Surviving Job Loss

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1

Introduction

*Our results show that a job loss at age 50 or above has substantial and long-lasting employment effects. Estimated entry rates suggest that a representative displaced worker in his or her 50s has a 70–75 percent chance of returning to work within two years of a job loss. Return rates for displaced workers in their 60s are substantially lower. These postdisplacement jobs are often short-lived, with displaced but reemployed workers facing significantly increased probabilities of exiting employment.*


Losing a job through no fault of one’s own is a significant event that often poses difficulty for the job loser and for his or her family. Most of us work because we need the compensation provided by the tasks we do. But beyond that, we also work to be included in the social milieu—to have an economic identity connecting us to an employer, work colleagues, clients, customers, and our community. Without work, we are separated from our identity as a productive person, and if we go through an extended period of unemployment, we are likely to feel distant, isolated, detached, and unfulfilled (Young 2012).

For many displaced workers, there is an eagerness, even a desperation, to get back to work. The difficulty is that their personal skills may not be in demand, retraining in a different set of skills may be difficult to obtain, the economy may be in a recession (or recovering from one), and, as researchers have found, becoming fully integrated into the labor force after displacement can take time, perhaps two years or more (Silver, Shields, and Wilson 2005).

Our study of dislocated workers focuses on a comparison of downsized paper mill workers from a mill in Sartell, Minnesota, and another in Bucksport, Maine. Verso Corporation owned the two mills, which are now closed. A few months after the downsizing in Minnesota, the Sartell mill had an explosion and a fire, and the mill shut down for an assessment of damages. Ultimately, the company decided to close the
Sartell mill, so another 280 workers were then thrown out of work. Our comparison of downsizing impacts and opportunities is somewhat complex: initially the comparison operates between the Bucksport and Sartell workers, then between those downsized from Sartell and those terminated from Sartell in the closure, and finally, in terms of policy and programs, between displacement at U.S. paper mills (as reflected in Sartell and Bucksport) and at a Canadian paper mill in Nova Scotia that shut down at about the same time as the Sartell facility.

While a large number of paper mills have closed in the United States over the past 25 years, there has been only one study (Minchin 2006) that we are aware of that describes the impact of job loss on those in the paper industry. For that reason, Chapter 2 summarizes the recent past and current environment for the paper industry. Chapter 3 focuses on job loss at both the Bucksport and Sartell mills, along with follow-up data on those terminated from Sartell after the explosion and fire. Chapter 4 describes the response of those who lost their jobs. Chapter 5 covers the types of assistance provided to displaced workers generally, along with a comparison of the Maine and Minnesota state programs. While most of the mill workers were male, there were some who were female, and Chapter 6 focuses on these female production workers who lost their jobs. Chapter 7 covers cases where both husband and wife lost their jobs at the Sartell mill.

Chapter 8 evaluates how the community in which economic displacement occurs is relevant to the adjustment and opportunities for displaced workers. Chapter 9 describes how a Canadian mill that shut down provided support for the needs of its workers. In Chapter 10, we conclude our study with a look at the future for displaced workers and a discussion of how society can be more proactive in retaining good employees and assisting those who have been economically displaced. Chapter 11, which forms an epilogue to the book, updates the reader on recent developments involving Verso.

Even before the Great Recession, more than 15 percent of U.S. workers worried about losing their jobs. That percentage ranked sixth-highest out of 15 OECD countries (Anderson and Pontusson 2007). However, with the ongoing threat of job loss to workers even after the nation has largely recovered from the recession, job loss is likely to remain a significant concern for U.S. residents, not only in the paper industry but in almost all sectors of the economy.