Where are the Jobs? Continuing

BY FRED KAMMER, S.J.

The stock market is soaring to set new records. CEOs are taking home bundles of cash, stock options, and rich severance packages. Wall Street is handing out million dollar bonuses again. Congress and state legislatures seem to find no tax cut unpalatable. And big tech firms like Apple acquire smaller ones like Tumblr for a billion dollars. What is the matter with this rosy picture? Unemployment.

The "official" unemployment rate for April 2013 was 7.5 percent, representing 11.7 million persons, of whom 4.4 million have been unemployed for at least six months. This does not include people who simply have given up looking for work or those working part-time who want to work full-time. In fact, the U.S. Bureau of Labor Statistics (BLS) puts the total of "labor underutilization" at 14.5 percent, almost double the official unemployment rate.

We can understand the different kinds of "unemployment" by looking more closely at the statistics for the five Gulf South states in *four categories* used by BLS. The figures are drawn by BLS from the Census Bureau's Current Population Survey, augmented with other data, based on averages over the twelve months ending in March 2013.[1] The four categories are:

Officially unemployed: All jobless persons available for work who actively sought work in the past four weeks as a percent of the civilian labor force

Discouraged workers: Persons not in the labor force who want and are available for work and have sought work in the past twelve months, but not in the past four weeks because they believe no jobs are available for them (economic reason), as a percent of the civilian labor force plus discouraged workers.

Marginally attached workers: Includes discouraged workers whose reason for not seeking work in the past four weeks is other than their belief about availability of jobs for them, as a percent of the civilian labor force plus all marginally attached workers.

Involuntary part-time workers: Persons working less than 35-hours a week who want full-time employment but gave an economic reason for working part-time (hours cut back or unable to find a full-time job), as a percent of the civilian labor force plus all marginally attached workers.

The table below reflects the cumulative effect of these four categories of workers in each locale. BLS notes that these measures of labor underutilization move together over time and across business cycles so that states with high official unemployment rates tend to have high rates of underemployed and underutilized workers, as well. Workers of color, of course, have higher rates of labor underutilization than white workers.

The Economic Policy Institute reports that, since late 2010, the U.S. economy has been adding an average of only about 175,000 jobs per month and that, at that rate, we will not get back to the pre-recession labor market health until early 2020. "In other words, *at the current growth rate, the labor market will not be made whole again before the end of the decade.*"[2] For tens of millions of workers, this is too long to wait.

For those guided by the principles of human dignity, justice, and the common good, the current situation demands that we *"prioritize the goal of access to steady employment* for everyone."[3] The refusal of our elected leaders to make this priority a reality—by stimulus spending, job training and re-training,

Measure of Labor Underutilization	Alabama	Florida	Louisiana	Mississippi	Texas	United States
Officially unemployed	8.1%	8.2%	7.1%	9.3%	6.6%	7.9%
Officially unemployed plus discouraged workers	8.7%	9.0%	7.6%	9.9%	6.9%	8.4%
Officially unemployed, discouraged, and marginally attached workers	9.7%	9.8%	8.7%	11.4%	7.6%	9.4%
Officially unemployed, discouraged, marginally attached, and involuntary part-time workers	13.5%	15.5%	12.2%	15.5%	11.6%	14.5%

Unemployment and Worse

and/or other programs—is a serious moral failure and is not excused by concerns about debt or deficits. We are turning millions of workers into disposable commodities, a situation aptly captured in the May 16, 2013, address of Pope Francis to a group of ambassadors:

> *Worse yet, human beings themselves are nowadays considered as consumer goods which can be used and thrown away. We have started a throw-away culture. This tendency is seen on the level of individuals and whole societies; and it is being promoted! In circumstances like these, solidarity, which is the treasure of the poor, is often considered counterproductive, opposed to the logic of finance and the economy. While the income of a minority is increasing exponentially, that of the majority is crumbling. This imbalance results from ideologies which uphold the absolute autonomy of markets and financial speculation, and thus deny the right of control to States, which are themselves charged with providing for the common good.*[4]

Not only are our elected officials unresponsive to their duties to the common good, but they have turned their gunsights now on the unemployed, underemployed, and underutilized and moved to worsen workers' already grim situations in several hurtful ways.

