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Later-Career Job Displacement in the “New Risk Economy”**

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Abstract

We use a life course framework to examine how the “new risk economy” has left middle-aged executives and managers more vulnerable to job loss and unemployment despite high levels of human capital. Using in-depth qualitative data from 77 recently-unemployed white-collar workers, we examine perceptions of macro-economic forces and their implications for respondents’ career-recovery plans and expectations for their own and their children’s future career prospects. In analyzing respondents’ decisions and behavior in response to perceived opportunities and constraints, we find a “free-agent” mentality in the face of declines in employer loyalty. Age bias in a highly competitive labor market is perceived as a major impediment to job recovery. Finally, respondents make mastering the “new risk economy” a developmental goal for themselves and their children.

Introduction

The better part of the 1990s was characterized as the “age of affluence,” with a flourishing economy and extremely tight labor markets (Newman [1988] 1999). Income levels rose for workers at all wage levels, poverty rates fell, and the value of the stock market soared (Mishel, Bernstein, and Allegretto 2005). The unusual trend of low inflation and low unemployment gave rise to hopes of a prosperous “new economy” in which the old business cycle—high inflation followed by high unemployment—would be conquered. Yet, what followed in the years 2000-2003 can only be described as an economic bust, with rising unemployment, the bottoming out of the stock market, widespread job displacement reaching into the upper echelons of long-term professional workers, and corporate scandals at a previously unheard of level. The hoped-for “new economy” could now more accurately be described as the “new risk economy” – one in which company loyalty plummeted, public and private safety nets weakened, and plans for riding out a long-term job into a golden retirement became increasingly more difficult to realize (Hacker, 2006, Uchitelle, 2006)

The present paper investigates how such dramatic economic changes are affecting the life course trajectories of later-career professionals, managers, and executives. Drawing on in-depth qualitative interviews and surveys conducted between 2003-2006 with 77 recently unemployed workers in the Chicago area, we describe how the experiences of job loss and unemployment affect respondents’ perceptions of their future, especially including their goals for resuming (or changing) careers at this stage in the life course. We then describe variations in individuals’ responses to these events, focusing on characteristics of age, industry, and occupational sector. Interwoven among these stories are respondents’ perceptions of the particular economic and historic context in which these events have occurred and their assessment of corporate

(mis)behavior. We describe how these views shape their beliefs about re-joining the corporate world versus choosing a new employment path and how these decision-making processes spill over into the discussions they have with their children about their children's economic future.

Why is such a study important at this particular time? Above all, the political and economic landscape has changed in many important ways in the past half-decade, which has put a growing number of middle and upper-middle class workers at risk for employment and financial instability (Hacker, 2006). Our study is unique in providing an in-depth assessment of the short- and long-term repercussions of these macro forces for mid- and late-career workers (defined as having been in the work force at least 15-20 years) and their families at the present moment in history.

Background

A central characteristic of the U.S. job market is its changeable and fluid nature. Indeed, half of all new jobs end in the first year and, at any point in time, about 20% of workers have been with their current employer for less than one year (Farber, 2005). Such flexibility can be a boon to companies who can nimbly and efficiently reallocate or reduce their workforces; but it also presents risks to the workers who lose jobs (Uchitelle 2006; Farber 2005; Budros 1997).

The job market of recent years has not been kind to workers, especially older workers with long tenures. During the period we focus on here (2001 to 2003), 11.4 million total workers lost jobs, 5.3 million of whom had held their jobs for three years or more ("experienced" or "long-tenured" workers) (Bureau of Labor Statistics 2004). This represents the greatest sustained job loss since the Great Depression (Economic Policy Institute 2004). Correspondingly, the seasonally adjusted unemployment rate crept up from a low of 4.0 percent in December 2000 to a high of 6.4 percent in June 2003 (Bureau of Labor Statistics 2001; 2003).

The Chicago area (the site of our study) lost 180,500 jobs from its peak employment in January 2001 through June 2004 (Jones, 2004).

A notable feature of these recent trends is that job loss and worker dislocation are increasingly middle-class phenomena, as compared to the blue-collar job losses of the 1980's (Farber 2005). Experienced workers in financial services, information and telecommunications, and professional and business service industries have been hit especially hard (Farber 2005). Those in professional and business service industries, for example, saw their annual unemployment rate rise from a low of 4.8% in 2000 to 8.2% in 2003 (Farber 2005). In Chicago, professional services jobs (e.g., lawyers, accountants, technology consultants), traditionally a mainstay of the local economy, decreased with little recovery up to 2004 from the 2000 high. White-collar professional ranks lost about 45,000 jobs since December 2000, only about 11% of which had been recovered by June 2004 (Jones 2004). In contrast, the U.S. economy re-hired 38% of its workers in the professional services sector during that time.

What are the consequences for workers?

Millions of workers have been or will be adversely affected by these economic shifts. Job loss has both immediate and long-term economic effects, including an increased probability of long-term unemployment and decreased wages (Chan and Stevens 2004; Farber 2005; Jacobson, LaLonde, and Sullivan 1993; Ruhm 1991). The percentage of unemployed workers out of work for six months or more (i.e., the "long-term unemployed") climbed from 11.4% in 2000 to 22.1% in 2003 (Allegretto 2004). For more educated re-employed job losers, earnings losses were substantially greater in 2001-2003 than in any earlier period for which there are data (Farber 2005). In comparison, workers who lost jobs in the period 1997-99 experienced virtually no declines in earnings upon gaining another job. Job loss can also negatively affect non-wage

dimensions of employment, including health insurance coverage, pensions, and company stock holdings.

