<u>A Balance Sheet at 30 Months</u>

# How the Great Recession Has Changed Life in America

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A Social & Demographic Trends Report

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**A Balance Sheet at 30 Months**

# How the Great Recession Has Changed Life in America

## Executive Summary

More than half (55%) of all adults in the labor force say that since the Great Recession began 30 months ago, they have suffered a spell of unemployment, a cut in pay, a reduction in hours or have become involuntary part-time workers, according to a new survey by the Pew Research Center's Social & Demographic Trends Project.

The survey also finds that the recession has led to a new frugality in Americans' spending and borrowing habits; a diminished set of expectations about their retirements and their children's future; and a concern that it will take several years, at a minimum, for their family finances and house values to recover.

Not all survey findings are bleak. More than six-in-ten (62%) Americans believe that their personal finances will improve in the coming year, and a small but growing minority (15%) now says the national economy is in good shape.

These green shoots of public optimism are not evenly distributed—nor do they always sprout from the most likely sources. Several groups that have been hardest hit by this recession (including blacks, young adults and Democrats) are significantly more upbeat than their more sheltered counterparts (including whites, older adults and Republicans) about a recovery both for themselves and for the national economy.

This report analyzes economic outcomes, behavioral changes and attitudinal trends related to the recession among the full adult population and among different subgroups. It is based on a Pew Research Center survey of 2,967 adults conducted from May 11 to May 31, 2010, on cellular and landline telephones and also on a Pew Research analysis of government economic and demographic data.

Key findings include:

- **The Recession at Work:** The work-related impact of this recession extends far beyond the 9.7% who are unemployed or the 16.6% who (according to the U.S. Bureau of Labor Statistics) are either out of work or underemployed. The Pew Research survey finds that about a third (32%) of adults in the labor force have been unemployed for a period of time during the recession. And when asked about a broader range of work-related impacts, 55% of adults in the labor force say that during the recession they have suffered a spell of unemployment, a cut in pay, a reduction in hours or an involuntary spell in a part-time job. *(Chapter 5)*

- **Is It Over Yet?** Most Americans (54%) say the U.S. economy is still in a recession; 41% say it is beginning to come out of the recession; and just 3% say the recession is over. Whites (57%) are more inclined than blacks (45%) or Hispanics (43%) to say the recession is ongoing. Republicans (63%) are more inclined than Democrats (43%) to say the same. *(Chapter 3)*

- **The New Frugality**: More than six-in-ten Americans (62%) say they have cut back on their spending since the recession began in December 2007; just 6% say they have increased their spending. Asked to predict their spending patterns once the economy improves, nearly one-in-three (31%) say they plan to spend less than they did before the recession began, while just 12% say they plan to spend more. A majority say they expect to spend about what they did before the recession. *(Chapter 6)*

- **Family Finances**: About half the public (48%) say they are in worse financial shape now than before the recession began; one-in-five (21%) say they are in better shape. Grouped by income, those with annual household incomes below $50,000 are the most likely to say they are in worse shape. Grouped by age, those in late middle age (50 to 64) are most likely to say this. Also, government data show that average household wealth fell by about 20% from 2007 to 2009, principally because of declining house values and retirement accounts. This is the biggest meltdown in U.S. household wealth in the post-World War II era. *(Chapters 2,4)*

- **A Slow Road to Recovery**: Of those who say their family finances have lost ground during the recession, 63% say it will take at least three years to recover. Blacks who lost ground believe that their recovery time will be shorter than do whites who lost ground. *(Chapter 4)*

- **Retirement Worries**: A third (32%) of adults now say they are not confident that they will have enough income and assets to finance their retirement, up from 25% who said that in February 2009. Among adults ages 62 and older who are still working, a third say they have

## About the Data

Findings presented in this report are primarily based on two sources: a new national survey conducted by the Pew Research Center and data gathered by the federal government and analyzed by Pew Research Center staff.

Results for this survey are based on telephone interviews conducted with a nationally representative sample of 2,967 people ages 18 and older living in the continental United States. A combination of landline and cellular random digit dial (RDD) samples was used to represent all adults in the continental United States who have access to either a landline or cellular telephone. A total of 1,893 interviews were completed with respondents contacted by landline telephone and 1,074 with those contacted on their cellular phone. The data are weighted to produce a final sample that is representative of the general population of adults in the continental United States. For more details, see Appendix I.

- Interviews conducted May 11-31, 2010
- 2,967 interviews
- Margin of sampling error is plus or minus 2.2 percentage points for results based on the total sample at the 95% confidence level.
- Survey interviews were conducted under the direction of Princeton Survey Research Associates International. Interviews were conducted in English or Spanish.

The economic analyses presented in Chapter 2 are primarily drawn from U.S. Bureau of Labor Statistics and Pew Research Center tabulations of the Census Bureau's Current Population Survey. Data are also drawn from the U. S. Commerce Department's National Income and Product Accounts (NIPA) reports, which track household consumption and savings, and the Federal Reserve Bank's Flow of Funds Accounts, which monitor household debt and wealth.

Additional estimates of household wealth come from the University of Michigan's Panel Study of Income Dynamics (PSID). Other data on household finances are drawn from the federal government's Survey of Consumer Finances. Information on debt service ratios comes from the Federal Reserve Bank. For more details, see Chapter 2.

Note on terminology: Whites include only non-Hispanic whites. Blacks include only non-Hispanic blacks. Hispanics are of any race. The terms "labor force" and "work force" are used interchangeably.

already delayed retirement because of the recession. And among workers in their 50s, about six-in-ten say they may have to do the same. *(Chapter 4)*

- **The Recession Hits Home**: About half of all homeowners (48%) say the value of their home has declined during the recession. Of those who say this, nearly half (47%) believe it will take three to five years for the value to return to pre-recession levels, and nearly four-in-ten (39%) expect it will take six years or longer. Yet the vast majority (80%) of Americans say that owning a house is the best long-term investment a person can make. *(Chapter 7)*

- **Diminished Expectations for Children's Future**: More than a quarter (26%) of Americans say that when their children become the age they are now, their children will have a worse standard of living than they now have. A decade ago, just 10% of Americans had this concern. Blacks, Hispanics and young adults are more upbeat about the idea of intra-family intergenerational progress than are whites and older adults. *(Chapter 3)*

- **A Partisan Switch:** Throughout most of the decade of the 2000s, Republicans were significantly more upbeat than Democrats about the state of the economy. That pattern is now reversed. Across six different measures of confidence in both personal finances and the national economy, Democrats are now much more upbeat than Republicans, even though they have lower incomes and less wealth and have suffered more job losses during the recession. To be sure, Republicans have had to endure their own distinctive mix of recession-related hardships. They are more likely than Democrats to say their house has lost value, and because they are more likely than Democrats to have investments in the stock market, they've been more exposed to its volatile swings up and down. *(Chapter 1)*

## About the Report

This report is the work of Pew Research Center's Social & Demographic Trends project, including staff members Paul Taylor, project director; Rich Morin, senior editor; Rakesh Kochhar, senior researcher; Kim Parker, senior researcher; D'Vera Cohn, senior writer; Mark Lopez, senior researcher; Richard Fry, senior researcher; Wendy Wang, research associate; Gabriel Velasco, research analyst; Daniel Dockterman, research assistant; Rebecca Hinze-Pifer, intern and Soledad Espinoza, intern.

Morin led the team that developed and analyzed the survey questionnaire. Kochhar led the team that conducted the economic research. Taylor served as overall report editor; he also wrote Chapters 1 and 3. Kochhar wrote Chapter 2. Parker wrote Chapter 4. Morin wrote Chapters 5 and 7. Cohn wrote Chapter 6.

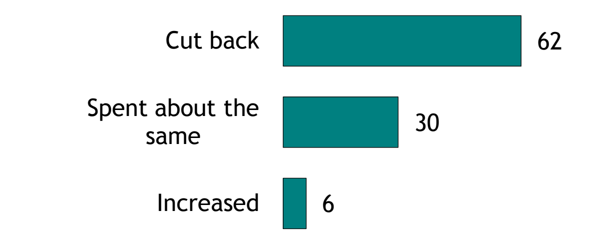
# Chapter 1: Overview

Of the 13 recessions that the American public has endured since the Great Depression of 1929-33, none has presented a more punishing combination of length, breadth and depth than this one.

A new Pew Research survey finds that 30 months after it began, the Great Recession has led to a downsizing of Americans' expectations about their retirements and their children's future; a new frugality in their spending and borrowing habits; and a concern that it could take several years, at a minimum, for their house values and family finances to recover.

**Are You Spending More, Less or the Same?**

% saying that since the recession began, they have …




Note: "Don't know/Refused" responses not shown, N=2,967.

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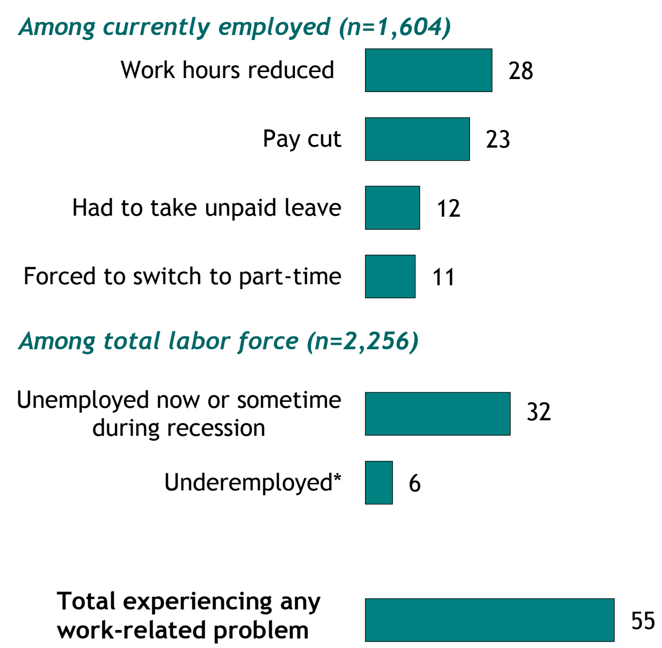
The survey also finds that more than half of the adults in U.S. labor force (55%) have experienced some work-related hardship—be it a spell of unemployment, a cut in pay, a reduction in hours or an involuntary move to part-time work. In addition, the bursting of the pre-recession housing and stock market bubbles has shrunk the wealth of the average American household by an estimated 20%, the deepest such decline in the post-World War II era, according to government data.

**The Recession at Work**

% of each group who experienced each of the following since the recession began




*The under-employed are part-time workers who say they want a full-time job but do not have one because they cannot find full-time employment or because of other economic reasons.

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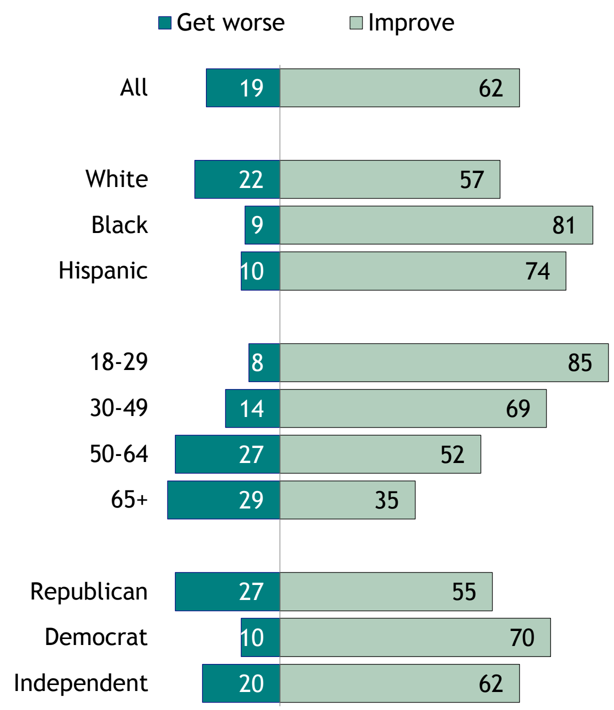
While nearly all Americans have been hurt in one way or another, some groups have suffered more than others. Blacks, Hispanics and young adults have borne a disproportionate share of the job losses. Middle-aged adults have gotten the worst of the downturn in house values, household finances and retirement accounts. Men have lost many more jobs than women. And across most indicators, those with a high school diploma or less education have been hit harder than those with a college degree or more.

Whether by choice or necessity, many Americans have already significantly scaled back their pre-recession borrow-and-spend habits. According to government data, household spending has gone down, savings rates have gone up, consumer credit has remained stable and mortgage debt has plunged during this recession.

The survey finds that the public is starting to see some light at the end of the tunnel. More than six-in-ten survey respondents (62%) say they expect their personal financial situation to improve in the coming year—the most optimistic reading on this question since before the recession began. Likewise, about six-in-ten (61%) say they believe the damage the recession has inflicted on the U.S. economy will prove to be temporary rather than permanent.

**Some Groups More Optimistic than Others**

% saying, over the next year, their financial situation will…




Note: Hispanics are of any race. Whites and blacks include only non-Hispanics. “Stay the same” and “Don’t know/Refused” responses not shown.

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This report sets out to present a comprehensive balance sheet on the Great Recession by looking at economic outcomes, behavioral changes and attitudinal trends among the full population as well as various subgroups. Our analysis is drawn from two sources—a comprehensive Pew Research telephone survey of a representative, national sample of 2,967 adults conducted from May 11 to May 31, 2010 (see Appendix for details) and a Pew Research analysis of government economic and demographic trend data.

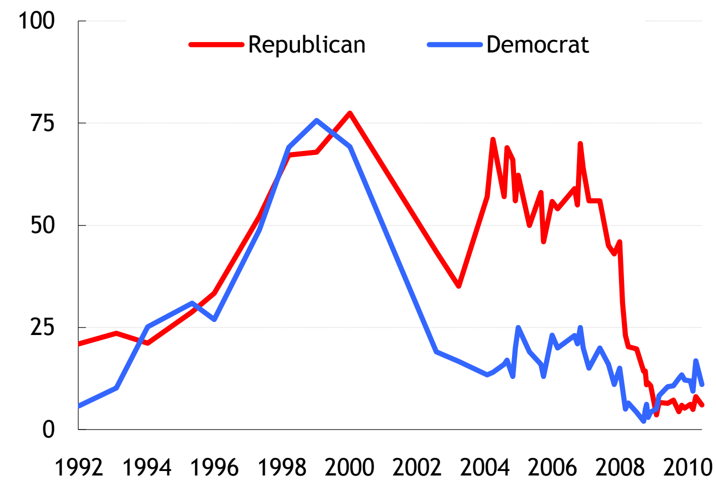
One striking finding of the survey is that some of the demographic groups that have suffered the worst economic hits are also the ones most optimistic about a recovery—both for themselves personally and for the U.S. economy as a whole.

Blacks and Hispanics are more upbeat than whites. The young are more optimistic than middle-aged and older Americans. And Democrats are more upbeat than Republicans, even though Democrats have lower incomes and less wealth and have suffered more recession-related job losses.

These group differences are apparent not just in responses to specific survey questions, but also in a set of statistical models that examine the independent impact of race, partisanship and age on the likelihood that a respondent will express optimism on six different attitudes about the economy tested in the survey, controlling for a range of demographic variables and recession-related experiences.[1] The analysis finds that blacks, Democrats and, on most questions, younger adults are more likely than whites, Republicans and older adults to hold positive views about the national economy and their personal finances, regardless of their income, education, gender or whether they have had difficulty paying their bills, making mortgage or rent payments; getting or paying for medical care; or have had to cut spending during the recession.

**A Partisan Switch in Perceptions of U.S. Economy**

% rating the economy as excellent or good




Source: 1992-2003 Gallup, 2004-2010 Pew Research Center for the People & the Press.

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One likely explanation for these seemingly counterintuitive patterns is that in an age of highly polarized politics, Democrats and Republicans differ not only in their values, attitudes and policy positions, but, increasingly, in their basic perceptions of reality.

This is not the first Pew Research survey taken in the past year that shows that the election of Barack Obama (which came at the height of the recession in November 2008) appears to have put his most enthusiastic supporters—especially blacks, Democrats and young adults—in a more positive frame of mind than Obama's detractors about many aspects of national life.[2]

For example, since Obama was elected Democrats have become more optimistic than Republicans about the state of the national economy. For most of the time that George W. Bush was in office, the reverse was true: Republicans were more upbeat—often, much more upbeat—than Democrats.

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[1] In addition to race, party identification and age, the logistic regression models include gender, education, income and whether the respondent had experienced recession-related problems to predict the respondents' views on the current state of the economy, their personal financial situation and how they think their family will fare financially in the coming year.

[2] For similar findings of this nature from another Pew Research Center survey, see "Blacks Upbeat about Black Progress, Prospects, " January 12, 2010 (http://pewsocialtrends.org/pubs/749/blacks-upbeat-about-black-progress-obama-election ).

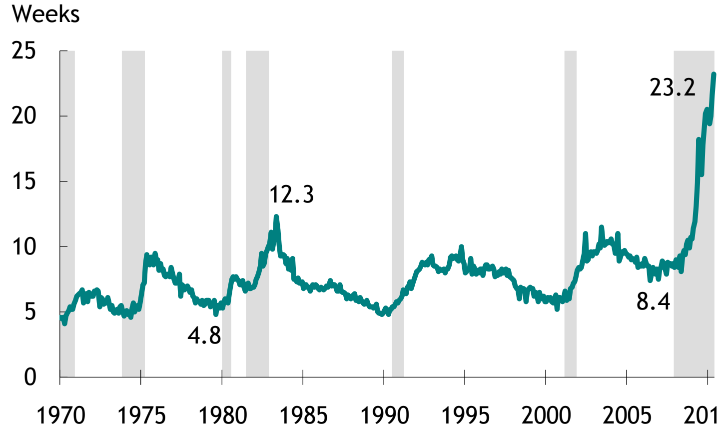
## An Historical Perspective

Modern-era recessions in the U.S. have generally been less severe than those of the 19th and early 20th centuries. But this one stands out for two features that, taken together, validate its by-now-familiar designation as the worst recession since the Great Depression.

- **The Surge in Long-term Unemployment:** The typical unemployed worker today has been out of work for nearly six months (23.2 weeks). This is almost double the previous post-World War II peak for this measure—12.3 weeks—in 1982-83. Long-term unemployment of this magnitude and duration raises a vexing question: Beyond a "normal" cyclical downturn, might the U.S. economy be going through some long-term structural changes that will lead to relatively high rates of unemployment for years to come?

- **The Meltdown in Household Wealth:** This recession has eroded more household wealth than any other episode in the post-World War II era—not surprising in that it was triggered by the bursting of bubbles in both the housing and stock markets, the two principal sources of household wealth. According to the Panel Survey of Income

### Median Duration of Unemployment in Weeks
### January 1970 to May 2010, seasonally adjusted




Notes: Shaded areas depict periods of recession as determined by the National Bureau of Economic Research. The end date for the recession that started in December 2007 has not yet been announced. Revisions to the CPS in 1994 affect the comparability of data over time (see text box).

Source: U.S. Bureau of Labor Statistics

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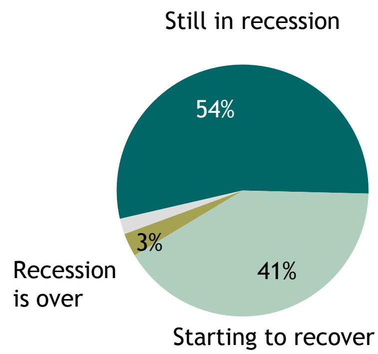
### Recessions in the Modern Era
(As determined by the National Bureau of Economic Research)

| Beginning—End | Duration *(Months)* | Lag Between End and Declaration of End *(Months)* |
|---|---|---|
| December 2007—? | ?? | -- |
| March 2001—November 2001 | 8 | 20 |
| July 1990—March 1991 | 8 | 21 |
| July 1981—November 1982 | 16 | 8 |
| January 1980—July 1980 | 6 | 12 |
| November 1973—March 1975 | 16 | * |
| December 1969—November 1970 | 11 | * |
| April 1960—February 1961 | 10 | * |
| August 1957—April 1958 | 8 | * |
| July 1953—May 1954 | 10 | * |
| November 1948—October 1949 | 11 | * |
| February 1945—October 1945 | 8 | * |
| May 1937—June 1938 | 13 | * |
| August 1929—March 1933 | 43 | * |

*The National Bureau of Economic Research (NBER) has tracked business cycle dates since 1929. It did not formally announce recession end dates until the establishment of its Business Cycle Dating Committee in 1978.

Dynamics (PSID)[3], median household wealth decreased by an estimated 19% from 2007 to 2009. On a percentage basis, this loss of wealth was greater among middle-income households than among those in either the lower or upper income tiers. Similarly, it took a much bigger percentage bite out of the (relatively modest) wealth of black and Hispanic households than of white households.

**Most Say the Recession Continues**




Note: "Don't know/Refused" responses are included but not labeled.

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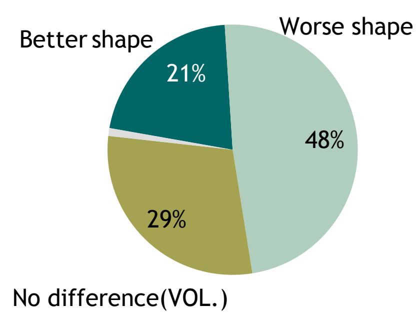
Two-and-a-half years after this recession began, it's easier to take stock of its effects than to be certain of its duration. The nation's gross domestic product has been registering gains for nearly a year, leading some economists to assert that the recession is already over—and has been for some time. But with the nation's overall unemployment rate remaining stubbornly high—9.7% as of May 2010—the quasi-official arbiters of the nation's business cycles at the National Bureau of Economic Research[4] (NBER) have yet to declare that it is over. To further complicate matters, this doesn't necessarily mean it *isn't* over. Because of the way the NBER operates, there is often a lag time of a year or more between its declaration of the end of a recession and the date that recession is retrospectively said to have ended. *(For details, see Chapter 2).*

Here are highlights from the Pew Research Center survey:

**The Recession's Personal Toll**

Household financial situation now vs. before the recession




Note: "Don't know/Refused" responses are included but not labeled.

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## The Recession: An Overview

***It Ain't Over Till It's Over:*** The public shares the NBER's caution about declaring the recession over. More than half (54%) of the respondents to the Pew Research survey say the economy is still in a recession, 41% say it's beginning to come out of the recession and just 3% say the recession is over. Whites (57%) are more inclined than blacks (45%) or Hispanics (43%) to say the recession is ongoing. Republicans (63%) are more inclined than Democrats (43%) to say the same.

***Half Say Their Finances Are in Worse Shape:*** About half of Americans (48%) say their household's current financial situation is worse now than before the recession. About

[3] The PSID, started in 1968, is a longitudinal study of U.S. families, that is, it follows the same families and individual members of those families over time. It features an oversample of low-income families. The original sample size was about 4,800 families, and it has grown since to about 8,000 families today. A refresher sample of immigrant families was added in 1997 to keep the study representative of the U.S. population. The study is conducted at the Survey Research Center, Institute for Social Research, University of Michigan.

[4] The NBER is a private, not-for-profit economic research organization based in Cambridge, Mass. It counts more than 1,000 professors of economics among its research associates. Since forming its Business Cycle Dating Committee in 1978, it has been the quasi-official arbiter of the timing of expansions and recessions in the U.S. economy.

one-in-five (21%) say they are in better shape. The rest say there has been no change. Grouped by income, those at the lower end of the scale are most likely to say they are in worse shape. Grouped by age, those in late middle age (50 to 64) are the most likely to say they are in worse shape.

**A Long Recovery Period**
How long will it take you/your family to recover from the recession?

| | Hurt by Recession* |
|---|---|
| | % |
| Less than a year | 5 |
| One to two years | 27 |
| Three to five years | 40 |
| Six to 10 years | 13 |
| Longer than 10 years/never | 10 |
| Don't know/Refused | 6 |

* Based on those who say their household financial situation is worse now than it was before the recession (n=1,591).

Note: Percentages may not total 100% due to rounding.

***Many Foresee a Long Road to Recovery:*** Among those who say their family finances have lost ground during the recession, 63% predict it will take at least three years to recover. Blacks are more optimistic than whites that their recovery time period will be two years or less (55% versus 29%). Among college graduates who lost ground, fully 30% believe it will take six or more years to recover. Among those who did not attend college and lost ground, just 18% see a recovery period of six or more years.

***A Growing Lower Class?*** Asked to place themselves into one of five socioeconomic classes (upper, upper-middle, middle, lower-middle and lower), a slightly higher share of Americans put themselves in the lower two groups now than before the recession began—29% now vs. 25% in March 2008. Half say they are middle class (down from 53% in 2008), while 20% place themselves in the upper two classes (virtually unchanged from 2008). Blacks, as a group, are an exception to this overall pattern. The share of blacks who now identify with the upper class has gone up during this recession, to 20% now from 15% two years ago.

**The Growing Lower Class?**
% of Americans identifying themselves as ...

| | 2008 | 2010 |
|---|---|---|
| Upper class (NET) | **21** | **20** |
| *Upper* | *2* | *2* |
| *Upper-middle* | *19* | *18* |
| Middle class | **53** | **50** |
| Lower class (NET) | **25** | **29** |
| *Lower-middle* | *19* | *21* |
| *Lower* | *6* | *8* |
| Don't know/Refused | **1** | **1** |
| Number of respondents | 2,413 | 2,967 |

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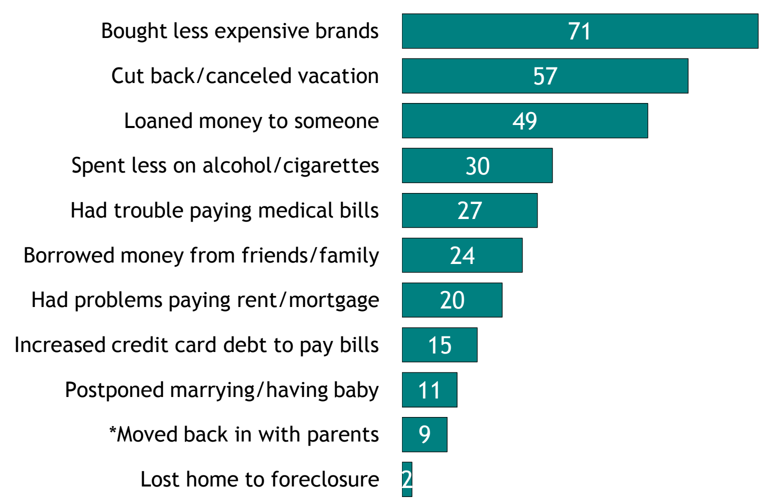
***Not Everyone Got Whacked:*** Even in these bad times, some people have made out OK. As noted above, about two-in-ten (21%) adults say their household finances are in better shape now than before the recession began. Among all currently employed workers, 20% say they were promoted or found a better job during the recession. And about four-in-ten say they have gotten at least one raise during the past 30 months (a proportion that is likely much lower than it would have been if the economy had been more robust).

## The New Frugality

***Making Ends Meet:*** Americans have changed their lifestyles in many different ways to make ends meet during this recession. More than seven-in-ten (71%) say they have bought less expensive brands. Nearly six-in-ten (57%) say they have cut back or canceled vacation plans. About half (49%) say they have loaned money to someone, and 24% report having borrowed money from someone. Three-in-ten say they have cut back on alcohol or cigarettes. Nearly one-in-ten (9%) say they have moved back in with their parents (among adults ages 18 to 29, this figure rises to 24%). Overall, higher-income adults report making fewer of all these lifestyle adjustments than do lower-income adults. Likewise, adults ages 65 and older report making fewer of them than do younger and middle-aged adults.

### How the Public Has Experienced the Recession

% saying this happened to them during the recession …




*Among ages 18-29, this share is 24%.

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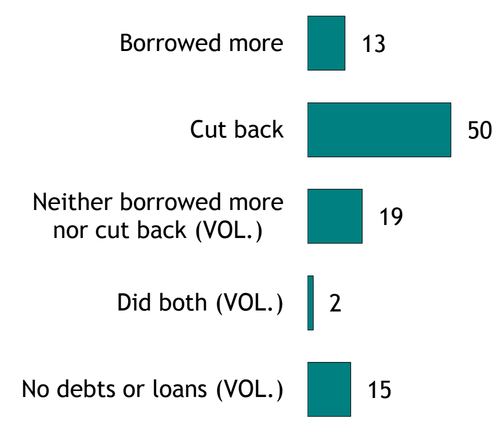
***Neither a Spender Nor a Borrower Be:*** More than six-in-ten (62%) Americans say that since the recession began, they've cut back on household spending. Half say they have reduced the amount they owe on mortgages, credit cards, car loans and other borrowing. Of those who have savings or retirement accounts, more than four-in-ten (42%) say they've adopted a more conservative approach to saving and investing, compared with just 8% who say they've taken a more aggressive approach. These new habits of thrift and caution could well outlive this recession. Asked to predict their financial behaviors once the economy recovers,

### Are You Borrowing More Money or Cutting Back on What You Owe?

% saying during the recession, they …




Note: "Don't know/Refused" responses not shown.

Question wording: I'd like you to think about the money you owe on your credit cards, mortgage, car loans and other kinds of loans. During the recession, did you have to borrow more money to pay your monthly bills, or did you take steps to cut back what you owe?

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48% say they plan to save more, 31% say they plan to spend less and 30% say they plan to borrow less. Only small percentages say the reverse—that they plan to save less and borrow and spend more.

## Retirement Worries

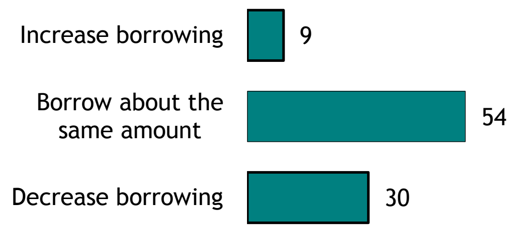
***Retirement Confidence Down:*** Even though the stock market has rallied by more than 50% from its recession-era bottom in March 2009, Americans have continued to lose confidence in their ability to afford retirement. Some 32% of adults now say they are "not too" or "not at all" confident they will have sufficient income and assets for retirement, up from 25% who said the same in February 2009. This uncertainty is greater among younger and middle-aged adults than among older adults. It is also greater among adults with low incomes.

