



Coping With Unemployment

Volume IV, Issue 1
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FYI Has a New Web Site

<http://www.caahs.colostate.edu/fyi/>

Unemployment is a Critical Problem

by Cheryl Asmus, Coordinator, Family and Youth Institute

According to the Household Survey, released monthly by the Labor Department, the unemployment rates for October 2001 and subsequent months reflected the impact of the terrorist attacks of September 11th. However, the labor market had been weakening before the attacks, and those events undoubtedly exacerbated this downward trend. Our first issue of 2002 addresses one of the most important problems for Colorado and our nation: unemployment. President Bush, in his January 2002 State of the Union Address, summed up his economic security plan for America in one word, "jobs." He urged Congress to "act to stimulate jobs for America."

The article in the right margin provides a personal view from a woman and her family who are in the midst of a job transition. We follow her all-too-common firsthand description of the various factors

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Handling My Job Transition

*by Kimberly Martin**

Anxiety has been my near constant companion since January 3 when my job stability changed dramatically. On that day, I attended a company-wide meeting and learned that the Englewood office of my company, a major brokerage firm, would close. All employees were given the option of taking a severance package or relocating to Jacksonville, Florida, or Hopewell, New Jersey. We had to make our decision by January 29.

I left the meeting rather stunned, and when I retrieved my voice mail back at my desk, I listened to my New Jersey manager telling me that our department would be eliminated rather than relocated. My options were narrowing. I could still apply for a position in Jacksonville or Hopewell, but I would need to be selected from among other company employees making the same request. If I could obtain another job at one of these sites, I would receive a \$10,000 relocation incentive. If I took the severance package, I would be paid for 12 weeks.

My decision was further complicated by my husband's service in the US Army

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Invitation to dialogue

What issues and concerns would you like to see addressed?

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Coming next:

Civility/Creating Positive Communities

Solutions to Unemployment

by Dawn Thilmany, Associate Professor, Agriculture and Resource Economics, CSU

Most people do not lose their jobs without warning. Rumors generally are destructive in the workplace, but in the case of layoffs, they can be the red flag that prompts action. If job loss rumblings are afoot, employees might explore one of the following ideas:

Access public resources to search for a job

There is a vast array of resources available to those who face employment transitions. Colorado Workforce Centers (<http://www.coworkforce.com/emp/WFCs.asp>) are a great starting place and have extensive informational and educational resources and job listings. They also connect people with training opportunities. Local community colleges and universities may help workers explore further educational goals, and they can offer advice on career opportunities and funding options for various programs of study.

Consider self employment

It is estimated that 30 million Americans are “free agents” in the workforce, either freelancing or running their own small businesses (*New York Times*, December 1, 2000). Although the economic boom of the late 1990s slowed growth in self-employment, it is expected to expand again as growth in traditional job opportunities slows. It is also likely that growth in nontraditional employment (temporary and contract employees) will grow, as companies seek more flexible staffing arrangements and individuals choose to manage their own human resources.

When the economy slows, growth in self-employment and small business development often increases, as former workers are encouraged to follow their inspirations or ambitions to become entrepreneurs. Developing their own business may be an effective way for employees to invest a severance package. There are great resources to explore this option. The Small Business Development Centers, coordinated by the Colorado Office Economic Development and Economic Trade (<http://www.state.co.us/oed/sbdc/>), is a good place to start.

Explore alternative arrangements with an employer

Workers can help their employers consider the range of alternatives that will help their employers control costs and increase employees’ flexibility. Solutions can be as simple as salary freezes or reductions, shorter work weeks, or unpaid days off to help keep the employer’s business afloat in lean times. Similarly, workers could offer to connect their performance to salary so that they share some of the business risk with their employers. Finally, it’s important for workers to be flexible. If employees are cross-trained, they can offer to reallocate their time to areas of the company that need them most.

Employees also can work part-time for the company while they develop independent enterprises. The employer can save money by reducing the payroll without losing a valuable resource while workers maintain some income in an otherwise pessimistic job market. In exchange, the employer may allow them to use company resources to pursue their own business ideas, giving them a more stable springboard into the world of self-employment. Whatever option employees select, they would be wise to meet with a human resources expert to make sure any employment changes fit their circumstances and legal for the employer.

Unemployment is a Critical Problem *continued from page 1*

and issues that surround a family that is experiencing a job loss with some ideas of what they should do. In this issue, we offer some resources for searching for a new job, starting a small business, and exploring alternative arrangements with a current employer. Then, we provide some tips and resources to help a person recover both emotionally and financially.

Next, we have included a data-driven view of the actual state of unemployment in Colorado and how Colorado compares to the nation. This article delves into the details of the events that led up to Colorado’s current relatively high unemployment rate. And last, we offer some research-based information that describes the psychological effects of unemployment, along with some best practices for coping with the stresses that often accompany unemployment.