What are the Consequences for the Life Course?

These economic and social changes have considerable implications for the work and personal trajectories of the professionals and executives in our sample; although the effects may differ based on a range of demographic characteristics, such as life span stage, age of children, occupation, and industry. Our middle-age respondents (almost all in their 40s and 50s) are grappling with later-career job displacement at a time when issues of physical aging, the aging of their parents, funding their children's college, and retirement are also salient (Lachman 2004; Jung 1933). We employ life course theory to frame our analysis of how historical and biographical timing and individuals' perceptions and choices influence recovery -- or lack thereof -- from job loss in the current economic and social climate. Heinz and Krüger (2001:33) define the life course as "a sequence of stages or status-configurations and transitions in life which are culturally and institutionally framed from birth to death."

Subjective meaning and decision-making in the life course are often not given much attention in the (usually quantitative) cohort/life-event approach to life course research, particularly as it relates to life scripts and being "on time" or "off time" (Heinz and Krüger 2001). On the other hand, qualitative biographical approaches tend not to analyze the effects of economic and social forces on the life course. The careful examination of subjective meaning and decision-making, embedded within a unique macro context, is an important contribution of this study to life course theory.

We examine subjective meaning and decision-making and its interconnection to context using three key life course principles: historical time and place, developmental timing, and

human agency. The first principle, historical time and place, allows us to situate our analysis within the particular economic and social context of the first half of the present decade. The recent changes in the economy and labor market that we describe have taken place in a period referred to as the postindustrial, or Post-Fordist, life course regime, which began in the early 1970s (Mayer 2004; Smith & Rubin 1997; Heinz and Krüger 2001). Life course regimes are theoretical constructs used by scholars to frame the dynamic interplay between structural and individual aspects of the life course. For example, during what is referred to as the Fordist regime (1955 to 1973), the life course of white males was fairly standardized and included three primary stages: education, stable employment in the same firm, and retirement (Mayer (2004:170). The two forces associated with the Fordist era are industrial mass production with a social contract between employers and (usually white male) workers that included job security and a living wage, as well as social insurance programs that provided a safety net against risks of unemployment, disability, and poor health (Mayer, 2004; Smith & Rubin, 1997).

The macro-level changes of the post-Fordist regime are often associated with globalization and increased international competition, technological changes, a decrease in the short-term demand for certain products, and the creation of flexible production techniques including substituting higher-wage workers with lower-wage earners (Mayer 2004; Baumol et al. 2003; Marshall 2001; Smith & Rubin 1997; Budros, 1997). These changes in the employment contract, which have left workers more at risk for job loss, have been accompanied at the level of social policy by what Hacker (2006) calls “an accelerating process of risk privatization” as evidenced by cutbacks in health insurance, pension entitlements, and unemployment benefits.

Previous studies of job loss among the middle-class suggest that these larger social forces press upon displaced workers in their daily lives as they search for new employment (Feldman &

Leana 2000; Smith 2001; Newman 1999[1988]; The New York Times 1996). Smith (2001), for example, describes a “resocialization” process occurring in professional and managerial job search clubs, where members are encouraged to accept a “new employment contract” that includes the prospect of temporary jobs and downward mobility.

The second life course principle, developmental timing, allows us to analyze how mid-life job loss after significant career achievements affects respondents’ ability to maintain their occupational trajectories. We examine later-career (usually after approximately 15-20 years in the labor market) job displacement as an “off-time” event for professionals and executives who have spent most of their careers moving up the ladder. The job loss experience is further complicated by perceptions of age discrimination and an outdated skill set among many in our sample, which leads to threats of decreased work responsibility, status, and pay (Feldman & Leana 2000; Newman 1999 [1988]).

The final life course principle, human agency, allows us to examine the mechanisms that drive strategic decisions about later-career options within a context of perceived social constraints and opportunities in the current economy, industries, and firms (Shanahan, Elder, & Miech 1997). In most cases, displaced workers’ job loss experience and reemployment adaptations are intimately shared by family members and sometimes affect other members’ trajectories (Elder 1998; Shanahan et al. 1997; Orrange 2003). In addition to examining how our respondents negotiate perceived constraints and opportunities, we also assess how they try to inform their children about the “new risk economy” and prepare them for success in future careers.

In sum, the interplay between social forces, individual lives, and family systems highlight the relevance of the life course perspective in considering job displacement and long-term

unemployment among middle-class professionals and executives early in the 21st century. The research questions that we pose here are: How do displaced middle-aged executives, managers, and professionals view the macro context, e.g., the global economy, labor markets, the corporate world, and their prospects for reemployment? How do they negotiate perceived risks and opportunities in an effort to maintain their employment trajectories, or if unsuccessful, at least minimize downward mobility? What are the intergenerational implications of these experiences?