***Retirement Delayed:*** Among adults ages 62 and older who are still working, 35% say they've already delayed retirement because of the recession. Among adults ages 50 to 61 who are currently employed, six-in-ten say they may have to delay retirement because of the recession.

***Raiding the Cookie Jar:*** Four-in-ten adults (41%) who have a checking, savings or retirement account say that during the recession they have had to withdraw money from their savings account, 401(k) account or some other retirement account to pay their bills. Younger and middle-aged adults report having done this at higher rates than those ages 65 and older. Lower-income adults have done it at higher rates than have upper-income adults.

### Borrowing Plans When the Economy Improves

% saying when the economy improves they will…




Note: "Don't know/Refused" responses not shown.

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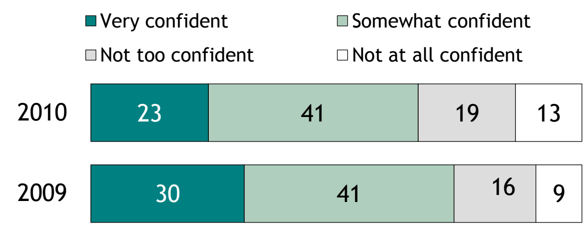
### A Downturn in Retirement Confidence

% saying they are … that they will have enough income and assets for retirement




Note: In 2010, 1% say they won't have anything or were unable to save. "Don't know/Refused" responses not shown.

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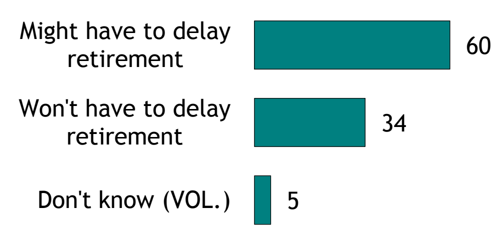
### The Recession and Retirement

% saying, because of the recession they…




Note: Based on non-retirees ages 50-61,n=600.

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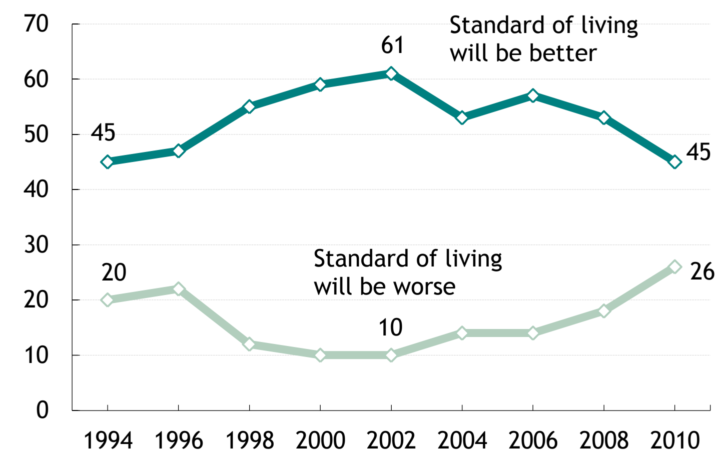
## Short-term Optimism; Long-term Uncertainty

***Next Year Will Be Better:*** More than six-in-ten (62%) adults say they expect their financial situation to improve in the coming year, compared with just 19% who say they expect it to get worse. That is the most upbeat reading on this measure since September 2007, just before the recession began. Among the most optimistic demographic groups are blacks (81% expect their finances to improve in the coming year), Hispanics (74%) and 18- to 29-year-olds (85%).

**What Will Life Be Like for the Next Generation?**

When your children are at the age you are now ...(%)




Note: 1994-2008 data are from the General Social Survey

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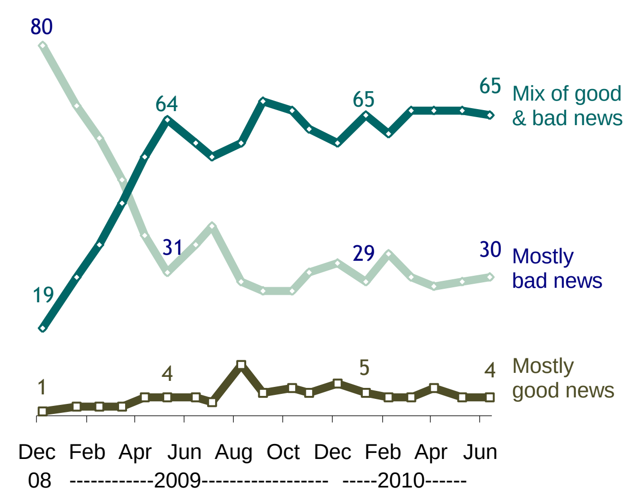
***But Will Our Children Do Better?*** During the past decade, Americans have grown increasingly skeptical about the standard of living of future generations—and this skepticism has deepened during this recession. Today fewer than half (45%) of adults believe that when their children become the age they are now, their children will enjoy a better standard of living than they have now. Even more striking, 26% now say their children's standard of living will be lower. This is a "positive/negative" gap of just 19 percentage points on a question that tests the public's faith in a core tenet of the American dream—the idea that children grow up to live better than their parents. At the start of the recession in early 2008, this gap was 35 percentage points. In 2002, it was 51 percentage points. Overall, blacks, Hispanics and young adults are more upbeat about the idea of generational progress than are whites and older adults.

**What Americans Are Hearing about the Economy**

% saying they are hearing ...




Source: Pew Research Center for the People & the Press, June 10-13 survey, n=1,010.

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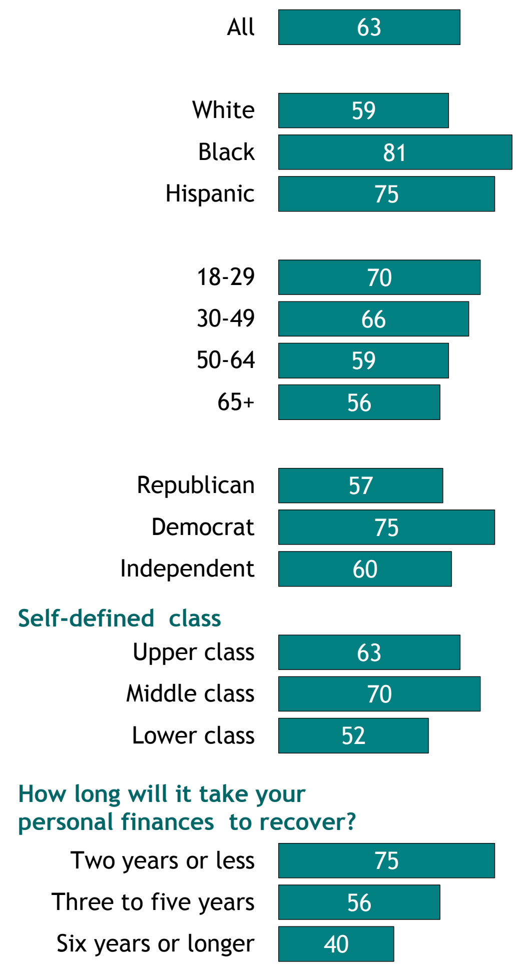
***Public Says Mix of Economic News Is Unchanged:*** About two-thirds of adults (65%) say that these days they are hearing a mix of good and bad news about the economy, while 30% say they are hearing mostly bad news and just 4% say they are hearing mostly good news. These shares have barely budged in the past year. However, back in December 2008, when the recession was about a year old, fully 80% of adults said they were hearing mostly bad news about the economy.

***Recession Impact: Permanent or Temporary?*** Most Americans (70%) believe that the recession has inflicted major changes on the U.S. economy, but most (61%) say that these changes will prove to be temporary. Older adults are more downbeat than younger adults (21% of those ages 50 and older see major, permanent changes, compared with just 13% of those ages 18-24); college graduates are more pessimistic than whose with a high school diploma or less education (22% of the former see major, permanent change, compared with 14% of the latter); and Republicans are more pessimistic than Democrats (22% vs. 12%). When asked a similar battery of questions about the impact of the recession on the way they live their lives, a smaller share of respondents—just 8%—say they believe the changes will prove to be both major and permanent. An additional 12% say the changes will be minor and permanent.

**Is America Still a Land of Prosperity?**

% who agree




Question wording: "Do you agree or disagree: although there may be bad times every now and then, America will always continue to be prosperous and make economic progress?"

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***Still the Land of Prosperity?*** By a two-to-one margin, 63% to 31%, Americans agree with the statement that "although there may be bad times every now and then, America will always continue to be prosperous and make economic progress." Blacks, Hispanics, Democrats and young adults register the most optimistic views on this question. Also, those who self-identify with the middle class are more optimistic than those who classify themselves as upper or lower class.

## The Labor Force

***The Unemployment Blues:*** High as they are, measures such as the unemployment rate (9.7% in May 2010) and the median length of unemployment (23.2 weeks) still don't fully convey the scope of the employment crisis that has unfolded during this recession. A broader measure from the U.S. Bureau of Labor Statistics that also includes involuntary part-timers and other marginal workers puts the combined unemployment and *underemployment* rate at 16.6%. And the Pew Research survey finds that among all adults in the labor force, fully 32% say that they are either now unemployed or that they had been unemployed for some period of time since the recession began.

**The Recession and the Workforce**

% of workers in each group who said they were forced to ...

| | Work fewer hours | Take unpaid leave | Switch from full-time to to part-time |
|---|---|---|---|
| | % | % | % |
| **Total** | 28 | 12 | 11 |
| **Gender** | | | |
| Men | 30 | 12 | 12 |
| Women | 25 | 12 | 9 |
| **Age** | | | |
| 18-29 | 32 | 11 | 15 |
| 30-49 | 26 | 13 | 10 |
| 50+ | 27 | 12 | 9 |
| **Race/Ethnicity** | | | |
| White | 22 | 10 | 9 |
| Black | 42 | 19 | 17 |
| Hispanic | 40 | 16 | 14 |
| **Education** | | | |
| College grad | 14 | 9 | 5 |
| Some college | 29 | 14 | 11 |
| HS grad or less | 39 | 13 | 15 |

Note: Asked of adults currently employed full time or part time, n=1,604. Hispanics are of any race. White and blacks include only non-Hispanics.

***The Long-term Blues:*** Of all currently-unemployed adults, 46% have been out of work for six months or more, by far the highest share measured by the U.S. Bureau of Labor Statistics in the post-World War II era. Short-term spells of unemployment typically do not lead to significant breaks in career paths or major financial losses—but long-term spells often do.

***The Payday Blues:*** The unemployed are not the only ones hit by this recession. More than four-in-ten (42%) currently employed workers say that during the recession they have experienced at least one of the following: had their hours reduced (28%); had their pay cut (23%); had to take unpaid leave (12%) or saw their full-time jobs shrink to part time (11%). Workers across all demographic groups were affected, but these blows landed most heavily on minorities and workers with only a high school diploma or less education.

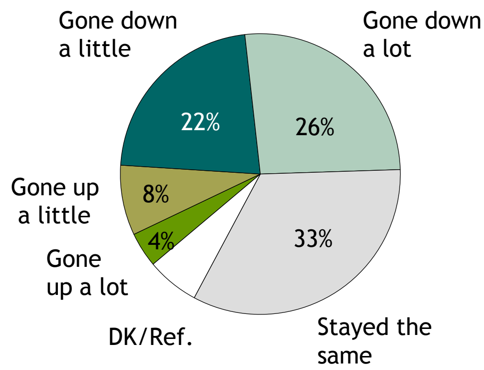
***Career Impact:*** About a quarter (24%) of all adults—and 43% of all currently unemployed adults—say the recession will have a big impact on their ability to achieve their long-term career goals. Also, workers who lost a job during this recession but have since found a new one (26% of currently employed adults) are less likely than other workers to say they are satisfied with their job and more likely to say they are overqualified.

## The Recession Hits the Home

***The Housing Bubble Bursts:*** About half of all homeowners (48%) say the value of their house has declined during the recession (26% say "'a lot," and 22% say "a little.") A third say their homes have held their value during the recession, and one-in-eight say their homes have increased in value. Homeowners most likely to report their home lost value include those who are middle-aged, upper income and live in the West. Also, Republicans (52%) are more likely than Democrats (42%) to say their homes have lost value.

**Home Values Tumble**

% of homeowners who say that during the recession their home value has …




Note: n=1,937

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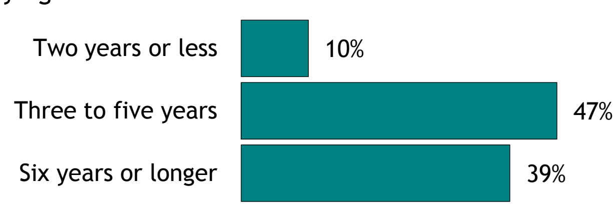
***"Underwater":*** More than two-in-ten (21%) of all homeowners say they currently owe more on their mortgage or other home loans than they could sell their house for in today's market. In real estate vernacular, they are "underwater." Hispanic and black homeowners are more likely than whites to be in this circumstance; lower-income homeowners are more likely than upper-income homeowners to face this problem, and middle-aged homeowners more likely than either younger or older homeowners to be in this situation.

***Not Coming Back Anytime Soon:*** Among those who say their houses have lost value during this recession, the overwhelming majority believe it will take at least three years for values to return to pre-recession levels. This includes 47% who say they expect it will take three to five years and 39% who say it will take six years or longer. Just 10% say they expect a recovery in two or less years. Despite this, eight-in-ten Americans agree that a house is the best long-term investment the average person can make. (However, the share who "strongly agree" with this statement is just 39% now, down by 10 percentage points from the share who said the same in a 1991 survey.)

**How Long for Home Value to Recover?**

Among homeowners who say their house has lost value, % saying it will take … to recover




Note: n=934

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# Chapter 2: The Great Recession, 2007—20??

News accounts have routinely described the current recession as the worst since the Great Depression. Are there data to support such a claim?

This is the 13th recession to have hit the U.S. economy since the Great Depression ran for 43 months from 1929 to 1933. These modern-era recessions have varied in duration, depth and breadth; some have hit different parts of the economy and different groups in the population harder than others.

Thirty months after it began, the current recession may or may not already be over (see box). But whatever its official life span, this recession has two striking features that do indeed earn it the unhappy distinction of being the worst downturn since the Great Depression:

- The typical unemployed worker in this recession is staying out of work longer than at any time in the post-World War II era. Nearly half of unemployed workers have been without a job longer than six months. This could well have deep and lingering effects on the long term employment and income prospects of some of these workers.

- This recession has eroded more household wealth than any other episode in modern economic history. That was perhaps inevitable given that the roots of the recession are in asset price bubbles in the financial and housing sectors. Hispanic and black households, relatively more exposed to subprime loans and property foreclosures, have been hit particularly hard. Because Hispanics and blacks were also more likely to experience job losses, they face a longer and harder climb back from the recession.

### Is It Over Yet?

Is the Great Recession over? Maybe. And maybe not.

The National Bureau of Economic Research (NBER), the quasi-official arbiter of business cycles, traces the beginning of this recession to December 2007. Some economists, pointing to continuous growth in the U.S. gross domestic product dating to the third quarter of 2009, believe it ended nearly a year ago.

The NBER defines a recession as the period between a peak and a trough in a nation's economic activity. It defines an expansion as the period between a trough and a peak. By definition, then, the economy is always in one state or the other.

The NBER has yet to declare this recession over. This doesn't mean it isn't over. In recent decades, there have been long lag times—ranging from eight to 21 months—between the date of an NBER declaration and the retrospectively determined date of the official end of a recession. The NBER's Business Cycle Dating Committee says on its website that it waits long enough "so that the existence of a recession is not at all in doubt" and so that it is confident it can assign an accurate date.

The committee considers a multitude of factors in making its decision. After it last met on April 8, 2010, it issued the following statement: "Although most indicators have turned up, the committee decided that the determination of the trough date on the basis of current data would be premature."

Whether or not the recession is officially over, it is clear that economic troubles linger. The primary concern of policy makers and the public is with the lack of recovery in the labor market. In the first two years of the recession, the unemployment rate doubled from 5.0% in December 2007, when 7.7 million were unemployed, to 10.0% in December 2009, when 15.3 million were unemployed. Five months later, job growth is anemic. The Bureau of Labor Statistics estimates that the private sector added only 41,000 jobs to its payrolls in May 2010, and the unemployment rate remains high, standing at 9.7% in May 2010, with 15.0 million out of work.

This chapter of the report focuses on the impact of the Great Recession on workers and households. Labor market indicators, such as employment and unemployment, are considered alongside indicators of the financial well-being of households, such as consumption, savings, debt and wealth. For analytical purposes, it is assumed that the recession is still ongoing 30 months after it started. If it is eventually determined that the recession is already over, some aspects of the analysis presented in this chapter would have to be revisited.

**Recessions in the Modern Era**
(As determined by the National Bureau of Economic Research)

| Beginning—End | Duration *(Months)* | Lag Between End and Declaration of End *(Months)* |
|---|---|---|
| **December 2007—?** | ?? | -- |
| March 2001—November 2001 | 8 | 20 |
| July 1990—March 1991 | 8 | 21 |
| July 1981—November 1982 | 16 | 8 |
| January 1980—July 1980 | 6 | 12 |
| November 1973—March 1975 | 16 | * |
| December 1969—November 1970 | 11 | * |
| April 1960—February 1961 | 10 | * |
| August 1957—April 1958 | 8 | * |
| July 1953—May 1954 | 10 | * |
| November 1948—October 1949 | 11 | * |
| February 1945—October 1945 | 8 | * |
| May 1937—June 1938 | 13 | * |
| August 1929—March 1933 | 43 | * |

*The National Bureau of Economic Research (NBER) has tracked business cycle dates since 1929. It did not formally announce recession end dates until the establishment of its Business Cycle Dating Committee in 1978.

## The Labor Market in the Great Recession

The principal indicator of the health of the labor market is the rate at which it is creating jobs. Faster job growth puts more of the working-age population (16 and older) to work, that is, it raises the employment rate. At the same time, relatively few of those in the labor force, either working or actively looking for work, lack for jobs and the unemployment rate is lowered. Thus, the ups and downs in the employment and unemployment rates are important clues to the state of the labor market.

But the simple trends in these two indicators do not tell the whole story. Unemployment may be short-lived, or it may linger; if the latter, it inflicts far greater consequences on careers and finances. Similarly, some employed workers may be *under*employed. For example, many workers seeking full-time work have to settle for part-time work in times of recession. Thus, this section also considers other indicators, such as the duration of unemployment and measures of underemployment, to provide a more complete portrait of the effects of the Great Recession on the U.S. labor market.

### The Employment Rate and the Unemployment Rate

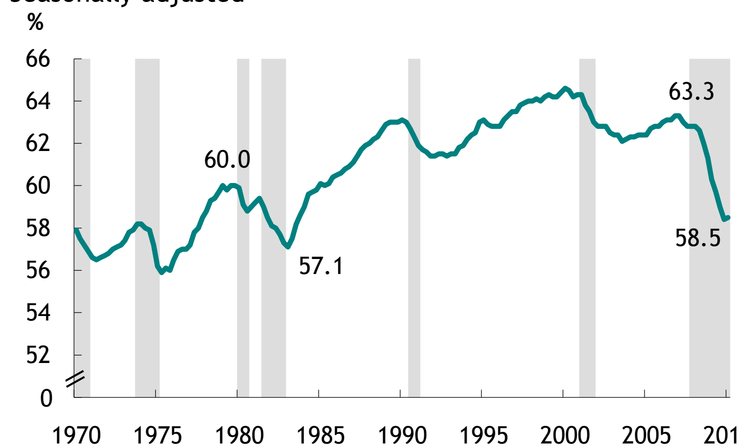
The Great Recession is historic by most labor market indicators. The broadest indicator is the employment rate, or the share of the working-age population that is at work. The rate has fallen more in this recession than in any other recession in the post-WWII era. Prior to the current recession, the latest high point for the employment rate was 63.3% in the first quarter of 2007. Three years later, in the first quarter of 2010, the employment rate was down to 58.5%, a drop of 4.8 percentage points.[5]

By contrast, the two recessions in the early 1980s had a more muted effect on the employment rate. The first of those recessions began in the first quarter of 1980. Just prior to that date, in the fourth quarter of 1979, the employment rate was at its high point for that era—60.0%. More than three years later, and after the second recession had officially ended, the employment rate had fallen to 57.1% in the first quarter of 1983. That was a decrease of 2.9 percentage points, much less than the drop induced by the Great Recession.

**The Employment Rate**

First Quarter 1970 to First Quarter 2010

Seasonally adjusted




Notes: Shaded areas depict periods of recession as determined by the National Bureau of Economic Research. The end date for the recession that started in December 2007 has not yet been announced.

Source: U.S. Bureau of Labor Statistics

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[5] Unless otherwise stated, labor market statistics reported in this section are seasonally adjusted.

Likewise, the unemployment rate increased more in a shorter length of time in this recession than in the 1980s. The low point for the unemployment rate prior to the Great Recession was 4.5% in the second quarter of 2007. The unemployment rate in the first quarter of 2010 was 9.7%, an increase of 5.2 percentage points in just less than three years. In the early 1980s, the unemployment rate rose by 5.0 percentage points in 3½ years, from 5.7% in the second quarter of 1979 to 10.7% in the fourth quarter of 1982.[6]

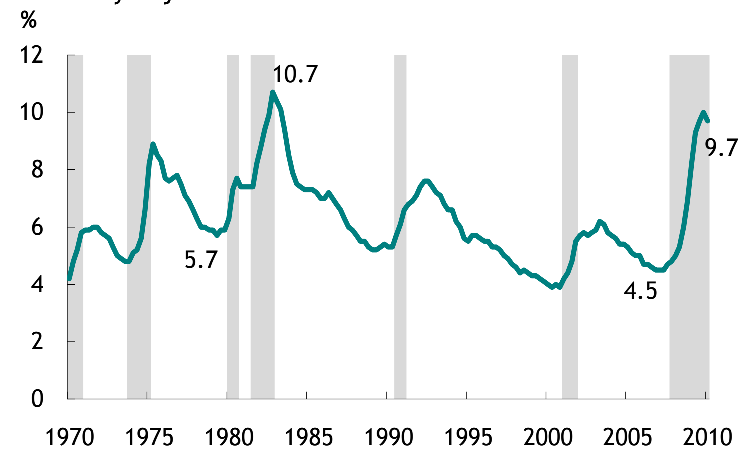
### Duration of Unemployment

The most striking feature of the Great Recession is that those without jobs are enduring the longest spells of unemployment recorded in modern economic history. Short-lived spells of unemployment, say one month, typically do not lead to significant financial losses or breaks in career paths. However, "long-term" unemployment, meaning being out of work for at least six months, is associated with severe consequences for career, income, health and other aspects of well-being. Thus, the current spike in

**The Unemployment Rate**

First Quarter 1970 to First Quarter 2010

Seasonally adjusted




Notes: Shaded areas depict periods of recession as determined by the National Bureau of Economic Research. The end date for the recession that started in December 2007 has not yet been announced.

Source: U.S. Bureau of Labor Statistics

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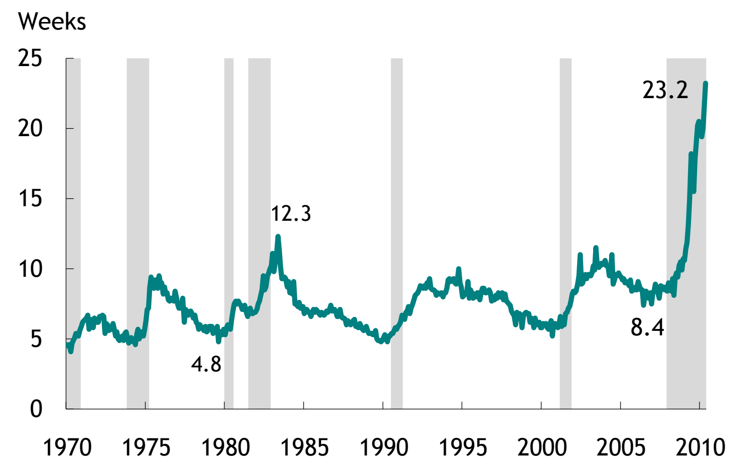
**Median Duration of Unemployment in Weeks**

January 1970 to May 2010, seasonally adjusted




Notes: Shaded areas depict periods of recession as determined by the National Bureau of Economic Research. The end date for the recession that started in December 2007 has not yet been announced. Revisions to the CPS in 1994 affect the comparability of data over time (see text box).

Source: U.S. Bureau of Labor Statistics

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[6] Some analysts have argued that comparisons between the unemployment rate today and the rate in the early 1980s should allow for the changing demography of the labor force. In particular, the labor force in the early 1980s was much younger and would be expected to have a higher unemployment rate even under identical economic conditions. Correcting for differences in the age structure suggests that the current unemployment rate is at least as high, and possibly higher, than the rate in the early 1980s. See John Schmitt and Dean Baker, "Is the U.S. Unemployment Rate Today Already as High as It Was in 1982?" Center for Economic and Policy Research, March 2009 (http://www.cepr.net/documents/publications/ur-2009-03.pdf).

long-term unemployment is a significant development.

The median duration of unemployment in May 2010 was 23.2 weeks, almost six months long and the highest in the post-WWII era. This means that 7.5 million of the 15 million unemployed workers have been looking for work for more than five months. The highest level recorded before this date was 12.3 weeks in May 1983 (see text box for issues regarding comparisons of duration of unemployment over time). The increase in the duration of unemployment in the Great Recession has also been dramatic. At the start, in December 2007, the median duration of unemployment was 8.4 weeks.

### Comparing the Duration of Unemployment Over Time

Comparisons of the duration of unemployment over time are affected by revisions to the Current Population Survey in 1994. For many indicators, such as the unemployment rate, the effect has been minor. However, measures of the duration of unemployment were strongly impacted by the 1994 CPS revision. Research at the Bureau of Labor Statistics found that prior to 1994, short-term unemployment (less than five weeks) was overstated and that unemployment spells of 15 weeks or more were understated. This means that the median duration of unemployment in May 1983 was not 12.3 weeks but some higher number. Unfortunately, the answer to "how much higher" is not known with precision.

BLS estimates[7] of the effects of the 1994 CPS revision still suggest that long-term unemployment in the early 1980s was not nearly as high as in the Great Recession. According to published BLS statistics from the early 1980s, the share of unemployed workers who were out of work 15 weeks or more peaked at 41.1% in May 1983. After adjusting for the effects of the CPS revision, that share increases to 48.0%. That is still much less than the modern-day impact of the Great Recession—the share of unemployed workers without work for 15 weeks or more most recently peaked at 61.3% in April 2010.

The share of workers unemployed for more than six months—long-term unemployed—has skyrocketed in the Great Recession. In May 2010, 46.0% of the unemployed—6.8 million workers—had been out of work for more than six months. In December 2007, when the recession started, 17.3% of the unemployed—1.3 million workers—had been without work for more than six months.

The mirror image of the increase in long-term unemployment, of course, is a decrease in short-term unemployment. The share of workers unemployed less than five weeks fell from 35.8% in December 2007 to 18.7% in May 2010. The number of workers unemployed less than five weeks is unchanged at 2.8 million.

[7] See Anne E. Polivka and Stephen M. Miller, "The CPS After the Redesign: Refocusing the Economic Lens," in John Haltiwanger, Marilyn E. Manser and Robert Topel (eds.), *Labor Statistics Measurement Issues*, National Bureau of Economic Research, University of Chicago Press, January 1998 (http://www.nber.org/chapters/c8362.pdf).

## Percent of Unemployed Workers with Long-term Duration of Unemployment

January 1970 to May 2010, seasonally adjusted


## Percent of Unemployed Workers with Short-term Duration of Unemployment

January 1970 to May 2010, seasonally adjusted


Notes: Shaded areas depict periods of recession as determined by the National Bureau of Economic Research. The end date for the recession that started in December 2007 has not yet been announced. Revisions to the CPS in 1994 affect the comparability of data over time (see text box).

Source: U.S. Bureau of Labor Statistics

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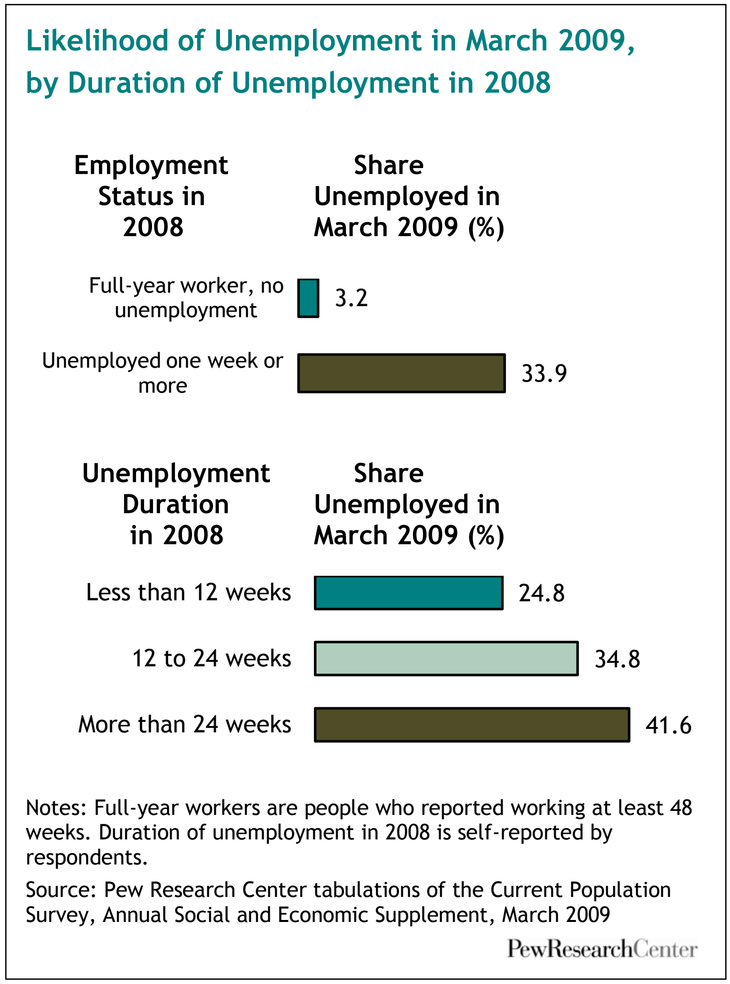


An unfortunate consequence of long-term unemployment is that it feeds upon itself—the likelihood of finding a job diminishes with the length of time spent out of work. That is evident from the labor market experience of workers in March 2009 depending on whether or not they experienced unemployment in 2008 and the duration of that unemployment.[8]

Consider first the effect that *any* experience with unemployment in 2008 has on labor force status in 2009. Among workers who experienced at least one week of unemployment in 2008, one-third (33.9%) were still unemployed in March 2009.[9] That contrasts sharply with the experience of full-year workers—those who worked at least 48 weeks in 2008. Only 3.2% of full-year workers from 2008 were unemployed in March 2009.[10]

Unemployed workers who went through long periods without work in 2008 were the least likely to be employed in March 2009. If a worker was unemployed for less than 12 weeks in 2008, there was a 24.8% chance that the worker was also unemployed in March 2009. Being without a job for 12 to 24 weeks boosted the odds of unemployment in March 2009 to 34.8%. Among workers who had been unemployed for more than 24 weeks in 2008, 41.6% were also unemployed in March 2009.[11] Given the negative consequences associated with unemployment—loss in income, career interruptions, ill effects on families and health—the sharp rise in the duration of unemployment in the Great Recession is worrisome from more than one perspective.[12]

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[8] This particular analysis uses the March 2009 Annual Social and Economic Supplement (ASEC) file. In the ASEC, workers are directly asked about their labor market experiences in the preceding calendar year. The slight disadvantage of using this file is that workers self-report their employment status in 2008. That could differ from the employment status ascribed to workers by the Bureau of Labor Statistics based on a different series of questions.

