

Job prospects remain grim for 2011

Number of new jobs likely won't be enough to reduce unemployment rate

By Alejandra Cancino, Tribune reporter

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More than a year after the recession officially ended, thousands of unemployed people continue hunting for jobs that don't exist and likely won't be there in 2011.

Though the number of jobs will continue to increase, economists say, companies are not hiring fast enough to bring down the unemployment rate, which is likely to hover above 9 percent.

"We are not going to see the kind of gains we should be seeing given the losses we already endured," said Diane Swonk, chief economist at Mesirow Financial.

It's a grim outlook for people like William Gardner, who has been unemployed for nearly two years.

Gardner and his wife have gotten by on his biweekly \$820 unemployment check — about \$50,000 less per year than he used to earn. To make do, the couple have cut back. But some months, keeping current on their \$870 mortgage requires going deeper into debt, he said.

"It's a numbers game," said Gardner, a former district sales manager at a beverage distribution company. "I apply to 30 to 40 jobs a week. I just need one job; I just got to keep going."

Last month, Gardner, 53, made it to the final round of interviews at a Detroit-based company. A few days after he returned home, he was told the company had decided to hire from within.

"What do you do? You kill yourself or you rob a bank? ... You pray to God," Gardner said.

In October, there were 3.4 million job openings, roughly one job for every 4.4 unemployed workers, according to the Bureau of Labor Statistics.

To see a rapid decline in the unemployment rate, Swonk said companies would need to hire more than 500,000 people a month — a big jump from the 39,000 jobs added in November.

"But nobody is holding their breath on that," said Swonk, adding that a more realistic estimate puts the job creation next year at between 150,000 to 250,000 jobs a month.

The jobs being created tend to be concentrated in mid- and low-wage industries, such as health care, food service and retail, according to the National Employment Law Project, a policy and advocacy group.

"Those are also sectors where there are often real problems with job quality, not enough work benefits, not enough opportunities for promotion," said Annette Bernhardt, the project's policy co-director.

Earlier this year, about 76 percent of the jobs added by the private sector paid less than \$15 per hour, Bernhardt wrote in a report. In contrast, nearly half the jobs lost in 2008-09 paid more than \$17.43 per hour.

"It's hard to see how we are going to rebuild an economy when disproportionate numbers of workers are stuck in low-wage jobs," Bernhardt said. "What is at stake, is whether we are going to rebuild the type of consumption and consumers that the economy needs to recover."

Some skilled workers have already sought refuge in low-wage industries, blocking people with lesser skills from entry-level jobs.

Darryl McClung, an unemployed janitor, is an example. At a soup kitchen in West Englewood where he is a volunteer, McClung keeps a folded resume in his wallet and a black binder in his backpack with letters and cards from businesses where he has applied for janitorial jobs. He wants to be ready when he gets the call, but he's been out of work for five months, and he's getting desperate.

"I have skills — not on paper — but I do have skills," said McClung, 50.

Nearby, Kurt Jagade scrubbed a plastic tablecloth as other volunteers mopped, picked up trash and tidied up. The aroma of chili lingered in the air.

In July, Jagade, 32, moved back to his native Chicago from North Carolina, where he had been making \$10.64 an hour as a government worker fixing roads and driving dump trucks. His uncle said he could get him a factory job for \$13 an hour, so Jagade jumped at the opportunity. Two days after he got to the city, the factory closed.

Since then, Jagade said, he hasn't been able to land another job. With a wife and two children to support, Jagade sought help from the state and volunteered at the soup kitchen in exchange for \$360 a month in food stamps.

"I left what little I had, but I have nothing now," he said.

For some veterans, lack of jobs makes it even harder to transition to civilian life after years in the military.

On a recent Friday, a group of about 15 veterans met in downtown Chicago for a day-long job training and networking event.

After 21 years in the Navy, where she specialized in electronics and communications, Mary Madden retired in 2003. She went back to school to finish her bachelor's degree and landed a job as a basic electronics instructor at Naval Station Great Lakes in North Chicago.

She held that job until September, when the company that employed her lost the contract, and she was laid off. Now she finds she doesn't qualify to teach at the college level. Most colleges, she said, require a master's degree.

"I call it the circle," said Madden, 48. To pay for the master's degree, she needs a job, and to get the job she needs the degree.

At the same networking event, Airen Jackson, a construction manager who has been

unemployed for about two years, fiddled with his phone as a speaker talked about the importance of mailing thank-you cards after job interviews.

Jackson's job search has proven difficult, he said, in part because he has 15 years of experience but no degree. He is working toward a bachelor's in business and taking prelaw classes.

"I wasn't prepared for this," Jackson said.

Lots of people weren't prepared for the impact the recession has had on entire industries. Andrew Stettner, deputy director of the National Employment Law Project, said the slow recovery makes people wonder if their old jobs and industries will return and, if not, whether they should change careers.

Unfortunately, he said, it's unclear which industries will add employees next year.

"I think it's harder than ever to point to where people need to be training; where people need to be going," Stettner said.

What complicates the situation further, Swonk said, is that as companies begin to hire, more than 1 million people who gave up looking for a job will likely start looking again. When they do, they will find more people applying for the same jobs.

"As you start to see (the economy) recover, it feels like one step forward and two steps back, even though we actually are moving forward and generating jobs," she said.

Perplexing to Daniel Mitchell, a senior fellow at the Cato Institute, a think tank, is that the economy isn't following patterns he's seen in the past.

"Normally when you have a recession, the economy has a very strong bounce-back and we recover all the lost economic output," Mitchell said. "Well, we are not having a strong bounce-back. We haven't even climbed back up to our average growth rate."

Meanwhile, the impact of the economy is played out at places like the Elijah Food Pantry at St. Luke's Lutheran Church in Chicago's Logan Square neighborhood. Dea Checchin, director of the food pantry, said she gives bags with fresh vegetables, cheese, soup cans and meat to about 600 people a month, double the number before the recession.

Yet, as more people seek help, donations continue to decline, Checchin said. Even the "rich churches," she said, have started food pantries, leaving her scrambling for more donors.

"So far the pantry is in the black, but it's getting scary," she said.

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Job search tips

- Don't take a break from your job search during the holidays. Recruiters at some companies want to fill job openings before Jan. 1.
- Every party, school function and community gathering affords an opportunity to network or to make contacts. People during the holiday season often are more open and have a bit more time to talk.

- The holidays offer an easy way to stay in touch with your contacts and get their attention. Send a card, or better yet, call them on New Year's Day.

- Stay flexible and available.

SOURCE: CareerCurve.com

On small talk...

- Talk to yourself in the mirror and watch your expressions and gestures. Are they appropriate? Do they need honing?

- Listen better.

- Look confident: Plant your feet, hold your head high, keep your shoulders back, put your chest out, hold in your stomach and make direct eye contact.

- Observe and listen before joining a conversation. Prepare your remarks and wait for an opening.

SOURCE: **Lillian D. Bjorseth, author of "Breakthrough Networking: Building Relationships That Last."**

Outlook 2011: Employment

This is one in a series of articles looking at what lies ahead for various sectors in the new year.

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