Cutting Long-Term Unemployment Benefits

The federal Emergency Unemployment Compensation program assists workers after they exhaust their state-level unemployment benefits, usually after twenty-six weeks. These modest benefits, averaging $300 a week, are now subject to a 10.7 percent cut under federal budget sequestration between April and September of this year.[5] The timing of the cuts will vary by state but average $450 between now and then. Targeting the long-term unemployed is all the more cruel because studies show that for the long-term unemployed the labor market is "horribly dysfunctional"[6] in that long-term unemployment trumps employment experience, education, job churning, blue or white collar job, or any other factor. "In other words, the first thing employers look at is how long you've been out of work, and that's the only thing they look at if it's been six months or longer."[7]

Cutting SNAP Food Benefits

SNAP (the Supplemental Nutrition Assistance Program, formerly food stamps) truly is the nation's last "safety net," providing food to people whose incomes are below certain levels and providing nutrition assistance at levels depending on income and family size. The majority in the U.S. House of Representatives continues to try to cut SNAP benefits, now arguing that the program is "broken" and must be "reformed" because the SNAP budget has continued to rise even after 2009 when "official" unemployment started its slow decline. But, as defenders say quite accurately, SNAP is doing precisely what it was designed to do, which is to meet the basic food needs of a population that continues to suffer "unusually high unemployment, reduced incomes and limited job opportunities..."[8]

Throwing Away Jobs

Our Gulf South governors and legislatures, with very high levels of unemployed, underemployed, and underutilized workers, this year are adding the most shortsighted and cynical burden to their states' most needy workers by refusing the expansion of Medicaid offered under the Patient Protection and Affordable Care Act (PPACA). Because of their opposition to "Obamacare," they are rejecting the enormous federal infusion of health coverage provided under PPACA and, in so doing, not just health coverage for hundreds of thousands of citizens, but a great opportunity to improve the jobs picture in their states.

In the Gulf South states, some estimates for job creation under PPACA include approximately 9,000 new jobs in Mississippi,[9] 15,600 new jobs in Louisiana,[10] and 231,000 to 300,000 new jobs in Texas.[11]

It is bad enough when millions of people are unemployed, underemployed, or underutilized. Reducing unemployment benefits to the long-term unemployed, cutting food aid, refusing health coverage, and throwing away jobs, however, vividly embodies the old adage about "kicking a person when he is down."

ENDNOTES

1 Bureau of Labor Statistics, *Alternative Measures of Labor Underutilization for States, Second Quarter of 2012 through First Quarter of 2013 Averages,* April 26, 2013.

2 Heidi Shierholz, *175,000 jobs a month won't make us whole until 2020,* Working Economics Blog, Economic Policy Institute, May 1, 2013.

3 Ibid., No. 32, emphasis in original.

4 Pope Francis, *Address to the New Non-Resident Ambassadors to the Holy See: Kyrgyzstan, Antigua and Barbuda, Luxembourg and Botswana,* May 16, 2013, p. 1.

5 Nancy Cook, *Sequester Slashes Help for Long-Term Unemployed, National Journal,* April 1, 2013, at http://www.nationaljournal.com/daily/sequester-slashes-help-for-long-term-unemployed-20130331 (accessed May 22, 2013).

6 Matthew O'Brien, *The Terrifying Reality of Long-Term Unemployment, The Atlantic,* April 13, 2013, at www.theatlantic.com/business/archive/2013/04/the-terrifying-reality-of-long-term-unemployment/274957/ (accessed May 21, 2013).

7 Ibid.

8 Chad Stone, *SNAP Enrollment Is Still So High Because the Job Market Is Still So Bad,* Center for Budget and Policy Priorities, May 17, 2013, at http://www.offthechartsblog.org/author/stone/ (accessed May 22, 2013).

9 Center for Mississippi Health Policy, *Medicaid Expansion: An Overview of Potential Impacts in Mississippi,* November 2012, p. 4.

10 Families USA and Louisiana Consumer Healthcare Coalition, *Louisiana's Economy Will Benefit from Expanding Medicaid,* February 2013, p. 3.

11 Anne Dunkelberg, *Medicaid Expansion Resource Guide: All the Latest on the Costs and Benefits for Texas,* Center for Public Policy Priorities, February 21, 2013, citing two different studies, at http://forabettertexas.org/images/HC_2013_02_PP_MedicaidExpansion.pdf (accessed May 22, 2013).