

More Men in Prime Working Ages Don't Have Jobs

Technology and Globalization Transform Employment Amid Slow Economic Recovery

By Mark Peters and David Wessel
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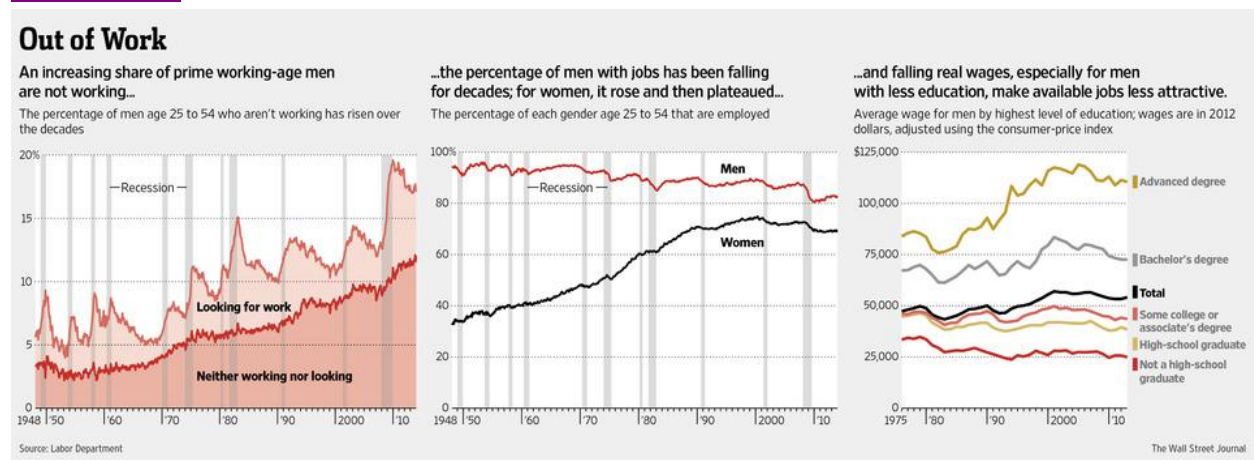
More than one in six men between the ages of 25 and 54, prime working years, don't have jobs, a chronic condition that shows how technology and globalization are transforming jobs faster than many workers can adapt, economists say. David Wessel, Hutchins Center on Fiscal and Monetary policy director, joins MoneyBeat. Photo: Wesley Hitt for The Wall Street Journal.

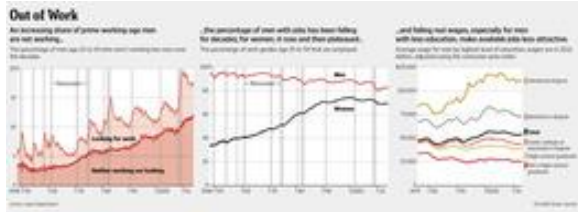
Mark Riley was 53 years old when he lost a job as a grant writer for an Arkansas community college. "I was stunned," he said. "It happened on my daughter's 11th birthday." His boss blamed state budget cuts.

That was almost three years ago and he still hasn't found steady work. Mr. Riley, whose unemployment benefits ran out 14 months ago, says his long and fruitless search is proof employers won't hire men out of work too long.

"We're poor, but we're not broke," Mr. Riley said. "We still have property. We have cars. We have some assets, we just can't liquidate them."

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Mr. Riley's frustration is widely shared. More than one in six men ages 25 to 54, prime working years, don't have jobs—a total of 10.4 million. Some are looking for jobs; many aren't. Some had jobs that went overseas or were lost to technology. Some refuse to uproot for work because they are tied down by family needs or tethered to homes worth less than the mortgage. Some rely on government benefits. Others depend on working spouses.

Having so many men out of work is partly a symptom of a U.S. economy slow to recover from the worst recession in 75 years. It is also a chronic condition that shows how technology and globalization are transforming jobs faster than many workers can adapt, economists say.

The trend has been building for decades, according to government data. In the early 1970s, just 6% of American men ages 25 to 54 were without jobs. By late 2007, it was 13%. In 2009, during the worst of the recession, nearly 20% didn't have jobs.

Although the economy is improving and the unemployment rate is falling, 17% of working-age men weren't working in December. More than two-thirds said they weren't looking for work, so the government doesn't label them unemployed. The January snapshot of the job market is due Friday.

For women, the story is different. In the 1950s, only about a third of women ages 25 to 54 had jobs. That rose steadily until the 1990s, and then leveled off for reasons that aren't clear. At last tally, about 70% were working; 30% weren't.