Method

Sample and Recruitment

Given our interest in studying out-of-work mid- and top- level managers and executives, we focused our recruiting efforts on two of the largest “networking” groups in the Chicago area catering to this population. These groups are non-profit organizations that provide members with resources and networking opportunities for finding new employment. To join one of these groups, individuals must have previously been in a middle or senior management position earning at least \$75,000 a year. Recruitment efforts spanned 14 months (October 2003-December 2004). Prospective participants had to meet four eligibility criteria: 1) unemployed for at least 3 months during the past year; 2) married at the time of their job loss; 3) have children between the ages of 12 and 18 living at home; and 4) live in the Greater Chicago area.

The two networking groups sent emails to their membership describing the study. We recruited 55 participants through responses to these emails and by recruiting in person at one of the networking group’s meetings. We recruited an additional 22 respondents through snowball sampling techniques, bringing the total sample size to 77.

We interviewed participants at local libraries, cafés, or on campus. The interview lasted approximately two hours and consisted of an open-ended semi-structured interview which

focused on a broad range of topics including the former work environment, the job loss event, how the job loss affected family relationships, financial plans, and plans for their children's educational future. The participants were then asked to complete a quantitative survey about their job loss experience, family economic circumstances, marital and parent-child relationships, and their own health and emotional well-being. We also collected respondents' resumes to determine their former occupations and industries. Respondents received \$50 for their participation. Interviews were conducted by the authors and several additional graduate students.

Between May 2005 and May 2006 we conducted a second wave of qualitative interviews and respondents again completed a comprehensive quantitative survey (n=66). Interviews were conducted by telephone for respondents who had relocated to other cities.

Data Analysis

The interviews were recorded and transcribed verbatim. To protect the respondents' confidentiality, we removed their names and places of employment. To unearth themes and patterns about the respondents' experiences before and after the job loss, we examined the data inductively and deductively. Initially, we employed a deductive method of data analysis by using aspects of the life course theoretical framework to develop a coding scheme based on responses to questions about the timing of the job loss, changes in household and work roles, financial adaptations, job search strategies and barriers (particularly issues around age), and interactions with children. However, we took care not to force the data to fit preconceived theories but to let new patterns emerge (Dey 1999). After sorting the data into the broad themes, we used a qualitative software package, ATLAS.ti, to organize and retrieve the emerging themes. When looking at these broad themes from the data, we then engaged in more inductive analyses

by letting patterns and analytical categories develop. ATLAS.ti also allowed us to sort the data by gender and race and determine if general patterns were present in these subgroups.

Sample Description

The Wave I sample consisted of 77 men and women who lost jobs between 2000 and 2004. Nearly 83 percent of the respondents were men, and most (80%) were white. Thirteen percent of our respondents were African-American, with the remainder characterizing themselves as Hispanic or Asian. Respondents had been out of work for an average of 15 months at the time of their first interview, with a minimum of approximately 3 months and a maximum of 39 months.

The average age of the respondents was 49 years, with a range of 34-62 years. The average age of respondents' youngest and oldest child was about 13 and 17 years, respectively. The average household size was approximately four members. Given the requirements for participation in the study, our sample was highly educated. Virtually all had graduated from a four-year college or university and 65% held an advanced degree.

In terms of jobs lost, the average tenure at the company from which respondents were laid off was nine years. However, there was substantial variation of tenure at the former company. Nearly a quarter had worked at the former company for over 15 years; but nearly a fifth had worked at their most recent company for less than one year.

About 27% of our sample worked as executives (CEO, CFO, and vice presidents) at the time of the job loss. Another 45% were either managers or directors and just over a quarter held various professional positions such as lawyers, computer programmers, engineers, and consultants. The major industries associated with their former jobs included: computer system

design (35%), advertising/marketing (21%), human resources (13%), and finance and insurance (10%).

The jobs our respondents lost were quite remunerative; nearly 60% earned annual salaries of \$100,000 or more, placing them near the top of the earnings distribution for workers in their fields (US Census Bureau, 2000). Virtually no one in the sample earned less than \$50,000 per year and most had held jobs with generous benefits. Although most (80%) of our respondents' spouses were employed, about 60% of spouses earned less than \$50,000 per year, reflecting both lower levels of work and lower-paying jobs.

Most of our sample had stable employment histories prior to the current episode of unemployment. About two-thirds reported no more than one spell of unemployment lasting six months or more, including the current spell. An additional 20% reported having only two such spells.

All of our respondents had some assets in their name. Virtually all owned their homes, whose mean value was about \$450,000. Almost all also reported having some money saved in checking or savings accounts or investment accounts such as Treasury Bills or IRAs. For those with money in such accounts, the average amount invested in these accounts was about \$240,000. Almost 90% of the respondents also had stock holdings. At the same time, the majority (about 60%) reported having outstanding debt besides a mortgage, including debt from credit cards, student loans, and medical bills. Among those with such debt, the average outstanding amount was about \$28,000.

Several limitations to our study exist with respect to this sample. The sample is one of convenience and selected on married couples with older children in high-paying jobs. Also, the

majority of our respondents are white males. Therefore, our findings, which we turn to next, may generalize more readily to this group.

Results

This section of the paper highlights four major findings from the initial interviews, supplemented with key descriptive statistics at wave one and selected information from wave two for comparison. These four major findings are summarized in Figure 1 [adapted from Kotter (1995:52)]. Each of the four subsections that follow examines the respondents' perceptions of how the macro context shapes their understanding of the job loss and their future prospects, as well as the actions they pursue to negotiate perceived risks and opportunities in trying to secure a new job or resume a career.