[9] Some 54.5% of workers experiencing some unemployment in 2008 were employed in 2009 and an additional 11.6% had chosen to leave the labor force, either permanently or because they were temporarily discouraged from looking for work.

[10] Some 94.9% of full-year workers in 2008 were employed in 2009, and only 1.9% had left the labor force.

[11] Similar evidence was presented by Jesse Rothstein, chief economist, U.S. Department of Labor, at the Economic Policy Institute (EPI) on May 26, 2010 (http://www.epi.org/publications/entry/labor_departments_jesse_rothstein_on_long-term_unemployment/). Rothstein looked at the change in the labor force status of workers from one month to the next in 2009. The longer a worker had been unemployed, the less likely it was that the worker was employed the next month. See also Michael W. Elsby, Bart Hobijn and Aysegul Sahin, "The Labor Market in the Great Recession," National Bureau of Economic Research, Working Paper 15979, May 2010 (http://www.nber.org/papers/w15979).

[12] For example, see Till von Wachter and Daniel Sullivan, "Job Displacement and Mortality: An Analysis Using Administrative Data," *The Quarterly Journal of Economics*, Vol. 124, No. 3, August 2009: 1265-1306

### Reasons for Unemployment

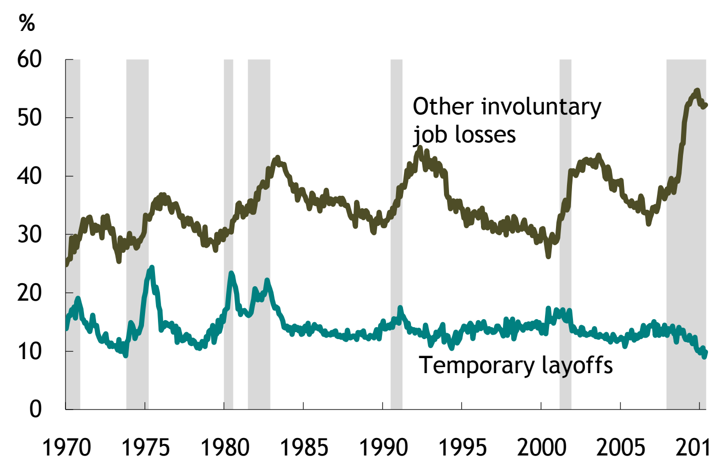
The duration of unemployment is also related to the reason someone is out of work. Temporary layoffs, where workers have an expectation of returning to their old jobs, are less likely to result in long spells of unemployment. But if unemployment is driven by permanent job cuts, meaning employers do not foresee returning to old staffing levels, or if there is an influx of new workers in a tough economy, it is more likely that unemployment spells will last longer.

A unique feature of the Great Recession is that, for the first time, the majority of the unemployed workers had lost their jobs for good.[13] In May 2010, 52.2% of unemployed workers had lost a job for a reason other than a temporary layoff, an increase from 37.8% in December 2007. These workers had no expectation of recall to their old job.

The use of temporary layoffs by businesses has actually diminished in relative importance since 2007—9.9% of unemployed workers were on temporary layoffs in May 2010, compared with 12.7% in December 2007. That is in contrast to the recessions in the early 1980s when both temporary layoffs and permanent job losses had spiked.

**Temporary Layoffs and Other Involuntary Job Losses (Percent of Unemployed)**

January 1970 to May 2010, seasonally adjusted




Notes: Shaded areas depict periods of recession as determined by the National Bureau of Economic Research. The end date for the recession that started in December 2007 has not yet been announced. Revisions to the CPS in 1994 affect the comparability of data over time.

Source: U.S. Bureau of Labor Statistics

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The reason for unemployment and the duration of unemployment are closely related. Workers on temporary layoffs are likely to have shorter spells of unemployment, and workers who have lost jobs for other reasons are likely to face long-term unemployment.

According to the Bureau of Labor Statistics (BLS), in 2009, 7.3% of the unemployed on temporary layoff had been out of work for more than six months and 47.5% had been without work one month or less.[14] At the same time, in 2009 among other workers who lost their job involuntarily, 36.4% had been out of work for more than six months and 16.8% had gone without work for one month or less. Thus, the fact that the majority of

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(http://www.mitpressjournals.org/doi/abs/10.1162/qjec.2009.124.3.1265?journalCode=qjec), and Till von Wachter, Jae Song and Joyce Manchester, "Long-Term Earnings Losses due to Mass Layoffs During the 1982 Recession: An Analysis Using U.S. Administrative Data from 1974 to 2004," working paper, April 2009 (http://www.columbia.edu/~vw2112/papers/mass_layoffs_1982.pdf).

[13] Data on reason for unemployment are available starting in 1967.

[14] These data from the BLS are available at http://www.bls.gov/cps/cpsaat29.pdf.

unemployed workers have lost their jobs without possibility of recall does not bode well for the duration of unemployment in the near future.

### The Discouraged and Other Underemployed

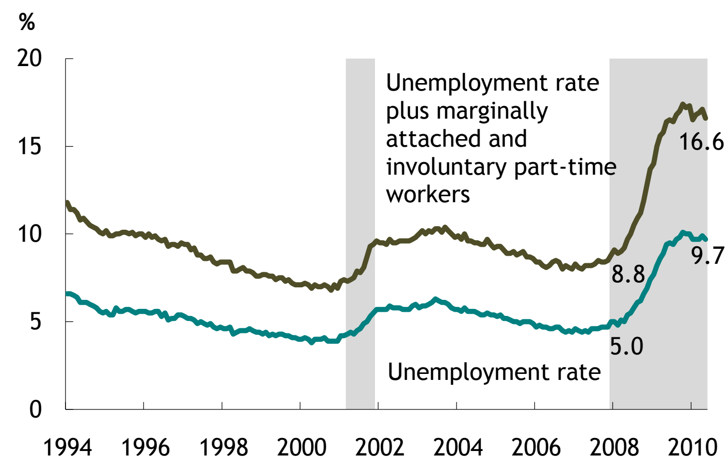
The unemployment rate, which encompasses only workers actively looking for work, can understate the extent of "slack" in the labor market. There are at least two other groups of workers whose ranks swell in tough economic times. One group, known as "marginally attached workers," includes those not working or actively looking for work but who are available to work, are interested in work and have looked for work sometime in the past 12 months. Discouragement in weak labor markets causes more workers to become marginally attached.

Another group of workers captures some of the underemployed. Those are workers who would like to work full time but because of economic conditions are pushed into part-time work.[15] The share of those "involuntary part-time workers" typically increases during recessions.[16]

Taking account of the marginally attached and the involuntary part-time workers, it is evident that the Great Recession has created a wide chasm between the official unemployment rate and the broader measure of slack in the labor market. At the start of the recession in December 2007, the unemployment rate was 5.0% and the broader measure was 8.8%, a gap of 3.8 percentage points. By May 2010, the unemployment rate had increased to 9.7%. However, the broader measure stood at 16.6%, a gap of some seven percentage points.[17]

**Alternative Measures of Unemployment**

January 1994 to May 2010, seasonally adjusted




Notes: Shaded areas depict periods of recession as determined by the National Bureau of Economic Research. The end date for the recession that started in December 2007 has not yet been announced.

Source: U.S. Bureau of Labor Statistics

PewResearchCenter

The measures of marginally attached workers and involuntary part-time workers were not available prior to 1994. Thus, a

[15] A discussion of various measures of underemployment is available in Steve E. Haugen, "Measures of Labor Underutilization from the Current Population Survey," Working Paper 424, March 2009, U.S. Department of Labor, U.S. Bureau of Labor Statistics, Office of Employment and Unemployment Statistics (http://www.bls.gov/ore/pdf/ec090020.pdf).

[16] Involuntary part-time employment is a partial measure of underemployment. However, other types of underemployment, such as mismatches between the true capabilities of a worker and the actual job requirements, are difficult to measure.

[17] BLS data show that the number of persons working part time for economic reasons increased from 4.4 million in 2007 to 8.9 million in 2009. Also, the number of persons not in the labor force but interested in a job increased from 4.7 million in 2007 to 5.9 million in 2009.

comparable measure of slack in the labor market does not exist for the recessions in the early 1980s. However, the Great Recession drove this measure as high as 17.4% in October 2009. The previous high was 11.8% in January 1994, the first date for which data on this measure are available.

### Job Losses for Different Groups of Workers

The impact of a recession usually differs across groups of workers. Workers with lower levels of education or in blue-collar occupations tend to lose jobs in greater numbers. And because men are relatively more concentrated in production work, they often are on the front line of jobs lost. The same is true of minorities and younger workers. In these respects, the Great Recession resembles its siblings.[18]

Unemployment rates at the start of the recession and two years into the recession for selected groups of workers are shown in the accompanying table. Because seasonally adjusted data are not available for all groups of workers, the data shown are for the fourth quarters in 2007 and 2009. In that two-year period, the overall unemployment rate, not seasonally adjusted, increased from 4.8% to 10.0%, a change of 5.2 percentage points.

Men have fared relatively worse than women during the recession. The unemployment rate for men in the fourth quarter of 2007 (4.9%) was similar to the rate for women (4.7%). However, at the end of 2009 the unemployment rate for men was much higher—11.2% compared with 8.7% for women.

Changes in the unemployment rate by age group show clearly that being young in the Great Recession is a severe disadvantage. About one-in-five (19.1%) workers ages 16 to 24 were unemployed in the fourth quarter of 2009.[19] That was eight percentage points higher than the unemployment rate for this age group in the fourth quarter of 2007. Both the levels and changes in the unemployment rate are less sizable among older age groups.

Education is also an important factor in surviving tough economic conditions. Workers who did not complete a high school level of education have fared the worst. Their unemployment rate increased from 7.7% in the fourth quarter of 2007 to 15.3% in the fourth quarter of 2009. Meanwhile, the unemployment rate of workers who have completed college was still less than five percent in the fourth quarter of 2009.

Hispanics and blacks generally have higher than average rates of unemployment through good times and bad. The Great Recession is no exception. Job losses for Latino and black workers have been greater and their unemployment rates have been driven much higher—12.5% for Hispanics in the fourth quarter of 2009 and 15.5% for blacks.

A look at unemployment among native-born and foreign-born workers suggests, on the surface, that immigrant workers have fared worse in the recession. In the fourth quarter of 2007, the unemployment rate for foreign-born workers (4.5%) was a smidgen less than the rate for native-born workers (4.6%). By the fourth quarter of 2009, the situation had changed—the rate for foreign-born workers was 10.1%, and the rate for native-born workers was 9.5%.

[18] See, for example, Michael W. Elsby, Bart Hobijn and Aysegul Sahin, "The Labor Market in the Great Recession," National Bureau of Economic Research, Working Paper 15979, May 2010 (http://www.nber.org/papers/w15979).
[19] A detailed analysis of unemployment among youth is available in Kathryn Anne Edwards and Alexander Hertel-Fernandez, "The Kids Aren't Alright: A Labor Market Analysis of Young Workers," Economic Policy Institute, Briefing Paper 258, April 7, 2010 (http://www.epi.org/publications/entry/bp258).

## The Unemployment Rate, by Selected Characteristics of Workers

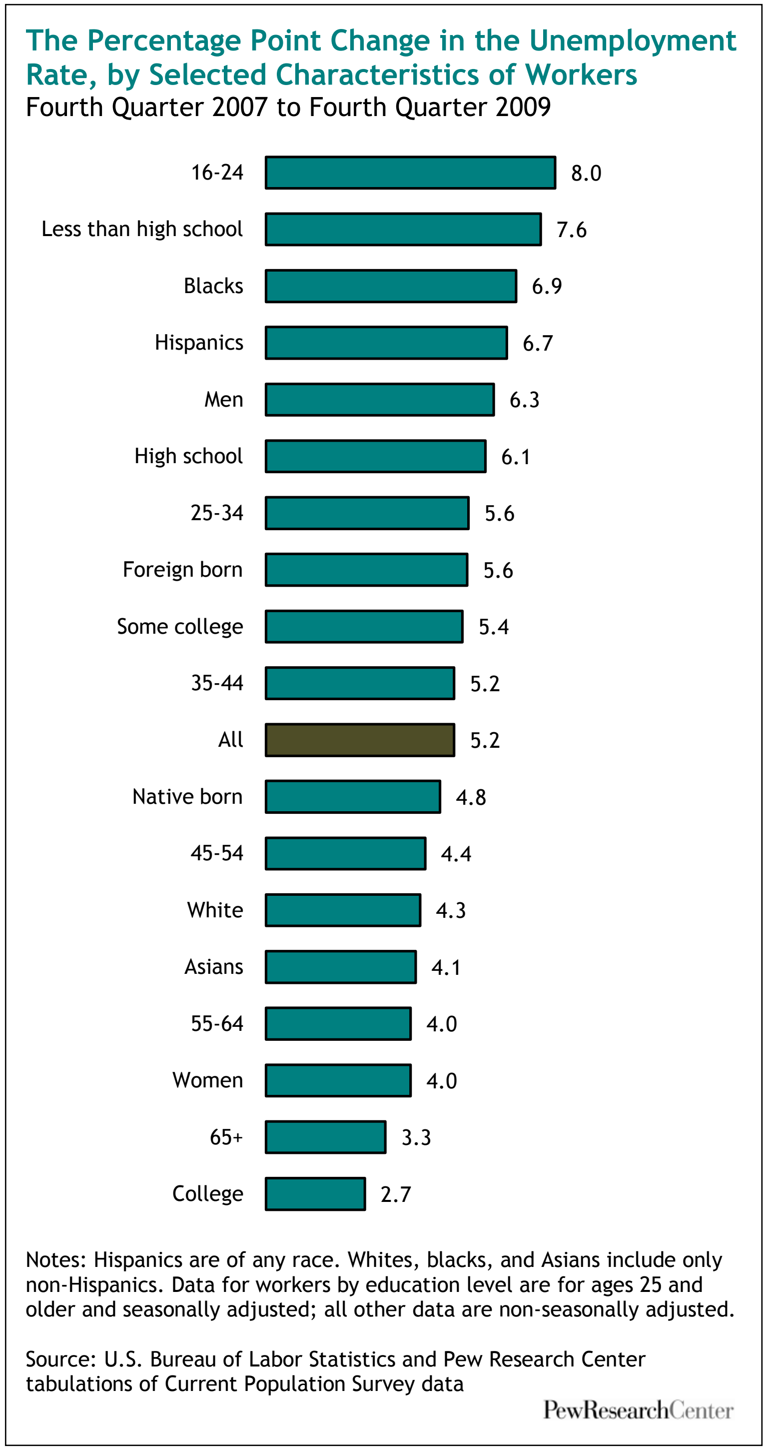
Fourth Quarter 2007 and Fourth Quarter 2009

| | Unemployment Rate (%) | | Percentage Point Change |
|---|---|---|---|
| | 2007:4 | 2009:4 | |
| All | 4.8 | 10.0 | 5.2 |
| Men | 4.9 | 11.2 | 6.3 |
| Women | 4.7 | 8.7 | 4.0 |
| Age | | | |
| 16-24 | 11.1 | 19.1 | 8.0 |
| 25-34 | 4.8 | 10.4 | 5.6 |
| 35-44 | 3.6 | 8.8 | 5.2 |
| 45-54 | 3.4 | 7.8 | 4.4 |
| 55-64 | 2.9 | 6.9 | 4.0 |
| 65+ | 3.2 | 6.5 | 3.3 |
| Age 25 and older | 3.8 | 8.6 | 4.8 |
| Less than high school | 7.7 | 15.3 | 7.6 |
| High school diploma | 4.6 | 10.7 | 6.1 |
| Some college | 3.6 | 9.0 | 5.4 |
| College degree or more | 2.1 | 4.9 | 2.7 |
| Hispanics | 5.8 | 12.5 | 6.7 |
| Whites | 3.7 | 8.0 | 4.3 |
| Blacks | 8.6 | 15.5 | 6.9 |
| Asians | 3.7 | 7.8 | 4.1 |
| Native born | 4.6 | 9.5 | 4.8 |
| Hispanic | 6.7 | 13.6 | 6.9 |
| Non-Hispanic | 4.5 | 9.1 | 4.6 |
| Foreign born | 4.5 | 10.1 | 5.6 |
| Hispanic | 5.1 | 11.6 | 6.5 |
| Non-Hispanic | 3.9 | 8.5 | 4.6 |
| Industry | | | |
| Construction | 7.2 | 20.3 | 13.0 |
| Manufacturing | 4.5 | 12.2 | 7.7 |
| Education & Health | 2.7 | 5.7 | 3.0 |
| Government | 2.2 | 3.5 | 1.3 |

Notes: Hispanics are of any race. Whites, blacks, and Asians include only non-Hispanics. Data for workers by education level are seasonally adjusted; all other data are non-seasonally adjusted.
Source: U.S. Bureau of Labor Statistics and Pew Research Center tabulations of Current Population Survey data

However, closer inspection reveals that being an immigrant is not necessarily harmful in and of itself during the Great Recession. Latino immigrants had a lower rate of unemployment than native-born Latinos both before the recession and at the end of 2009. The same is true for non-Hispanic immigrants. In other words, both within the Latino workforce and the non-Latino workforce, immigrants did better in the recession than native-born workers.

However, a very high share of the immigrant workforce is Hispanic (50% in the fourth quarter of 2009), and a relatively small share of the native-born workforce is Hispanic (8% in the fourth quarter of 2009). Thus, the general misfortune of Latino workers, not just the misfortune of immigrant Latinos, had a much bigger impact on the unemployment rate of foreign-born workers as a whole. That drove the overall impression of a more negative impact on immigrants.




Changes in unemployment rates for workers in selected industries clearly reveal the roots of the recession. The bursting of the housing bubble more than doubled the unemployment rate among workers in the construction industry—from 7.2% in the fourth quarter of 2007 to 20.3% in the fourth quarter of 2009. But job losses in the education and health sector and the government sector were very limited in contrast.

Which group of workers has experienced the biggest losses in the labor market from the Great Recession? A ranking of groups of workers based on the percentage point change in their unemployment rate from the fourth quarter of 2007 to the fourth quarter of 2009 is shown in the accompanying figure (see text box for an alternative perspective).

The overall change in the unemployment rate was 5.2 percentage points. Less educated workers, younger workers, Hispanic and black workers, and male workers experienced greater than average increases in the unemployment rate. The highest increases were for workers ages 16 to 24—eight percentage points—and workers who did not complete high school—7.6 percentage points. At the other end of the spectrum, the increase in the unemployment rate was lowest among college-educated workers (2.7 points), workers ages 65 and older (3.3 points) and women (four points).

### Who Experienced the Biggest Losses? An Alternative Perspective

Groups of workers with the largest change in their unemployment rates also generally had high levels of unemployment at the start of the recession. For example, in the fourth quarter of 2007, the unemployment rate for workers ages 16 to 24 was 11.1%, for workers with less than a high school level of education it was 7.7% and for black workers it was 8.6%. Therefore, the change in the unemployment rate for these workers—ages 16 to 24, less than a high school level of education, blacks—did not necessarily represent the greatest *proportional* increase in unemployment. From that alternative perspective, other groups of workers might be seen as having worse experiences in the Great Recession.

Among workers grouped by age, the only group that did not experience at least a doubling of its unemployment rate was ages 16 to 24. More specifically, the unemployment rate for workers ages 16 to 24 increased 72% from the fourth quarter of 2007 to the fourth quarter of 2009. All other age groups experienced increases greater than 100%. Similarly, those with less than a high school education, among education groups, and blacks, among racial and ethnicity groups, experienced smaller proportional changes in their unemployment rates.

## Household Finances in the Recession: Consumption, Savings, Debt and Wealth

The origins of the Great Recession are in the financial sector. But banking, investment and insurance firms were not the only institutions assuming greater risk in the years leading up to the recession. Households, too, placed a bet on rising home prices and took on high volumes of mortgage debt. At the same time, they spent more of their incomes and saved relatively less. Capital gains on homes and other assets masked the underlying imbalance, but the situation ultimately proved unsustainable.

Households have adopted a more fiscally conservative path since the recession started in 2007. Whether by choice or circumstance, or because lenders have cut back on the availability of credit, household spending is down, saving is up, consumer credit is stable and mortgage debt has plunged. However, household wealth is down because asset values, both financial and nonfinancial, have fallen sharply during the recession.

This section examines changes in household consumption, savings, debt and wealth during the Great Recession in the context of modern U.S. economic history. The principal sources of data are the U.S. National Income and Product Accounts (NIPA) and the Flow of Funds Accounts of the United States. The former is the source for trends in household consumption and savings, and the latter is the source for trends in household debt and wealth.[20]

Because the NIPA and Flow of Funds data are aggregate national accounts, they do not contain information on the finances of individual households.[21] That is an important issue for the analysis of wealth because it is very unevenly distributed across households—many have little to no wealth and a few have lots of wealth.[22] The uneven distribution tends to exaggerate the wealth held by the typical household as estimated from the Flow of Funds data. For that reason, the median wealth of households—the point at which half the households hold more wealth and half the households hold less—is often considered a more useful descriptor. Unfortunately, the principal source of data on the wealth of individual households, the Survey of Consumer Finances (SCF), does not yield an extended historical series. Also, the latest available data from the SCF is for 2007, before the start of the Great Recession.

### Consumption and Savings

The share of disposable income devoted to consumption rose during the 25 years preceding the Great Recession. In the 1970s, this share held steady at approximately 88%. The share fell to 86% in 1982, during the last deep recession, but then increased almost continuously and stood at more than 94% in 2007.[23] In dollar amounts, per capita consumption rose from $19,079 in 1982 to $33,665 in 2007 (figures expressed in 2009 dollars).

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[20] The principal advantage of the NIPA and Flow of Funds data is that they may be trended back several decades—essential for placing developments in the Great Recession in historical perspective. "Households" in these datasets include nonprofit organizations serving households. Examples of such nonprofit organizations include colleges, religious institutions and medical care facilities. NIPA data for just households are available but only from 1992 onward. The data for households alone show similar trends in consumption and savings as the data for households and nonprofit organizations combined.

[21] The two major sources of data on the finances of households are the Consumer Expenditure Survey, from which consistent annual data are available from 1984 to 2008, and the Survey of Consumer Finances, available triennially from 1983 to 2007. Neither is able to provide up-to-date data that cover the entirety of the Great Recession.

[22] For example, see Rakesh Kochhar, "The Wealth of Hispanic Households: 1996 to 2002," Pew Hispanic Center, Washington, D.C., October 2004 (http://pewhispanic.org/reports/report.php?ReportID=34).

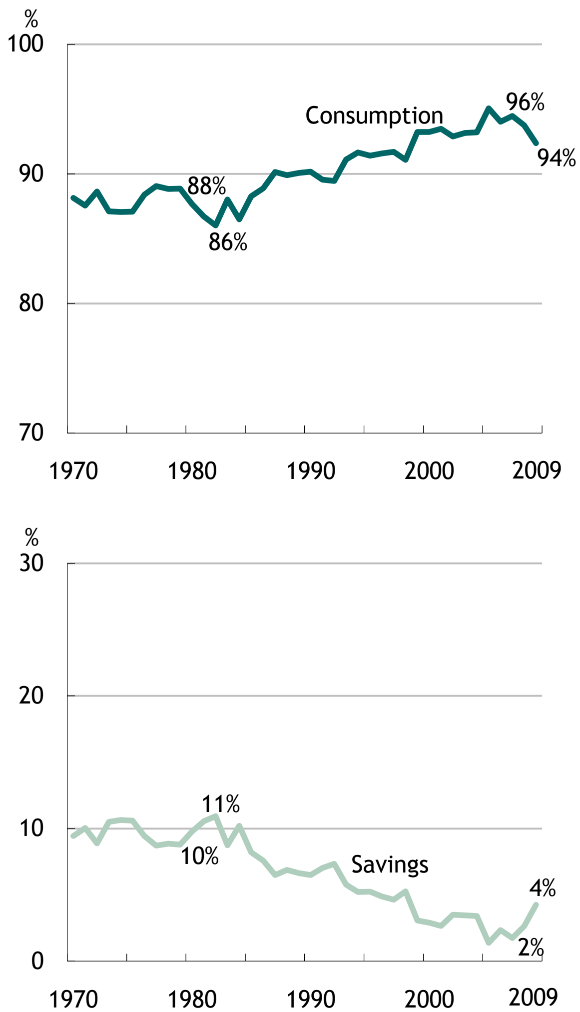
[23] The peak—95%—was reached in 2005.

As spending increased, savings tumbled. The savings rate—or the share of income that is saved—decreased from 10.9% in 1982 to 1.7% in 2007.[24] In dollar amounts, per capita saving fell from $2,426 in 1982 to $613 in 2007 (figures expressed in 2009 dollars).

Since the start of the recession in 2007, consumption has fallen and savings have recovered. The share of income that is spent dropped from 94% in 2007 to 92% in 2009. Expenditures per capita, in 2009 dollars, fell from $33,665 in 2007 to $32,812 in 2009, or $853 less per person.

The savings rate has more than doubled since the recession began. It stood at 4.3% in 2009, compared with 1.7% in 2007. Per capita savings, in 2009 dollars, increased from $613 in 2007 to $1,512 in 2009.

**Household Consumption and Saving as a Share of Disposable Personal Income, Annual, 1970 to 2009**




Note: Shares of income devoted to consumption and savings do not total 100 because of other expenses, including non-mortgage interest payments and transfer payments.

Source: Bureau of Economic Analysis, National Income and Product Acounts, Table 2.1

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The latest turnabout in consumption and savings is not unusual for a recessionary period. The share of consumption in disposable income also fell by about two percentage points in the early 1980s. While the savings rate did not increase at that time, it held steady at about 10 percent, much higher than the current savings rate. After the recession in 1981-82, consumption increased and savings fell. Whether the current "correction" in household finances will last into the long term is not known.

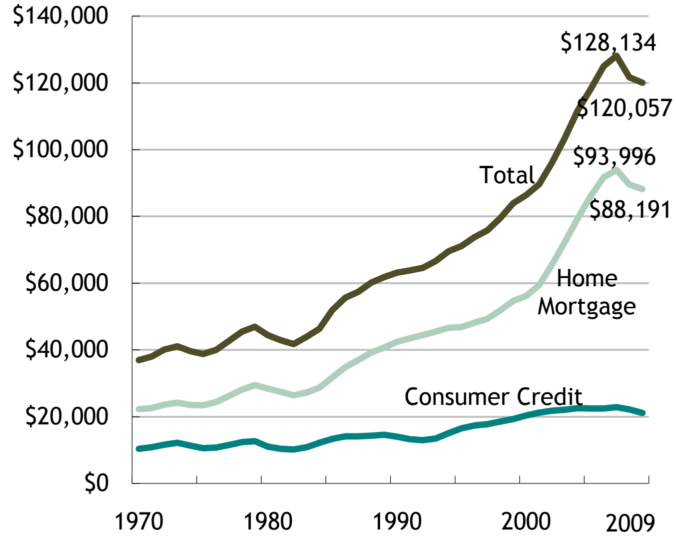
[24] The savings rate was lowest in 2005 at 1.4%.

## Debt

Household debt mostly consists of mortgages for home purchase and consumer credit for other purchases. The rapid escalation of home prices and the drive to purchase homes starting in the mid-1990s led to soaring levels of household debt. However, household financial liabilities have fallen during the recession. That could be due to a combination of factors—lenders are imposing tougher requirements, new borrowing by households may be less than repayments on old loans, and home foreclosures and personal bankruptcies may have taken some debt off the books.[25]

**Financial Liabilities per Household, 1970-2009 (End-of-Period)**

(2009 dollars)




Notes: Dollar values deflated by the CPI-U-RS. Aggregate data from Flow of Funds Accounts are divided by number of households in the U.S., as determined by the Census Bureau, to obtain average amounts per household.

Source: Federal Reserve Bank, Flow of Funds Accounts, June 10, 2010 release

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Household liabilities—the outstanding amount owed by all households—increased slowly in the 1970s, gathered momentum in the 1980s, kept up the pace in the 1990s and then accelerated at the turn of the century. In 2000, the average U.S. household carried a debt of $86,346. By 2007, the average household debt had reached $128,134, an increase of 48% (figures in 2009 dollars).

However, households have reduced their debt since the start of the recession. Average household debt in 2009 was $120,057. That was down $8,077, or 6%, compared with 2007. The last time household debt decreased at a similar pace was from 1980 to 1982. The recessions of 1990-91 and 2001 had no such effect as households continued to add to their debt.

[25] See Karen Dynan, "What to Make of Declining Household Debt Burdens," The Brookings Institution, December 22, 2009 (http://www.brookings.edu/opinions/2009/1222_debt_burden_dynan.aspx?p=1).

Changes to average household debt on an annual basis are closely correlated with changes to home mortgage debt. Annual changes to consumer credit—credit card purchases and the like—are generally small and sometimes negative, meaning payments exceed new borrowing. Overall, consumer credit has played a minimal role in elevating or reducing household debt.