Handling My Job Transition *continued from page 1*

Reserves. In October, he was called for active duty, and he's now stationed in Colorado Springs. He also works for the same company, which has been very supportive of employees who have been called for service. Tom is lucky to receive full pay. We've been spared the plight of many of those in his battalion who took a dramatic pay cut when they were put on active duty. Tom's military orders do not end until October 2002, and our company is allowing him to postpone his decision about relocating until then. Tom's department is going to Hopewell, so if we decide to follow his job, we'll go there.

Tom and I have mulled over this decision, looking at it from all angles. Ultimately, we decided that Colorado is our home. Family is a huge priority for us. Our parents live within a hundred miles of us right now. We just wouldn't know what to do if 2,000 miles separated us.

But staying in Colorado isn't simple. Tom will have trouble looking for a job since he doesn't know for sure when his active duty will end. I'm planning to take the severance package and go to Grand Junction where two of my sisters live. A move to Grand Junction had appeal even before the changes at work, and if I go in the coming months, I'll probably stay home with my daughter and watch my sisters' kids, too. Our savings are pretty strong, and they are building up more every month that I still have a job.

It's pretty tense at work right now, particularly because we don't know when the site will finally close. The transition is scheduled to start in April and be completed in June. I would really like to stay to the end, but since I don't know for sure when the end will be, I may not be able to wait to find out.

Another strong emotion for me right now is betrayal. I started out here working for an on-site temp agency, and in October 2000, I became a full-time company employee. As a Records Library Clerk, I work in the microfiche library pulling statements for the branch offices and retrieving old documents from the archives. My job is important to me, and I've worked hard at it. Even though I had a feeling that my department might be eliminated because of some changes last year, it still came as a shock. I've been loyal to this company, being here every day, putting in my best, and now, with the elimination of my department, I don't feel valued, my options are limited, and I feel pretty stressed.

My stronghold during this stressful time is my family. They support me unconditionally. I also have faith that everything happens for a reason. I don't know the reason why this change happened, but I'm confident that one day I will know it. In the meantime, I'll look to the next chapter in my life with hope.

**the author has requested that a pseudonym be used*

Overcoming Financial Difficulties

*by Jacque Miller, Cooperative Extension Specialist,
Family Resource Management, CSU*

In this day and age, no one is immune from the prospect of financial difficulties. Those who experience sudden or persistent income deprivation due to job loss often feel isolated, alienated and helpless. Regaining hope and resolving these financial difficulties can be an uphill battle, but the following suggestions can be helpful on the road to financial recovery:

Shore up emotional strength

It's important for people losing their jobs to be positive about themselves and to stifle self-criticism. It's best for them not to dwell on circumstances that are beyond their control. Instead, they should use their time and energy to generate new opportunities.

Clarify finances

The five pillars of financial progress should be examined and applied. The five pillars include:

- ❑ recognizing what is truly valuable
- ❑ defining goals according to these values
- ❑ developing and utilizing resources to support these goals
- ❑ consistently improving resource management skills
- ❑ avoiding procrastination, mismanagement and waste.

The next step is listing the most important values and goals and using the list as a compass to guide progress. The newly unemployed should take an assessment of the current financial situation, the household's financial strengths, and resource options.

Respond quickly

Decreasing expenses and regaining lost income as soon as possible after a job loss help immensely to minimize financial damage and hasten recovery. Sadly, many people fail to act quickly and accumulate enormous debt trying to maintain their previous level of expenses. The more quickly expenses are reduced and income increased, the more quickly recovery will begin and the sooner life will get back to normal. Research indicates that those who plan ahead and take decisive action recover quickly.

Control destiny

People experiencing unemployment should develop plans for debt management and household budgeting. They should seek outside help. One resource is the Consumer Credit Counseling Services of the National Foundation for Consumer Credit. To find the service in a particular area, use the member agency locator at

<http://www.debtadvice.org/takethefirststep/locator.html>.

Military personnel can use Family Assistance Centers located at U.S. Military installations in the U.S. and overseas.

This article is based on a publication by Ron Wall, University of Hawaii Family Economics Specialist. Access his 20-page self-help guide at clicking on Financial Connections at

<http://www.ctahr.hawaii.edu/ctahr2001/PIO/FreePuhs.html>.

What Has Happened to Colorado's Economy and Employment?

by Elizabeth Garner, Coordinator, County Information Services, Cooperative Extension, CSU

During the mid- to late-1990s, Colorado boasted that its key economic strength was its diversity; it was no longer dependent on any single sector. With the goal of eliminating the continuous cycle of boom and bust, Colorado developed a strong base of businesses in a variety of high-tech growth sectors as well as telecommunications and transportation. A solid manufacturing base especially strong in high-tech durable goods rounded out its technology portfolio. Tourism added another dimension to the state's economic diversity. In 2000, Colorado ranked eighth in the country for total tourism spending, estimated to be over \$7 billion.