Men without jobs stand apart in a society that has long celebrated work and hailed the breadwinners who support their families. "Our culture is one that venerates work, that views work as good for its own sake," said David Autor, a Massachusetts Institute of Technology economist.



Aaron Miller has gone back to college. Brian Kelly for The Wall Street Journal

The bleak prospects for the long-term unemployed—40% of men looking for jobs say they have been out of work six months or more—alarms policy makers and economists. The longer a person is unemployed, according to historic data, the harder it is to find a job.

Surveys find that most of the jobless spend their days in the same way working men spend weekends—watching TV, working out, sleeping. Economists say part of the problem is that men with few marketable skills and little education can't find work that pays enough to get them off the couch.

Since the early 1970s, the average inflation-adjusted wage for high-school dropouts has fallen about 25%; for high-school graduates with no college degree, it is down about 15%. Simply put, many of the available jobs don't pay enough to get men to take them, particularly if securing a job requires moving, long commutes or surrendering government benefits.

Economists who had expected the fraction of men working or at least looking for work to be approaching prerecession levels by now are dumbfounded. "It's looking worse and worse," said Johns Hopkins University's Robert Moffitt, who has researched the subject. "It's unexpected."

Although 10,000 baby boomers turn 65 every day, these unemployed men are too young for conventional retirement. Many are closer to the start of their working lives.

Kenneth Gilkes Jr. , 29 years old, thought he was on his way to a career in government affairs after earning a master's degree in public administration from the University of Illinois at Chicago in 2008.

But he was laid off from his first job at Chicago public schools. His most recent position, working in community outreach for former Rep. Jesse Jackson Jr. , ended in April with Mr. Jackson's resignation over the misuse of campaign funds. Mr. Gilkes collected \$500 a week in unemployment benefits until December, when Congress failed to extend the program. He has spent his savings and now relies on family and friends.

Mr. Gilkes applies for at least two jobs a day, he said, but gets little response, especially when applying online, a common complaint by job seekers. He watches documentaries on successful people for inspiration, he said. Mr. Gilkes shares custody of his 2-year-old daughter with this ex-wife and said the responsibility of fatherhood pushes him to keep looking.

"Sometimes I get discouraged, but, honestly, I can't stop applying," Mr. Gilkes said. "Everyone tells me there's light at the end of the tunnel."



Joseph Maloney, of Chicago, was laid off in 2009, but he hopes to be hired full-time for a tech-support job. Brian Kelly for The Wall Street Journal

For some men, the job market has passed them by. After high school, Joseph Maloney, 51 years old, followed the men in his family to work on Chicago's trading floors. For nearly three decades, he worked in back-office operations for commodity firms. As trading moved from open pits to computer screens, jobs disappeared. Mr. Maloney, to his regret, said for years he didn't keep pace with the changing technology.

Mr. Maloney's son, Joseph Jr., grew up watching his dad leave the house before sunrise. "Work is an ingrained value for him," said the 25-year-old college graduate who works for Teach for America. "Not being able to have that, and satisfy that, has been really tough."

The older Mr. Maloney was laid off in 2009 and turned to temporary jobs. In 2011, he had a heart transplant.

At the advice of his sister-in-law, and because he thought he had a good bedside manner after his experiences as a patient, Mr. Maloney learned to be a dialysis technician at Prairie State College. He looked in vain for jobs in and around Chicago. He learned nurses were in high demand but said he was leery of spending any more money on training.

Over the past year, Mr. Maloney found temporary work as an information-technology support technician at the college where his wife is an executive assistant. His job ended in September, resumed in December and now, he said, he hopes it will be permanent.

The couple restructured their debts, credit card and mortgage, but still lean on family for help some months. The marriage is the second for both, and they have two children in college and a third heading there.

On top of his wife's \$45,000 salary and his earnings from the temp job, Mr. Maloney collects about \$1,000 a month from Social Security Disability Insurance, a benefit that will end if he lands a full-time job.

Mr. Maloney's desire to return to the workplace is exceptional among the growing ranks of unemployed men who seek and obtain federal disability benefits. The number has grown in the past two decades, despite fewer physically demanding jobs; advances in medicine; and the 1990 Americans with Disabilities Act that requires employers to accommodate workers with disabilities.

In 1989, 3% of men ages 25 to 64 collected federal disability benefits. In 2013, 5.5% did, according to the Social Security Administration, and about half of those—more than two million men—were age 54 or younger. Very few who get these benefits return to work, and even those who apply for disability and are rejected are unlikely to work again, government and academic data show.

