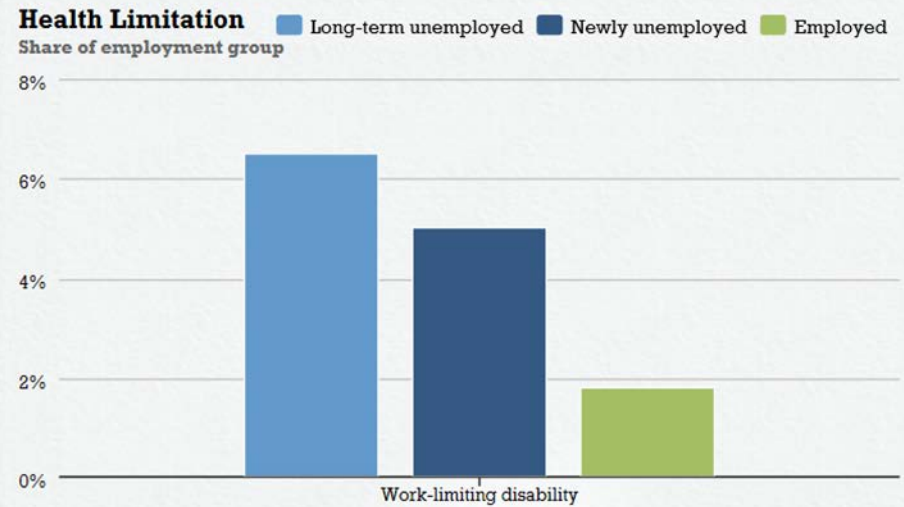
More characteristics



Source: Josh Mitchell, "Who Are the Long-Term Unemployed?" (Washington, DC: The Urban Institute, 2013).

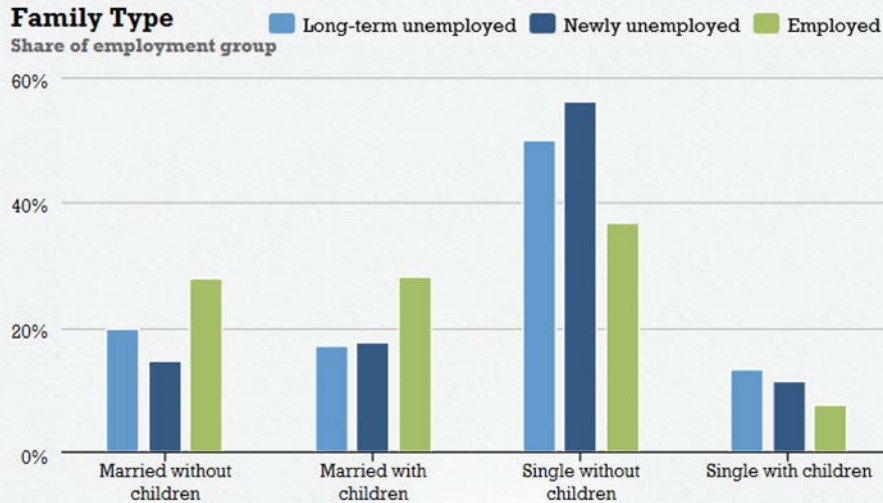
Persons with disabilities or health limitations are also disproportionately represented among the unemployed with over 6% of long-term unemployed having some sort of limitation.

Minorities are disproportionately represented among both the long-term and newly unemployed, while whites are disproportionately represented among the employed.



Source: Josh Mitchell, "Who Are the Long-Term Unemployed?" (Washington, DC: The Urban Institute, 2013).

Families and industry groups

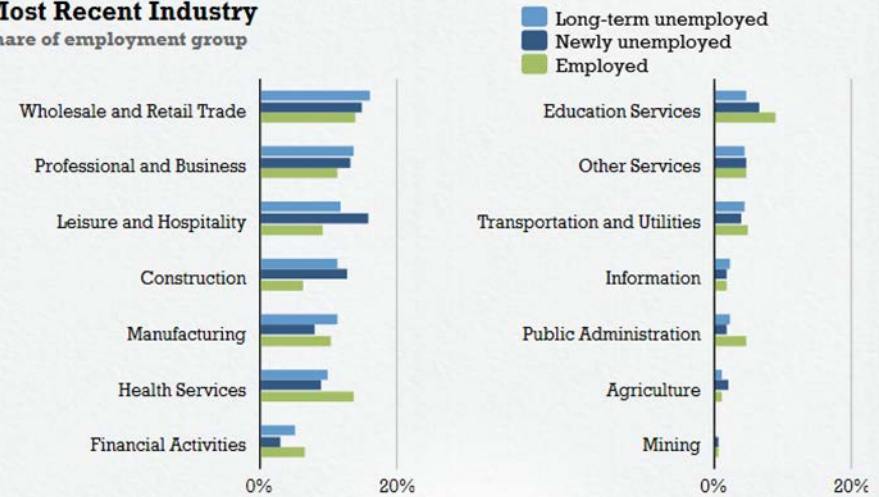


Source: Josh Mitchell, "Who Are the Long-Term Unemployed?" (Washington, DC: The Urban Institute, 2013).

This pattern suggests that young single people are at higher risk for layoff and for long term unemployment. There is a backlog of people who graduated during the recession who have faced lower earnings and long periods of unemployment.

Over 60% of persons suffering long-term unemployment worked in industry groups that require higher levels of physical strength, such as health care, construction, retail, leisure and hospitality, and manufacturing.