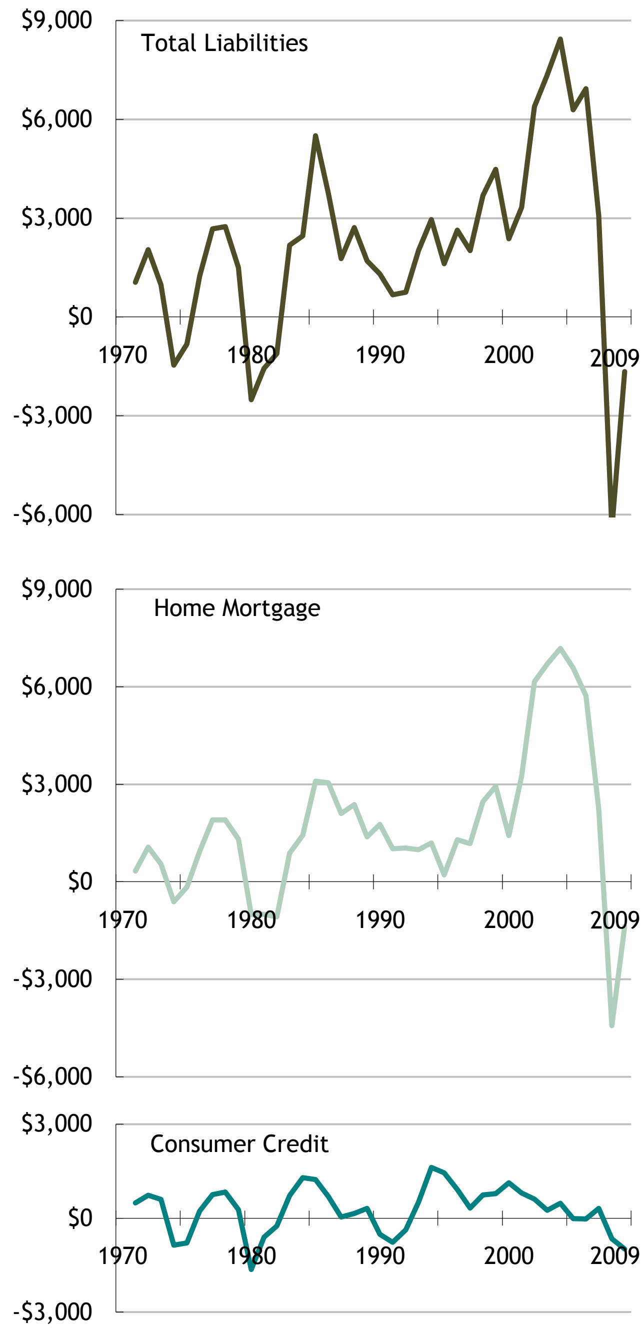
In contrast, mortgage debt has often added a significant amount of new debt to household portfolios. It is also the reason why household debt increased so acutely from 2002 to 2006. However, mortgage borrowing and, along with it, total borrowing, has fallen sharply with the onset of the recession. In 2008, the average household reduced its level of outstanding debt by $6,418. Of that amount, $4,431 was due to a reduction in mortgage debt.

Financial stress on households can also be gauged by the share of income they must devote to servicing their debt. That share, known as the debt service ratio, is the ratio of payments on mortgage and consumer debt to disposable personal income. It reflects the debt obligations a household must meet each month.

The debt service ratio was relatively low in the early 1980s—most likely a reflection of the two recessions during that period. Starting from a low point of 10.6% in the first quarter of 1983, the ratio trended up to about 12% by 1990. The 1990-91 recession caused a brief decline, but the debt service ratio rose steadily thereafter. The recession in 2001 had no apparent effect on debt service obligations. The high point for the ratio was 13.9% in the first

**Change Over the Previous Year in Financial Liabilities per Household, 1970-2009**

(2009 dollars)

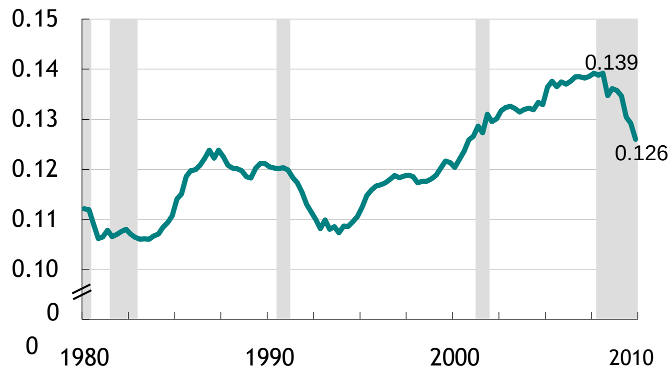



Notes: Dollar values deflated by the CPI-U-RS. Aggregate data from Flow of Funds Accounts are divided by number of households in the U.S., as determined by the Census Bureau, to obtain average amounts per household.

Source: Federal Reserve Bank, Flow of Funds Accounts, June 10, 2010 release quarter of 2008. But households have made changes since that time and by the end of 2009 the debt service ratio had fallen to 12.6%.

**Debt Service Ratio, First Quarter 1980 to Fourth Quarter 2009**

(Not seasonally adjusted)




Notes: The debt service ratio is the ratio of payments on mortgages and consumer credit to disposable personal income. Shaded areas show periods of recession as determined by the National Bureau of Economic Research. The end date for the recession that started in December 2007 has not yet been announced.

Source: Federal Reserve Bank

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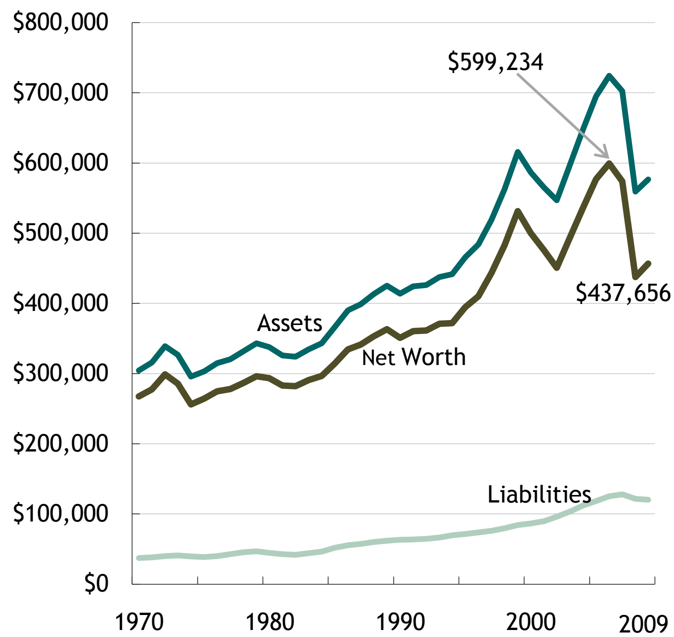
## Wealth

**Mean Assets, Liabilities and Net Worth per Household, 1970-2009**

(2009 dollars)




Notes: Dollar values deflated by the CPI-U-RS. Aggregate data from Flow of Funds Accounts are divided by number of households in the U.S., as determined by the Census Bureau, to obtain average amounts per household.

Source: Federal Reserve Bank, Flow of Funds Accounts, June 10, 2010 release

PewResearchCenter

Wealth can be a useful buffer against the financial losses inflicted by unemployment. But this buffer itself has come under direct assault during the Great Recession. In 2008, the first year of the recession, mean household wealth fell by more than in any year since WWII.[26] The reason is the confluence of a stock market crash and falling home prices that left few households unscathed.

Household wealth, or net worth, is the difference between the value of the assets a household owns and the amount of its debt. This section explores historical trends through the prism of mean wealth, or wealth per household. Average wealth is typically much higher than median wealth because of the concentration of high levels of wealth in the hands of relatively few households. A text box below explores the issue in more detail.

Mean wealth—net worth per household—peaked at about $600,000 in 2006 (figures in 2009 dollars). In 2007, as home prices began to inch downward, net worth fell to $574,000, a loss of 4%. However, in 2008, average household net worth tumbled to $438,000. That represented a drop of 24%, by far the largest one-year drop since WWII.[27]

As shown in the accompanying figure, fluctuations in net worth are mainly a consequence of fluctuations in asset values. Liabilities have risen slowly and steadily over time. However, there have been two episodes of sharp declines in asset values since 1970, and both have led to sharp declines in net worth.

[26] The severe impact of this recession on household wealth is also analyzed by Kevin B. Moore and Michael G. Palumbo, "The Finances of American Households in the Past Three Recessions: Evidence from the Survey of Consumer Finances," Finance and Economics Discussion Series, Division of Research and Statistics and Monetary Affairs, Federal Reserve Board, Washington, D.C., December 10, 2009 (http://www.federalreserve.gov/pubs/feds/2010/201006/201006pap.pdf).

[27] The previous high for a one-year drop in average household wealth was 11.2% in 1974 in the midst of a 16-month recession.

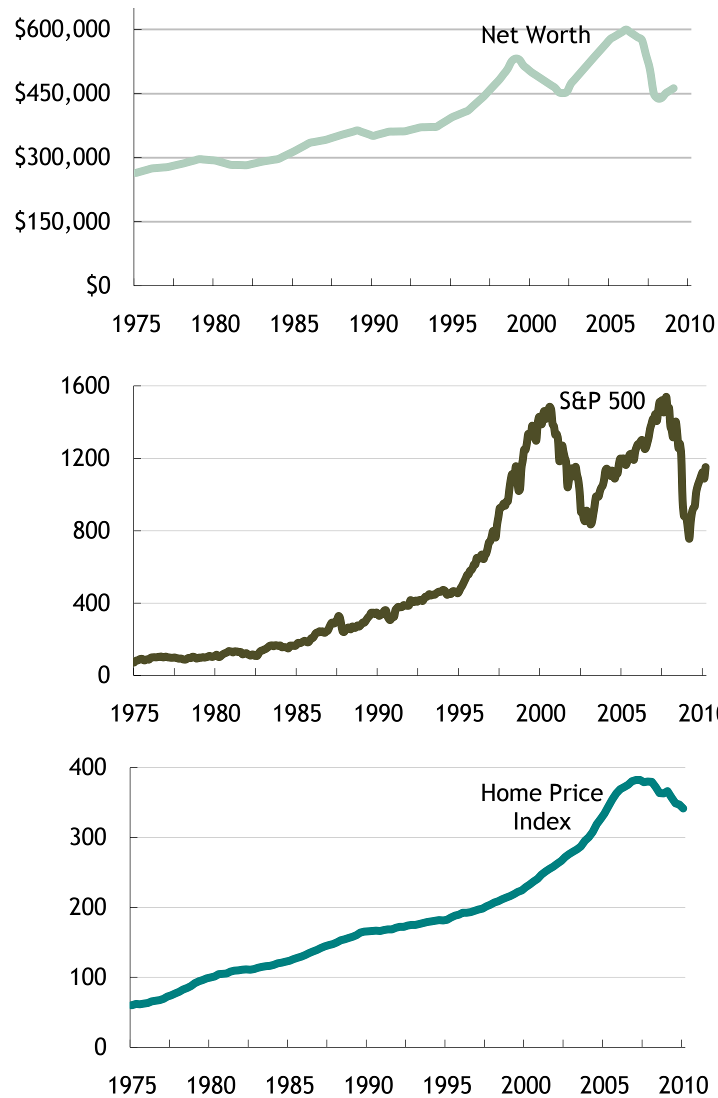
The first episode of a plunge in asset values lasted from 1999 to 2002. The bursting of the dot-com bubble and 9/11 caused the S&P 500 index to drop from a high of 1,468 in September 2000 to 847 in March 2003, a fall of 42%. However, home prices continued to increase during this period, limiting the overall loss in the wealth of households—from 1999 to 2002, mean net worth fell 15%.

The sharp decline in household wealth in 2007 and 2008 is a consequence of falling stock prices *and* declining home prices. The S&P 500 index decreased from 1540 in January 2007 to 757 in March 2009, a drop of 51%. During this general time period, home prices were also on the way down. As measured by the House Price Index from the Federal Housing Finance Agency, national home prices decreased by 4% from the first quarter of 2007 to the first quarter of 2009. This combination was particularly damaging because for most households home equity and stocks and bonds add up to the lion's share of wealth.[28] As a result, the Great Recession has caused households to experience the greatest loss in wealth in the post-WWII era.

The stock market has recovered in recent months as the S&P 500 rose

**Trends in Mean Net Worth per Household, the S&P 500 and the Home Price Index**

(Not seasonally adjusted; net worth in 2009 dollars)




Notes: Dollar values deflated by the CPI-U-RS. Aggregate data from Flow of Funds Accounts are divided by number of households in the U.S., as determined by the Census Bureau, to obtain average amounts per household. Net worth and Home Price Index are measured quarterly. The S&P 500 is the monthly average daily closing.

Sources: Federal Reserve Bank, Flow of Funds Accounts, June 10, 2010 release for net worth; Robert Shiller, Yale University, http://www.econ.yale.edu/~shiller/data.htm for S&P 500; and the Federal Housing Finance Agency for the Home Price Index (All-Transactions Index, not seasonally adjusted)

PewResearchCenter

[28] According to the 2007 Survey of Consumer Finances, equity in primary and other residential properties accounted for 39.2% of the wealth of a typical U.S. family. Investments in stocks and bonds, directly or indirectly through retirement accounts, represented 24.7% of wealth for a typical family.

52% from March 2009 to March 2010. This also caused net worth per household to increase in 2009. However, home prices have continued to fall, by an additional 7% from the first quarter of 2009 to the first quarter of 2010. That, no doubt, has restrained the extent to which household wealth could recover in 2009.

### Mean Household Wealth vs. Median Household Wealth

Mean household wealth, or wealth per household in the U.S., is the only historical indicator of wealth that extends back to cover the recessions in the early 1980s and earlier. However, because wealth is very unevenly distributed, it is an imperfect indicator of the wealth available to the typical household. The issue is better understood by comparing the data from the Flow of Funds Accounts with the data directly collected from households in the Survey of Consumer Finances.

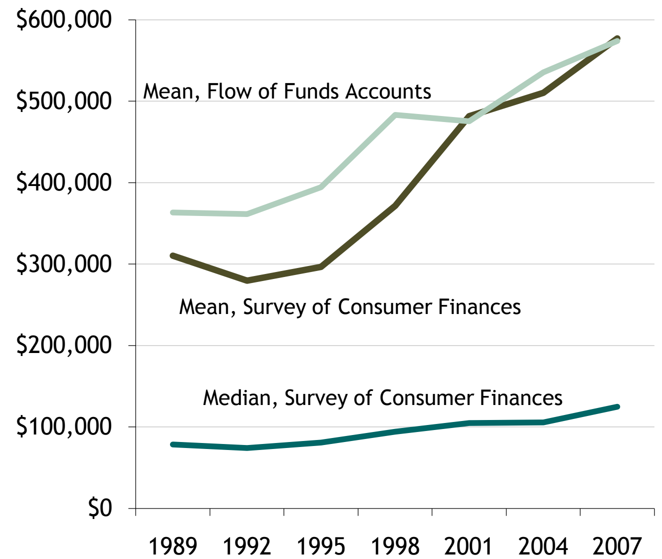
According to the Flow of Funds Accounts, wealth per household was $574,000 in 2007. The Survey of Consumer Finances (SCF), last conducted in 2007, estimated that mean household wealth was $577,000. However, median household wealth in the 2007 SCF was much less—$125,000 (all figures in 2009 dollars). Thus, mean household wealth can exaggerate the well-being of the typical household because of the concentration of wealth at the top end of the distribution.

The accompanying figure shows the trends in mean and median household wealth as estimated from the Flow of Funds Accounts and the SCF from 1989 to 2007. Estimates of mean household wealth from the two sources are consistent from 2001 onward. It is also apparent that mean household wealth is always much higher than median household wealth.

Changes in median wealth are sometimes consistent with changes in the mean, and sometimes not. For example, median household wealth (in 2009 dollars) was virtually unchanged from $105,000 in 2001 to $106,000 in 2004. However, mean household wealth in the SCF increased from $481,000 in 2001 to $510,000 in 2004, a change of 6%. Similarly, the Flow of Funds Accounts indicate an increase in mean wealth from $475,000 in 2001 to $536,000 in 2004, a change of 13%.

#### Mean and Median Net Worth of Households, 1989-2007

(2009 dollars)




Note: Dollar values deflated by the CPI-U-RS.

Sources: Federal Reserve Bank, Flow of Funds Accounts, June 10, 2010 release and Survey of Consumer Finances

## Wealth of Households by Income, Race and Ethnicity

As noted above, one aspect of wealth is that it is very unevenly distributed. Upper-income households have lots of it, and lower income households have virtually none. Similarly, the net worth of white households is far in excess of the wealth of black and Hispanic households.[29] Thus, whether or not the Great Recession has sharpened these inequities is an important question.

This question can be addressed tentatively with data from the PSID.[30] The PSID is conducted every two years, and it collected data on family wealth in 2007 and 2009. A preliminary file for 2009 was released ahead of schedule so that researchers could examine the impact of the Great Recession on household wealth. It is important to note that the early version of the 2009 PSID lacks updated weights, current income and imputations for missing values. The file is also subject to further editing before its final release. Because the estimates that may be derived from the PSID are tentative, this section discusses only the suggested changes in household wealth, not the levels.

Subject to the caveats noted, PSID data indicate that median household wealth decreased by 19% from 2007 to 2009. That is consistent with the drop in mean household wealth. As estimated from the Flow of Funds Accounts, mean household wealth decreased by 20% from 2007 to 2009. The change in median wealth did vary by the income strata of the household. Lower-income households, which hold few assets in general, experienced a loss of 7%. The median wealth of upper-income households, which possess more diverse portfolios, decreased by 12%. The median wealth of middle-income households, which are more dependent on home equity, dropped by 23%.[31]

Preliminary evidence from the PSID also suggests that the Great Recession caused a greater proportional decrease in the median wealth of Hispanic and black households—down by 52% and 30%, respectively—than in the wealth of white households, which was down by 9%. One reason for this might be that minority households have been subject to greater exposure to subprime home loans and property foreclosures in recent years.[32] Another reason might be that minorities have experienced a greater extent of job losses. Research finds that households experiencing unemployment also experience sharp drops in wealth.[33] The combined force of the two effects—loss in wealth and greater job losses in the recession—means that the road to recovery for minorities may be more arduous.

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[29] Rakesh Kochhar, "The Wealth of Hispanic Households: 1996 to 2002," Pew Hispanic Center, Washington, D.C., October 2004 (http://pewhispanic.org/reports/report.php?ReportID=34).

[30] The PSID, started in 1968, is a longitudinal study of U.S. families, that is, it follows the same families and individual members of those families over time. It features an oversample of low-income families. The original sample size was about 4,800 families, and it has grown since to about 8,000 families today. A refresher sample of immigrant families was added in 1997 to keep the study representative of the U.S. population. The study is conducted at the Survey Research Center, Institute for Social Research, University of Michigan.

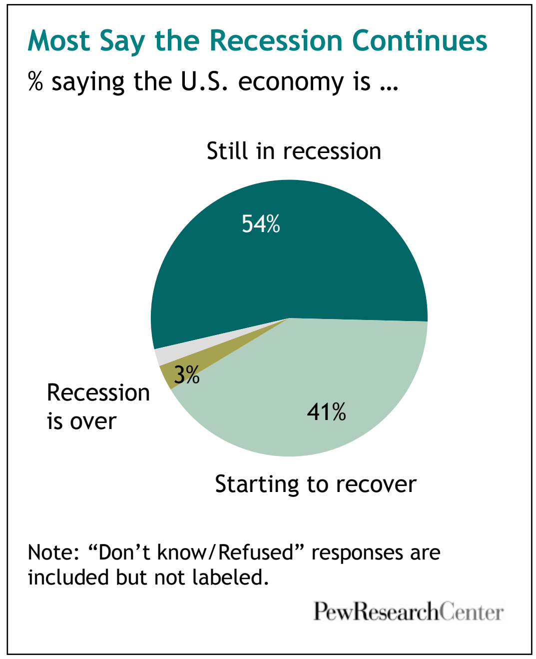
[31] The classification of households into upper-, middle- and lower-income strata uses the methodology described in "Inside the Middle Class: Bad Time Hit the Good Life," Pew Research Center, Social and Demographic Trends, April 2008 (http://pewsocialtrends.org/pubs/706/middle-class-poll).

[32] Rakesh Kochhar, Ana Gonzalez-Barrera and Daniel Dockterman, "Through Boom and Bust: Minorities, Immigrants and Homeownership," Pew Hispanic Center, Washington, D.C., May 12, 2009 (http://pewhispanic.org/reports/report.php?ReportID=109).

[33] Jonathan Gruber, "The Wealth of the Unemployed," *Industrial and Labor Relations Review*, Vol. 55, No. 1, October 2001, 79-94.

## Chapter 3: The Slow Road to Recovery

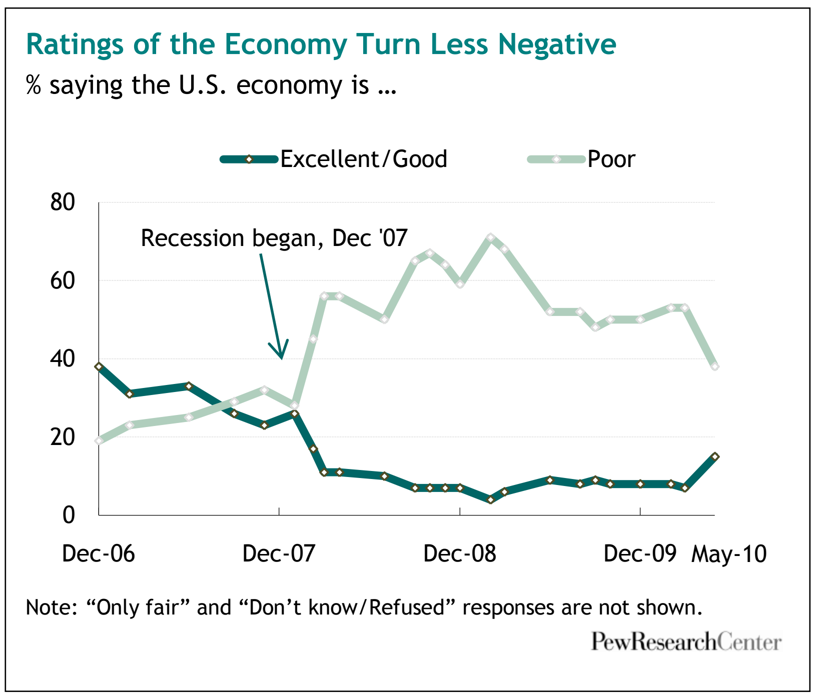
In March of 2009, Federal Reserve Board Chairman Ben Bernanke said he saw the first "green shoots" of an economic recovery—one that he predicted would "pick up steam" over time. But more than a year later, almost no one in America believes the recession is over. Most still can't even spot the green shoots.




The latest Pew Research survey finds that a majority of Americans (54%) believe the economy is still in a recession. About four-in-ten (41%) say they think the economy is starting to come out of the recession. Just 3% say the recession is over.

The public is also downbeat when asked to rate overall economic conditions in the country today. Just 1% say the economy is in excellent shape, and 14% say it is in good shape. Nearly half (46%) say it is "only fair," and 38% say it is "poor."

However, even though those assessments tilt negative, they are the least negative readings since January 2008, just as the recession was beginning. The 38% who currently rate the U.S. economy as "poor" represents a significant drop from the 53% who said that as recently as March 2010 and the 71% who said it in February 2009— the low point in modern times for the public's assessment of the nation's economic conditions.




Likewise, the 15% who now say the economy is excellent or good are nearly quadruple the share (4%) who said that in February of 2009.

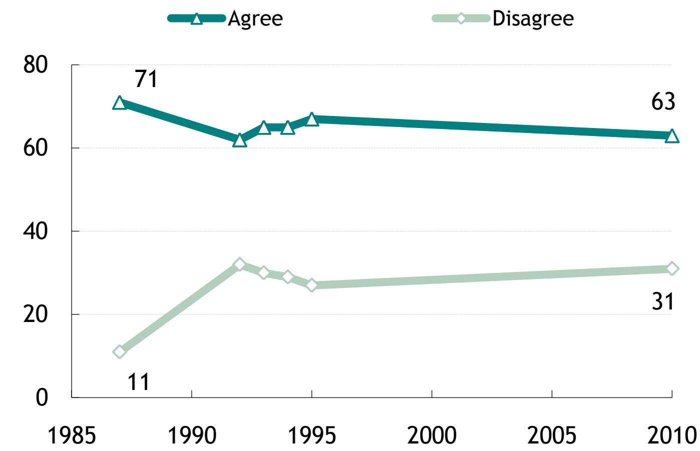
So at least by these trend measures, some green shoots in the public's confidence in the economy are finally starting to sprout—albeit more than a year after that initial sighting by Bernanke.

This hedged and still somewhat ambiguous verdict from the court of public opinion is also evident in response to another survey question that asks people about the long-term impact of the recession on the U.S. economy.

Fully seven-in-ten respondents say the recession has caused major changes in the economy, while just 21% say it has caused minor changes. The rest say it hasn't caused any changes (6%) or have no opinion (3%). However, most Americans (61%) say these changes will prove to be temporary. This is true both for the respondents who see major changes (by a ratio of more than two-to-one, they see temporary rather than permanent change) and those who see minor changes (by a ratio of about four-to-one, they see temporary rather than permanent change).

**Is America Still a Land of Prosperity?**

% who say they ...




Note: The 1987,1992, 1993,1994,1995 numbers are from Cambridge Reports/Research International.

Question wording: "Do you agree or disagree: 'Although there may be bad times every now and then, America will always continue to be prosperous and make economic progress'?"

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The majority view that the recession's impact on the economy won't be permanent is in sync with another notable finding from this survey. Respondents were asked if they agreed or disagreed with the following statement: "Although there may be bad times every now and then, America will always continue to be prosperous and make economic progress."

Even in today's bad economy, those who agree with the statement (63%) outnumber those who disagree (31%) by a ratio of about two-to-one.

This question was asked four different times in the early and mid-1990s,[34] at a time of steady economic growth and relatively low unemployment. Today's responses are not much different from those registered back then—suggesting that the public's basic faith in the long-term prosperity of America is resilient enough to withstand a long bout of hard times. (At the same time, there was a much more positive reading on this question in 1987, when the economy had been in a robust expansion for several years. In that survey, 71% of respondents agreed with the statement, while just 11% disagreed.)

## Different Groups, Different Perspectives

Different groups of Americans have markedly different views about the impact of this recession. Some of these differences are predictable. For example, those who have been personally hard-hit by the recession (as a result of

[34] The earlier surveys that included this question were conducted by Cambridge Reports/Research International.

the loss of income, wealth or employment) tend to have a more downbeat view of the national economy than do those who've escaped relatively unscathed.

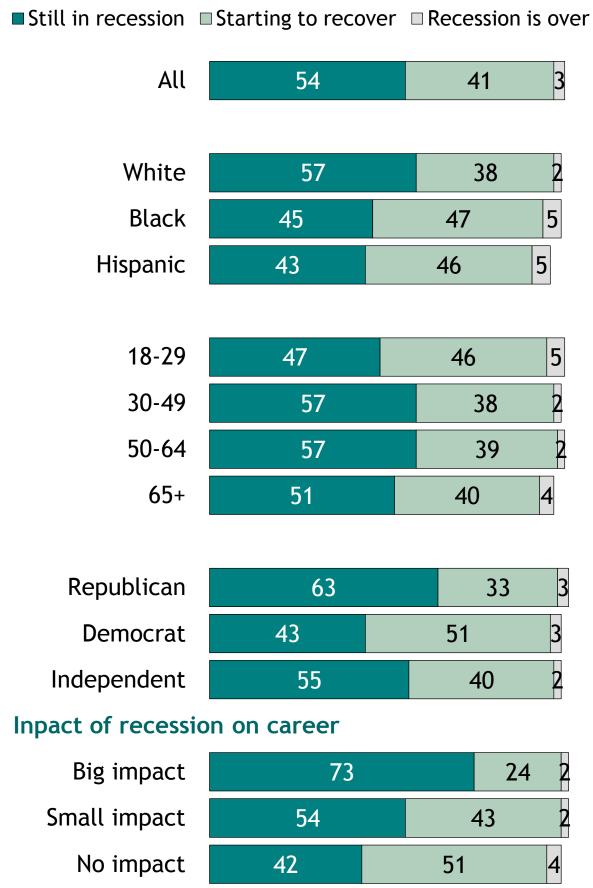
But some group differences play against type and circumstance. For example, blacks and Hispanics have a much more upbeat view of the national economy than do whites—despite the fact that most economic evidence shows that these minority groups have felt the sting of the recession more sharply than have whites.

Similarly, young adults are more upbeat than middle-aged and older adults about the economy, even though they have suffered more job losses than any other age group. And on some measures, those with only a high school diploma are more optimistic about the economy than those who have a college degree—though, here again, the former group is the one that has been hit harder by the downturn.

The survey also finds a significant variance by partisanship in the public's views about the economy. Democrats are more upbeat than Republicans, even though they tend to have less income and wealth.

**Most Americans Say the Recession Continues**

% saying the U.S. economy is …




Note: "Don't know/Refused" responses are not shown.

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The remainder of this section explores in greater detail the group differences on all these questions.

## That Recession: Is It Over Yet?

While just over half (54%) of the full population of adults say that the economy is still in a recession, notable differences exist by race, age and, especially, partisanship.

Some 57% of whites say the economy is still in a recession, compared with just 45% of blacks and 43% of Hispanics. In fact, among those latter two groups, about the same share say the economy is beginning to recover from the recession (47% of blacks; 46% of Hispanics) as say the recession continues. Whites, by contrast, say by a ratio of about three-to-two that the economy is still in a recession.

Young adults are the least likely age group to say the economy is still in a recession. Some 47% of 18- to 29-year-olds say so, compared with 57% of those ages 30-64 and 51% of those 65 and older.

An even bigger gap is evident by partisanship. Fully 63% of Republicans say the economy is still in a recession, compared with 43% of Democrats and 55% of independents. As we show throughout this report, Democrats as a group have suffered at least as many ill effects from this recession as have Republicans—so people's perceptions of the national economy seem to be colored not just by their personal economic experiences but also by their partisan identification.

Immigrants are less inclined than those born in the United States to say the recession is ongoing. Just 40% of immigrants say so, compared with 51% of adults whose parents were immigrants and 56% of adults who are the third or higher generation of their family to reside in this country.