The New Employment Contract and New Ways of Thinking

As previously mentioned, a major shift in the relationships between employees and the corporations that employed them began in the early 1970s (Mayer: 2004:170; Marshall &

Figure 1

Influences on and Responses to Job Displacement in the “New Risk Economy”

The Global Economy

Globalization and the New Work Contract

Expansion of international markets, mergers/acquisitions, outsourcing, downsizing, company closure, departments eliminated

Temporary work contracts, increased unemployment, and shrinking pensions

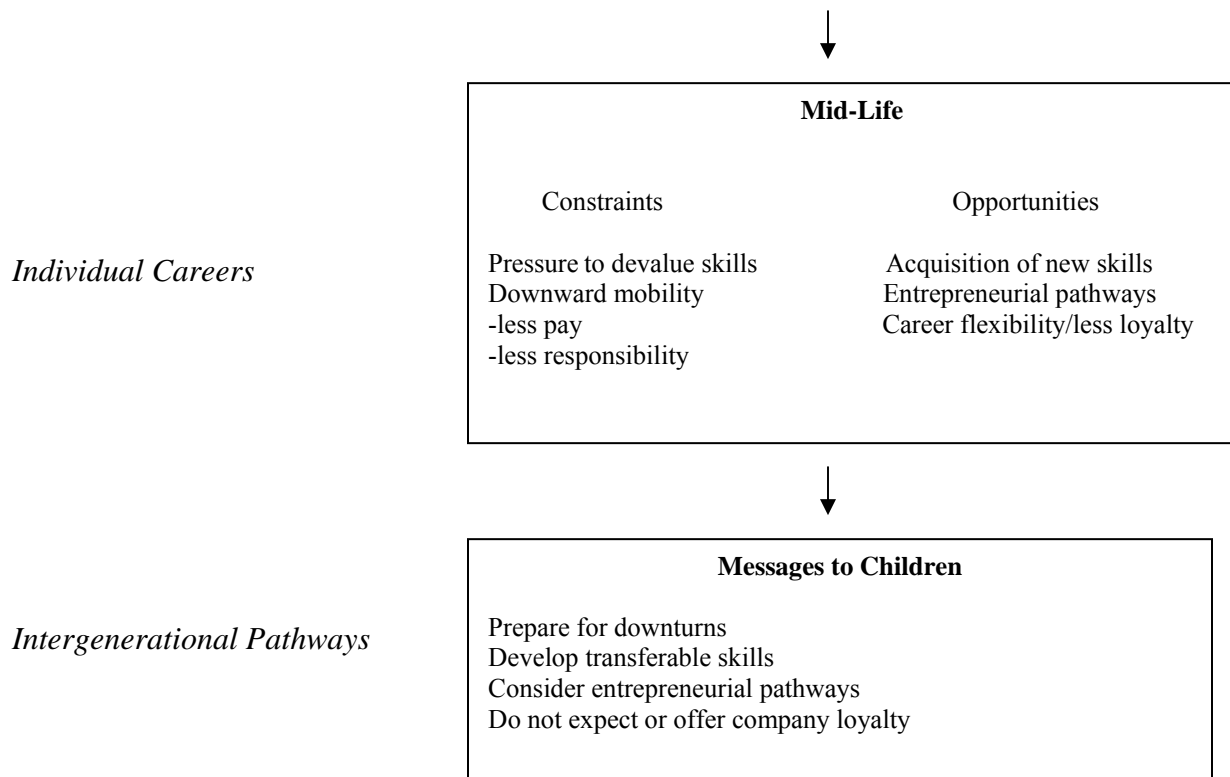


Industries and Firms

Competitive Market Forces

Downturns in industries/firms
Surplus of highly-skilled workers

Firms “cherry-picking” employees
Less investment in training
Preference for lower-paid workers



Mueller, 2002; Charness & Levine, 2001; Cavanaugh & Noe 1999; Harrison & Blueston, 1988). Broadly speaking, this involved the disappearance of the “lifetime employment contract” and the concept of mutual loyalty between employer and employee. Among our respondents, this realization came to light most forcefully during the actual termination process. The disconnect between their swift, and often brutal, terminations and their high status in the organizations made them keenly aware of changes in the employment contract, which placed them at risk for losing their jobs without warning. In response to these perceived changes, respondents shifted away from valuing loyalty to firms and instead adopted a “free agent” identity.

At the time of their termination, the majority of our respondents (60%) reported feeling a significant lack of “corporate care,” meaning they felt a deep sense of betrayal, a lack of loyalty

on the company's part, and a sense of cold dismissiveness, even when they had benefited from reasonably generous severance packages. Some respondents reported a "freezing out" process leading to the displacement, having been made to feel slowly shut out of the loop; i.e., "you find out later about meetings you weren't invited to."

For others, being laid off came as a complete or near-surprise, even as neighboring (or their own) departments in the company had been systematically downsizing. Ironically, many had played a role in the restructuring that ultimately cost them their jobs. In these roles, several human resource managers had been responsible for firing everyone beneath them. One respondent said, "Well, I think the key thing was that we had a new vice-president who I and four others reported to. And when he came in, he immediately said to the five of us, don't worry, you all have jobs.' And when I say that to other people now, they all laugh and say 'well that's the first sign...'"

