

United States Senate
Committee on Health, Education, Labor and Pensions

Stories from the Kitchen Table:
How Middle Class Families are Struggling to Make Ends Meet

Testimony of Susan M. Sippelle,
Multimedia Journalist

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Mr. Chairman and Members of the Committee:

Since February of 2010, filmmaker Samuel D. Newman and I have been traveling across the country using video to chronicle the stories of older unemployed Americans, almost all of them middle class. We conducted 100 interviews with individuals who are currently jobless, covering as broad an array of professions and occupations as possible, and we concentrated our interviews in states with the highest rates of unemployment.

Out of these video interviews, we created *Over 50 and Out of Work*, a multimedia documentary project.

All 100 three- to seven-minute interviews can be viewed on our website at www.overfiftyandoutofwork.com. A list of our interviewees' names and occupations, as well as their cities and states of residence, is attached (Appendix A).

For today's committee hearing, we prepared a short video testimonial that includes 21 of our interviewees and highlights many of the issues revealed by our multimedia documentary project. Subsequent to today's hearing, we will add the testimonial to the Videos section of our website on the Documentary page. The names, occupations and cities and states of residence of our interviewees included in the testimonial are also attached (Appendix A).

CONTEXT

I never in my wildest dreams thought that at age 50 I'd be out of work for an extended period of time.

- Tom Bertin, 50, industrial fluid power salesman, Rochester Hills, Mich.

Although the Great Recession was declared over in June 2009, the outlook for unemployed older middle class Americans has evolved and become more complex, but it has not brightened. The collapse of the housing and financial markets often eroded the value of their homes and savings even before they faced the pain and dislocation of unemployment due to the economic downturn.

When older workers lose their jobs, their homes and their financial security, they confront a vulnerable reality -- they have less time than younger workers to recoup and regain their financial footing. Moreover, as their needs escalate and globalization races ahead, government at all levels is cutting back on programs and services that could help them regroup and re-enter the labor force, which would not only help them personally, but would reduce fiscal pressures on the U.S. budget.

The unemployment rate of 6.4 percent for workers 50 and over compares favorably to the national unemployment rate of 9.1 percent, but once older workers lose their jobs, they find it increasingly difficult to get rehired. The average length of time that older workers are jobless has been climbing since 2008 and now exceeds 12 months, three months

longer than the average time for all unemployed workers (Appendix B). Decades of structural changes in the U.S. economy, accelerated by the Great Recession, have resulted in the highest rate of unemployment among older middle class workers ever recorded.

The number of Americans who are 50-plus and jobless remains around three million, but this figure does not take into account: workers who have dropped out of the labor market due to discouragement, individuals forced to claim disability payments or Social Security at the earliest possible date because they cannot find jobs to support themselves, and, lastly, the growing numbers of boomers who are seriously underemployed.

Seven of our 100 interviewees have returned to work in jobs that provide salaries and benefits comparable to the compensation they received previously. Nine have gotten back to work in full-time positions where they are now paid one-half or less of their prior salaries.

I'm making one-third, compared to what I used to make before.

- Joseph Wong, 60, IT specialist, Castro Valley, Calif.

Most of our interviewees, however, are now eking out a living by taking on one or two part-time jobs or by trying to redefine and market themselves as independent consultants.

I'm currently part-time employed, still looking for other [work]; I need two jobs.

- Mark Miller, 63, computer consultant, New Orleans, La.

Over one-third of our interviewees remain jobless.

In sum, although most of our unemployed older workers have proven themselves resilient and adaptable to changing workforce conditions by learning new job hunting techniques, upgrading their skills, networking and volunteering (both to do good and build job connections), the outcome of their lengthy job search has not been rosy. Even if they found work, they have not been able to recoup the financial setbacks they suffered when they drew down their savings to tide them over their while unemployed, and they can no longer count on retiring.

The next 5, 10, 15 years of my life will be working my tail off. I don't anticipate retiring ever. I don't anticipate I'll be able to.

-Rick Peterson, 61, IT project management, Piscataway, N.J.

We interviewed Carl Van Horn, professor of public policy and director of the John J. Heldrich Center for Workforce Development at Rutgers University, as an expert for our documentary project. Van Horn has been studying labor markets for 30 years and jointly authored The “New Unemployables”: Older Job Seekers Struggle to Find Work during the Great Recession.

In May 2009, the Heldrich center surveyed unemployed workers of all ages and repeated the survey in August 2010. By 2010, one-third of the younger workers had been re-

employed, a historically low success rate, Van Horn said. Of the older workers, only one-sixth had found new jobs, an even poorer outcome. Older workers who had gotten back to work had accepted lower pay. Half of the survey respondents were no longer able to afford health insurance. Overall, the job search outcomes for our Over 50 and Out of Work interviewees are slightly bleaker than the dismal results for the survey's participants.

THEMES

The most powerful theme that emerges from our documentary project is the shock and pain that older middle class Americans experience when they realize that they can no longer depend on a comfortable future with a dependable job.