Not surprisingly, responses to this question are correlated with the economic circumstances of the respondents. For example, among those who say that the recession has had a big impact on their career, fully 73% say they think the recession continues. Among those who say they don't have enough money to pay for basic living expenses, 67% say the recession is ongoing. And of those who are unemployed, 62% say the recession continues.

## Rating the Economy

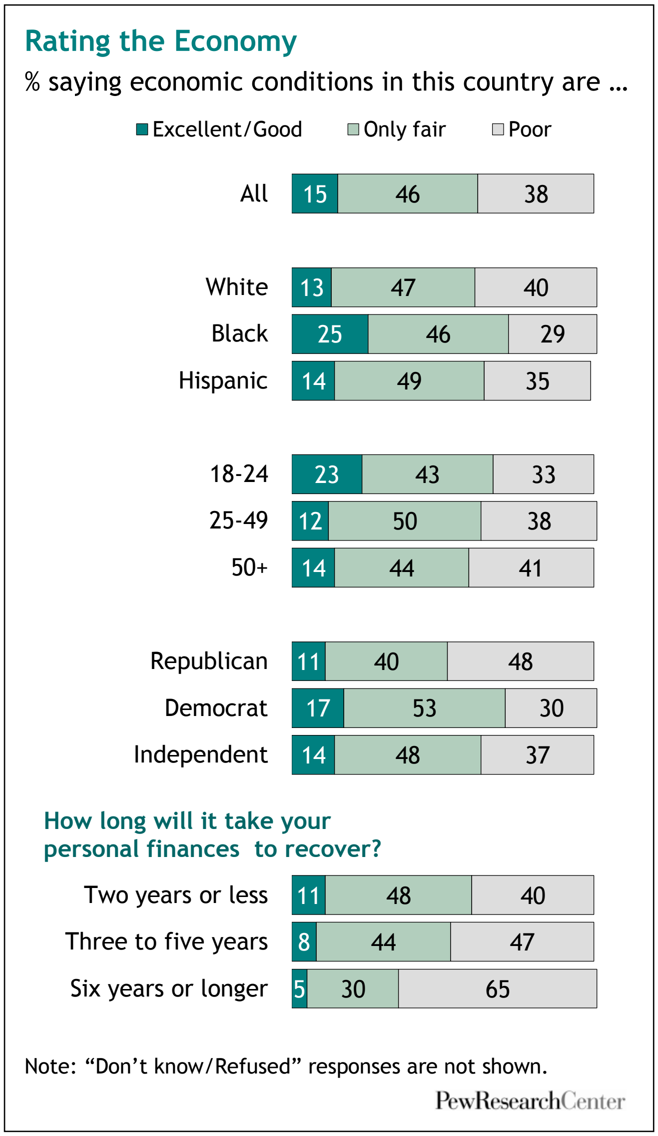
Group ratings of the overall U.S. economy follow patterns similar to group opinions about whether the recession is ongoing.

Young adults are more likely than older adults to rate the economy as excellent or good; some 23% of 18- to 24-year-olds say so, compared with 12% of 25- to 49-year-olds and 14% of those ages 50 and older.

About twice as many blacks (25%) as whites (13%) rate the economy as excellent or good. On this question, the attitudes of Hispanics are closer to those of whites; just 14% of Hispanics say the economy is excellent or good.

As for partisanship, many more Republicans (48%) than Democrats (30%) or independents (37%) say the economy is in poor shape.

Looking at people who have suffered negative consequences of one kind or another from the recession, one finds, as would be expected, that they tend to have negative views about the state of national economy. For example, among those who were unemployed for six to 11 months



during the recession but are currently employed, 53% say the economy is in poor shape. Of those who say the recession has had a big impact on their career, 56% rate the economy as poor. And of those who say it will take their finances six years or more to recover from the effects of the recession, 65% rate the economy as poor.

## The Recession: How Big an Impact? How Lasting?

The plurality view of the public is that the recession has caused major changes in the U.S. economy but that these changes will prove to be temporary. Some 45% of all adults hold this view. An additional 18% say they believe the changes will be both major and permanent. Meantime, 16% believe they will be minor and temporary, 6% say there have been no changes and 4% say the changes will be minor but permanent.

Group differences on the question are most readily seen by looking at the characteristics of those who take the most negative view—that is, the 18% who believe that the changes to the U.S. economy wrought by the recession have already been major and will prove to be permanent.

Here again, whites have a more pessimistic view than do minorities. Some 19% of whites believe the changes will prove to be both major and permanent, compared with just 12% of both blacks and Hispanics. The familiar partisan pattern also plays out, with Republicans (22%) more pessimistic than Democrats (12%) or independents (18%). Given that minorities tend to self-identify much more as Democrats than as Republicans, these racial and partisan group differences appear to

### How Has the Recession Changed the U.S. Economy—and for How Long?

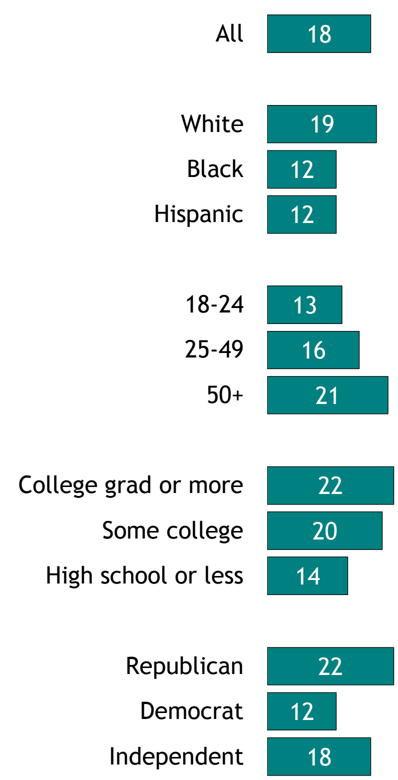
% saying

| | |
|---|---|
| Major change | 70 |
| Permanent | 18 |
| Temporary | 45 |
| Some permanent, others temporary(VOL.) | 4 |
| Minor change | 21 |
| Permanent | 4 |
| Temporary | 16 |
| Some permanent, others temporary(VOL.) | * |
| Hasn't changed the ecnomy | 6 |

Note: "Don't know/Refused" responses are not shown.
* indicting percentage less than 0.5.

### Which Groups See Major, Permanent Changes in the U.S. Economy?

%

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be mutually re-enforcing.

Those with college degrees or more are more pessimistic than those who received a high school diploma or less education (22% vs. 14%). This difference holds up even after we control for party identification.

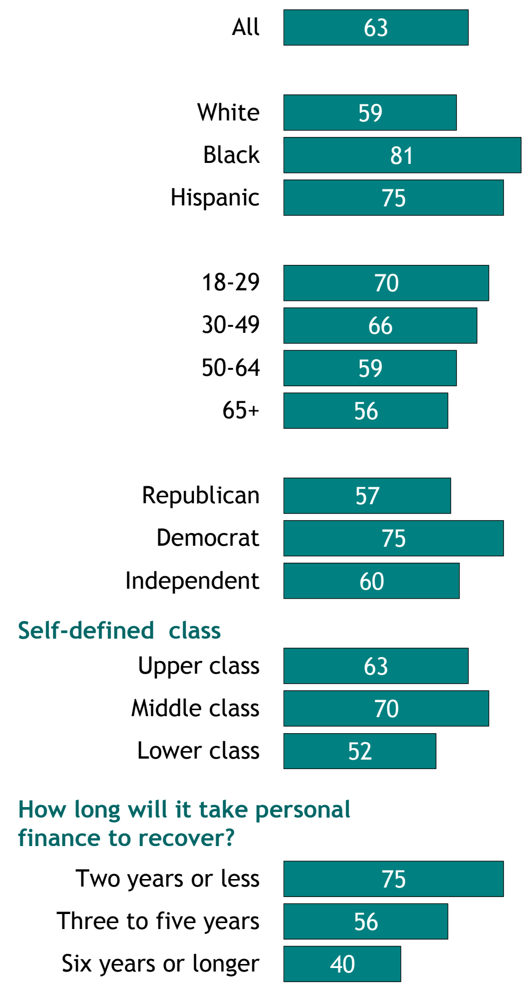
All of the group differences described above are somewhat counterintuitive, given that those in the more pessimistic camp have generally been at least as well insulated—and in many cases, better insulated—against the personal effects of the recession than have those in the less pessimistic camp.

However, the survey questionnaire was broad-ranging enough to allow us to analyze response patterns not only by these familiar demographic and political groupings, but also by the various kinds of personal financial setbacks that different respondents say they have experienced during this recession. Looking at the data this way, one finds a more predictable pattern: Those who have taken the hardest personal hits are the most likely to believe that the damage to the national economy will be long-lasting.

For example, among those who expect it will take six years or more for their personal finances to recover from the effects of the recession, 45% say the impact of the recession on the U.S. economy will prove to be both major and permanent. But among those who say they expect their personal finances to recover from the recession within two years, just 13% say they believe the recession's impact on the national economy will be both major and permanent.

**Is America Still a Land of Prosperity?**

% who agree




Question wording: "Do you agree or disagree: 'Although there may be bad times every now and then, America will always continue to be prosperous and make economic progress'?"

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## Most Say America Is Still the Land of Prosperity

Prior to asking survey respondents specifically about the recession or the current state of the economy, the questionnaire posed a more thematic question: "Do you agree or disagree: 'Although there may be bad times every now and then, America will always continue to be prosperous and make economic progress'?"

The overall response—63% agree with the statement while just 31% disagree—is notable in that it reflects a level of optimism roughly on par with the way respondents answered this same question when it was last asked in much better economic times in the early and mid-1990s.

It seems likely that the wording of this particular question taps into deeply felt views about the promise of America in a way that more straightforward questions about the current state of the economy do not.

In any event, the same group differences evident on other questions examined in this section occur here as well. A higher share of blacks (81%) and Hispanics (75%) agree with the statement than do whites (59%). More adults ages 18-29 agree with the statement than do adults ages 65 and over (70% vs. 56%). More Democrats (75%) agree with the statement than do Republicans (57%) or independents (60%). More of those with a high school diploma or less education agree with the statement than do those with a college degree or more (66% vs. 59%).

There is also an unusual class-based pattern in the responses to this question. Among those who identify themselves as middle class (nearly half of all respondents), fully 70% agree with the statement that America is still the land of prosperity and economic progress. Among the one-in-five respondents who describe themselves as upper class or upper-middle class, just 63% agree with the statement. And among nearly three-in-ten respondents who self-identify as lower class or lower-middle class, just 52% say they agree with the statement.

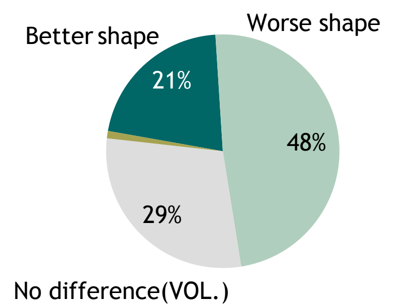
In short, belief in the long-term prosperity of the United States is greatest among those who consider themselves to be in the middle class, then declines in both the upper and lower tiers of self-described socioeconomic class.

This is a counterintuitive finding, but not the only of its kind to emerge from this Pew Research survey. As the ensuing chapters will show in more detail, attitudes about personal setbacks suffered during the recession as well as about the overall state of the economy—now and in the future—do not always correlate with someone's income level or self-defined social class.

## Chapter 4: Household Finances, Social Class, Future Generations

**The Recession's Personal Toll**

Household financial situation now vs. before the recession




Note: "Don't know/Refused" responses are included but not labeled.

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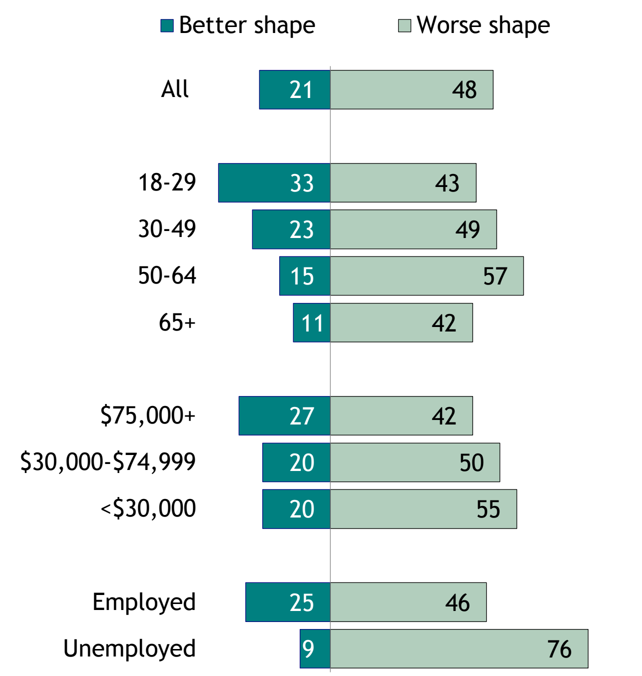
Underlying the overall impact the recession has had on the nation's economy is the profound effect it has had on households across the country. Nearly half of all Americans (48%) say their household's current financial situation is worse now than it was before the recession started. Three-in-ten (29%) volunteer that their household financial situation hasn't changed, and 21% say their financial situation is actually better now than before the recession.

Pluralities of nearly all major demographic groups say their household finances have taken a hit over the past 30 months. Among men and women; blacks, whites and Hispanics; young and old; and college-educated and those who never attended college, solid pluralities say their household finances are in worse shape now than they were before the recession started.

That said, some segments of the population have been hit much harder than others. The age group that seems to have suffered the most in this regard is those ages 50-64—many of whom are still working but nearing retirement age. A majority (57%) in this age group say they are in worse shape financially than they were before the recession. As many as one-in-five (21%) say they are in *much* worse shape. Among those ages 65 and older, only about half as many (12%) say they are much worse off. These older Americans are among the most likely to say their financial situation has not changed during the recession (45% among those ages 65 and older). Roughly the same proportion of those under age 50 (46%) say things have gotten worse for them.

**The Differential Impact of the Recession**

Household financial situation now compared with before the recession (%)




Note: Income levels represent annual family income. "Unemployed" includes those who are not employed, would like to have a job, are available to work and are looking for work. "No difference" and "Don't know/Refused" responses not shown.

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Lower-income Americans have also been particularly hard-hit by the recession. Among those with annual family incomes of less than $30,000, more than half (55%) say they are in worse shape financially now than they were before the recession began, including nearly a quarter (23%) who say they are in much worse shape. By contrast, 42% of those with annual family incomes of $75,000 or higher say they are in worse shape now.

Not surprisingly, those who are currently unemployed are more likely than those who are working to say their household finances have deteriorated over the course of the recession.[35] Among the unemployed, three-quarters (76%) say they are in worse financial shape now than they were before the recession began, with 40% saying they are in much worse shape. Only 9% say they are in better shape. Among those who have a job, 46% say they are worse shape now, while 25% say their financial situation is better than it was before the recession started.

Very few households have seen an increase in their overall income in recent years. Only 14% say their family income has increased from what it was before the recession. A third (34%) say their household income has gone down, and 49% say it has stayed about the same.

In spite of the widespread pain wrought by the recession, one-in-five Americans (21%) report that their financial situation has actually improved during the recession. Among certain groups, an even higher proportion say their household finances are better now than before the recession started. Nearly a third of African Americans (32%) say they are now in better shape. This is significantly higher than the percentage of whites (18%) or Hispanics (23%) who say the same. This more positive outlook extends to blacks' views about the state of the national economy as well as their outlook for their own financial future.[36]

As a group, young adults (ages 18-29) have experienced high levels of unemployment during this recession. However, in terms of their personal finances, they are more likely than other age groups to say they are better off now than they were before the recession. A third say they are better off, compared with 23% of those ages 30-49 and only 13% of those ages 50 and older.

In addition, those with family incomes of $75,000 or higher are more likely than those with lower incomes to report that they are in better financial shape now than they were before the recession started (27% vs. 20% among those whose family incomes are less than $75,000).

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[35] Throughout this section, "unemployed" refers to those respondents who are not employed, would like to have a job, are available to work and are looking for work.

[36] Earlier research suggested that the election of Barack Obama as the nation's first black president may have contributed to increased optimism among blacks on a whole host of issues. See Pew Research Center, "Blacks Upbeat about Black Progress, Prospects – A Year After Obama's Election." Jan. 12, 2010. http://pewsocialtrends.org/pubs/749/blacks-upbeat-about-black-progress-obama-election

## A Downward Tick in Social Class

One way to evaluate the impact of the recession on the public is to look at it through the prism of social class. There are no clear guidelines defining the social classes, but Americans have very little trouble placing themselves in a distinct category. Half of the public say they are middle class. One-in-five consider themselves upper class (either upper or upper-middle). And 29% say they are in the lower class (lower-middle or lower).

The percentage of Americans who place themselves in the lower class has increased by four points since the recession began. In January 2008, 25% of the public considered themselves lower class. The share placing themselves in the middle class has fallen slightly from 53% in early 2008, while the share saying they are upper class is largely unchanged.

**The Growing Lower Class?**
% of Americans identifying themselves as …

| | 2008 | 2010 |
|---|---|---|
| Upper class (NET) | **21** | **20** |
| *Upper* | *2* | *2* |
| *Upper-middle* | *19* | *18* |
| Middle class | **53** | **50** |
| Lower class (NET) | **25** | **29** |
| *Lower-middle* | *19* | *21* |
| *Lower* | *6* | *8* |
| Don't know/Refused | **1** | **1** |
| Number of respondents | 2,413 | 2,967 |

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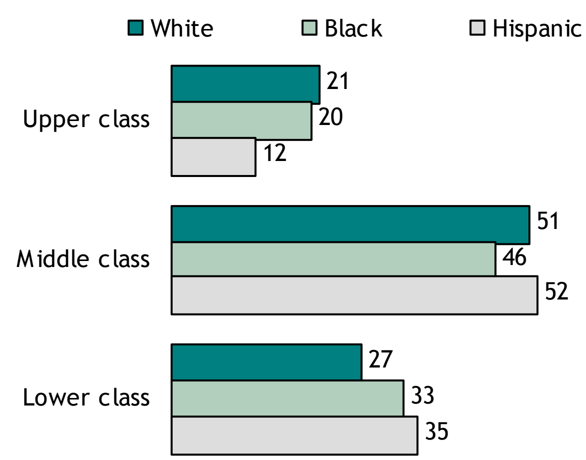
The demographic profile of the three social classes has remained relatively stable over the past two years. College graduates and those with annual family incomes of $100,000 or more are among the most likely to consider themselves upper class. Roughly three-in-ten college graduates (32%) say they are in the upper class. Among those with annual incomes in excess of $100,000, nearly six-in-ten (58%) consider themselves upper class. New immigrants are less likely than second- or third-generation Americans to place themselves in the upper class. And married people are more likely than those who are unmarried to identify with the upper class.

There have, however, been some notable changes in the demographic makeup of the social classes over the past two years. The percentage of blacks who identify themselves as members of the upper class has increased marginally since 2008, from 15% to 20%, while the percentage of Hispanics who identify themselves as lower class has moved up slightly, from 30% to 35%. There are now no significant gaps between black and white Americans in terms of how they identify their social class.

**Race, Ethnicity and Social Class**
% saying they belong in each class




Note: Hispanics are of any race. Whites and blacks include only non-Hispanics.

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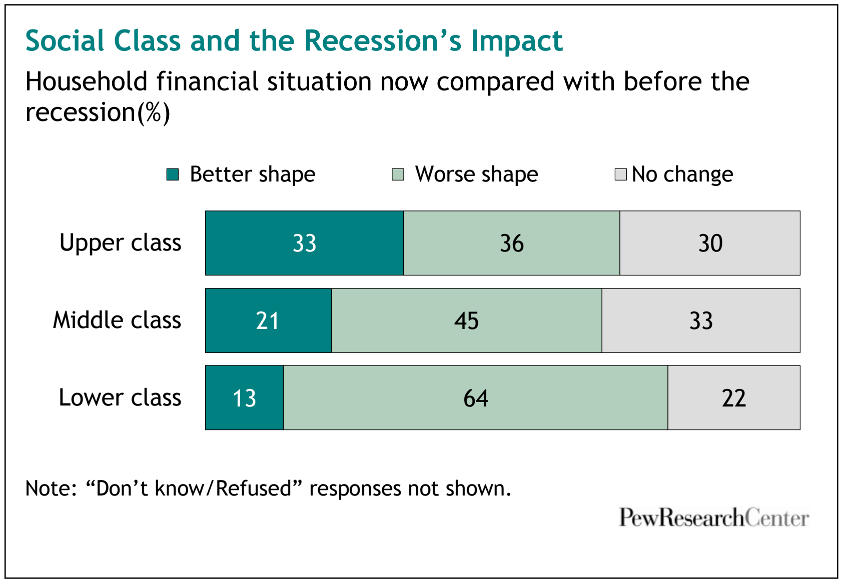
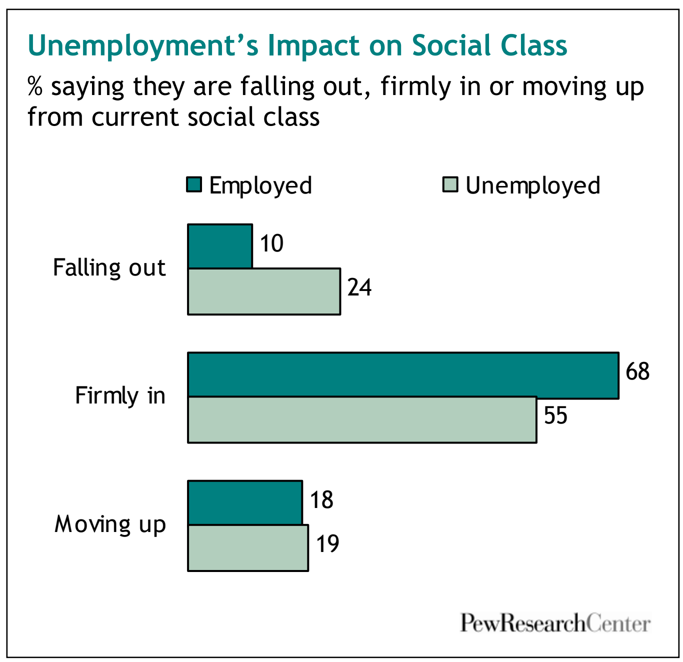
Changes have also occurred along educational lines. Those who have attended college but not graduated appear to have slipped further into the lower class in recent years. In 2008, 58% of this group said they were middle class and only 24% identified themselves as lower class. Today, just half of this group (49%) say they are middle class, while 31% place themselves in the lower class.




Perceptions about social class are strongly linked to personal impacts of the recession. Nearly as many upper-class Americans say the recession has had a positive impact on their household finances (33%) as say it has had a negative impact (36%). For 30% of upper-class Americans, the recession has had little or no impact on their financial situation. Among members of the middle class, a plurality (45%) say they are worse off now than they were before the recession. One-in-five (21%) are better off, and 33% say there's been no real change. For lower-class Americans, the impact has been largely negative: 64% say they are in worse shape now than they were before the recession, only 13% say they are in better shape and 22% say things are largely unchanged.

Despite some movement around the margins, Americans feel pretty well rooted in their current social classes. Overall, 70% of the public say they are firmly in their social class, 12% say they feel they are falling out of their social class and 16% say they feel they are moving up from their social class. Strong majorities from the upper (73%), middle (71%) and lower classes (61%) agree they are pretty firmly in their current class. Lower-class Americans are more likely than those in the middle and upper classes to say they are moving up—21% feel they are on their way up and out of the lower class.




At least a couple of groups—each hard-hit by the recession—feel particularly vulnerable in this regard. Unemployed workers are among the most likely to say they are falling out of their social class (24%). Only 55%

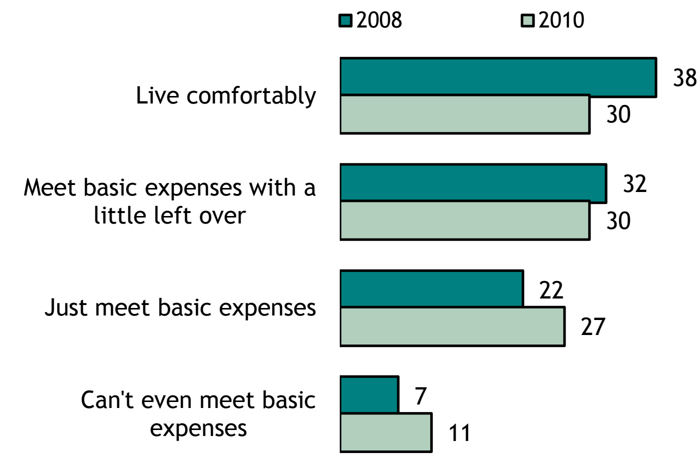
think they are pretty firmly rooted in their social class. Employed people are much less likely to feel they are losing ground. Just one-in-ten say they are falling out of their social class. In addition, among those ages 50-64, 17% say they feel they are falling out of their social class. This compares with 10% among those under age 50 and 12% among those ages 65 and older.

## Making Ends Meet

Not only has the recession changed the way some Americans perceive their place in society, but it also has made it harder for many to afford life's necessities. The number of Americans struggling to pay their basic living expenses has increased significantly over the course of the recession. Today, 27% say they have just enough money to meet their basic expenses (with nothing left over for extras), and an additional 11% say they don't even have enough to meet their expenses. In January 2008, at the beginning of the recession, 22% said they had just enough to meet basic expenses and 7% said they could not meet their expenses. Fewer Americans now say they live comfortably (30%, down from 38% in 2008). The same percentage (30%) say they have enough money to meet basic expenses with a little left over for extras.

**Household Finances: Fewer Living Comfortably, More Struggling to Pay the Bills**

% saying they…




Note: "Don't know/Refused" responses not shown.

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Whites are more likely than blacks or Hispanics to say they live comfortably (33% of whites vs. 24% of blacks and 18% of Hispanics). Among blacks and Hispanics, nearly one-in-five say they don't even have enough money to meet their basic expenses (18% of blacks and 17% of Hispanics). Income and education are strongly linked to financial well-being. More than half (53%) of those with annual family incomes of $75,000 or higher say they live comfortably, as do 45% of college graduates. By contrast, only 13% of those with incomes under $30,000 say they live comfortably, while 23% don't have enough to meet their basic expenses. In another example of how employment status affects household finances, only 11% of unemployed workers say they live comfortably. Three-in-ten say they don't have enough money meet their basic expenses.

## Things Are Looking Up, but Recovery Will Take Time

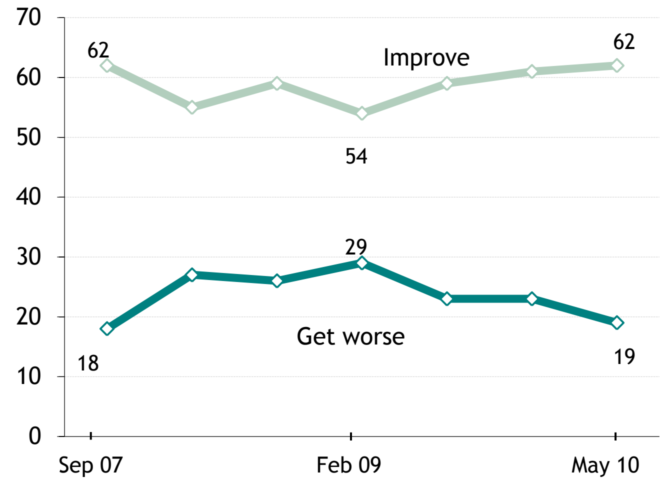
Looking forward, most Americans think their financial situation will improve over the next year. However, for those who are worse off now than they were before the recession, it may take years to fully recover. Overall, 62% of the public expect their financial situation will improve over the course of the next year (10% say it will improve a lot, 52% say it will improve some). Roughly one-in-five (19%) say their financial situation will get worse (14% a little worse, 5% a lot worse). And 16% volunteer that things will stay the same for them and their families.

Americans are feeling more optimistic now than they were early in 2009, when the stock market was plummeting and unemployment was continuing to rise. In February 2009, 54% of the public said their financial situation would improve over the next year; 29% thought things would get worse, and 13% said they would stay about the same. Attitudes today are almost identical to where they were in September 2007, before the recession officially started. At that time, 62% of the public said their financial situation would improve over the next year, 18% said it would get worse and 16% said it would stay the same.

This general sense of optimism that things will improve over the next year is shared by most major demographic groups. Regardless of income or level of education, strong majorities say that their financial situation will improve in the next year. Even among those with annual incomes of less than $20,000, 64%

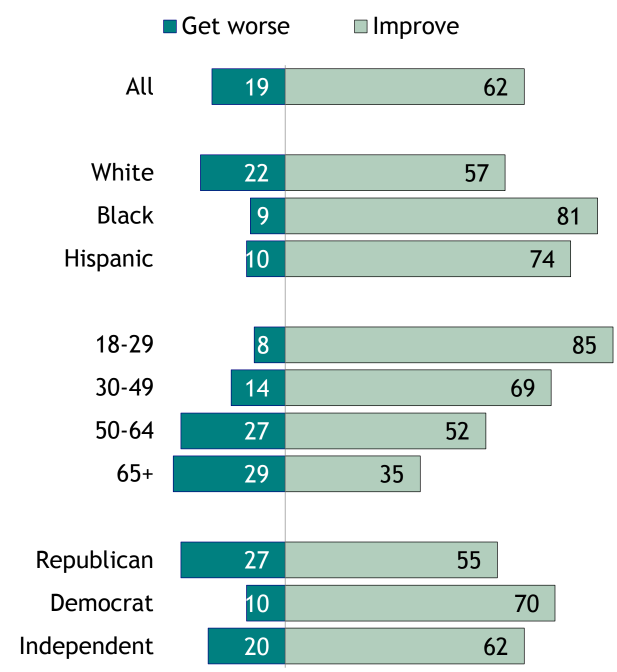
**Next Year's Outlook**

% saying, over the next year, their financial situation will...




**Some Groups More Optimistic than Others**

% saying, over the next year, their financial situation will...




Note: Hispanics are of any race. Whites and blacks include only non-Hispanics. "Stay the same" and "Don't know/Refused" responses not shown.

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expect things to get better.