A sense of disrespect permeated many of the stories of the displacement process. Individuals had no forewarning that they would lose their jobs, or described the entire interchange as having been conducted via e-mail or voice-mail, devices behind which supervisors routinely hid: "It was a 30-second conversation – you know, 'your job has been eliminated... come in on the weekend to clean out your office.'" One 62-year old respondent who was formerly the director of training for a large IT company described having had a brainstorming meeting in the morning with his co-workers and boss to discuss ways to save the company money. At 2:00 in the afternoon on the same day, the boss came back to his office to say "it's you...you're gone at the end of the day." At the time of our interview, this respondent had been out of work for two years.

Others described how this common method of unannounced firings instilled an “environment of fear,” as described by a 45-year old former test engineer who had been at her company for five years:

...I was told if, if he [the supervisor] calls you on that day and asks you to come to his cubicle then you know that’s doomed...And so I knew, I knew when the phone rang because ...there were two people that were right across from me and one of them, she was in there packing her desk. And so then you’re sitting at your desk, the clock is ticking, and you’re like, oh well, I haven’t had a call so maybe I’m ok this time. But we all said if they don’t get you this time then they might get you next time. And that’s kind of how you start feeling after a year or two...Although they would tell you, just go on with your work and act like everything is ok and nothing’s happened.

Others felt even more bitter in their disappointment regarding unreturned loyalty to the company. A former human resource director at a \$250 million privately held non-union manufacturer describes explaining the temporary nature of firm loyalty to employees who appear to want more. He was at his job nine years prior to the lay-off and states the following:

...being in Human Resources, I’m in the awkward position of continuing to preach to people that employers are only obliged to you through the hours you’ve worked, they’re not obliged to you for a career for the future. And even then, it’s difficult for me to be angry and say, “Look at all I’ve given you!” and all that nonsense. It’s just not legitimate. They are into [themselves]... So, you know, they’re [people who remain at the job] into their lives, and what happened to me and where I am is not significant anymore.

These feelings, in turn, led to what we observed as a “free-agent” mentality. About one-third of our sample is engaged in entrepreneurial efforts following the job displacement; half of these have started their own full-time businesses. A former engineering manager at a large telecommunications company, who now has his own consulting business, describes his perception of the shift.

...you start recognizing that the job market, the whole job situation is very different...because middle management’s a really terrible place to be... in general. And loyalty is another... it’s just the wrong thing. I mean I grew up where you stay with the company and that was a good thing to do. And I planned to retire with [the company], I

was planning retirement already...that whole process has changed...that's a big difference.

The “free agent” mentality is also seen in respondents who are not entrepreneurs. A 46-year-old former marketing vice president states, “I will never give dedication like I have in the past to future companies, never.” A 51-year-old former information technology manager in a futures exchange company comments, “In the past, I was always more concerned about the company because by being concerned about the company, that took care of me in the process. And that's not necessarily the way it works now.” Finally, a 48-year-old former human resource director concludes, “I don't want to sound bitter here but it will sound bitter, that my loyalty and dedication didn't really mean big [or much] at the end.” Several describe a new “free agent” model of employment in which employees effectively “rent” their services to a company. In this view, no expectation of permanent employment is held by either party.

As respondents shifted their thinking about loyalty, they also conveyed these perceptions to their children, often by emphasizing to the children that they would have to “change their perspective” and not count on stability in their future careers. Some respondents urge their children to develop skills that could be “transferable” to a new employer, so that if they are fired, they do not lose the investment that they had put into acquiring a skill. Other parents go further and encourage their children to own their own businesses, hoping that this path will afford their children greater control over their own destinies. Other respondents encourage their children to enter specific fields and to cultivate a broad base of clients:

I've started talking to them about how...they should start thinking about [whether] they want to work for big companies or...go into a field where their client base is very much diversified, which is lawyers, doctors, CPAs, therapists, financial counselors...Because then if someone fires you, you don't care because you have another 100 [clients] whereas when you work for a company, and your client serves as your boss in many respects, he fires you and you're out of a job.

The theme of successfully launching children in the new economy is echoed by a 50-year-old project manager who is glad that his son is learning about the job market now, while the respondent and his wife are still in a position to shield him: “I think [that my son watching this experience is] a positive because...if he goes out there with rose-tinted glasses, he’s going to get smacked upside the head real hard someday. And I’d rather have him get a good taste of it now when [my wife and I are] here to buffer.”

In the next section, we describe respondents’ attributions for their job losses and lack of re-employment. These attributions foster new attitudes that include accepting career discontinuity, downward mobility, and the resolve to market themselves with a chameleon-like willingness to adapt to whatever a prospective employer is perceived to be searching for.

Competitive Market Forces and the Struggle to Remain on Top

Many of our respondents began the job search thinking that their skills would be valued in the job market. However, as time elapsed they increasingly recognized the difficulty of re-entering corporations at their previous high-level positions. Fostering sample members’ consideration of lower-level positions is the fact that many of them viewed the devastation of industries and corporations first-hand during mass lay-offs at their firms. Furthermore, when they attend networking sessions, they found their peers sharing the same frustrations. They read about the job market in newspapers and trade journals, trying to make sense of the “jobless recovery.”

