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A Nation at Waste: The long-term unemployed and job discrimination

By Hina Shah

President Obama in his State of the Union speech was upbeat as he pronounced that we had the lowest unemployment rate in over five years. But this optimistic forecast glosses over the epidemic of the long-term unemployed. There are 3.9 million Americans who have been unemployed 27 weeks or longer and 2.6 million who have been unemployed for 52 weeks or longer, according to the National Employment Law Project’s report.

Stigmatization and discrimination against the long-term unemployed creates a major barrier to ending this epidemic. Rand Ghayad, a doctoral student of economics, conducted an experiment where 4800 computer-generated resumes of fictitious workers were sent out with identical credentials with varying unemployment lengths and industry experience. Workers who reported being unemployed for six months or more were almost never contacted. “It isn’t that firms aren’t finding the right workers,” Ghayad said, “but that employers are screening out the long-term unemployed.” This discrimination disproportionately impacts workers who are non-white, unmarried, disabled, impoverished and less educated – the groups who are over-represented among the long-term unemployed.

The President is on the right track when he asked business CEOs to take the pledge to not discriminate against the long-term unemployed and issued a directive to federal agencies not to screen out long-term unemployed workers from consideration for openings. But even with these measures, we face a real crisis of creating a permanent class of jobless Americans, as Congress gridlocks over extending benefits to the long-term unemployed.

In a recent survey, 25 percent of the long-term unemployed reported that they did not have money for food and 10 percent have lost their home or apartment because they could not pay their rent or mortgage. Economists all agree that long-term unemployment slows overall economic growth and hurts the nation as a whole. Harder to quantify, but still real, is the toll that chronic unemployment takes on a person’s confidence and sense of
We must do more to insure that the long-term unemployed are not abandoned on the road to economic recovery. The National Employment Law Project recently issued nine recommendations to address long-term unemployment. These are bold recommendations that call on the President, Congress and the business community to act to create new jobs and end the practice of discriminating against long-term unemployed individuals.

It is time to look again at the Roosevelt New Deal programs, like the Works Progress Administration that put 8.5 million Americans back to work building bridges, roads, public parks and strengthening America’s infrastructure. If we want to avoid a permanent subclass of citizens living in the shadow of our economy, the President must embrace a bolder path.

Dignity as well as their skill level.