

Book Review

Working Scared (Or Not at All): The Lost Decade, Great Recession, and Restoring the Shattered American Dream

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Author: **Carl E. Van Horn**

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Four words immediately came to mind after reading *Working Scared*: “I feel your pain.” From its dedication to “American workers” and continuing throughout its 195 pages, this book presents a collection of sobering statistics and revealing interviews about post-Great-Recession America, the changing American labor market, and lingering effects of the late 2000s financial crisis upon U.S. residents’ lives. Interspersed with numerous graphs, tables, and research findings are quotes from “real people” who were negatively impacted by recent economic events. These quotes put a human “face” on otherwise sterile facts and figures and this blend of quantitative and qualitative data holds readers’ interest.

Working Scared provides a summary of data collected by the John J. Heldrich Center for Workforce Development at Rutgers University; specifically, its longitudinal research project, *Work Trends: Americans’ Attitudes About Work, Employers, and Government*. Nearly 25,000 American workers were surveyed by the Heldrich Center from 1998 to 2012 and the results of those surveys, as well as in-depth follow-up interviews, are the foundation for the content of *Working Scared*. The author, Carl E. Van Horn, is a professor of public policy at Rutgers University and founding director of the John J. Heldrich Center for Workforce Development (see <http://www.heldrich.rutgers.edu/>). Van Horn has also held several senior policy-making positions at state and federal government levels and regularly provides research findings and expert commentary about economic and workforce trends to leading media outlets.

Working Scared is interesting and well organized and contains meticulous reference lists with dozens of individual citations at the end of each chapter. This level of detail makes it very easy for readers who wish to delve deeper into the information presented in the book. Consisting of an Introduction and seven chapters, the book begins by describing the current state of the U.S. economy and labor force and ends with a variety of carefully considered reform proposals. Van Horn avoids making overt political statements while acknowledging the impact of the current political climate and individual political “players” in addressing workforce needs.

The four-page introduction of *Working Scared* sets the stage for the chapters that follow. Van Horn lists challenges faced by Americans during the first decade of the twenty-first century, including the 9/11 terrorist attacks, surges in oil prices, bank failures, financial losses on investments and in the housing market, and rising unemployment rates. Comparing the first decade of the 21st century to the last decade of the twentieth century, he notes, “In less than a decade, Americans experienced the best and the worst of times” (p. xiii). Van Horn then describes the micro-economic aftermath of the financial crisis: “American workers are frustrated, angry, and scared. Already reeling from a decade of uncertainty and rapid labor market transformations, the Great Recession came along and crushed the lives of tens of millions of workers and their families. It forestalled careers, scrapped hopes for a college education, delayed retirements, and foreclosed family homes. As this book is published, the U.S. economy is still struggling to fully recover” (p. xiii). Van Horn then briefly describes the

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methodology used to collect *Work Trends* data and previews the content of *Working Scared's* seven chapters.

Chapter one, *Working Scared in America and the Great Recession*, begins with a question: Are recent economic changes a harbinger of long-term structural changes and decline in the U.S. economy? It then proceeds to describe the impact of what Van Horn calls "The 'Hurricane Katrina' of Recessions." The statistics are sobering when aggregated nationwide, but descriptions of the recession's impact on the lives of specific individuals are just as compelling. Van Horn masterfully captures the pain experienced by American workers with prose such as this: "Millions are unemployed, fighting for another job and suffering personal and financial agony. Among those who are still employed, many desperately try to hang on to their jobs and live in a state of constant anxiety. These Americans are 'working scared' because, to them, it seems that virtually every job is temporary, threatened (directly or indirectly) by either technological change or global competition" (p. 2). He also notes that "thirty years ago, most jobs were stable, or even permanent; now most jobs are temporary or contingent" (p. 2). I was familiar with many of the financial impacts of the Great Recession (e.g., declines in median family income and net worth) from Federal Reserve papers, but one labor force statistic really gave me pause: "over 20 million workers in 2010 were unemployed or were working in part-time jobs but wanted full-time employment" (p.5). Twenty million people! Van Horn concludes the chapter by describing studies of the resulting mental, physical, and financial health scars left by the Great Recession.