The following quotes illustrate respondents’ perceptions of market forces (troubled industries and increased competition) and shifts in thinking from finding similar positions to the consideration of “off-time” positions.

[51-year-old former vice president in finance, at former job for 12 years]...there have been about 5 consolidations a year for the last 5 years that have affected Chicago and in

every case, jobs have been moving out of Chicago... You can see that these things are going on nationally and are likely to continue going on nationally... this means more and more people like what I was [doing] are going to find themselves without a chair in the game of musical chairs.

[52-year-old former senior project manager, unemployed for two years]... telecom and IT had gone through a period of overspending and capital expenditures from the 1998 period to the early 2000, partially because of Y2K... Second thing [is] the off-shoring phenomenon... At this point, it is quite clear to me, that should I get re-employed in management and IT management [it] would be probably in the lower level and substantially... lower-paying. And, most of ... my managerial counterparts, are still unemployed [and], if they have been re-employed, that has happened.

Our respondents routinely went through a process that ended with a consideration of jobs with less pay, status, and responsibility. More importantly, our respondents spoke to a feeling of randomness about the situation; insofar as education and experience no longer serve as buffers against extended periods of unemployment (see also Smith & Rubin 1997). One 55-year-old former advertising vice president describes his “off-time” realization. At the time of the interview, he earned income from tutoring 2 to 12 hours a week and helping people develop business plans: “I said ok, you’ve done all of these great things, you have good exposure, you have a good background, you’ve been to the right schools and whatnot. Still there’s no opportunity for you. I couldn’t rationalize that. I said ‘that’s impossible.’ So I became very disenchanted.... And for a while there became depressed.” A former human resource director also engaged in consulting after losing her job 14 months prior to the interview describes the perceived randomness thus: “It stinks. It really stinks. At my age [and] with my expertise, it really doesn’t make any difference now... you see a position open up and there are still thousands of people applying for it...”

Many were attempting to leave a “declining” field or occupation and move into a similar one where they felt their skills were transferable. However, they often found that companies are unwilling to invest in the development of new skill sets. Instead, firms want employees who can

“hit the ground running.” Several respondents described such individuals as having a “corporate pedigree” because they are among the fortunate few who possess ten out of ten skills sought after by a company, even if the tenth skill is some obsolete training that only a few people may have. It appears that our respondents are clashing with what scholars argue is a key characteristic of the new economy: a move away from firm-specific human capital to “broader skills with cross-training” (Atkinson & Court 1998:7; Smith & Rubin 1997).

How do displaced middle-age professionals and executives tackle this perceived shift in the occupational structure? One response is to devote long hours to search for new positions. The median number of hours per week that sample members look for work is 25. However, close to 20% of the sample reported spending from 40 to 84 hours on the job hunt. A former division manager in sales who was unemployed for about 13 months reported sending out about 4,000 resumes during that period, although with little success.

Respondents often complained about the depersonalized, technology-driven job search process. They toiled over putting the right key words on their resumes in order to stand out from the scores of competitors, all of whom would be screened by a computer or, if they were lucky, a human resources staff person. One former human resource director stated that he “read a lot about honing [his resume] and [the importance of] ‘search words’ and ‘key words.’” Another respondent talked about having eight versions of his resume. A former information technology executive provides further insight into resume strategies.

To get your foot in the door, 5 years ago you had [had to have] 80% in your background of what they were looking for, [and then] they’d talk to you. Today, if you don’t have 95%, they won’t even talk to you. So what recruiters, and now these networking groups, are encouraging people to do is say, if you...I’ve touched this poster; therefore I have experience in designing posters. And they want you to put that on your resume, just to say I’ve got experience with it, to put your foot in the door so that you’ll at least get an interview, because their point is that...especially in IT, there is so much competition out there that just to filter through resumes...

Although our respondents religiously checked the job boards online, they also realized that they must concentrate significant amounts of time and effort into networking because many of their former positions were obtained through direct contacts, i.e., someone calling them and asking if they wanted a new job. A 46-year-old former executive out of work for three months stated, “I was a vice president of a Fortune 500 company...I wouldn’t have gotten there without doing what I did [networking].” Unfortunately, some respondents soon realized that when they were working in their former demanding jobs, they had not put enough time into maintaining or building networks. This made them hesitant about now calling these individuals “out of the blue” and asking if they knew of employment opportunities. Others in the study felt that their professional networks were decimated due to the same forces that displaced them: restructuring, outsourcing, and downsizing. Many came to the disappointing realization that even when working full-time, one needed to continue to network to prepare for a future episode of unemployment.

Respondents also recognized the need to reach out and try to form new networks and get inside information on a firm from their “outsider” status. This formation of new networks required making cold calls to strangers in strategic places in their former industry or a new industry.

[53-year-old former senior manager in telecommunications, unemployed for 2 years]
...it’s also hard if you’ve never really networked...[to] just sort of create a new network [by] calling up a stranger and saying, “hi I’d like to,” you know, “would you talk to me for 30 minutes?” It doesn’t elicit many positive responses as one would like to get...I mean people who are out of work will talk to me. People who are working for the most part don’t...They’re busy doing other things.

