

Statement of Joseph M. Carbone
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Good morning Chairman Kohl, Ranking Member Corker and Members of the Senate Special Committee on Aging. Thank you for inviting me to testify about barriers older workers face in securing gainful employment. My name is Joseph Carbone, and I am CEO of The WorkPlace, a 30-year-old, Fairfield County, Connecticut nonprofit. The WorkPlace acts as the Workforce Investment Board (WIB) for southwestern Connecticut and is responsible for the operation of three One Stop Centers in our region, serving an average of 30,000 individuals each year, including a growing population of mature workers which currently make up 35% of Connecticut's workforce and over 40% of Connecticut's long-term unemployed.¹ I appreciate the opportunity to discuss how existing programs within America's workforce development system can be augmented to address the challenges older, long-term unemployed workers face when seeking employment.

The One Stop system and its network of partners is the foundation of the American workforce development structure. This system is designed to deliver and provide access to a host of services to help people gain employment. Six years ago, The WorkPlace, succeeded in becoming the first WIB in the nation to be designated as a National Operator of a Senior Community Service Employment Program (SCSEP) funded through the United States Department of Labor. The WorkPlace branded its program "MaturityWorks" and successfully integrated the services of its One-Stop Career Centers into the program. Additionally, The WorkPlace has contracted with other Connecticut WIBs to operate the program in their regions. Through the Connecticut One Stop Centers mature workers receive access to a variety of employment readiness workshops, skills training, technology classes, job search, education refreshers and language skills as well as case management and job placement support.

At the WorkPlace, we understand that the needs of the unemployed in today's economy require us to enhance traditional One Stop services to help individuals as they seek employment. The recent recession has affected millions in this country but for those 50 and older, the impact has been greater and the long-term effects may be more daunting. These older Americans, have had the greatest price to pay. This group has experienced unprecedented economic loss, high unemployment and the longest duration of collecting unemployment since the Great Depression. They come from all walks of life and have varying educational backgrounds.

According the Bureau of Labor Statistics, currently 31.1% of unemployed workers have been without a job for more than 52 weeks. "Among people without jobs, unemployed, older workers were the most likely to have been jobless for a year or more. For example, in the fourth quarter of 2011, more than 42 percent of unemployed workers older than 55 had been out of work for at least a year, a higher percentage than any other category."² By January 2012, more than 3 million people exhausted federally funded

¹ Manisha Srivastava, Economist, Connecticut Department of Labor (2011) "The Face of the Older Long-Term Unemployed"

² The Pew Charitable Trusts analysis of Current Population Survey Data, October through December 2011

unemployment benefits across the nation. As these benefits continue to be phased out during 2012, it is estimated that an additional 3 million workers will completely lose the financial support that emergency unemployment compensation and extended benefits provide.

Long-term unemployment has grown markedly over the past few years and the current standard of 27 weeks to define long-term unemployment no longer accurately captures the population of people looking for work. A study by the Hamilton Project in January of this year showed that in 27 states, at least 40% of the unemployed had been out of work for at least 6 months.³ In order to properly develop workforce solutions that will break down the barriers older workers face in securing employment we must accurately define the problem of long-term unemployment and raise standard used to characterize this population. Our nation faces a higher percentage of older workers who meet a new definition of long-term unemployment and there are fewer of them returning to work.

Businesses continue to adjust to new economic challenges by becoming leaner in an effort to remain competitive. The result is workers watch their skills become less relevant. Many choose to isolate themselves which frequently leads to feelings of hopelessness and despair. Their future looks more daunting. “The risk, economists say, is that the U.S. will develop an underclass of semi permanently unemployed workers, with severe consequences for productivity, public finances and even social stability.”⁴

Long-term unemployment militates against one's chances of finding new employment. It is a barrier preventing workers from competing on an even playing field for open positions. Every day in our One Stop Centers we see that it is growing more difficult to get people out of this situation. The challenge facing the country is not just putting people back to work, but helping to retrain and rehabilitate the long-term unemployed.

Bringing the long term unemployed to a platform of readiness, emotionally and professionally, is critical as the job market recovers. It starts by understanding the impact of 99 weeks of unemployment on our workforce. There are several factors contributing to the continued unemployment of a worker after several months without employment including; Employers are in a position to select from a bounty of highly skilled, well-educated, and most cost-effective applicants; Those currently employed or those with short periods of unemployment have an advantage in a competitive marketplace and without ongoing efforts to keep skills current during protracted periods of unemployment, the less marketable a person becomes.

Research has long shown that older workers have suffered negative perceptions of their capabilities and desires for continued work. “Negative perceptions have been particularly pronounced in the area of training, where managers and other employees as well see older workers as slow learners, computer illiterate, as disinterested in training and hankering for retirement. Unfortunately, if negative perceptions persist about older workers’ ability to learn their propensity for career development and promotion, and

³ The Hamilton Project (2012) “Shrinking Job Opportunities: The Challenge of Putting Americans Back to Work”

⁴ Ben Casselman, The Wall Street Journal, “Unemployment Scars Likely to Last for Years” January 9, 2012

their general adaptive capacities, then older workers will continue to face obstacles to continued employment.”⁵

The long-term unemployed have become the largest demographic utilizing One Stop supports in southwest Connecticut. Our reality is that an entire class of workers have been left behind and calculated out of the workforce with an impenetrable barrier between themselves and employment. As society becomes more comfortable with a slowly improving economy which demands a smaller workforce, they will be forgotten. 99ers are using up savings, retirement plans; personal resources and will eventually create a greater burden on society. Workers exhausting 99 weeks of unemployment fall into the safety net of services such as food stamps and social programs.