Most Recent Industry
Share of employment group



Source: Josh Mitchell, "Who Are the Long-Term Unemployed?" (Washington, DC: The Urban Institute, 2013).

A tough market

- The chance of being called for a job interview falls by 45% as unemployment lengthens from one to eight months.
- To land an interview, the long-term unemployed must apply to 3.5 times as many jobs as short-term unemployed

Other salient facts

- Between December 2013 and December 2014:
 - The number of long-term unemployed fell from 3.9 million to 2.8 million
 - The proportion of long-term unemployed fell from 37.3% of the total unemployed population to 31.9%, while the median duration of unemployment went from 17 weeks to 12.6
- 30% of long-term unemployed are over age 50
- Long-term unemployment commonly face wages 15% lower when they become reemployed, and can experience significant earnings losses up to 20 years after being laid off

Effects of long term unemployment on the U.S. economy

- 2,822,000 people in the United States are classified as 'long-term unemployed.' This means they have been out of work for 27 weeks or more.
- According to the US Census Bureau, median worker earnings are \$30,454

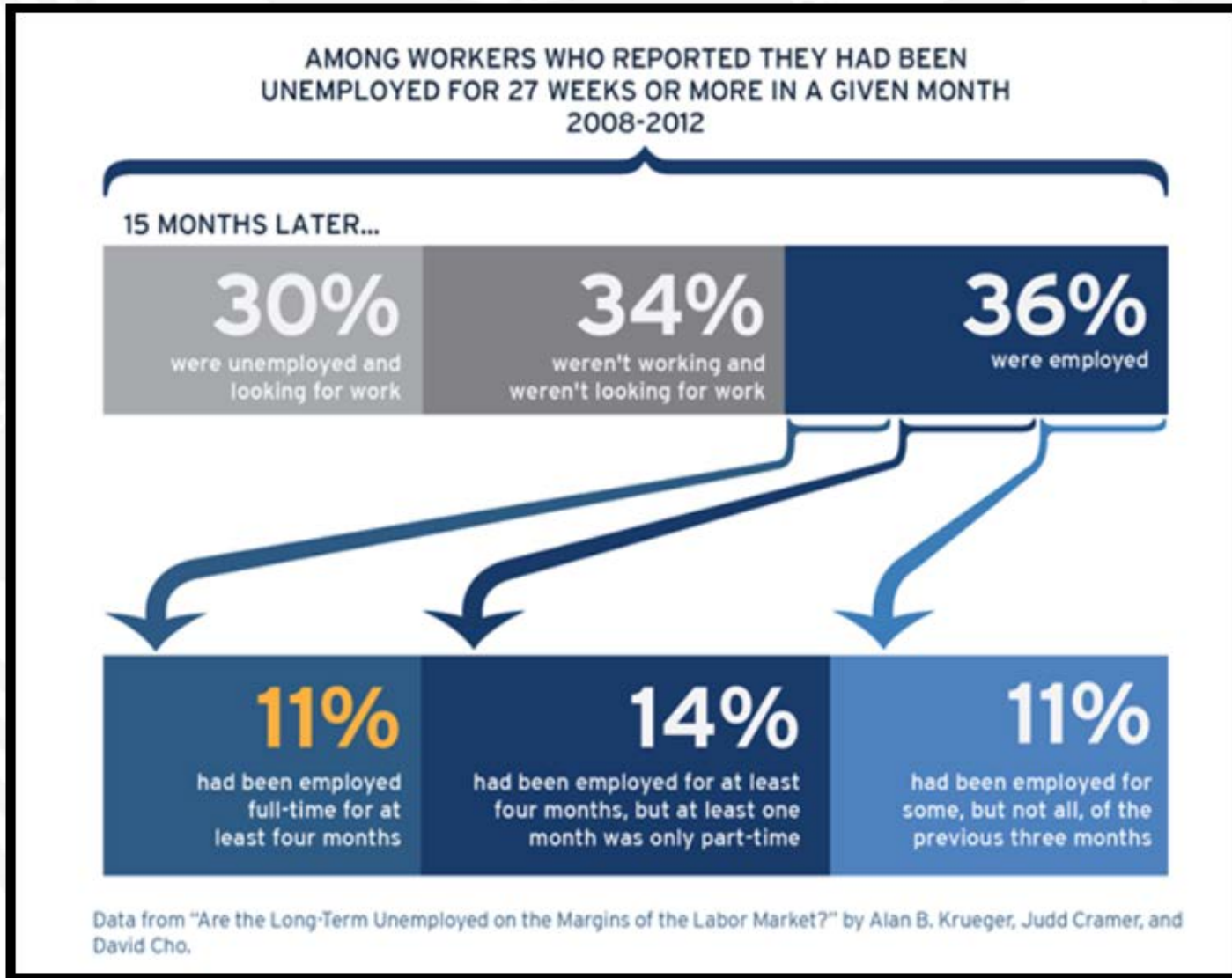
This means that, in lost worker earnings, the long-term unemployed cost the economy

\$86 billion annually

How it looks locally

- It is estimated there are over 26,000 long-term unemployed in metro Denver
- It is likely that over 9,000 of these live in the two-county Arapahoe/Douglas region
- This costs metro Denver's economy over \$932 million annually in lost worker earnings

So...what happens to them?



Ramifications for workforce development

- The problem of long-term unemployment may be more expensive to address
- The best interventions are based on local business needs
- They include:
 - Classroom and experiential occupational preparation using apprenticeship-type or on-the-job training models
 - Supportive services
 - Other community services