In chapter two, *Is the American Worker Disposable?*, Van Horn examines underlying forces transforming the American economy and their implications for American workers. He begins by describing increased income polarization in the U.S., outsourcing and offshoring of jobs, the impact of technology, and the demise of the "employer/employee compact." Instead of a continuing compact, the Great Recession accelerated the trend to just-in-time labor forces. The book then provides a detailed description of "four forces downsizing the American worker": (1) globalization and offshoring; (2) mergers, acquisitions, and restructuring; (3) a transition from industrialization to a knowledge/service economy; and (4) deunionization. Other topics covered in the chapter are education and training gaps of the U.S. workforce, decreased spending on education and job training, and changes in the behavior and attitudes of American workers with respect to job security and the "American Dream" that their children and grandchildren will have better lives than they did.

New American Workplace Realities is the title of chapter three. Van Horn begins by noting, "A permanent job with good benefits is beyond reach for most American workers. Perhaps only federal judges and tenured professors are insulated from the forces of workforce transformation, and even they face new challenges to their now rare, privileged status" (p. 49). He then goes on to describe specific ways that employer-employee relationships have been altered in the public and private sector in recent years. Other topics discussed in this chapter include declining worker satisfaction (benefits, workplace conditions, training opportunities, etc.), work-family imbalance, decreased opportunities for learning on the job, the erosion of employer-based health care benefits, and workforce diversity trends. Also mentioned briefly was the Affordable Care Act, with Van Horn noting that "the full implications of the new law for the health care coverage of American workers will not be known for several years" (p. 59).

Chapters four and five examine the impact of the Great Recession upon two different age groups: older and younger workers, respectively. In chapter four, *Misery and Bleak Expectations for Older Unemployed Workers*, Van Horn describes how baby boomers and older Gen Xers have fared. The chapter begins with a poignant quote from a former homeowner who had camped in her car after losing her house to foreclosure: "I just want to get my life back" (p. 69). Van Horn also notes that "No group of unemployed Americans experienced greater shocks or more difficulties returning to work than older workers" (p. 69). The chapter also provides statistics about the number and percentage of unemployed older workers and discusses age discrimination and retooling challenges, wage losses upon re-employment, the consequences of long-term unemployment, Americans' increasing retirement insecurity, early Social Security benefit filing by unemployed older workers, and the impact of baby boomers' retirement decisions upon younger workers.

Unfulfilled Expectations for Recent College and High School Graduates is the title of chapter five. Van Horn notes that "Students graduating during the recession era are encountering historic obstacles in achieving the foundations of the American Dream" (p. 93). One reason that it is difficult for recent graduates to get jobs is that they are competing with slightly older, unemployed adult workers. The chapter discusses a wide array of topics related to young adult employment woes, including high college drop-out rates, bleak employment prospects for high school graduates lacking post-secondary education, the high percentage (four in ten) of recent college graduates working in jobs that do not require a college degree,

high student loan debt loads, young adult work attitudes, core skills that employers want in their workers, the educational preparation of students for workforce needs, and the emotional scars left when hard-working students' credentials do not result in career success. Van Horn notes, "As high school and college graduates enter the workforce, many are profoundly disappointed and angry" (p. 110). The chapter concludes with a discussion of the need for better alignment between educational programs and employers' needs and "next-generation education reforms."

While the first five chapters of *Working Scared* describe the economic devastation that occurred in the recent past, the last two chapters look ahead and offer a myriad of recommendations to alleviate the job insecurity and financial distress experienced by millions of American workers. This is, perhaps, the best part of the book because it offers hope that the multitude of problems described early on could, possibly, be proactively solved, or at least mitigated, given sufficient political capital and strong and passionate leadership. Readers benefit greatly from the author's expertise in employment issues and public policy.

The title of chapter six is *Unfinished Business: Recovering from the Great Recession*. Van Horn begins the chapter by recapping the devastation caused by the financial crisis and the federal government's response to it (e.g., TARP and stimulus spending). He notes, "By the fall of 2012, about half of the approximately 9 million jobs that disappeared during the recession had returned to the economy" (p. 121). Other topics covered in this chapter include the economic impact of the government's financial crisis strategies, policy gridlock in Congress, failed policy initiatives (e.g., the proposed American Jobs Act), and frustration and protest expressed via the Occupy Wall Street movement. The chapter concludes with a description of specific strategies to assist American workers, including direct job creation by the federal government (both for badly-needed infrastructure and energy grid projects and for public service jobs) and bolstering and refocusing America's workforce development system. Obviously, not everyone is going to agree about the role and cost of federal government spending to accelerate American job growth. Van Horn acknowledges this, stating that "American political leaders profoundly disagree about the appropriate remedies, but the nation's progress depends on their ability to find common ground" (p. 143).