Across the nation millions of people are relinquishing their right to opportunity and America’s promise. As a society we must choose if we are going to make an investment in our workforce or make payments to support the social service network.

In an effort to provide value added services in the One Stops, The WorkPlace conceptualized, designed, created and sought private funding to pilot a ground-breaking workforce solution to these issues called Platform to Employment (P2E). P2E is a partnership between investors, community partners, businesses and long-term unemployed workers to help restore careers, dignity – and society as a whole. Funded by concerned citizens, foundations and corporate donors, all P2E participants start with a five-week preparatory program that addresses the social, emotional and skill deficiencies caused by long term employment. Participants are then matched with open positions at local companies on a trial basis, with their compensation paid for by The WorkPlace. P2E minimizes the risks employers typically experiences with new hires and 99ers are given an opportunity to demonstrate they can compete. More than 70% of the P2E participants have been placed in a job after completing eight-week, P2E work experience program.

On Sunday, February 19th there was a dramatic shift in the awareness of the long-term unemployed. That night 60 Minutes aired “Trapped in Unemployment” on CBS. 60 Minutes saw the larger picture of how P2E can become a national catalyst for change. They raised awareness on the magnitude of long-term unemployment by moving beyond statistics to focus on the faces and stories behind the emergence of this new dependent class. 60 Minutes documented the emotional impact and dramatic changes that occurred in people.

Supporting the long-term unemployed presents a host of challenges which extend beyond employment, into emotional, behavioral, and financial issues. Self-confidence falters, particularly among older Americans, concerns (legitimate or not) grow that employment skills have atrophied, and basics such as housing and food hinder progress. Many workers can achieve long-term success returning to employment only after these fundamental needs have been addressed. Transformations to the workforce system such as components of P2E can create a steady flow of 99ers back into the workplace with hope for future job opportunities.

The Senior Community Service Employment Program presents a similar opportunity to keep the skills of mature workers current, enabling them to thrive in a global economy. However the existing system needs

⁵ Alfred P. Sloan Foundation (2007) “Generational Differences In Perceptions of Older Workers’ Capabilities”

to be modified to help older, long-term unemployed workers access program services. If we do not invest in our workforce we risk allowing this population to slide into an abyss of joblessness. It is essential that we help these workers maintain their skills and remain prepared to compete when the opportunity arises for them to re-enter the workforce. This is our choice and part of the reason we created Platform to Employment as a vehicle for hope.

Society may accept that some workers will not be able to adapt to the structural changes impacting our economy and grant us a “pass” if we chose to do nothing. However, if we do not choose to invest in adapting our workforce solutions we will surely face a commitment to continually support an ever expanding demand on the nation’s safety net of social services.

There are three key steps that will significantly enhance the workforce system’s capacity to offer coordinated services to mature workers through SCSEP.

- ✓ SCSEP needs to remain within the U.S. Department of Labor where the primary focus is employment and more than 3,000 One Stop centers nationwide are available to engage this population. The infrastructure is already in place and available to support the growing population of mature workers who are being left behind.
- ✓ Long-term unemployment should be added to the “most-in-need” measures which determine SCSEP priority of service. Currently, priority enrollment in SCSEP is awarded to individuals who face barriers to employment. This priority may be awarded to: veterans, individuals with a disability, homeless or those at risk of becoming homeless and individuals with low literacy skills. Unfortunately SCSEP does not recognize the consequences of long-term unemployment including its debilitating impacts on a workers behavioral health, depreciated skills and negative perceptions as barriers to future employment.
- ✓ Additionally, to promote the employment of participants, SCSEP should eliminate the need to obtain a waiver in order for program funds to be used for on-the-job-experience (OJE) and training programs. Our experience with Platform to Employment and MaturityWorks demonstrates that organizations frequently make a commitment to hire workers after the successful completion of OJE.

This recession has been a scourge on the American Workforce. Over 40% of the long-term unemployed are mature workers who have lost touch with a rapidly changing business environment. **The impacts of the recession are moving older workers away from employment and into the safety net of government supported programs. We have an opportunity to leverage existing services, to keep the skills of these workers ready for an improving economy. To achieve this, we must adapt to the post-recessionary economy and modify the tools and services in use for the past 30 years.** This applies to both the U.S. Department of Labor and Department of Health and Human Services. With millions of Americans marginally attached to the labor force we must address the impacts of long-term unemployment and the barriers it creates. Long-term unemployment today is different from any other time, including the Great Depression. It’s not just a six-month issue. It is a persistent, debilitating, and dehumanizing experience.

The American workforce system is uniquely positioned to adapt and align its programming to meet the needs of the long-term unemployed and SCSEP can be a vehicle to help older Americans become job ready. Providing a more comprehensive array of programming through the nationwide One Stop infrastructure will create a more streamlined, comprehensive and effective approach to serving mature workers who are overwhelmingly experiencing the chilling effects of long-term unemployment. As a nation we have a moral challenge. Do we acknowledge that the definition of long-term unemployment has changed and a new standard of treatment is required of our workforce system or do we become complicit in dismantling the American promise for millions of workers that have been discarded, relinquishing all hope for opportunity and prosperity? We must choose to do something.