That's basically what was instilled upon us – that you worked 30 years in this mill – you're set for life. - Joe Magnone, 50, third generation steelworker, Weirton, W.V.

My journey is one that I didn't expect. I thought I would be able to retire from Panasonic. - Dan Sato, 53, consumer electronics marketing, Denville, N.J.

I had 12 years of a job that I really, really liked every step of the way, and it hurt, it hurt a lot, to get that call to say – we're going to be letting you go.
- Donna Jadis, 60, technical writer, Antioch, Calif.

They are frightened and often overwhelmed by the financial setbacks and consequences they encounter as a result of job loss.

This is what we're looking at in 2009, when we got laid off: Our retirement is worth half of what it was last year; we have no equity, and we're upside down in our home, and we have all of these obligations, including, we have a daughter, who is going to be a junior in college. - Pam Buckley, 58, former restaurant manager, Berkley, Mich.

When I add all of those things [the consequences of unemployment] up in my personal situation, the damage to my wife and I is going to approach half a million dollars.
- Stan Bednarczyk, 60+, engineer, Rockwood, Mich.

Fundamentally, our interviewees, who are all 50-plus, are struggling to understand and adjust to today's depressed labor market.

It seems like you need to be very rich or very poor and not in the middle.
- Deborah Denefeld, 58, teaching artist, Louisville, Ky.

They are trying to cope with job loss, lack of job security, new methods of seeking and applying for jobs, living on reduced incomes and savings, cutting expenses and the potential need to upgrade their skills or educational levels. They are trying to figure out where job openings exist, both by location and industry. Their ability to relocate is

sometimes constrained by their inability to sell their homes or because they are caring for elderly parents. They face daunting hurdles of age discrimination and a bias against the long-term unemployed. They are persistent and resilient, but troubled and worried about the future both for themselves and for their children and grandchildren.

Essentially, whether you're an employee or a consultant, you're just a hired gun. It's just the way it is. And it's business. I understand that, but having grown up with a different thinking, where you keep your nose clean, you do your job, that's what it took, back then. Now, they'll just work you until they can't work you anymore, or they don't need you.

-Bob and Maura Delpizzo, 56, Flanders, N.J.

My oldest kids ...they even tell me that the end of the world's coming, even though I tell them no. It's just that there's no jobs out there, and they don't know what to do. They're grown kids and they're still living with me, and I have to provide for them.

- Rudy Limas, 61, commercial truck driver, Woodburn, Ore.

UNEMPLOYMENT INSURANCE AND SAVINGS

Our interviewees accept unemployment insurance to help pay their living expenses because they cannot find jobs. They deplete their savings and, sometimes, are forced to tap or use up their retirement funds to survive.

The 17 months was long. A lot of our savings went. We had enough to keep us going, but, then, 17 months is a long time, and, if you're just getting unemployment - I only work part-time - that took all our savings.

- Maurizio and Debbie Adami, 58, tool and die maker, Dearborn, Mich.

In that 17-month period, we had to live off of money that we had set aside that was supposed to be for retirement...For a while there, we were burning through our savings something fierce.

- George Ross, 48, IT project manager, Livermore, Calif.

There's just not enough money anymore. As I said, my savings is pretty much gone. And it's becoming more stressful because I never thought I'd be out of work as long as I have."

- George Dys, 60, product design engineer, Forestdale, R.I.

I do a part-time job, working 20 hours a week, doesn't even pay the mortgage payment. That's coming from a 401K, retirement money.

- Albert Yasbick, 59, electrical engineering technician, Las Vegas, Nev.

DISCOURAGEMENT

Almost all of our interviewees have been working since they were teenagers, and they are proud of their work history and accomplishments. They are stunned when they cannot find work, given their level of experience and their determination to get back to work.

I've never not been able to find a job. I've always found one. I've never had a problem... I've worked hard and long all my life, and not to be able to find a job now. It's hard.

- Joan McCleskey, 58, former bank manager, Fort Myers Beach, Fla.

Many times, even if you are fortunate enough to get an interview, you just do not get any follow-up.

- Marie Spalding, 62, school counselor, Louisville, Ky.

I'm in the same boat as everybody else here. Nobody calls you back. There's just so many people that's out of work.

- Julie Taylor-Cooper, 62, accounting manager, Conway, S.C.

FAMILY RELATIONSHIPS

Our interviewees have suffered from the strains on family relationships that job loss and deteriorating financial stability can produce.

I've been out of work for a little over two years now. My wife doesn't love me anymore; my kids don't love me.

– Mike Risinger, 58, draftsman, Portland, Ore.

When I lost my job, it became very difficult to keep my house, and I eventually lost it. So, I'm renting a home, and I've separated from my family, and it's been a real struggle.

- Anthony Lalos, sales representative, Las Vegas, Nev.

FORECLOSURE

Eight of our interviewees have already lost their homes due to foreclosure or face the imminent threat of losing their homes. Many more now find that their homes are “underwater” – the amount they owe on their mortgages exceeds the values of their houses.

The condo I'm living in will be auctioned off tomorrow.