There are some important differences, however. Blacks and Hispanics are more likely than whites to say their financial situation will improve over the next year (81% of blacks and 74% of Hispanics vs. 57% of whites). Young adults are more optimistic than their older counterparts: 85% of adults under age 30 say their financial situation will improve over the next year. This compares with 69% of those ages 30-49 and 45% of those ages 50 and older.

Democrats are more optimistic than Republicans or independents about their financial prospects for the next year. Seven-in-ten Democrats expect their financial situation to improve, compared with 55% of Republicans and 62% of independents.

**A Long Recovery Period**

How long will it take you/your family to recover from the recession?

| | Hurt by Recession* |
|---|---|
| | % |
| Less than a year | 5 |
| One to two years | 27 |
| Three to five years | 40 |
| Six to 10 years | 13 |
| Longer than 10 years/never | 10 |
| Don't know/Refused/Depends | 6 |

* Based on those who say their household financial situation is worse now than it was before the recession.
Note: Numbers do not total 100% due to rounding.

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While unemployed workers have been among the hardest hit by the recession, they are relatively positive about their financial future. More than seven-in-ten (72%) say their financial situation will improve over the next year. This compares with 68% of those who are employed. It may be the case that many unemployed workers, given their current circumstances, believe things can only get better. One-in-five unemployed workers (19%) say their situation will get worse. This is on par with the general public.

In spite of this overall optimism, for many of those who lost out during the recession it may be a long climb back. Survey respondents who said they were in worse shape now than they had been before the recession started (48% of the public) were asked how long they thought it would take them to recover financially. Very few (5%) thought they would recover their losses in less than a year. Roughly a quarter (27%) said it would take them one to two years to recover. Four-in-ten said it would take three to five years, and 23% said it would take them six years or longer.

Compared with blacks, whites who have been hurt by the recession see a longer time horizon in terms of recovering what they've lost. A majority of blacks (55%) who say they are in worse shape now than they were before the recession think they will be able to recover financially in less than two years. This compares with 29% of whites. A plurality of whites (43%) say it will take three to five years for them to recover, while 21% say it will take longer.

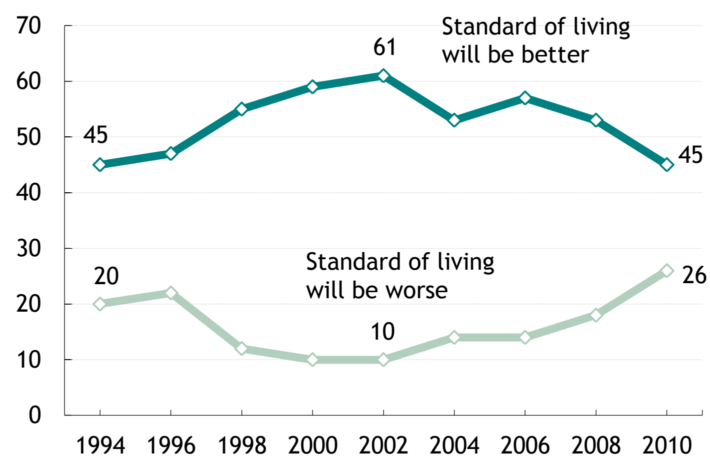
Young people who have been hurt by the recession anticipate a fairly speedy recovery. Nearly half (47%) say they will have regained what they lost in less than two years. By contrast, only 24% of those ages 50 and older who were hurt by the recession say they will recover in the next two years. In addition, college graduates who were hurt by the recession are much more likely than those who never attended college to say it will take them many years to recover from the effects of the recession. Three-in-ten college graduates say it will take six years or longer to recover, compared with 18% of those who never attended college.

## The Long-Term Impact of the Recession

Looking further into the future, Americans have become more skeptical about the quality of life for the next generation. Respondents were asked whether they thought their children's standard of living would be better, about the same or worse than their own. On balance, more say they expect their children will enjoy a better standard of living. However, the percentage saying this has fallen over the past 10 years. In 2000, 59% of the public said their children would have a better standard of living than they themselves had. By 2002, 61% held this view. Today, 45% say their children will have a better standard of living than they do, while 26% think their children's standard of living will be worse than theirs. An additional 19% say their children's standard of living will be about the same as theirs. The percentage saying their children's standard of living will be worse than theirs is the highest it has been since the General Social Survey first asked this question in 1994.

**What Will Life Be Like for the Next Generation?**

When your children are at the age you are now …(%)




Note: 1994-2008 data are from the General Social Survey.

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Views about what sort of economy the next generation will inherit differ significantly by key demographic variables. Young adults are much more optimistic about their children's future. Among those under age 30, 64% say when their children are their age, they will enjoy a better standard of living. This compares with 47% of those ages 30-49 and only 35% of those ages 50 and older.

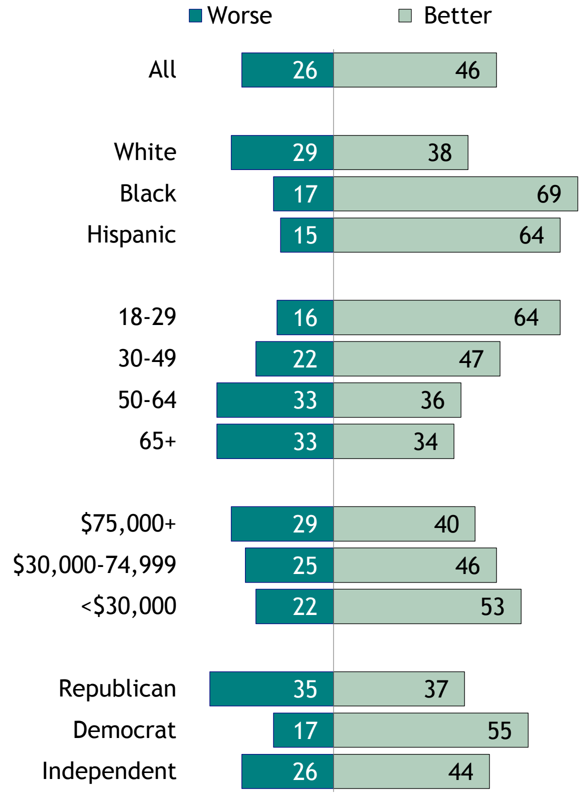
There is a wide racial gap on this question, and again, blacks are much more upbeat than whites. Roughly seven-in-ten blacks (69%) say their children will have a better standard of living than they themselves do. This compares with 38% of whites. Hispanics are just as positive as blacks in this regard: 64% of Hispanics say their children will enjoy a better standard of living than they themselves do.

Income is also linked to views about the next generation. Those with lower annual family incomes are more optimistic about their children's future prospects. Among those making less than $30,000 a year, 53% say their children will enjoy a better standard of living than they do. This compares with 46% of those making between $30,000 and $75,000, and 40% of those making more than $75,000 a year. Similarly, the least well-educated are among the most optimistic. Among those who never finished high school, 55% say their children will have a better standard of living than they do. Among college graduates, only 39% agree.

In keeping with their negative assessments about their own financial situation, Republicans are more pessimistic than Democrats about their children's future prospects. More than half of Democrats (55%) say their children will have a better standard of living than they do. Only 37% of Republicans agree. More than a third of Republicans (35%) say their children's standard of living will be worse.

**Differing Views on the Future**

Children's future standard of living compared with yours (%)




Note: Income levels represent annual family income.

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In spite of increasing doubts about their children's futures, most Americans say that their own standard of living is better than that of their parents. When asked to compare their current standard of living to their parents' at a comparable age, 57% say their standard of living is better (31% say it's much better, 26% say it's somewhat better). Only 17% say their standard of living is worse than their parents'. And 23% say it's about the same.

Blacks and Hispanics are more likely than whites to see progress in this regard. Nearly two-thirds of blacks (64%) and 71% of Hispanics say they enjoy a better standard of living than their parents did. This compares with 54% of whites. Higher-income Americans, who are more doubtful about their children's prospects, are among the most likely to say their standard of living exceeds that of their parents. About two-thirds (68%) of those with annual family incomes of $75,000 or higher say their standard of living is better than their parents'. Among middle-income Americans (those making between $30,000 and $75,000), 58% say they have a higher standard of living than their parents had. And among those making less than $30,000 a year, only 50% agree.

## Changes in Day-to-Day Living

When asked how the recession has changed their everyday lives, most Americans say it has either caused minor changes in the way they live (44%) or it hasn't changed things at all (31%). One-in-four say the recession has caused major changes in the way they live. For most of those who have experienced change, the changes are temporary rather than permanent. Among those who have experienced major change, roughly twice as many say the changes are temporary as say they are permanent. A similar pattern is evident among those who have experienced minor change. Among all Americans, a 31% plurality say they have experienced minor, temporary changes as a result of the recession. Fewer than one-in-ten (8%) say the recession has caused permanent, major changes in the way they live.

**Recession's Impact on Daily Life**

How has the recession changed the way you live? Are those changes permanent or temporary?

| | Percent (%) |
|---|---|
| Major changes | **25** |
| Permanent | 8 |
| Temporary | 15 |
| Some of each/DK | 2 |
| Minor changes | **44** |
| Permanent | 12 |
| Temporary | 31 |
| Some of each/DK | 2 |
| No change | **31** |
| Don't know | **1** |

Note: Sum of category percentages may not equal net due to rounding. Overall numbers do not total 100% due to rounding.

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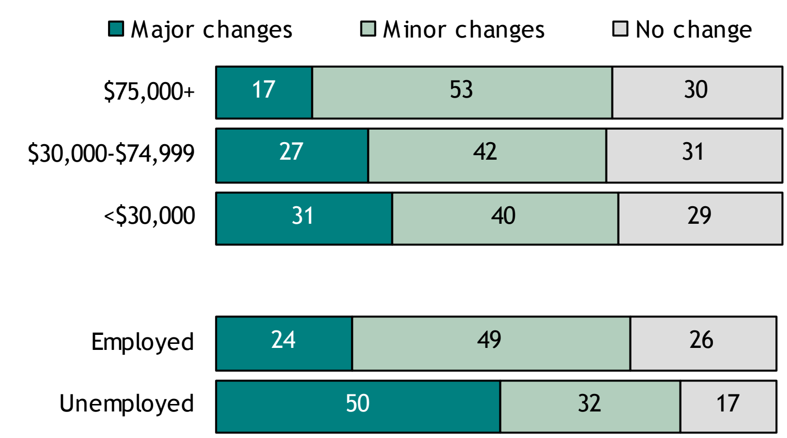
Blacks and Hispanics are more likely than whites to say that the recession has caused major changes in the way they live (30% of both blacks and Hispanics vs. 23% of whites). Among those ages 50-64, three-in-ten say they have experienced major changes in the way they live as a result of the recession. This compares with 25% of those under age 50. Older Americans (ages 65 and older) are among the least likely to report major changes in the way they live. Among this age group, only 16% say the recession has caused them major changes. Nearly half (47%) say it hasn't changed the way they live at all.

Higher incomes have shielded some Americans from the brunt of the recession. Among those with annual family incomes of $75,000 or higher, 53% say the recession has caused only minor changes in the way they live. Only 17% say it has caused major changes in their lives. Among middle-income Americans, 27% say they've experienced major changes in the way they live. And for those making less than $30,000 a year, 31% say the

**Income, Employment Protect Some from Recession's Impact**

% saying the recession has caused... in the way they live




Note: Income levels represent annual family income. "Don't know/Refused" responses not shown.

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recession has caused them major changes.

Unemployed workers are among the most likely to have experienced major changes in the way they live as a result of the recession—50% say the recession has caused major changes, and of that group 28% say those changes are permanent.

## Recession's Biggest Impact: Changes in Spending Habits

Those who have experienced changes in their lives caused by the recession—whether major or minor—have felt it most in their wallets. When asked in an open-ended question to name the biggest change the recession has caused in the way they live, a plurality (38%) point to changes in spending. Some specific examples of this include 15% who say they have limited their spending, 7% who say they have cut back on luxury items and 5% who say they are eating out less often. Other changes that fall under the broad category of spending include less travel, cutting back on gas and utilities, and postponing major expenditures.

In addition to altering their spending habits, respondents pointed to financial stress and changes in employment when asked to name the main way in which the recession had affected them personally. Among those who say their lives have changed as a result of the recession, 19% say their personal finances have been hit the hardest. Among the specific financial challenges mentioned by respondents, 4% say they have had trouble paying their bills, 4% say their income has gone down and 2% say they have no discretionary funds.

Employment changes were mentioned by 18% of respondents. Among those who say they've experienced change during the recession, 6% say they or their spouse have lost their job, 4% say they have had trouble finding a job, 4% point to a loss of job security and 2% say their salary or hours have been reduced.

### How the Recession Has Changed Lives

What is the biggest change the recession has made in the way you live?

| | Percent (%)* |
|---|---|
| **Spending habits (NET)** | **38** |
| Limited spending/budgeting | 15 |
| Cut back on luxury items | 7 |
| Less eating out | 5 |
| Less travel | 3 |
| Cut back on everything | 3 |
| **Personal finance (NET)** | **19** |
| Finances (general) | 5 |
| Trouble paying bills | 4 |
| Loss of income | 4 |
| Saving more | 2 |
| No spending money | 2 |
| **Employment changes (NET)** | **18** |
| Lost job/Spouse lost job | 6 |
| Can't find a job | 4 |
| Loss of job security | 4 |
| Salary/hours reduced | 2 |
| Business has slowed down | 2 |
| Higher cost of living | 6 |
| Fear, anxiety, worry | 3 |
| Changes in living arrangements | 2 |

* Based on those who said the recession had caused major or minor changes in their life, n=2,134.
Note: Top five responses from each NET category shown. "Other" and "Don't know/Refused" responses not shown.

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The types of changes people have experienced differ widely depending on income and other factors. Those with annual family incomes of $75,000 or higher have mainly experienced changes in spending habits. More than half (53%) volunteer something having to do with spending when asked to name the biggest impact the recession has had on their life. Relatively few (12%) in this income category cite employment changes. For middle-income Americans, the impact has been more varied. Among those with annual incomes between $30,000 and $75,000, 38% say the biggest changes in their lives have revolved around spending habits, 23% cite personal finances and 17% say changes in employment. Lower-income Americans are much more likely than middle- or upper-income groups to point to changes in employment (26%) Roughly the same proportion (28%) cite changes in spending, and 19% name some aspect of their personal finances.

The specific impacts of the recession also differ by ethnicity. Whites are more likely than Hispanics to say the biggest changes have been in spending habits—41% of whites name something related to spending when asked to identify the biggest change in their life, compared with 32% of Hispanics. Hispanics are among the most likely to point to changes in employment (27% vs. 16% of whites). Young people have also disproportionately felt the effects of the recession in the employment arena. Among those under age 30, 26% name an employment-related issue when asked about the biggest change the recession has made in their lives. And as many as one-in-ten in this age group (9%) specifically say they have not been able to find a job in the current market.

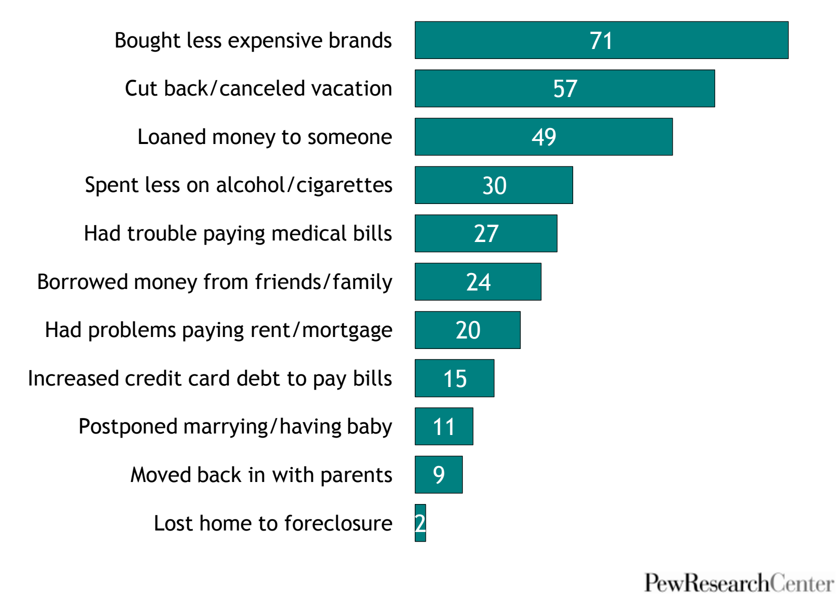
## Less Spending, More Financial Stress

The recession seems to have ushered in a new culture of frugality. The survey tested a series of potential consequences of the recession and found that the two most common experiences involved cutting back on spending. Seven-in-ten Americans (71%) say that since the recession began, they have bought less expensive brands or shopped more at discount stores. Another area where the public has cut back during the recession is travel—57% say they have scaled back or canceled vacation plans.

Roughly half of Americans (49%) say they have loaned money to someone to help with bills or expenses. Three-in-ten say they have cut spending on alcohol or cigarettes. Nearly as many (27%) have had trouble getting or paying for medical care for themselves or their families.

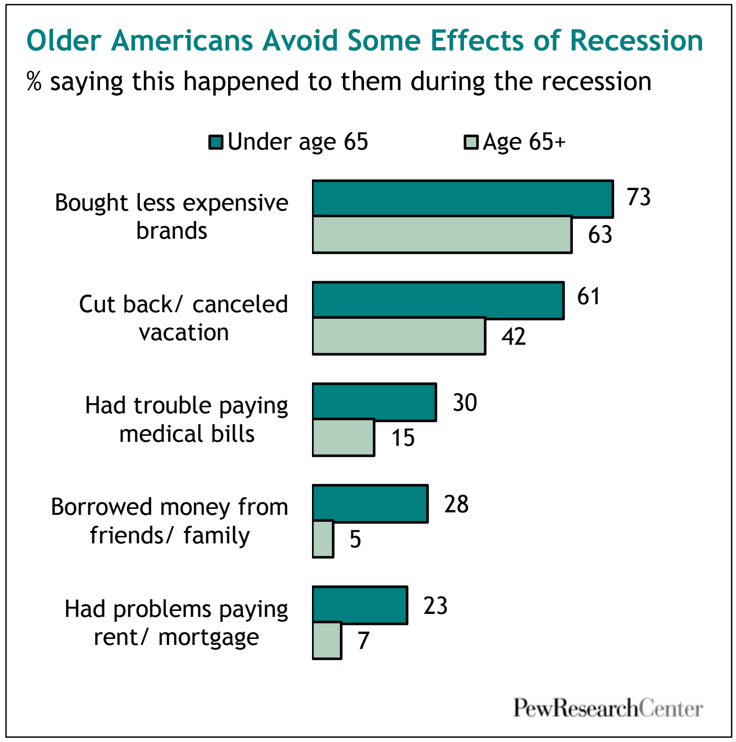
**How the Public Has Experienced the Recession**

% saying this happened to them during the recession ...




A quarter of the public (24%) have borrowed money from a family member or friend to help pay the bills, and 20% say they had trouble paying their rent or mortgage. In addition to borrowing, some people have had to pay their bills on credit—15% say they had to increase their credit card debt to help pay the bills. Beyond the financial implications, for some Americans the recession has had an impact on their lifestyle. Roughly one-in-ten (11%) say they have postponed getting married or having a baby. A nearly equal proportion (9%) moved back in with their parents after living on their own. Two percent say they have lost their home to foreclosure.

These experiences differ widely by race, ethnicity, age and income. Blacks are more likely than whites or Hispanics to report loaning money to help someone with their expenses during the recession (59% of blacks vs. 48% of whites and 40% of Hispanics). Blacks and Hispanics are more likely than whites to have had trouble getting or paying for medical care, borrowed money from a family member or friend, or had problems paying their rent or mortgage. Hispanics are much more likely than whites or blacks to say they increased their credit card debt to pay their bills (31% of Hispanics vs. 12% of whites and 19% of blacks).

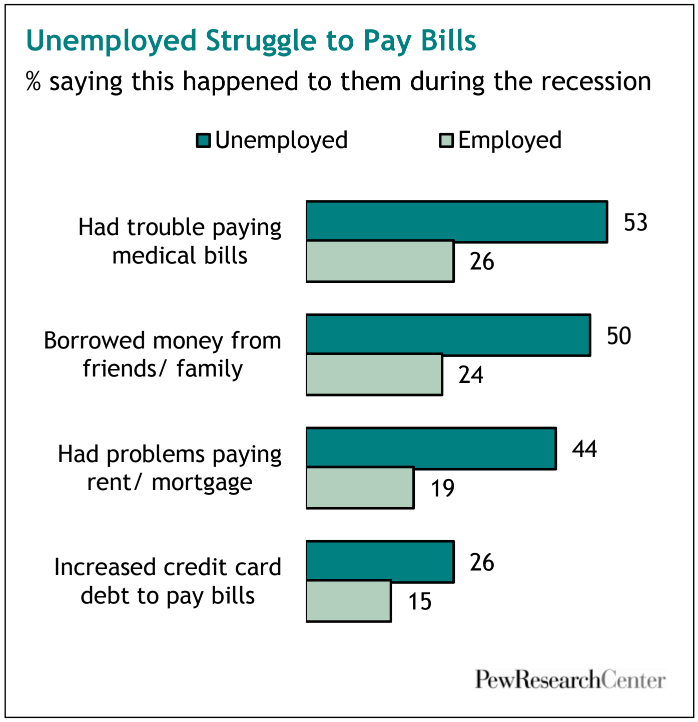



Looking across age groups, older adults (ages 65 and older) have been largely sheltered from many of these experiences. They are much less likely than younger age groups to have cut back on spending, loaned or borrowed money, had trouble paying for medical bills or housing, or had to increase their credit card debt. Young adults stand out in a couple of specific areas. Among those under age 30, 42% say they borrowed money from a family member or friend to help pay the bills. This compares with 28% of those ages 30-49 and only 12% of those ages 50 and older. In addition, 24% of those under age 30 moved back in with their parents after living on their own.

In much the same way that older adults were shielded from the effects of the recession, upper-income Americans have been protected from many of the effects felt by those in the middle- and lower-income categories. Those with annual family incomes of $75,000 or higher experienced every potential problem at a much lower rate than those with less income. The largest gaps are on paying for medical care and borrowing money to help pay the bills. Only 10% of those making $75,000 or more a year say they have had trouble getting or paying for medical care during the recession. This compares with 28% of those making between $30,000 and $75,000 a year and 44% of those making less than $30,000. Similarly, while 8% of upper-income Americans say they had to borrow money from a friend or family member to make ends meet, nearly a quarter (23%) of those making $30,000 to $75,000 and 42% of lower-income Americans were forced to do that.

Unemployed workers have felt the sting of the recession more profoundly than others. In comparing their experiences with those of employed workers, it is obvious that unemployment affects many areas of their lives. An overwhelming majority (83%) say they have bought less expensive brands and shopped more at discount stores during the recession. Three-quarters of unemployed workers say they have cut back on or canceled vacation travel.

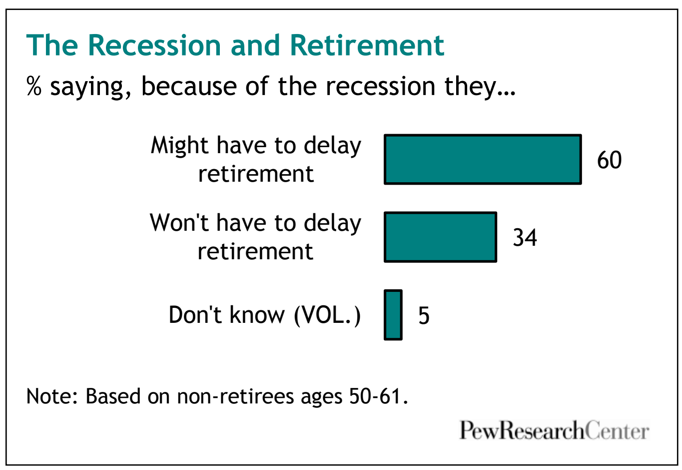
The unemployed are twice as likely as those with jobs to say they've had trouble paying for medical care for themselves or their families. And they are twice as likely to have borrowed money from a family member or friend to pay their bills. Nearly half (44%) have had problems paying their rent or mortgage, compared with 19% of those who are working. And 26% have had to increase their credit card debt to help pay bills, compared with 15% of employed workers.




## Postponing Retirement

For many workers in their 50s and early 60s, retirement may not come as soon as they had planned. Among those ages 50-61 who are currently employed, 60% say they may have to delay retirement because of the recession. Roughly a third (34%) say they will not have to delay retirement, and 5% aren't sure. A similar question asked in July 2009 yielded comparable results—63% of workers in this age group said they had delayed retirement because of economic conditions, and 31% said they had not.

College graduates are less likely than those without a college degree to say they may have to delay retirement because of the recession. Among those ages 50-61 who are employed, 50% of college graduates say their retirement may be delayed. This compares with 60% of those who attended some college and 69% of those who never attended college.




Middle-income workers in this age group are somewhat more likely than upper-income workers to say they may have to wait to retire. Among those with annual incomes between $30,000 and $75,000, 69% say they might have to delay their retirement. Among those with incomes of $75,000 or higher, 56% say the same.

Of those ages 62 and older, 13% are not retired. About a third of this group (35%) say they have delayed retirement because of the recession; 61% say they have not. The percentage saying they had delayed retirement has changed relatively little over the past year. In July 2009, 38% of workers in this age group said they had delayed retirement because of the economic conditions.

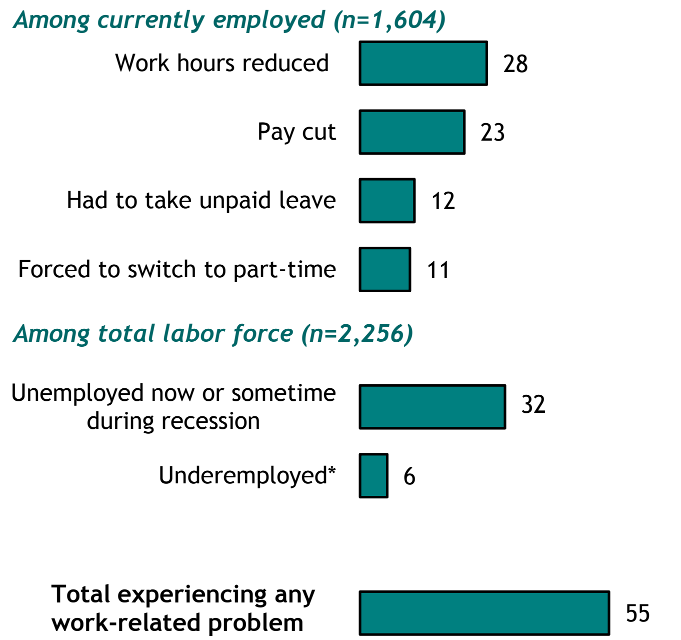
# Chapter 5: Work and Unemployment

From shop floor to office cubicle to executive suite, American workers have been hard-hit by the Great Recession. About a third of all adults in the labor force are currently unemployed or have been out of work sometime since the official start of the economic downturn in December 2007, according to a new Pew Research Center survey and government employment data.

At the same time, more than four-in-ten currently employed adults say their employer cut their pay, reduced their work hours, forced them to take unpaid leave or downsized their job during the recession. Add to the total those part-time workers who have tried but failed to find full-time employment in an anemic job market, and the results suggest that more than half of all adults in the labor force (55%) have faced hardship on the job during the nation's longest and deepest economic downturn since the 1930s.

**The Recession at Work**

% of each group who experienced each of the following since the recession began




*The underemployed are part-time workers who say they want a full-time job but do not have one because they cannot find full-time employment or because of other economic reasons.

PewResearchCenter

The government's official unemployment rate, which stood at 9.7 percent in May, tells only part of the story. When asked in the survey, one-in-four currently employed adults (26%) say they were out of work sometime since the recession began. Taken together, these unemployment figures suggest that as much as 32% of the labor force is currently jobless or has been unemployed sometime during the recession.

While news about layoffs and lost jobs has dominated the economic headlines, employed Americans also have been battered by hard times. More than four-in-ten (42%) of all currently employed workers have been forced to take unpaid leave, saw their full-time jobs shrink to part time or had their pay cut or hours reduced. While working Americans across the demographic spectrum have been affected, minorities and adults with only a high school diploma or less education have been particularly exposed.

In a job market that is only now beginning to show faint signs of recovery, about half of all part-time workers want a full-time job. For a majority of these workers, the bad economy has stood between them and a full-time employment, the survey found. Nearly four-in-ten part-time workers (37%) say they have looked but cannot find full-time employment. An additional 23% say that they had a full-time job but that it was downsized. The remainder say that they would like to work full time but that family duties or other noneconomic reasons keep them from taking a 9-to-5 job.

A different analysis suggests the breadth of the recession. When findings on current and past unemployment, hardship on the job and underemployment are analyzed together, the result suggests that fully half (55%) of the labor force has faced unemployment, cutbacks on the job or underemployment at some point during the recession.

Even this estimate likely understates the full impact of the economic downturn. For example, the survey found that only 38% of all workers report they received a pay raise at their current job since the recession began 2½ years ago. While comparison data over a comparable time period is not available, the evidence strongly suggests that significantly fewer workers have gotten raises during the recession than when the economy was healthy.[37]

As layoffs and hiring freezes take their toll on employment rolls, the workers who remain on the job also report they have had to work longer and harder. According to the survey, fully a third of all currently employed workers (33%) say their employer has made them work longer hours or more overtime since the recession began.[38]

### The Recession and the Workforce

% of workers in each group who said they were forced to …

| | Work fewer hours | Take unpaid leave | Switch from full-time to part-time |
|---|---|---|---|
| | % | % | % |
| **Total** | 28 | 12 | 11 |
| **Gender** | | | |
| Men | 30 | 12 | 12 |
| Women | 25 | 12 | 9 |
| **Age** | | | |
| 18-29 | 32 | 11 | 15 |
| 30-49 | 26 | 13 | 10 |
| 50+ | 27 | 12 | 9 |
| **Race/Ethnicity** | | | |
| White | 22 | 10 | 9 |
| Black | 42 | 19 | 17 |
| Hispanic | 40 | 16 | 14 |
| **Education** | | | |
| College grad | 14 | 9 | 5 |
| Some college | 29 | 14 | 11 |
| HS grad or less | 39 | 13 | 15 |

Note: Asked of adults currently employed full time or part time. Hispanics are of any race. Whites and blacks include only non-Hispanics.

