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12/5/2014

## Low US jobless rate not telling the whole story

Alicia Hannah doesn't come across like someone who would go off the rails. She's 26 years old and grew up in Brooklyn, New York, in a public housing estate. Hannah says she is not picky when it comes to work. However, she has a hard time finding a job.

"In New York, you need a degree, not just a high school diploma," she explains. She's been out of work for the last year. "It might be getting better for people who have degrees. But for us [with] high school diplomas, I don't think so."

It is certainly not the impression you get from looking at the current US unemployment rate.

According to the latest data, the unemployment rate is down to 5.8 per cent. In October 2014, for the first time since the Great Recession in 2008, the number fell below 6 per cent.

There are, however, good reasons to be critical of the 5.8 per cent, as the jobs are not the same as before.

One reason has to do with the quality of jobs. "What has happened is that low-wage jobs have now grown," says Michelle Holder, an assistant professor of economics at John Jay College of Criminal Justice in New York.

"When our president talks about the fact that we did regain the jobs we lost," she says, "the problem is that a majority of those jobs are low-wage jobs, like jobs in restaurants. They aren't the jobs we had before."

Even though some previously unemployed people might have a job now, they often work in lower skilled positions for less money.

### Unemployment rate just one sixth of the story

Another reason seems to be even more important. The way the media usually reports about the unemployment rate only tells one sixth of the story.

For their unemployment statistics, the US Bureau of Labor Statistics interviews 60,000 households all over the US. In this survey, they ask for various types of information.

Based on that, the government agency releases six different measures of unemployment - the 5.8-percent figure is actually just one out of those six measures. Per definition, the number measures people who are unemployed, but are actively seeking employment and willing to work.

### 'Not in the labor force'

The unemployment rate does, however, not say anything about people who are officially considered to be "not in the labor force."



"The United States has by far the largest military in the world that absorbs people that would otherwise be unemployed," explains Geert Dhondt, assistant professor of economics at John Jay College.

"The United States also has the largest number of young people going to colleges and by far the largest prison population," he adds. The unemployment rate does not include them. "These are all ways the unemployment rate is problematic."

The number of people considered not in the labor force has continued to grow since the recession.

Although the unemployment rate has dropped, there are in fact fewer people with jobs.

What's more, some of those people are so-called "discouraged workers" or "marginally attached to the labor force."

Alicia Hannah in Brooklyn, for instance, has been without a job for a year. She said that her family supported her during that time. Because she wasn't actively looking for a job, her case would not show up in the unemployment rate.

During that time, she would have officially been considered one of the "discouraged workers." Their number has gone up since the recession - which at the same time helped push the unemployment rate down. Even though the number has dropped, there are fewer people in the US now who actually have work, and more people who have given up.

### **Statistically 'invisible'**

"They fall off the cliff, so to say," Saskia Sassen, a professor of Sociology at Columbia University in New York told DW. "Statistical invisibility sets in," she explains. "Whatever the measurements, whatever the categories - they simply fall out of it." Sassen calls it a "systemic edge."

"In the United States, we now have men, especially minority men, especially African American men, who are 33, 35 years old, and they have never held a job. You can barely simply describe them as long-term unemployed. But they are out of the market. Chances are that they will never have a job."

### **From public housing resident to janitor**

Back in Brooklyn - Alicia Hannah and 27 others are gathered around five tables in a bright classroom.

They're attending a workshop run by "Brooklyn Workforce Innovations" in partnership with the provider of public housing in New York City. During a one-month course, unemployed residents of public housing are trained to become janitors.

The session is supposed to teach social skills. It begins with an exercise to write a text message to a potential supervisor.

After a couple of minutes, one of the groups presents their results. "Good Morning, Wade, this is Takkemia. The train has a 10-minute delay. I will be there as soon as possible. Sorry for the inconvenience," a young woman reads out.

"That's very good," their social skills instructor says. "Why is it good?" he asks. "It's professional," one participant replies.

Professional seems to be the most valuable currency in this classroom. If something is well done, the group yells 'professional,' with a tone of acknowledgement. Whenever they discover a flaw, it's 'unprofessional.'

### **Social benefits**

"It's just like giving people the tools to be successful in the job," explains Emily Nelson, the director of the program. "We try to reinforce time management, punctuality, we talk about a lot about effective communication, we do a lot of conflict resolution, stress management."

Everyone who graduates from the program has a good chance of getting hired into an entry-level position at the public housing agency. These positions include social benefits, such as health insurance and paid vacation - things that are rare amongst low-skilled jobs in New York City.

"It's a lot of advancements that we can get in this program," Alicia Hannah says, "it's like a stepping stone."

### **'My motivation was my son'**

"Supervisor, Management, basically the sky's the limit," her classmate Radell Felton agrees.

"My motivation was my son," he says. Like Hannah, he grew up and lives in a public housing complex in Brooklyn. "I'm trying to get enough money to support him and myself and my family."

Even though there is no high school diploma required to take part in the class, almost everyone in the workshop has a high school diploma or a comparable degree.

According to Emily Nelson, there were almost three times as many applications as there were available slots in the program.