[47-year old former information technology executive, 16 years at former job)...so, how does one (an HR employee) sort through 7,000 resumes to get to the 20 that you want to read and then you get down to the 3 that you want interviews, it’s an untenable situation.

I don't know what the answer to that is. Networking is the answer; you got to have somebody who knows somebody who will put your resume at the top of the stack.

At the time of our Wave 1 interviews, sixteen months on average after losing their jobs (with a range of three months to four years), only 5% (n=4) of our sample is re-employed in a comparable position in corporate America. Another 5% of the sample is working full-time but in jobs that pay significantly less, have fewer responsibilities, and/or require less education. During this same period, about one-fifth of our respondents were engaged in entrepreneurial efforts, which included helping other entrepreneurs get started, information technology training, vending machines, and human resources services.

In contrast, about one-third of our sample reported working part-time jobs that include short-term contract work/consulting, tutoring and substitute teaching, driving a school bus and chauffeuring, doing electrical work, warehouse work, demolition, and working in retail. A number of our respondents (n=13) talked about working in retail to bring in income while they were looking for a comparable job to the one they lost or as an inevitable necessity to get by during retirement. One 48 year-old father of three who worked as an Application Portfolio Manager at a large bank for almost 30 years had applied for a job at Home Depot to “augment my cash flow.”

Others expressed frustration that the unemployment figures did not reflect what they saw as a common phenomenon: that of a former president of a company now working at (the proverbial) Home Depot. If one had not adequately prepared for a “rainy day” or for retirement, it was “Welcome to Wal-Mart,” according to a 48 year-old former IT executive at an insurance company.

The re-employment numbers from Wave I improved somewhat by Wave II (on average 15 months later). Still, only 48% (n=28) of the sample reported permanent employment. An

additional three respondents (5%) reported being business owners, and nine individuals (15%) are engaged in independent consulting work. And, when we compared the salary that working sample members received in their former jobs to their Wave II salary, we found that only 22% were earning a similar or greater amount (n=14). Most experienced pay cuts ranging from 25% to 80%, with a median pay cut of 50%. Thus, despite their various efforts to carefully craft their resumes to show flexibility and transferable skills and develop extensive new networks, a large portion of the sample was unable to remain on top in the corporate world.

Age, Skill Accumulation, and Seniority: Negotiating Timing Constraints

At the same time that respondents describe industry shifts/restructuring and a surplus of qualified workers as macro conditions hindering re-employment, they also implicate employers whom they believe prefer younger and less senior workers for reasons associated with less compensation and different skill sets or firm-specific human capital. The experience of job loss during mid-life poses several challenges (or structural constraints) associated with developmental timing, including perceived age discrimination and being viewed as overqualified for positions during the job search. Respondents believe these perceived barriers significantly limit their opportunities for re-employment despite the impressive levels of human capital they have accumulated over the years. Both physical and professional age constraints are relevant, with workers over 50 years of age more likely than younger workers to perceive the former. At times, these categories may overlap. In this context, physical age refers to chronological age and physical markers of age such as gray hair. Professional age relates to the social/work role that a person occupied in their previous position.

We try to better understand how our mid-life respondents perceive their age/timing challenges by investigating perceived age/timing constraints. When older workers describe their

perceptions of the discriminatory nature of the hiring practices of employers, they discuss both subtle and overt aspects of perceived ageism. Describing what he perceives as “hidden” age calculations by firms is a 52-year-old former information technology director.

You know a... “comment” that someone made to me [was] “nobody will tell you this, but HR departments will look at people’s ages, not from the health care coverage perspective, but because somebody in their 50s has a much higher chance of having some significant medical treatments than somebody in their 30s. So therefore, your insurance today might not be high, but you and your two buddies who have triple by-pass at a quarter million each have just kicked up that company’s insurance policy for the next year.” So he said, “they won’t talk about that, but that’s part of the analysis that goes on.”

Some of the more explicit age-related constraints articulated by respondents include language from firms that they are looking for “somebody in this position for a couple of years to be promoted and move on.” Some respondents feel that this is a signal that they want a younger person, who will move up through the organization. A 50-year-old vice president in finance reported attending a recruiting event where a firm representative kept repeating the phrase, “We’re a young company, we’re a young company.” The respondent went on to say, “And it dawned on me at that point, I’m hoping that there aren’t any issues because of my age.”

Other respondents strongly believed that age markers put them at increased risk for age discrimination.

[53-year-old former engineering manager at a major telecommunications firm] I also had a disadvantage going in because, even two years ago, I had a gray beard and gray hair. And I knew that age discrimination, although not necessarily an official activity, was out there as well. So I saw a number of hurdles...to overcome in order to get a [position].

Sixty percent of respondents 50 years of age and older discussed perceiving some form of age discrimination in the job market during an interview. In contrast, only about one-third of the younger group mentioned feeling limits due to their life course stage. Some of the strategies used to circumvent these perceived barriers included changing their appearance by dyeing their gray hair. We also identified a phenomenon, associated with age and seniority, of hiding

elements of human capital by not listing all experiences or salary history and removing graduation dates from resumes. In her study on a similar population, Smith (2001) referred to this phenomenon as “deprofessionalization.” In our sample, 53% omitted from their resume the date(s) that they received their undergraduate or advanced degree. More striking, those who engaged in this strategy represented 76% of sample members who were fifty years of age or older but only 33% of members 49 years of age or younger, an association that was statistically significant in a chi-square test ($\chi^2=4.9$; $p=.027$).