But the news from the workplace isn't all bad. Even in the face of a bad economy, about two-in-ten workers (20%) say they were promoted or got a better job sometime during the recession, including a third of all employed young adults.

The sections that follow examine in detail how American workers have fared during the Great Recession. The first section looks at the experiences of currently employed workers and the recession-related problems they have faced on the job. The second section looks at the "re-employed" and how spells of unemployment shape attitudes toward work among those who lost and found jobs during the Great Recession. The third section examines the problems of underemployed workers.

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[37] For example, a USA Today/Gallup poll in 2005 found that 63% of all employed adults reported they had gotten a pay raise in the previous 12 months.

[38] When those who report having to work longer hours or more overtime are factored into the analysis, a total of 58% of all workers experienced some job-related cutback during the recession and 67% of the labor force had faced a hardship on the job or a spell of unemployment or are underemployed for economic reasons.

## The Recession on the Job

Even a job has not been enough to keep hard times at bay. According to the survey, nearly three-in-ten (28%) employed adults say their work hours have been reduced. The pay of almost a quarter (23%) has been cut, while smaller shares had to take unpaid leave (12%) or were forced to switch from full-time to part-time work (11%).

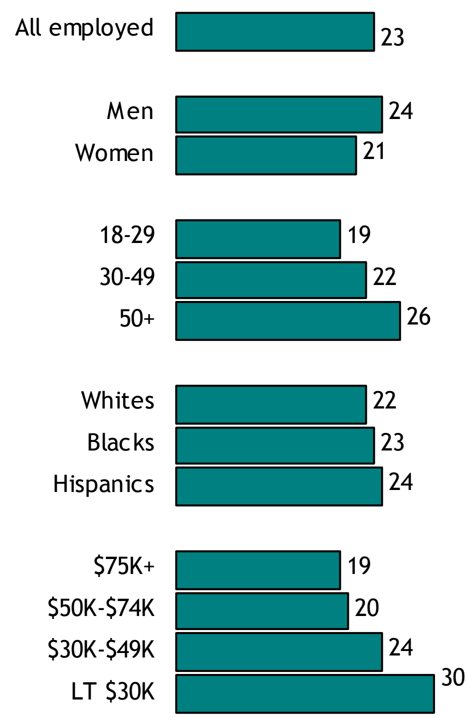
On most of the hardships tested, minorities, workers with less education and younger adults are significantly more likely than other workers to report they have experienced recession-related problems on the job.

For example, blacks are more likely than whites to say their work hours were cut (42% vs. 22%), they were forced to take unpaid leave (19% vs. 10%) or their full-time job was downsized to part time (17% vs. 9%). Hispanics also were nearly twice as likely as whites to report that their work hours were cut (40% vs. 22%).

The recession also has been hard on the youngest and least experienced members of the labor force. Working young adults ages 18 to 29 are significantly more likely than other age groups to say their employer downsized their job from one that was full time to one that is part time (15% vs. 9% for workers ages 50 or older).

**Payday Blues**

% in each group who said their employer has cut their pay during the recession




Notes: Asked of those currently employed full time or part time (n=1,604). Income levels represent annual family income.

Without exception, less-educated workers have been the most vulnerable to the harmful effects of the recession, while college-educated adults have fared considerably better. Those with a high school diploma or less education are about three times as likely as college graduates to say they were moved from a full-time job to one that is part time (15% vs. 5%). They also are more than twice as likely as college graduates to report their hours were reduced (39% vs. 14%).

In particular, workers with less than a high school diploma have been especially vulnerable to problems on the job. Among this group that comprises about one out of every ten employed adults, nearly half (48%) report that their hours have been cut during the recession and 23% say their full-time job was downsized to part time.

## Pay in a Time of Recession

Nearly one-in-four workers say they have taken a cut in pay since the recession began 30 months ago, including 22% of all full-time workers and 25% of those who are employed part time.

The demographic profile of workers whose pay was cut during the recession differs in striking ways from the characteristics of those who experienced the four other job-related cutbacks tested in the survey.

For example, minorities are no more likely than whites to have their pay cut. According to the survey, about equal shares of employed whites (22%), blacks (23%) and Hispanics (24%) report that their salary has been reduced sometime during the recession, as do 24% of men and 21% of women.

Similarly, the general finding that younger workers suffered more harm than their older colleagues is reversed. When it comes to pay cuts, the workers most likely to have taken a hit during the recession are middle-aged adults ages 50 to 64. Overall, 27% of these workers—who should be at the peak of their careers and earnings potential—saw their salaries reduced, compared with 19% of younger workers, 22% of workers ages 30 to 49 and 20% of those 65 or older.

At the same time, wage cuts fell heaviest on those who are the least likely to afford them: adults with family incomes of $30,000 or less. The pay of three-in-ten among this group was cut sometime during the recession, compared with 19% of workers with family incomes of $75,000 or more.

Taken together, the previous two findings show that among the groups most likely to experience pay cuts are workers ages 50 to 64 with family incomes less than $30,000 a year. Among this group, nearly four-in-ten (38%) have had their salary reduced by their employer during the recession, compared with 28% of workers younger than 50.

But the economic news from America's workplaces isn't all bad. Despite hard times, 20% of all workers report getting a promotion or finding a better job during the recession. In addition, 38% of workers say they got a raise from their current employer, though 61% say they did not.

Younger workers are significantly more likely than older employees to say they have received a raise (43% of 18- to 29-year-olds got raises vs. 32% of those ages 50 and older) or to have gotten a better job or promotion (33% vs. 8%).

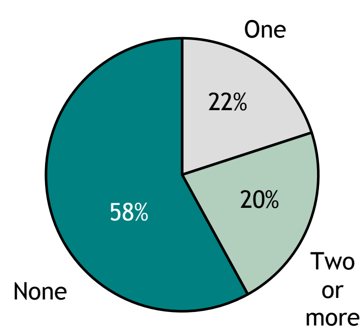
## Multiple Hardships on the Job

Some employed adults have faced more than one recession-related problem on the job. According to the survey, about two-in-ten workers encountered at least two of the four hardships tested (20%). An additional 22% reported they experienced one, while 58% experienced none.

When analyzed together, patterns seen in the individual question snap into sharper focus. Blacks are significantly more likely than whites to have experienced two or more problems (28% vs. 17%). At the same time, a large majority of working whites (63%) say that they did not face any of the four hardships, compared with 46% of

**Multiple Job Impacts**

% of working adults who have experienced this number of job-related hardships during the recession




Problems tested: Work hours reduced; pay cut; forced to take unpaid leave; and forced to switch from full-time to part-time work.

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employed blacks and 49% of Hispanics.

Again, the value of a college degree as a buffer against bad times is clear: Seven-in-ten college grads experienced none of the four hardships compared with only about half (49%) of workers with a high school diploma or less education. At the same time, the less-educated are nearly twice as likely to have experienced two or more job-related problems during the recession (25% vs. 13%).

Workers who could least afford it are the most likely to experience recession-related hardships on the job, the survey found. Among those with family incomes of less than $30,000 a clear majority (56%) experienced at least one of the four problems tested, compared with 32% of those with household incomes of $75,000 or more. In fact, a third (34%) of these lower-income workers reported facing two or more hardships at work, compared with 13% of those with household incomes of $50,000 or more. At the same time, less than half (44%) reported facing no difficulty on the job—a proportion that soars to 67% among higher-earning workers.

**Who Got Hurt the Most**

% in each group who have experienced the following number of job-related hardships during the recession.

| | None | One | Two or more |
|---|---|---|---|
| | % | % | % |
| **Total** | 58 | 22 | 20 |
| **Gender** | | | |
| Men | 56 | 24 | 21 |
| Women | 61 | 21 | 19 |
| **Age** | | | |
| 18-29 | 58 | 21 | 21 |
| 30-49 | 60 | 20 | 20 |
| 50+ | 55 | 25 | 19 |
| **Race/Ethnicity** | | | |
| White | 63 | 21 | 17 |
| Black | 46 | 26 | 28 |
| Hispanic | 49 | 26 | 26 |
| **Education** | | | |
| Coll. grad | 70 | 18 | 13 |
| Some coll. | 56 | 23 | 18 |
| HS grad or less | 49 | 21 | 25 |
| **Income** | | | |
| $75K+ | 67 | 19 | 13 |
| $50-74K | 67 | 20 | 13 |
| $30-49K | 51 | 28 | 22 |
| LT 30K | 44 | 22 | 34 |

Notes: Hispanics are of any race. Whites and blacks include only non-Hispanics. Income levels represent annual family income.

## Working Longer

For some workers, the recession has meant longer hours on the job. According to the survey, about a third of all currently employed adults say they have had to work longer hours or more overtime shifts since the recession started.

Significantly, the groups that reported encountering the most difficulties on the job also are more likely to say they have had to work longer hours or more overtime. Blacks in particular say they have been putting in more time on the job: Nearly half (46%) say they have worked longer hours or more overtime, compared with 38% of Hispanics and 30% of whites.

Younger workers also have been spending more time at work. Four-in-ten workers ages 18 to 29 say they have been working longer, compared with 30% of workers 50 and older. So have workers with a high school diploma or less education. Among this group, nearly four-in-ten (38%) are putting in longer hours or working more overtime, compared with 31% of college graduates and 28% of those who attended college but did not graduate.

Men also are somewhat more likely than women to say they have been working additional hours or more overtime (36% vs. 30%).

Does more work mean more pay? This survey does not directly answer that question. Among all workers who say they have had to work longer hours or more overtime, more than a third (37%) say they have gotten a raise since the recession started 30 months ago, while 30% report their pay has been cut. However, the survey question did not distinguish between paid and unpaid overtime, leaving open the possibility that many of these workers were compensated for their extra work.

## The Re-employed

The Great Recession has been an employment roller coaster ride for 26% of currently employed adults who have experienced at least one spell of unemployment sometime in the past 30 months. Perhaps surprisingly, there are few demographic differences between these re-employed workers and those who did not lose their jobs during this period. But the two groups of workers do differ in terms of their attitudes toward their present jobs.

According to the survey, the re-employed are less satisfied with their current job and significantly more likely to say they are overqualified for it. Still, they don't think their spell of unemployment will cause long-term damage to their careers, and most say their current job is at least as good or the same as the one they lost.

For some workers, finding a new job was a short-lived victory over hard times. According to the survey, more than a third have suffered two or more spells of unemployment during the recession, including 16% who have been out of work three or more times.

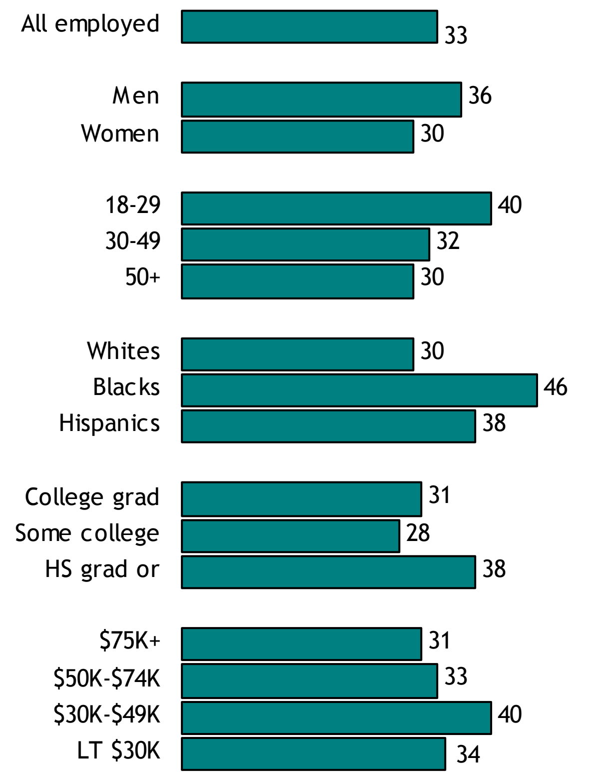
## Comparing the Jobs They Lost to the Jobs They Found

According to the survey, somewhat less than half (46%) of re-employed workers lost a full-time job but then found full-time work during the recession. An additional 14% moved laterally from one part-time job to another.

At the same time, about one-in-eight re-employed workers (13%) moved from part-time to full-time employment. Not surprisingly, this group of new

### Who Is Spending More Time at Work

% of workers in each group who say they have had to work longer hours or more overtime during the recession




Note: Asked of those currently employed full time or part time (n=1,604). Hispanics are of any race. Whites and blacks include only non-Hispanics. Income levels represent annual family income.

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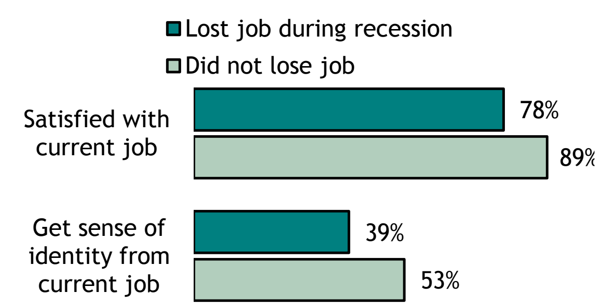
### How Re-employed See their Current Jobs

Re-employed less satisfied and less likely to get a sense of identity from their work

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full-time workers is dominated by young people, many of whom may have gotten their first "real" job. But for one-in-four re-employed workers, the recession likely marks a backward step in their careers. Fully 26% of re-employed workers lost a full-time job and now work part time.

Employed workers who had been out of work during the recession are somewhat less satisfied with their present jobs than their colleagues who were not unemployed during the recession. Nearly 78% of all workers who lost a job during the downturn say they are satisfied with their current job. That is 11 percentage points lower than the satisfaction levels of workers who did not experience a spell of unemployment.

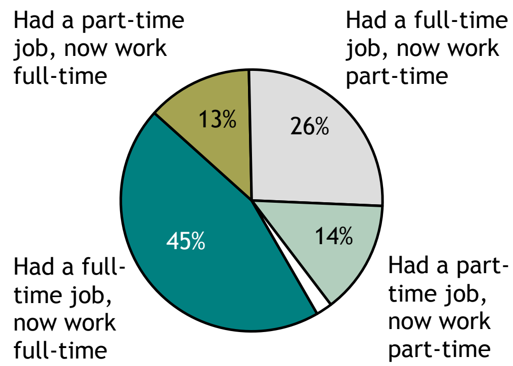
Nor do the re-employed get the same sense of fulfillment from their current jobs as their colleagues who did not lose a job. About four-in-ten workers (39%) who experienced job loss during the recession say they get a sense of identity from their current position. For the remainder, their job is just what they do to put bread on the table. In sharp contrast, more than half (52%) of all workers who did not lose their jobs during the recession get a sense of identity from their jobs.

Other survey findings suggest re-employed workers may have settled for the best-available job in an anemic job market.

A majority of re-employed adults (54%) say they are overqualified for their current job, compared with 36% of other workers. Only a third report they have the right qualifications for their new job, more than 20 percentage points lower than the proportion of workers who did not lose their job.

### How Re-employed Workers Fared

% of workers in each category who lost a job sometime during the recession but are now employed




Note: "Don't know/Refused" responses are included but not labeled.

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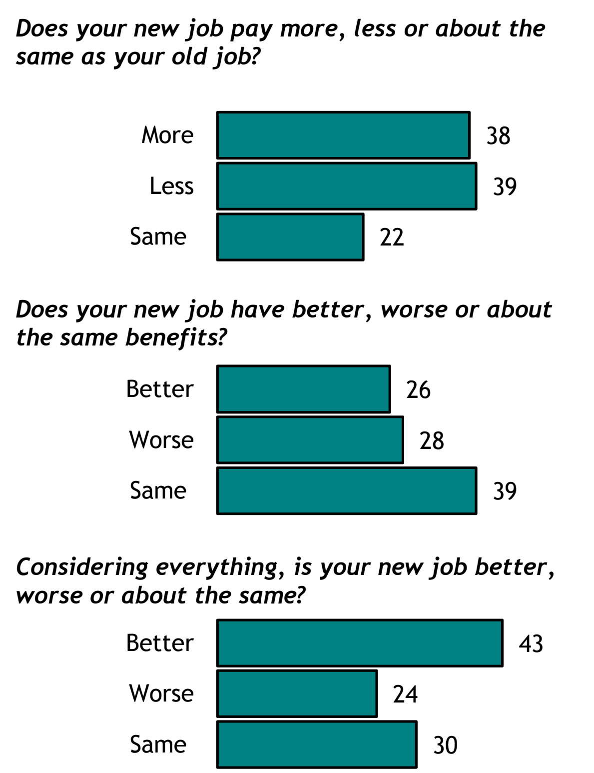
### No More Money, Benefits Aren't better—but It's a Better Job

How workers compare their current job to the one they lost during the recession




Note: "Don't Know/Refused" responses not shown

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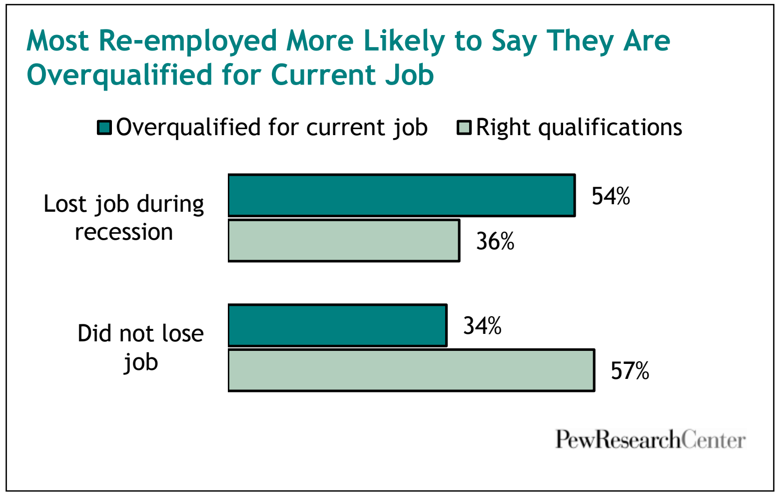
At the same time, a different set of questions produces somewhat puzzling results.



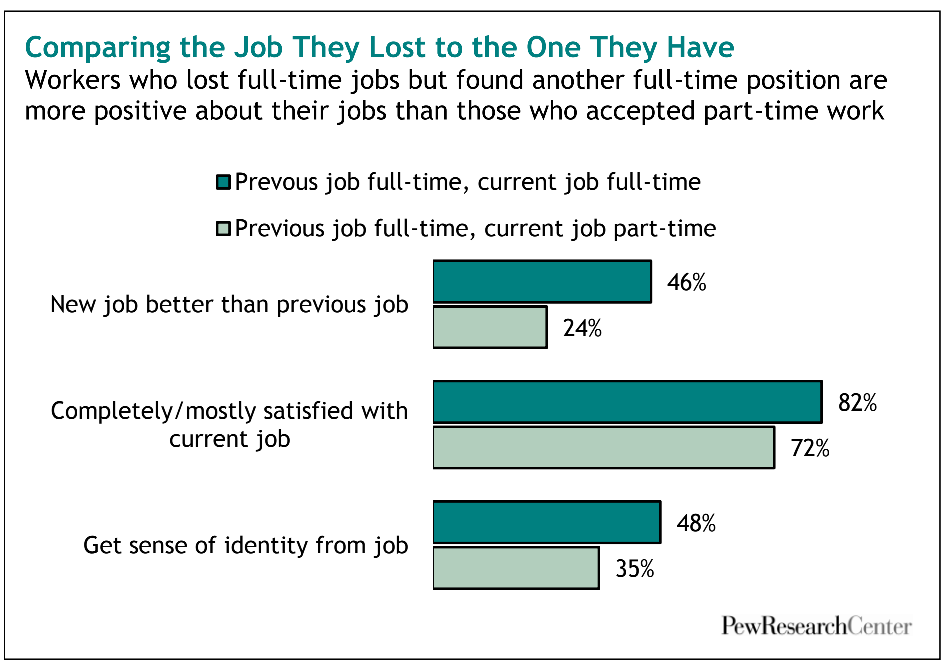

Overall, four-in-ten re-employed workers say their current job pays less (39%) than the one they lost, while 22% say the pay is about the same. About four-in-ten (38%) got a better-paying job despite hard times.

An even larger majority say their new job has about the same fringe benefits (39%) or worse (28%) benefits than their old one. Only a quarter (26%) say their current benefits are better.

Despite these lukewarm assessments, a substantial plurality (43%) says their new job is better than their old one. While the sample is too small to say with confidence, nearly a third of all workers who say they make less money and have worse benefits say their new job is better than (12%) or about the same (20%) as their old one.

Some of these rosy assessments may simply mean that in this bad economy, many workers are happy to have any job—even one that pays less or whose benefits aren't as good as in their old job.

Not surprisingly, among adults who lost a full-time job, those who found another full-time position are significantly more positive about their new job than those who accepted part-time employment (46% vs. 24%).




More than eight-in-ten full-time to full-time workers also say they are satisfied with their job (82%), nearly as high a job satisfaction level as among all workers. In contrast, about seven-in-ten (72%) workers who lost full-time jobs and now work part time are satisfied with their job.

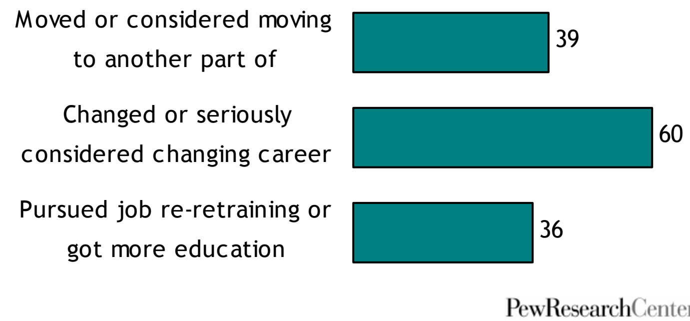
Full-time to full-time workers also are more likely than part-timers to say they get a sense of identity from their current job (48% vs. 34%).

## Career Changes

Many re-employed workers spent the time they were out of work reconsidering their job and career options. According to the survey, about four-in-ten re-employed workers (39%) say that when they were unemployed they moved or seriously considered moving to an area where jobs were more plentiful. About six-in-ten changed careers or contemplated doing so, while 36% sought job retraining programs or went back to school.

**Retooling, Relocating**

% of re-employed who did or seriously considered doing each while they were out of work




Taken together, the survey finds that three-quarters of all re-employed workers took one of the three steps or thought seriously about doing so—and nearly half (45%) at least considered two or more options.

Men and younger workers are significantly more likely than other workers to have contemplated making major changes in their working lives to get a job when they were out of work.

According to the survey, re-employed men are significantly more likely than women to say they seriously thought about moving or actually moved to a new area where jobs were more plentiful (45% vs. 31%). A somewhat larger share of these working men also reports they had pursued a job retraining program or more formal education (39% vs. 33%) while unemployed. But the same share of men and women (60%) report that while they were unemployed, they changed careers or seriously thought about going into a new field.

While unemployed, younger workers were significantly more likely to consider relocating and getting additional job training or education. Among re-employed workers ages 18 to 29, nearly half (47%) say they considered picking up stakes and moving to where the jobs were, compared with 22% of those 50 or older. Those age differences are not surprising in that young adults are the least likely to be married, have a family, own a house or have other characteristics that tend to keep people anchored in their current communities.

**The Demographics of Career Change**

% of re-employed workers in each group who said they had done or seriously considered doing each while unemployed

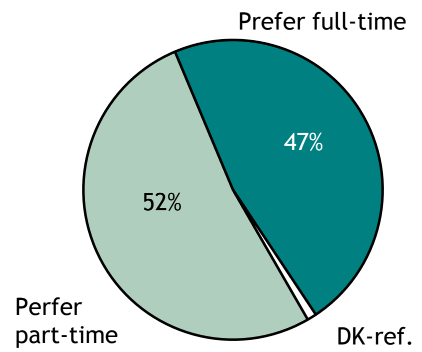
| | Moved to area with jobs | Changed careers, field | Enrolled in retraining, education |
|---|---|---|---|
| | % | % | % |
| **Total** | 39 | 60 | 36 |
| **Gender** | | | |
| Men | 45 | 60 | 39 |
| Women | 31 | 60 | 33 |
| **Age** | | | |
| 18-29 | 47 | 55 | 44 |
| 30-49 | 38 | 65 | 33 |
| 50+ | 22 | 62 | 26 |
| **Race/Ethnicity** | | | |
| White* | 39 | 66 | 36 |
| Nonwhite | 40 | 51 | 37 |
| **Education** | | | |
| Coll. grad | 43 | 64 | 38 |
| Some coll. | 43 | 62 | 41 |
| HS grad or less | 34 | 57 | 33 |

Notes: Whites include only non-Hispanic whites. Hispanics are included in the nonwhite category and may be of any race. Income levels represent annual family income.

Among the re-employed, younger workers also are more likely than older adults to report having pursued job retraining or having sought more schooling to help them find a job (44% for those 18 to 29 vs. 25% for workers 50 or older).

Younger workers are less likely than the older re-employed to say they considered abandoning their chosen careers or occupations while they were jobless—perhaps because they have not yet chosen their life's work. Overall, more than half (55%) of those ages 18 to 29 say they switched careers or seriously thought about doing so. That compares with 65% of those ages 30 to 49 and 62% who are 50 or older.

**Nearly Half of All Part-time Workers Would Prefer a Full-time Job**




## The Underemployed

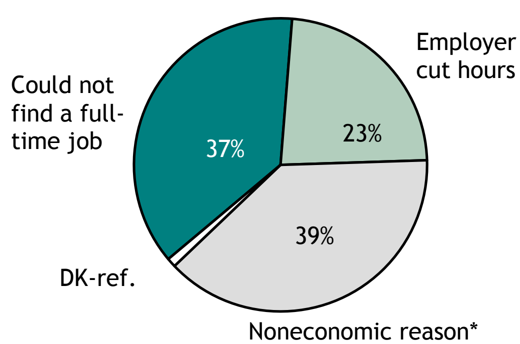
Government statistics document the sharp increase in the number of Americans classified by labor economists as "underemployed." These part-time workers say they want to work full time but have not been able to find a full-time job.[39] [For a more detailed analysis of the underemployed, see Chapter 2]

Nearly half of all part-time workers (47%) say they would like to be employed full time, while 52% prefer part-time employment.

Economic reasons explain why six-in-ten of these workers do not have full-time jobs. According to the survey, nearly four-in-ten part-time workers (37%) say they cannot find a full-time job, while an additional 23% say their employers cut back their hours. In addition to these involuntary part-time workers, four-in-ten (39%) are working part time for noneconomic reasons, such as family responsibilities or health issues that prevent them from taking a full-time job.

**Reasons for Underemployment**

% based on part-time workers who want to work full time




*Underemployed who give a noneconomic reason include those who cannot work full time because they have small children and those who provide care for an ailing family member.

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Men, minorities and workers younger than 50 disproportionately fill the ranks of the underemployed. A substantial majority of men (60%) who work part time but only 38% of women who do so say they want a full-time job. Among all part-time workers, about six-in-ten minorities but 41% of whites are underemployed, as are 56% of part-timers with a high school education or less, compared with slightly more than a third of

[39] The Labor Department defines underemployed workers to be those who work part time but want a full-time job and do not have one for economic reasons, including those who have tried but failed to find full-time employment. Underemployed workers do not include part-time workers who cannot accept a full-time position because of their health, family responsibilities or other noneconomic reasons.

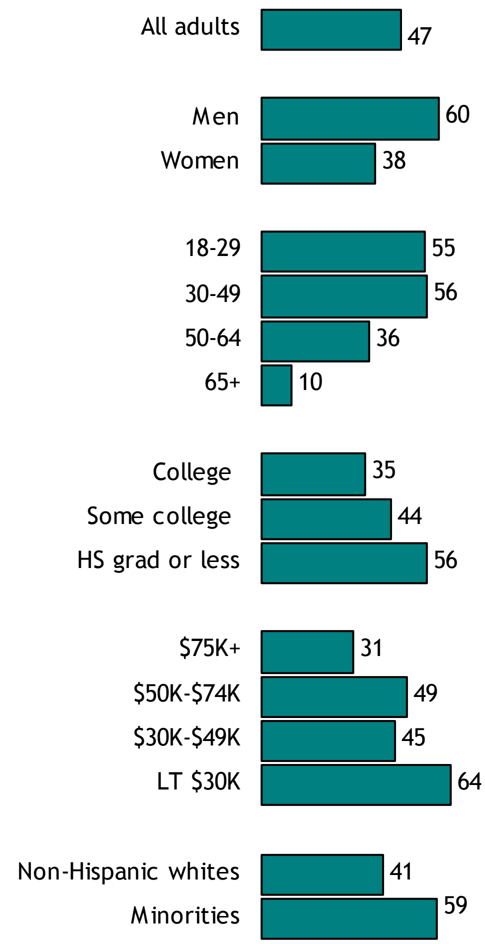
those with college degrees. Workers younger than 50 also are more likely than older workers to be underemployed.

Not surprisingly, nearly two-thirds of all part-timers with family incomes of $30,000 or less are underemployed, double the proportion of those with family incomes of $75,000 or more (64% vs. 31%).

While the underemployed are generally satisfied with their jobs, they are significantly less likely to report being "very satisfied" with their current position, compared with those who work full time (12% vs. 33%). Conversely, they are more likely than their colleagues who work full time to say they are dissatisfied with their job (29% vs. 11%). These underemployed workers also are significantly less likely to say their current job gives them a sense of identity (35% for underemployed vs. 49% for those employed full time.)

**Men, Minorities, Less Educated More Likely to Be Underemployed**

% of part-time workers in each group who would prefer a full-time job




Note: Asked of those currently employed full time or part time. Income levels represent annual family income.

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## Partisanship and Problems on the Job

Republicans and Democrats have fundamentally different judgments about the country's economic health and the overall direction of the economy. As detailed in other sections, partisans even disagree about whether the country is still in a recession or on its way out of bad times, with Democrats expressing consistently more optimistic views.

But in terms of experiences on the job, partisan differences vanish and Republicans are no more or less likely than Democrats to say they had their pay cut, hours reduced or been forced to switch from a full-time job to one that is part time. Nor were members of either party more likely to have gotten a raise, promotion or a better job since the recession began.

According to the survey, about two-in-ten Republicans (21%) and Democrats (22%) had their pay cut. Virtually identical proportions say they were forced to take unpaid leave (13% of Republicans and 10% of Democrats) or had their job downsized by their employer (10% among Republicans and 12% among Democrats). Partisans from both parties also were no more likely to say their employer trimmed their work hours.

