

Study finds three in four Americans touched personally by great recession

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(Phys.org)—Five years into the devastating Great Recession and its aftershocks, millions of employed and unemployed Americans are still badly and perhaps permanently damaged financially and deeply pessimistic about near- and long-term prospects for the U.S. economy, a new nationwide survey finds.

Six in ten Americans believe that the nation's economy has undergone a permanent change. More than half say that the economy will take at least six years to fully recover from the Great [Recession](#), with 29% saying the economy will never fully recover. Looking further ahead, only one in five are confident that job and [career opportunities](#) will be better for the

next generation of American workers.

The Great Recession's scope and impact was so widespread and corrosive that it will likely affect individuals, families, and the nation for many years to come. Among other findings of the survey conducted by the John J. Heldrich Center for Workforce Development at Rutgers, The State University of New Jersey:

The recession has touched the vast majority of Americans personally. Some 73% either lost a job themselves, or had a member of their household, a close relative, or a friend lose a job at some point in the past four years.

- A majority of Americans (56%) report having less money in savings than before the recession began, including 38% who say they have a lot less.
- The vast majority thinks that college will be permanently out of the financial range for most young people.
- More than half of those who were laid off or lost a job during the recession say they cut back on [medical treatment](#) or [doctor visits](#), 40% borrowed money from family or friends, and just under one in four have sought professional help for stress or depression.

The report, entitled "Diminished Lives and [Futures](#): A Portrait of America in the Great-Recession Era," was written by [Professors](#) Carl Van Horn and Cliff Zukin and Graduate Research Assistant Mark Szeltner of the John J. Heldrich Center for [Workforce Development](#), a research and policy center at Rutgers University. The report is based on a nationally representative probability sample of 1,090 employed and unemployed Americans interviewed January 9 to 16, 2013 using the web-enabled KnowledgePanel conducted by GfK.

Despite more than 35 months of private-sector job growth and a decline in unemployment, less than one in three Americans gauge the economy to be better than it was last year; nearly one in four say that it has gotten worse.

Only one in three of those surveyed expect economic conditions to improve a year from now, one in three expect the economy to be in worse shape, and the rest think it will be the same. According to Professor Van Horn:

"After suffering through the worst economic disaster American workers have ever experienced, they are deeply pessimistic. Five years of economic misery have profoundly diminished Americans' confidence in the economy and their outlook for the next generation."

American workers blame high levels of unemployment principally on global competition. Seven in ten respondents (70%) attribute high levels of joblessness to competition and cheap labor from other countries; 4 in 10 (40%) believe illegal immigrants have taken jobs away from Americans. Another 4 in 10 (41%) believe that unemployment remains high because American workers lack the skills needed for jobs that might be available today.

Financial impacts

The Great Recession damaged the financial status of all but a small minority of Americans. Only 14% felt no impact at all while 35% say the recession had a major impact on their lives. Among the financial and personal sacrifices made by Americans:

- More than half (56%) now have less in savings than they did before the Great Recession, including 38% who have a lot less in

- savings;
- Nearly half drew funds from their savings to make ends meet; and
- Three in ten borrowed money from family or friends.

Study co-author Professor Cliff Zukin said,

"While all segments of society have been hit hard by the Great Recession, millions of students coming out of high school and college have had no place in the labor market to go for half a dozen years now. There is some evidence we may be seeing the beginning of a new generation in American society—no longer Millennials but Recessionals. Whereas older workers hit by the recession might recover their past consumer habits, this period of the recession might leave a lasting imprint on young people in their buying habits and need for security as they make their way through life."

Help wanted from the president and congress

Americans are deeply skeptical about the ability of Washington-based policymakers to turn the economy around. Four in ten trust neither President Obama nor the Republicans in Congress to effectively manage the economy. Despite their misgivings, Americans want Congress and the President to take actions that would lower unemployment. The survey found broad consensus for two strategies and strong support for a third:

- Eight in ten (81%) want the government to give tax credits to employers that hire new workers;
- Three in four (76%) support more robust education and training programs; and
- Six in ten (60%) say the government should fund direct job

creation programs.

More information: [www.heldrich.rutgers.edu/sites ...
ds_February_2013.pdf](http://www.heldrich.rutgers.edu/sites...ds_February_2013.pdf)

Provided by Rutgers University

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