Although our numbers of women (17%) and African Americans in the sample are small (13%), a review of the resumes shows that both groups engaged in deprofessionalization at similar and higher rates, respectively. Due to the employment barriers that many women and African Americans more often encounter, one might expect differences in adaptive behaviors. We believe that the adaptive behaviors are similar among the groups because we selected the entire sample on higher occupational levels and the process, or their perceptions of them, may operate differently at this narrow slice of occupational stratum.

A 38-year-old former risk consultant at an insurance firm describes creating numerous versions of her resume and removing different types of experience that may “scare” employers or lead them to conclude that she is “too qualified.” The quote below is from a 53-year-old former CEO/president who made from \$300-900,000 a year, depending on bonuses.

I feel that there are times when my resume has been discarded. Classic example is that for the first 6 to 9 months, I listed the date of my graduation...from college on my resume. I got no responses. I deleted it, and I got a half-dozen responses. So it's real, it's very real...the reality is that the vast number of people that are unemployed right now, in my opinion, [are] white-collar...senior manager, director, and perhaps VP level. Companies don't do without a president, all right. So they got that role filled, and as in most situations, the pyramid is such. So what I've done, the approach that I take is that I downsized my resume. I suddenly look at things as a group president, rather than president CEO, because you sit back and you say to yourself, my hope is to end up being the number two man in the organization, not necessarily number one.

Companies may be encouraging some forms of “deprofessionalization” as well by requesting condensed version of resumes. A former president/CEO of a third-party fulfillment/delivery firm who has been unemployed for three years states, “I mean, I’ve gone through several iterations of resumes, as I said, I have 2 working ones right now, I think it’s fairly good but you know, the current thing right now is that all the sites are saying that it has to be one page. But how do you summarize a 30-year career in one page? How do you do that? Is that all you are? It becomes a series of bullet points that are taken out of context and have no meaning.”

Thus far in this paper, we have illustrated that most respondents in our study perceive dramatic shifts in economic forces that significantly limit their ability to maintain their upward trajectory in corporate America. Most also believe that experiencing these macro shifts in mid-life has its own consequences for the next phase of their life course, especially as they consider helping their children prepare for college and the world of work.

Conclusion

Increasing rates of job displacement and temporary work contracts represent major shifts in “one of the most fundamental of social contracts in capitalist democracies” (Smith & Rubin 1997:294; Budros 1997). The baby boomers are a generation increasingly struggling with the following concepts: 1) the optimal amount of loyalty to give firms; 2) firms’ value of accumulated human capital and its transferability; and 3) more traditional hierarchies of older workers over younger workers. Though a significant portion of our sample has accepted downwardly mobile positions, some believe that their abilities will become evident to their new employers and, once again, they will ascend the corporate career ladder. This is evident from the

significant time devoted to searching for work and the numerous resumes our respondents develop to advertise themselves to prospective employers.

The meaning that respondents attribute to their experiences in the “new risk economy” has significant implications as they launch the next generation – one who will likely “rent out” their human capital in labor markets that are globally interconnected, and one in which individuals must increasingly take “ownership” in managing their careers and creating personal safety nets (Hacker 2006, Newman [1988]1999); Atkinson & Court 1998; Hirsch 1987). What are the possible implications of these changes on the next generation’s life course? If the next generation masters the “new economy” rules, they could surpass their middle- and upper-middle class parents’ standard of living, given the rewards of flexibility and the lower costs of perpetually switching jobs. But it is also possible that the cohort after the baby boomers will experience a major clash between expectations and opportunities, causing them to reject the new rules of mobility and use their collective power to demand that firms continue to honor certain aspects of the former employment contract.

Whatever the choices and outcomes are for the next generation, our findings highlight that many baby boomers who have “played by the rules” may lose out in this “new risk economy.” The go-it-alone and free agent mentality may be empowering to some individuals. However, our data show that older workers are spending substantial amounts of time and energy on managing or reviving their careers, often to little avail, and generally with little success, if recouping one’s former salary is used as a benchmark. Such workers are likely at great risk for a difficult transition to retirement.

The broader societal implications of a “go-it-alone” free agent mentality may also result in unprecedented shifts in trust and investments in social relationships (Putnam, 2000). For

instance, the feeling of impermanence associated with the new employment contract may militate against workers' attempts to invest in social capital in the workplace. If previous signs of diminishing social capital have included a decline in "third places"—the places besides home and work that people gather and foster relationships—current market trends may portend the death of work as a "second place" as well (Oldenburg [1989] 1999).

Finally, a less-often discussed, but particularly poignant fall-out of the "new risk economy" may be a sense of self-diminishment for later-career workers who should be looking back with pride on their accomplishments, thereby completing a career with a sense of honor and dignity (Miller 1993). Instead, as we have documented here, displaced workers must struggle with "off-time" developmental tasks and feelings of stagnation; moreover, they feel compelled to dismiss or undervalue major accomplishments to land positions that neither match their identity as workers nor promise financial or personal fulfillment. It is critical that more research be devoted to this question of influences on and responses to later-career job displacement to better identify the winners and losers in a "new risk economy."

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