Over the past 12 months Colorado's unemployment rate has increased by 2.7 percent, going from 2.5 just over a year ago to 5.2 percent in December 2001, the highest rate since June 1993. Colorado ranks second to Oregon in the nation for the highest percentage point jump in unemployment from December 2000 to December 2001. In addition, Colorado's annual average unemployment rate increased to 3.5 percent, the highest since 1998, and a sizeable jump from 2000's near historic low of 2.7 percent.

Uncovering the Roots of the Problem

So, what happened? Prior to September 11th, Colorado's economic activity was already slowing, paralleling a national trend. The manufacturing sector had been contracting for over a year, leading the way to a national

recession. After the buildup for Y2K compliance, Colorado's manufacturing sector (dominated by high-tech products) and its computer industry were left with excess inventories and were forced to lay off workers.

When the Internet bubble burst in 2000, the industries that supported the mass of dot-coms were fractured. Information-technology services, telecommunications, financial services, and hardware and software manufacturing, the growth sectors that contributed to Colorado's economic expansion, tumbled.

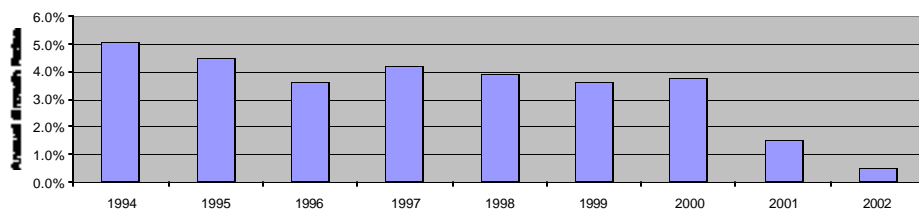
September 11th exacerbated troubles by weakening the air travel and tourism industries. Colorado and other western states may be more vulnerable than other parts of the nation to disruptions or rising

average of over 70,000 jobs was added annually. Layoffs during 2001 are estimated at over 30,000 with over 50 percent of them in the telecommunications and high-tech manufacturing and service sectors. All industrial sectors have experienced slow employment growth, but retail sales, wholesale trade, and government have been the sectors least affected.

Colorado Unemployment by Region

The economic slowdown has had varied employment impacts throughout the state. It is estimated that between December 2000 and December 2001, the number of unemployed has increased by over 64,000 to reach 113,745. The Denver metropolitan statistical area (MSA), which

Non Farm Employment Growth
Source: CBEF Forecast Summary



costs of air travel. Not only is tourism an important state industry, but other Colorado industries are heavily reliant on airplanes for shipping raw materials and final products.

The Current Picture

Colorado employment is expected to have increased by only 1.9 percent during 2001. This amounts to around 30,000 jobs, and it comes after an annual average growth rate of 4.1 percent from 1991 through 2000, when an

includes the counties of Denver, Adams, Arapahoe, Jefferson, and Douglas, account for almost 37,000 of these people. Other areas experiencing large increases include Colorado Springs MSA, Boulder-Longmont MSA, Fort Collins-Loveland MSA, and Pueblo MSA. Similarly, the metro areas listed above, plus the counties of Dolores and Costilla, had their unemployment rates increase by more than the state average of

Colorado's Economy and Employment *continued from page 4*
2.7 percent. In contrast, the counties of Custer, Crowley, Rio Grande and Rio Blanco all showed a decrease in unemployment during the same period.

Employment in rural counties, especially on the eastern plains, seems to be least affected by the economic downturn. Many suggest that these counties did not enjoy the economic boom of the 1990s and were not subject to the impact of the recession. Employment and unemployment data show minimal changes over the last year. For example, Yuma's current unemployment rate is 1.9, which ranks as the lowest in the state. A year ago, it was 1.8 but there were 20 counties/areas with lower rates.

The resort counties of Summit, Eagle, Pitkin and Routt experienced increased unemployment rates between 1 and 1.8 percent between December 2000 and December 2001. Routt had the smallest increase in unemployment with just 100 people added to unemployment rosters while Eagle had the most with 400. Skier visits were down 14 percent over the year, but the downturn had been expected to be as high as 30 percent for all resort areas in Colorado, according to Colorado Ski Country USA.

Thoughts About the Future

Economic conditions are improving, but slowly, according to Tom Dunn, Chief Economist for the Colorado Legislative Council. Signs of a rebound are emerging in manufacturing. In December, U.S. manufacturers increased production, suggesting that the manufacturing sector may be on its way to climbing out of its 17-month slump. Inventories are finally clearing out, and manufacturers will have to gear up their plants again. Companies that bought new computer systems to deal with the Y2K bug, for example, are reaching the point where they will need to replace aging technology.