Levell Anderson, 52 years old, was so sure he would retire from the military with a comfortable pension that he made his expected last year of service, 2021, part of his email address. But he was discharged from the U.S. Army in May—short of the 20 years required for a full military pension—after he was partially disabled during a training exercise. He now uses a cane to walk.

Mr. Anderson said that without training his disability and high-school education leave him with few ways to earn even half the \$65,000-a-year he made as a staff sergeant. "I've got to get back to that level," said the father of three.

For the past few months, Mr. Anderson has applied for veterans' retraining aid, which would pay for community college tuition and provide a stipend.

Mr. Anderson lives on his monthly Army disability check of \$1,600 and his wife's hourly wage job at a food-processing plant. They have largely spent their savings. "We are trying to keep our heads above water until I'm able to get back into the workforce," he said.

Veterans typically can find \$9-to \$12-an-hour jobs in security or customer service, said Dale Prickett, who has worked with vets at a nonprofit community center and a college. The men, he said, are surprised at how tough it is to find \$40,000-a-year jobs with a career path: "It is a shot to the gut."

For Mr. Riley, the former college grant writer in Arkansas, Tuesdays are the best day of the week. On those days, he and his unemployed wife volunteer at a food bank, helping give away produce in a poor neighborhood.

"It makes me realize we're better off than some people," Mr. Riley said. "And the volunteers get the leftovers." To make the best use of the free food, Mr. Riley said, he is teaching himself to make canned goods. His latest creation is a jam made from mandarin oranges and habanero peppers.

Mr. Riley holds a master's degree in marketing, and he had been a marketing director at Arkansas' Cossatot Community College in De Queen, Ark.

"Sometimes I feel like he's not trying hard enough, that there should be some kind of job out there," said Mrs. Riley, a former substitute teacher. "He says he wants to wait for the right job. He's been quite depressed over it. Before he was always doing yard work, always busy doing something, now I catch him sitting at the computer."

After losing his job in 2011, Mr. Riley worked to improve a 1919 Craftsman-style house that was eventually appraised at more than twice the \$50,000 he paid for it. To avoid foreclosure, he borrowed \$14,000 from his retirement savings plan to pay off the mortgage. For income, he and his wife, Beverly, now rent out the house, as well as the attic apartment in the house where they live in Little Rock. Occasionally, the couple earn \$12 an hour making phone calls for a public-opinion pollster.

Paying bills is tough. The couple have defaulted on their credit card, and Mr. Riley borrowed \$10,000 against his life insurance policy. At Christmas, a fellow parishioner gave the Rileys \$300 for presents. His daughter got a laptop, his wife received a food processor. Mr. Riley gave himself drill bits.

Education makes a difference. Of the 25- to 54-year-old men who weren't working last year, about three-quarters stopped their schooling somewhere short of a two-year college degree, compared with about 55% of men with jobs.

Aaron Miller is betting on education to advance. "I was making ends meet, but not really getting ahead," said the 35-year-old Michigan native. "I was never paid enough to save money for an emergency fund, or to buy a new car, or to be able to afford a mortgage."

After high school, Mr. Miller worked about six years for a landscape company. He collected unemployment while taking off winters. In 2007, Mr. Miller moved to Florida to work for a well-drilling company. Overwhelmed with credit card debt after a job-related injury, he filed for bankruptcy protection. Once recovered, Mr. Miller worked assembling X-ray machines. He quit the \$32,000-a-year job last year in May to return to Michigan.

Mr. Miller also missed his family and a woman who is now his girlfriend. Quitting work to move back to the Detroit area was a tough decision, he said: "You always worry about what's going to happen if you can't find a job."

Relying on savings and a government loan, Mr. Miller now attends Macomb Community College, aiming for associate degrees in automated technology and electronic engineering, with plans to work in manufacturing, he said, maybe the auto industry. Tuition is low, and the job prospects good. He hopes to finish his two-year degrees in 2016.

Meantime, Mr. Miller has been looking, without success, for part-time work at auto parts and home improvement stores. With his savings depleted, he recently tapped his 401(k) retirement fund.

Mr. Miller's 30-year-old girlfriend is a would-be teacher with a master's degree in education who works at an insurance company call center because she can't find a teaching job in Michigan.

The couple have, so far, postponed milestones of adulthood. She lives with her grandmother. He lives with his parents.

"When you're growing up, everyone says you're going to get a job, then you're going to get married and get a house," Mr. Miller said. "It never works out the way you think it will."

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Corrections & Amplifications

The last name of Robert Moffitt, a Johns Hopkins University economics professor, was misspelled as Moffett in an earlier version of this article.

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