-Rich Galipeau, 58, small business owner, Fort Myers, Fla.

I was unable to make my mortgage payments, so one way of keeping from going completely into foreclosure, I put it on a short sale, so they had to put it on the market to

sell it. Not what I really wanted to do, but that was the only other option that I had, if I didn't have the money to catch up and continue.

- Deborah Salim, 60, part-time grant writer, Conway, S.C.

The house across the street from this house just sold for less than what I paid for this house in 1989... Yes, I own this house, but the bank owns it, but it's in my name. I'm still making mortgage payments on it. I have two roommates that help me out."

- Mary Sironen, 55, bartender, Las Vegas, Nev.

LACK OF HEALTH INSURANCE

Lacking health insurance coverage is one of the most frightening consequences of job loss for our interviewees. More than one-third of our project interviewees cannot afford health insurance any longer. They defer routine healthcare and are left hoping that they do not become seriously ill.

Health insurance is an issue. When I was laid off, naturally, I lost it and with the unemployment benefits that I am getting right now, health care is not affordable.

- Stan Bednarczyk, 60+, engineer, Rockwood, Mich.

I do not have health benefits at this point in time. When I got laid off, I had to get a car, so most of my savings went to get a dependable car. When I allow myself, I am in fear.

- Barbara Such, 55, call center engineer, Randolph, N.J.

I'm upset about it because I feel I worked all these years and, now, I don't have no medical insurance. I can't afford it.

- Julie Taylor-Cooper, 62, accounting manager, Conway, S.C.

DEPENDENCE ON CHILDREN TO HELP PAY LIVING EXPENSES

Several of our interviewees have to turn to their children to help pay their expenses, which is difficult for them to accept, although they are grateful for the assistance.

My kids help. I'm not used to that. That's really difficult. I think that's probably the hardest part of the whole thing. I've always been the helper of the kids; they would always come to me, and so, now, it's hard.

- Luanne Jones, 61, office worker, Glendora, Calif.

Our one daughter is still living in the house with us, which is a blessing for us, because instead of her paying money on an apartment and living by herself, she helps us keep the mortgage payments and food and bills taken care of.

-Rick Peterson, 61, IT project management, Piscataway, N.J.

DEPENDENCE ON PARENTS TO HELP PAY LIVING EXPENSES

Two of our interviewees have been forced to move back home with their parents, a difficult adjustment for adults who are 50-plus.

I'm living with my father. I'm glad to be here. I'm glad we had a place to land.

-Brian King and Jessica Goldstein, 53, retail banking, Pomona, N.Y.

This is the house that I grew up in. My mother and I live together. She's 78 years old. She's going to be 79 this month, and she works full-time.

- Lorraine de Masi, 52, 3D packaging artist, Floral Park, N.Y.

INABILITY TO PROVIDE FOR THEIR CHILDREN'S FUTURES

The impact of unemployment among older workers extends to their children because our interviewees can no longer provide for their futures in the way they had anticipated.

The tough part right now is I got two daughters who are – well, I got one who wants to go to college next year. I don't know how she's gonna pay for it.

– Mike Risinger, 58, draftsman, Portland, Ore.

Where we had before planned on him going to college, now he's thinking more and more seriously about going into the military, which is not a bad thing, but it's a recalculation from what he had originally thought his life would be like.

- Bill Davis, executive recruiter, Myrtle Beach, S.C.

CONCLUSIONS

Economic data alone cannot convey the multigenerational pain that unemployment and its repercussions have created among older middle class Americans. Some will never recover. Many of our interviewees talk about hunkering down and getting by, rather than about anticipating better times ahead. The traditional American expectation of a better future for themselves and their families has been upended, if not reversed.

Since our opportunities came upon us after World War II, what are we leaving to our children? And the answer is – not very much and it's very concerning.

- David Bowes, 64, IT senior executive, Wayne, N.J.

We didn't grow up with scarcity, like my parents' generation, and I think that's major. And I think that's what this next generation is going to be dealing with.

- Joel Nitzberg, 57, community educator, Somerville, Mass.

Surprisingly, despite the ongoing hardships that they encounter as a result of unemployment, our interviewees speak eloquently about their belief that we can solve the

economic problems of the United States and restore the American dream for the middle class. They are determined to get back to work.

It's about being able to compassionately understand the fact that, hey, we're all in this together. This is America. - Joe Magnone, 50, steelworker, Weirton, W.V.

PROJECT BACKGROUND

What inspired Over 50 and Out of Work?

In 2010, I formed Tree of Life Productions to create independent multimedia journalism and documentary filmmaking. The country had been plunged into the Great Recession, and I could see the long-lasting impact that the economic downturn was having on my peers, the boomers. Filmmaker Samuel D. Newman joined the project in February 2010, and Nikolia Apostolou took charge of the project's social media in late 2010.

How did we find our Over 50 and Out of Work interviewees?

We have collaborated with state and local employment agencies, unions, technical and community colleges and job support groups. We have also received many volunteers through our website.

We did not pre-screen or pre-select our interviewees and their stories were not rehearsed or scripted.