While more people filed for unemployment in December, the monthly jobless report shows the first increase of jobs since August 2001. Total employment rose by 6,900 jobs to 2,240,000 statewide. Most new jobs were in apparel and accessory stores, food service, and furniture retailers, reflecting seasonal hiring.

Dunn expects the unemployment rate to continue to rise even when the economy starts improving. Companies do not immediately start hiring; they wait to make sure the recovery is underway while working their people longer and harder.

Sources

Colorado Department of Labor and Employment,
<http://www.coworkforce.com/>

Center for Business and Economic Forecasting, Inc., <http://www.cbef-colorado.com/>

Colorado Economic Chronicle, Colorado Legislative Council,
http://www.state.co.us/gov_dir/leg_dir/lcs/chronicle/chindex.html

Managing the Stress of Unemployment

by Robert J. Fetsch, Cooperative Extension Specialist, Human Development & Family Studies, Colorado State University

Job loss and financial hardship rank among the more severe stressors people encounter in their lifetimes. Research as far back as the 1930s reveals that unemployment has major effects on individuals' and families' emotional and physical health. Researchers have found strong relationships between unemployment rates and increased mental hospital admissions, suicide, homicide, cardiovascular-renal disease mortality, and total mortality (Brenner, 1973, 1976, 1977). Unemployment also contributes to depression and low self-esteem (Waters & Moore, 2001) and to family instability, decreased family relations, and family violence (Furstenberg, 1974; Hanisch, 1999; Voydanoff, 1978).

From a mental health and well-being viewpoint, unemployment is similar to other transitions that people experience, like divorce, death of a child, loss of the family farm, or acquiring a disability. Any of these transitions may lead to high levels of stress both for the individuals involved and for their families and communities.

Lessons emerge from those who cope well with unemployment. Researchers have found that most adults at first experience high levels of stress or depression. Those who create calming spaces in their lives to problem solve cope well. They ask themselves: "When I was in a similar tough transition before, what did I do well?" Recalling a successful transition from their pasts gives them hope and often provides ideas for how to cope with the current crisis.

One of the most important characteristics of families who cope well with unemployment is the meaning they attach to the unemployment. When they see unemployment as manageable, it is less stressful for them (Angell, 1936; Cavan, 1959; Leana, Feldman, & Tan, 1998; Powell & Driscoll, 1973). The more positive the meaning, the better people adapt to the change.

One woman who was laid off after 20 years of working for the same company said, "At first I was mad and sad and scared. But after awhile, I realized that the day I got laid off was the best day of my life! Why? Because now I'm free to do what I always wanted to do — start a craft store. For three years now, I've been having so much more fun than I had in my old job. I needed the push of a layoff to get started."

Her positive attitude and her new ideas led to a successful job transition. Suggestions for maintaining mental health during job transition are listed on page 6.

Suggestions for Maintaining Mental Health During Employment Transitions

- Allow yourself to grieve, feel anger, be depressed or anxious, and learn from your emotions (Cavanaugh, 1994; Quick, Fetsch, & Rupured, 2002).
- Explain to young children in ways that they can understand that Mom or Dad is not going to work at the same place anymore. Remember that young children are egocentric so they often feel responsible if they do not understand the basis for a problem (Levine, 1990). Tell them directly it is not their fault that you are unemployed (Voydanoff, 1983).
- Especially with young children, maintain consistent daily and weekly family routines to provide structure and stability (Unemployment-A Guide, 2002).
- Explore options for adolescents and adult family members to work and supplement family income (Sales, 1995; Voydanoff, 1983).
- Seek emotional support from friends, relatives, and neighbors (Cobb & Kasl, 1977; Gore, 1977, 1978; Kasl & Cobb, 1979; Voydanoff, 1983; Werner, 1990).
- Assess your personal strengths, skills, values, life themes and purpose. New directions will emerge (Coping with Unemployment, 2002).
- Seek counseling for yourself and your family, especially when signs of depression and suicidal thinking emerge.
- Problem solve and communicate, especially in regular family meetings (Fetsch & Jacobson, 2001). Solution-oriented coping moderates depression and increases self-esteem (Waters & Moore, 2001).

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FYI Tidbits: **CHP+ Dental Benefits**

On February 1, CHP+ expanded its low-cost health care to dental benefits. Child Health Plan Plus (*Briefs* V3I4) covers families with children who do not qualify for Medicaid and who cannot afford health and dental insurance. Delta Dental Plan administers the plan, including exams, cleanings and x-rays, fillings, routine extractions, and limited root canal therapy. The dental benefits are available to families currently enrolled in CHP+ along with new enrollees. The maximum allowable benefit for each child is \$500 per calendar year.

Information is available from Delta Dental (800-610-0201), CHP+ (www.cchp.org), or the Family Healthline (1-800-688-7777).