Van Horn completes his discussion of proactive policy solutions in chapter seven, *Restoring the Shattered Dreams*

of American Workers. He begins the chapter by using the phrase "new normal" to refer to the realities of work in the twenty-first century, noting, "The immense disruptions of globalization, deindustrialization, outsourcing, and deunionization give employers enormous leverage over American workers who are competing in a buyer's market" (p. 148). At the same time, "Because many large employers view outsourcing and contingent work as preferable human resources strategies, employer-based investments in workers' education and training diminished or disappeared" (p. 148). Van Horn also warns about the dangers of doing nothing to address the altered workforce landscape: "If the United States delays in tackling these challenges, it will lag in global competition for economic growth and will lose social cohesion. The case for profound change is compelling from economic, political, and social perspectives" (p. 148).

What to do? Van Horn believes that the U.S. needs a new paradigm for workforce development policy to educate, train, and retrain workers "so they can achieve their full potential and offer employers valued skills" (p. 149). He goes on to discuss this in detail as well as to list and describe four overarching national priorities: (1) Reform high school and college education to prepare all students for careers, (2) Expand learning opportunities for workers throughout their careers, (3) Replace unemployment insurance with reemployment insurance, and (4) Establish a twenty-first century worker-employer compact. *Working Scared* ends with a question that only time will tell the answer to: "A successful policy agenda that produces a sustainable, opportunity society must build consensus around principles that have bipartisan appeal. American workers need help, and they are ready for big policy changes. Will our nation's business, government, education, and community leaders rededicate themselves to embracing these principles and restoring the American dream for all Americans?" (p. 171).

Working Scared is highly recommended reading for anyone who teaches, counsels, or conducts research about the financial status of U.S. households; that includes most AFCPE members and *Journal of Financial Counseling and Planning* readers. Much like the 2012 National Financial Capability Study (released in May 2013), *Working Scared* provides valuable insights into the economic status of U.S. households. As noted earlier, the book is carefully researched and skillfully combines Heldrich Center survey data, government and other research findings, and quotes gleaned from participant interviews. It also provides a one-stop read for data related to effects of the financial crisis. Both the statistics and the quotes

interspersed throughout the book are sobering and compelling.

I tried to think of features about *Working Scared* that readers might not like. Obviously, some of Van Horn's proposed policy solutions are subject to spirited debate—something the author, himself, acknowledges. At first, I also thought that some of the words and phrases that Van Horn used in describing American workers were a bit melodramatic (e.g., “crushed the lives,” “desperately trying to hang on,” “piled misery on top of anxiety,” “savaged their retirement funds”), but then I realized that I had no right to feel this way. I am one of the lucky ones who experienced minimal effects from the Great Recession. My pay was frozen for two years (which will affect my future pension benefit slightly), but I did not lose my job or health care benefits or have to eat into my savings to cover expenses. Having tenure at Rutgers University provides some measure of economic security, although I realized that, because funding for Cooperative Extension has been reduced, I, too, have been “working scared” in some ways. We all are. Rather than being a negative, Van Horn's often colorful prose is a consciousness raiser for those who fared relatively well during the past few years and a wake-up call for multi-faceted action. *Working Scared* helps readers “walk in the shoes” of millions of their fellow citizens. Let's all hope that the book inspires proactive solutions that result in positive change.

About the Reviewer

Dr. **Barbara O'Neill** holds the rank of Distinguished Professor in the School of Environmental and Biological Sciences at Rutgers University and is Rutgers Cooperative Extension's Specialist in Financial Resource Management. She also provides national leadership for the Cooperative Extension program *Small Steps to Health and Wealth*TM. Dr. O'Neill has written over 1,500 consumer newspaper articles and over 125 articles for academic journals and conference proceedings. She is a certified financial planner (CFP®), chartered retirement planning counselor (CRPC®), accredited financial counselor (AFC), certified housing counselor (CHC), and certified financial educator (CFEd), and served as president of the Association for Financial Counseling and Planning Education (AFCPE) in 2003. Dr. O'Neill received her Ph.D. in family financial management from Virginia Tech. She has received over three dozen awards for program excellence and over \$910,000 in funding to support her financial education programs and research.