Republicans and Democrats also were no more likely to say they got a raise (39% and 40%, respectively) or to have won a promotion or found a better job during the recession.

However, working Democrats were more likely than Republicans to have lost a job during the recession (29% vs. 20%) or to be currently unemployed—differences that seem hard to reconcile with Democrats' overall more positive assessments of the economy.

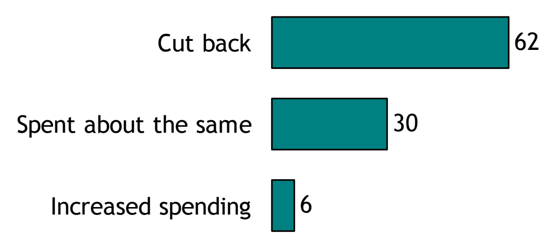
## Chapter 6: Spending, Saving, Borrowing, Retirement Confidence

The Great Recession has fundamentally changed the spending, borrowing, saving and investing habits of the American public—now and quite possibly for a long time.

According to the Pew Research survey, more than six-in-ten (62%) Americans say that since the recession began, they have cut back on household spending. Half say they have reduced the amount they owe on mortgages, credit cards, car loans and other borrowing. And of those who have savings or retirement accounts, more than four-in-ten (42%) say they've adopted a more conservative approach to saving and investing, compared with just 8% who say they have taken a more aggressive approach.

**Are You Spending More, Less or the Same?**

% saying since the recession began, they have...




Note: "Don't know/Refused" responses not shown.

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Looking ahead to when the economy recovers, many say they plan to keep up this new emphasis on thrift and caution as they manage their personal finances.

Nearly a third of Americans (31%) say they will hold down their spending, and only 12% say they will increase their outlays once the economy improves. About half (48%) say they plan to increase the amount of money they save, and nearly a third (30%) plan to reduce debt levels.

The recession also has forced many Americans to dip into their investments, savings or retirement accounts to pay their bills. Four-in-ten have taken money from savings or retirement accounts; nearly two-in-ten have sold stocks, bonds or mutual funds to meet their expenses. Among the vast majority of Americans with savings or investments, most say they have changed the way they save or invest, generally in a more cautious direction.

The financial turmoil has shaken Americans' confidence that they will have enough income and assets to last through their retirement. Nearly a third (32%) are not confident that their nest egg will carry them through retirement, an increase from 25% who said so in a Pew Research Center survey last year. Among those ages 62 and older, 35% say they delayed retirement because of the recession; among those in the pre-retirement years (ages 50-61), fully six-in-ten (60%) say they might have to delay retirement because of the recession.

This chapter examines differences among age, race and other subgroups in responses to questions on spending, saving, borrowing and retirement confidence in the Pew Research survey. As will be demonstrated, there are significant differences—especially by age, educational attainment and employment status—in how people have responded to the recession's impact.

## Spending Patterns

Most Americans say they have tightened their belts since the recession began: 62% of Americans say they have cut back household spending. Only 6% say they are spending more, and 30% are spending about what they did before the recession.

Middle-aged adults are the most likely to say they have reduced spending: 66% of those ages 30-49 and 70% of those ages 50-64 say so. That compares with 54% of the youngest adults, ages 18-29, and 53% of those ages 65 and older. The youngest adults are somewhat more likely than other groups to say their spending has gone up during the recession—11% say so.

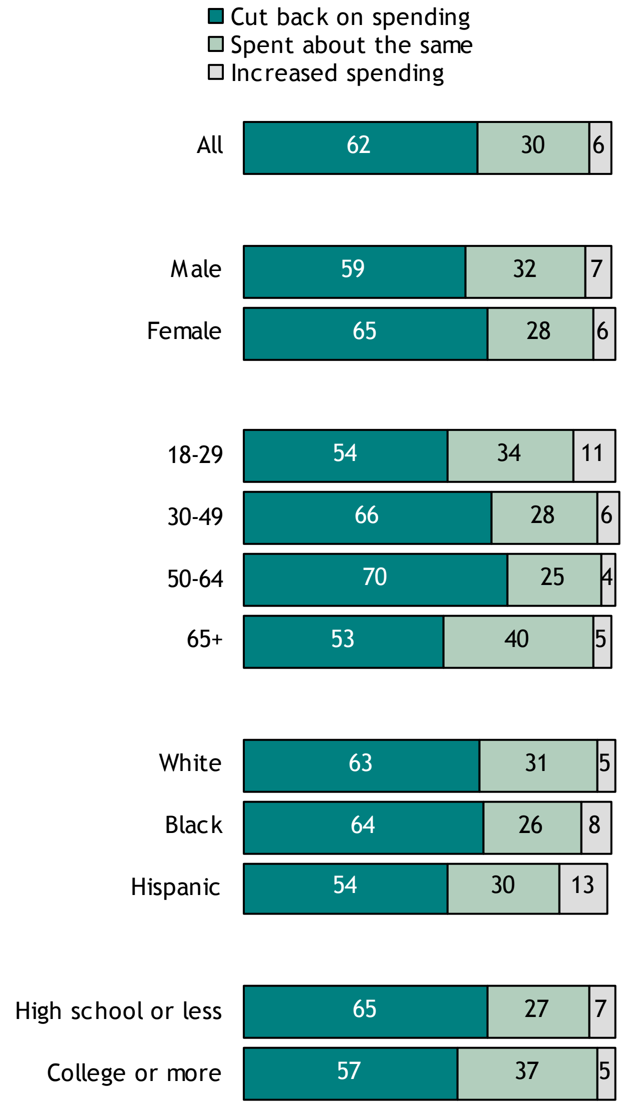
Whites and blacks are more likely than Hispanics to say they have reduced spending: 63% of whites have, as have 64% of blacks and 54% of Hispanics. This finding could be explained in part by Hispanics' younger age profile.

By gender, women (65%) are more likely than men (59%) to say they have reduced spending. By education level, adults with a high school diploma or less education (65%) are more likely than college graduates (57%) to say they have cut their spending.

Not surprisingly, the groups that have done the worst in the recession are more likely to say they have cut spending. Nearly eight-in-ten (79%) unemployed adults have done so, compared with about six-in-ten (62%) employed adults.

**Most Cut Spending—Some More Than Others**

% saying since the recession began, they have…




Note: "Don't know/Refused" responses not shown.

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## Future Spending Plans

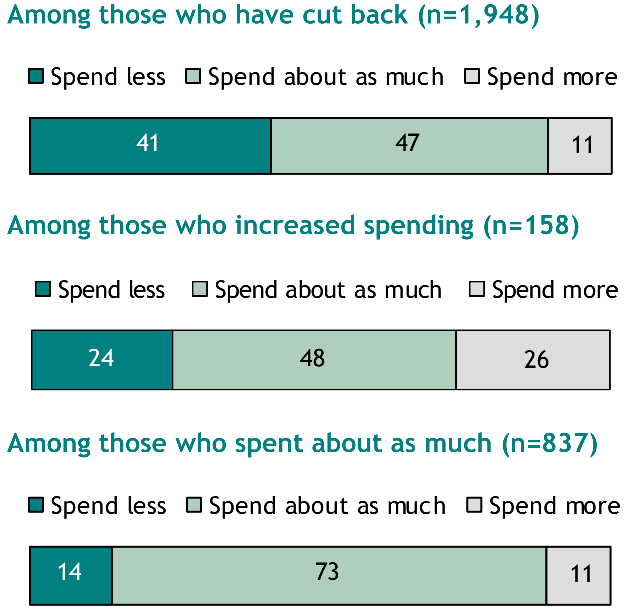
Among all adults, 12% say they will spend more when the economy improves and 54% will spend about what they did before the recession. Nearly one-in-three (31%) say they plan to hold down their spending.

Among those who reduced their spending during the recession, nearly half (47%) plan to resume their pre-recession spending levels when the economy improves, 41% say they will continue with spending cutbacks and only 11% plan to spend more than they did before the recession hit.

Those who pledge to keep tightening their belts are disproportionately middle-aged: Adults ages 30-49 (43%) and 50-64 (44%) are more likely than young adults ages 18-29 (33%) to say they will continue to spend less. Younger adults and adults ages 65 and older are more likely to say they will resume spending at pre-recession levels.

**Spending Plans When the Economy Improves**

% saying they will … compared with before the recession




Note: "Don't know/Refused" responses not shown.

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By gender, 43% of women say they plan to maintain reduced spending, compared with 38% of men. More men plan to loosen their wallets—14%, compared with 8% of women.

Adults with college degrees are more likely than adults with high school diplomas or less education to say they will continue to hold down their spending when the economy improves—46% vs. 35%. Adults with at most a high school diploma (13%) are more likely than college graduates (9%) to say they will spend more.

Among those who have upped their spending during the recession, about half (48%) say they will reduce spending to pre-recession levels when the economy recovers. The rest are split between planning to spend less (24%) or more (26%).

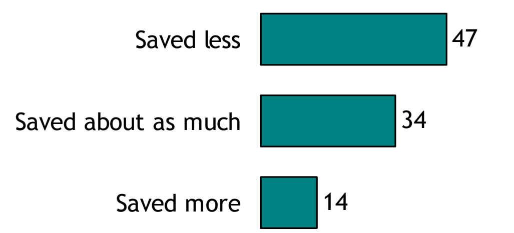
Among adults who are spending about what they did before the recession, nearly three-quarters (73%) plan to keep doing so in the future. The rest are split between those who intend to spend less (14%) and more (11%). In this group, men (16%) are more likely than women (6%) to plan greater spending when the economy comes back. Adults with at most a high school diploma are twice as likely as college graduates to say they will cut spending when the economy recovers (20% vs. 10%).

## Savings Patterns

Nearly half of Americans (47%) say they are saving less since the recession began; 34% say they are saving about as much; 14% say they are saving more.

**Are You Saving More, Less or the Same?**

% saying since the recession began, they have ...




Note: "Don't know/Refused" responses not shown.

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Adults nearing retirement, ages 50-64, are the most likely to say they are putting less into savings—54% do. That compares with only 37% of young adults (ages 18-29), 49% of Americans ages 30-49 and 46% of those ages 65 and older. Younger people (26%) are more likely than middle-aged or older Americans to say they are saving more; adults 65 and older (41%) are more likely than middle-aged Americans to say they are saving about the same amount as before the recession.

Adults with at most a high school diploma (52%) are more likely than college graduates (41%) to say they are saving less. College graduates are more likely than adults with at most a high school diploma to say that they have upped their savings levels (17% vs. 11%) or that they are saving about as much as they used to (40% vs. 31%).

Most unemployed adults (60%) say they are saving less, compared with 45% of employed adults.

The survey finding that a hefty share of adults say they are saving less may appear to be inconsistent with the finding in Chapter 2 of this report that the national savings rate has more than doubled since the recession began. There are several possible explanations for this, including differing definitions of what constitutes savings.

The savings rate, as computed by the Bureau of Economic Analysis from the National Income and Product Accounts (NIPA), uses as its measure of savings the amount of personal income in any one year that remains after subtracting spending and other relevant expenses, including non-mortgage interest payments and transfer payments. It may be that the NIPA definition of savings does not match Pew Research survey respondents' definition of savings when they assess what has changed for them since the recession began.

For example, if retirees who live on their savings cut back their spending, that is counted as an increase in savings in the NIPA, even though those retirees did not deposit additional funds into their savings accounts.

Another example could be that survey respondents might say they have reduced savings because their home equity was diminished or because losses in the stock market caused their retirement funds to shrink. However, those reductions in their "stock of savings" are not counted as reduced savings in the NIPA definition because they are not a residual of income minus spending and other relevant expenses.

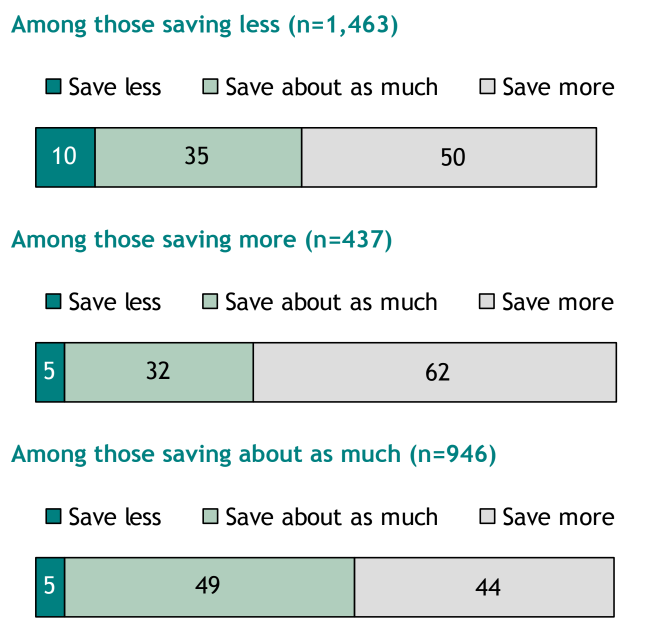
## Future Savings

When the economy improves, nearly half of all adults (48%) say they plan to save at higher levels than they were before the recession, 38% plan to save at their pre-recession levels and 7% plan to save less than that. Patterns differ by subgroup, and by whether someone already has cut back.

Among those who have reduced their savings, half (50%) plan to save more when the economy improves, 35% say they will resume their pre-recession savings level and 10% plan to save less. Younger adults are more likely to say they plan to save more when the economy recovers: 68% say they will, compared with 60% of adults ages 30-49, 43% of those ages 50-64 and 29% of those ages 65 and older. More than half of college graduates (54%) say they will ramp up savings again when the economy improves, compared with 46% of adults with at most a high school diploma.

**Saving Plans When the Economy Improves**

% saying they will … compared with before the recession




Note: "Don't know/Refused" responses not shown.

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Among those saving more, most (62%) plan to continue doing so after the recession ends. Meanwhile, 32% plan to save the same amount, and 5% plan to save less. Among those saving about the same amount they were before the recession, 49% will continue to do so, 44% plan to save more and 5% say they will reduce their savings.

Among those who are saving about as much as they did before the recession, the oldest adults (20%) are least likely to say they plan to save more when the recession ends. By contrast, half (50%) of adults ages18 to 29 say they will increase their savings, as do more than half (57%) of those ages 30 to 49. Most adults ages 50-64 (51%) and 65 and older (69%) say they will continue to save at the level at which they had been saving. Most blacks (58%) say they plan to increase their savings when the economy rises, and most whites (53%) say they will maintain their current savings level.

## Borrowing More, or Less?

Half of Americans (50%) say they've taken steps to cut back the amount of money they owe on mortgages, credit cards, car loans and other types of borrowing. An additional 19% have made no changes, 13% say they have borrowed more money to pay their monthly bills and 15% say they have no loans or debts.

Most adults ages 50-64 (55%) and 30-49 (53%) say they have taken steps to reduce the amount they owe, compared with 41% of adults ages 65 and older. Among adults ages 18 to 29, 47% have cut back their borrowing. These young adults (17%) and those ages 30-49 (15%) are somewhat more likely than those ages 50-64 (11%) or 65 and older (8%) to say they increased their borrowing.

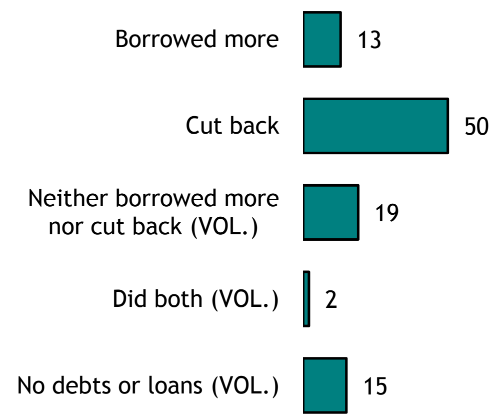
When it comes to cutting back, whites (51%) and blacks (54%) are more likely than Hispanics (43%) to say they have done so. When it comes to increasing borrowing, blacks (17%) and Hispanics (24%) are more likely than whites (10%) to say they have done that. Adults ages 65 and older (26%) are more likely than younger adults to say they have no debts.

Adults with at most a high school diploma are more likely than college graduates to have upped their loan balances during the recession (15% vs. 9%). They also are more likely than college graduates to have no debts or loans (18% vs. 13%).

Unemployed adults are more likely than employed adults to say they have increased their borrowing during the recession (22% vs. 13%).

**Are You Borrowing More Money or Cutting Back on What You Owe?**

% saying during the recession, they …




Note: "Don't know/Refused" responses not shown.

Question wording: I'd like you to think about the money you owe on your credit cards, mortgage, car loans and other kinds of loans. During the recession, did you have to borrow more money to pay your monthly bills, or did you take steps to cut back what you owe?

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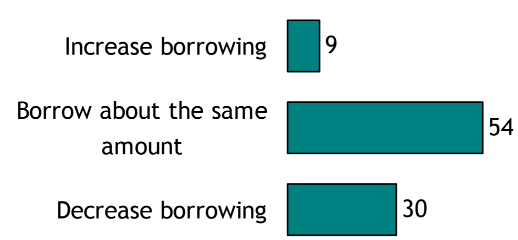
## Future Borrowing

Most adults (54%) say they do not expect to change their current level of borrowing when the economy improves. About one-in-three (30%) say they will decrease borrowing, and 9% plan to increase borrowing.

The most notable finding by age on this question is a split between the oldest age group and other age groups. Nearly two-thirds (65%) of adults ages 65 and older plan no change in their level of borrowing, compared with half or slightly more than half of middle-aged or younger adults.

**Borrowing Plans When the Economy Improves**

% saying that when the economy improves, they will …




Note: "Don't know/Refused" responses not shown.

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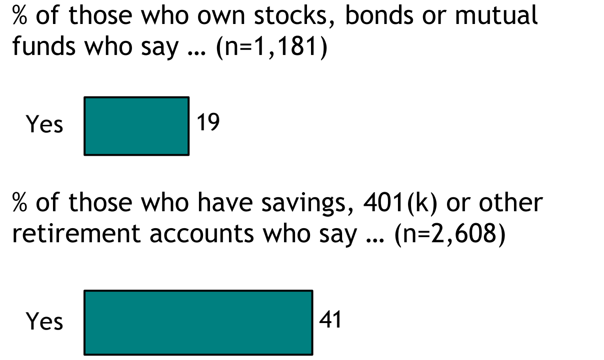
Unemployed people are more likely than the employed to say their borrowing will increase (14% vs. 9%). Employed people are more likely to say their borrowing will remain the same (52% vs. 46%).

## Sell Investments or Dip into Savings to Pay Bills?

Among those with stock, bond or mutual fund investments, 19%—nearly one-in-five—say they have had to sell some of their holdings to pay their bills during the recession. A higher share of men (22%) than women (16%) say they sold some investments to pay bills.

**Did You Sell Investments or Raid Savings to Pay Your Bills?**




Note: "Don't know/Refused" responses not shown.

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Those who own stocks, bonds or mutual fund investments total 37% of U.S. adults, according to the survey. Holders of these investments are disproportionately likely to be white, ages 50 and older, college graduates and have high incomes. By employment status, 40% of employed adults have such holdings, compared with 20% of the unemployed. By party affiliation, 47% of Republicans own stocks, bonds or mutual funds, compared with 32% of Democrats and 37% of independents.

The share of adults who say they own stocks, bonds or mutual funds has declined since a Pew Research survey in 2008, when 44% of respondents had such holdings. [40]

Among Pew Research survey respondents who own stocks, bonds or mutual funds, low-income households are more likely than high-income households to have sold some holdings to pay their bills. Among people with at least $100,000 in household income, 16% sold investments to pay their bills. Among people with $20,000 or less in household income, 36% did. Among those with investments in stocks, bonds or mutual funds, the unemployed are twice as likely as the employed to say they had to sell some of their assets to pay bills (36% vs. 18%).

Among those with bank accounts or retirement savings (88% of households in the survey), 41% say they have had to pull money from them to meet expenses or pay bills during the recession. Those who dipped into savings include about half of blacks (52%) and Hispanics (49%) but only 39% of whites. In keeping with other survey findings that the elderly have been more sheltered from the recession's impacts than younger adults, only 27% of adults ages 65 and older say they pulled money from bank accounts or retirement savings to meet expenses. Among younger groups, more than four-in-ten did.

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[40] Does the Pew Research finding of decline in stocks, bonds or mutual funds match findings of other data sources? A national survey of non-institutional ownership of mutual funds, sponsored by the Investment Company Institute, found a decline in household and individual ownership of such funds between 2008 and 2009, the latest year available. The share of households owning such funds declined to 43% in 2009 from 45% in 2008; the number of individual investors declined to 87.1 million in 2009, compared with 92 million in 2008. The Investment Company Institute survey includes owners of mutual funds both inside and outside employer-sponsored retirement plans. (Pew Research survey respondents were not asked whether their holdings were part of employer-sponsored plans.)

Higher-income households are the least likely to dip into savings to pay the bills. Among adults with household incomes of $100,000 or more, 27% have done so. Among adults with household incomes of $20,000 or less, 47% did.

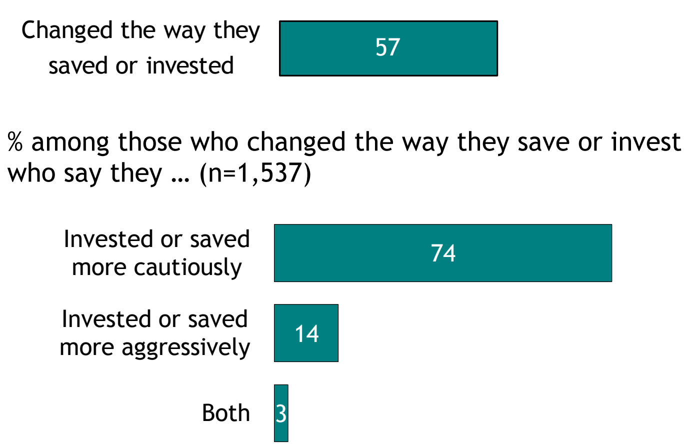
More than six-in-ten unemployed adults (62%) say they have taken money from their savings or retirement accounts to pay current bills, compared with 42% of employed adults.

## Change in Investing Strategy?

The vast majority of all Americans (88%) have investment holdings, bank accounts or retirement accounts, and more than half (57%) say they have changed the way they are investing or saving since the recession began. This is especially true of Hispanics (67%), compared with whites or blacks (55% each). At least six-in-ten younger or middle-aged adults say they have made changes, compared with only 40% of adults ages 65 and older. Unemployed adults (73%) are more likely than the employed (60%) to have changed the way they invest.

**Did You Change the Way You Saved or Invested?**

% saying yes … since the recession began (n=2,624)




Note: "Don't know/Refused" responses not shown.

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Asked whether those changes resulted in more cautiousness or aggression, the majority of those who altered their strategy (74%) say they are more cautious. Only 14% say they have become more aggressive, and a few (3%) say they are both.

Younger adults are more likely than older ones to have become more aggressive, and older adults are somewhat more likely to say they have dialed back. About a quarter of younger adults ages 18-29 (26%) say they have become more aggressive, compared with less than 15% of middle-aged or older adults.

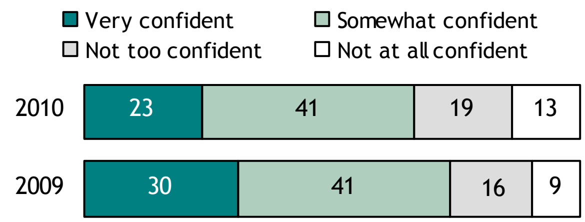
There is some difference by education level in whether people changed their investment or savings strategies and also some difference in the type of change they made: College graduates (18%) are somewhat more likely than those with no more than a high school diploma (12%) to say they are investing more aggressively. There also are no significant differences by income group, but people who say they live comfortably (19%) are somewhat more likely to be investing more aggressively than those who have just enough for basics with a little left over (13%) or just enough for basics (12%).

## Confidence in Retirement Savings

Most adults are very (23%) or somewhat (41%) confident that they—and, if married, their spouse—will have an adequate nest egg to carry them through their retirement years. However, confidence levels have eroded somewhat in the last year, especially among younger adults, when they are asked whether they will have enough money and assets to last their lifetimes.

**Confidence in Retirement Funding Declines**

% saying they are … that they will have enough income and assets for retirement




Note: In 2010, 1% say they won't have anything or were unable to save. "Don't know/Refused" responses not shown.

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The share that is very confident has declined (to 23% from 30%) since a similar question was asked in February 2009; the "somewhat confident" share is unchanged. Nearly a third (32%) are not confident they will have enough, compared with 25% in 2009. That includes 19% who are not too confident, up from 16% in 2009, and 13% who are not at all confident, up from 9% in the 2009 survey.

As with other measures of economic insecurity, older adults are more sheltered than other groups. Only 22% of adults ages 65 and older are not confident about their retirement savings, compared with 31% of adults ages 18-29, 36% of those ages 30-49 and 37% of those ages 50-64.

Compared with 2009, older adults' confidence levels about the adequacy of their retirement savings have not budged. The levels have fallen most sharply for younger adults. Last year, 19% of the elderly were not confident about their retirement savings, compared with 22% in 2010.

Among those ages 18 to 29, 23% lacked confidence in 2009, compared with 31% in 2010. Among those ages 30-49, 25% lacked confidence in 2009, compared with 36% in 2010. Among those ages 50-64, 31% lacked confidence in 2009, compared with 37% in 2010. A year's time has served to erode the sharp differences between baby boomers and younger adults.

Unemployed adults are especially likely to be unsure they will have the resources to support themselves in retirement. Barely half (49%) of unemployed people are confident of their retirement nest egg, compared with 64% of employed adults. They are twice as likely as the employed to be not at all confident about the adequacy of their retirement resources (26% vs. 13%).

By education level, college graduates are more confident than those with at most a high school diploma that their retirement savings will be adequate when the time comes—71% to 61%. More than a third (35%) of those with a high school diploma or less education are not confident about their retirement savings, compared with 27% of college graduates.

A similar pattern prevails by income group, with an increase in confidence about retirement savings as family income rises and a decline as family income falls. For example, 78% of adults with family incomes of $100,000 or more are confident about their retirement savings, compared with 55% among adults with family incomes of $30,000 or less.

Adults who are unsure about their retirement income and assets are more likely than those who are confident to have cut back spending or be planning to do so. Among the unsure, 77% have cut spending, compared with 55% of those who are confident. The unsure also are more likely than those who are confident to have cut savings (65% to 38%) and borrowing (57% vs. 47%).

In terms of income and assets, people who are unsure about their retirement are less likely to have high family incomes and to own stocks, bonds or mutual funds than people who are confident about their nest eggs.

The Pew Research survey also asked respondents whether they might have to delay their retirement. Among those ages 50-61 who are currently employed, 60% say they may have to delay their retirement because of the recession. Roughly a third (34%) say they will not have to delay retirement, and 5% aren't sure. [A fuller treatment of this question can be found in Chapter 4.]

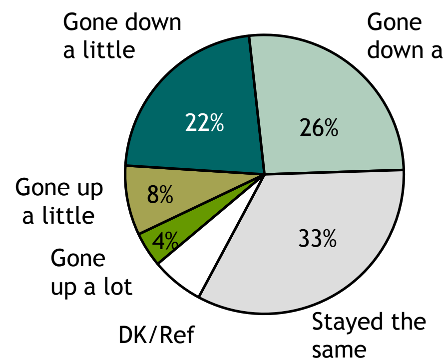
The share saying they may have to delay retirement is even higher among those who are unsure they will have enough of a nest egg to carry them through their retirement years. Among those ages 50-61 and not retired, 82% of those who are unsure say they may have to delay retirement, compared with 47% of those who are confident about their income and assets.

# Chapter 7: The Housing Bust

About half of all homeowners say their home is worth less now than it was before the recession began, and of these, nearly nine-in-ten predict it will be at least three years for their home to return to its pre-recession value. Yet these reversals have not substantially diminished the belief of most Americans that a home is the best way to protect and grow their money. Despite the battering home prices have taken, eight-in-ten respondents agree that a home is "the best long-term investment" they can make.

**Home Values Tumble**

% of homeowners who say that during the recession their home value has ...




Note: Based on 1,937 homeowners.

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According to the Pew Research Center survey, fully 48% of all homeowners say their home has decreased in value during the recession. For a quarter of all American homeowners, the decline has been particularly severe: 26% report the value of their home has declined "a lot," while somewhat fewer (22%) report a smaller drop.

A lucky few—only 12% of all homeowners—report their home increased in value despite hard times. One-third say the value of their home has not changed.

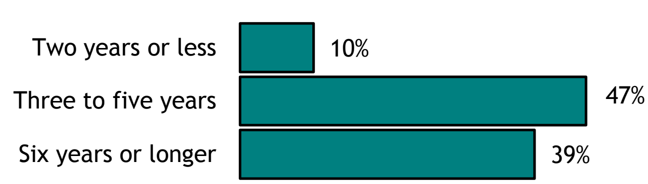
## Home Values Plummet in West

While the slumping economy has affected nearly all Americans, some homeowners have been hit harder than others. The recession has been particularly difficult for homeowners in the West and Midwest. Those ages 30 to 64 are more likely than younger or older respondents to see their housing prices tumble, the survey found. More affluent homeowners also are more likely than the least affluent to report that their house was worth less.

Nearly two-thirds of all homeowners in the West (65%) report the value of their home declined since the recession began in December 2007. The drop in housing prices was not as broadly felt in the East or in the South, where 41% of all homeowners in each region say their home is now worth less than it was before the recession started. In the Midwest, about half (51%) say the value of their home fell.

This paper loss was particularly large for Westerners—not surprising, given the headlines over the past 2½ years about the dismal housing markets in states such as California, Arizona and Nevada. Four-in-ten (40%) say their home is worth "a lot less" now than it was at the start of the recession, compared with 24% of homeowners in the South and Midwest and 18% of those living in the East.

**How Long for Home Value to Recover?**

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Middle-aged homeowners are more likely than younger or older adults to say their home value has declined. More than half (52%) of homeowners ages 30 to 64 report a decline in the market price of their home, compared with 36% of younger adults and 43% of those ages 65 and older. The pattern is not surprising: Adults in their late 30s, 40s and 50s likely purchased their homes before the housing market fully collapsed, while a disproportionately large share of young people bought properties since the decline began. If anything, the drop in housing prices may have benefited this group.

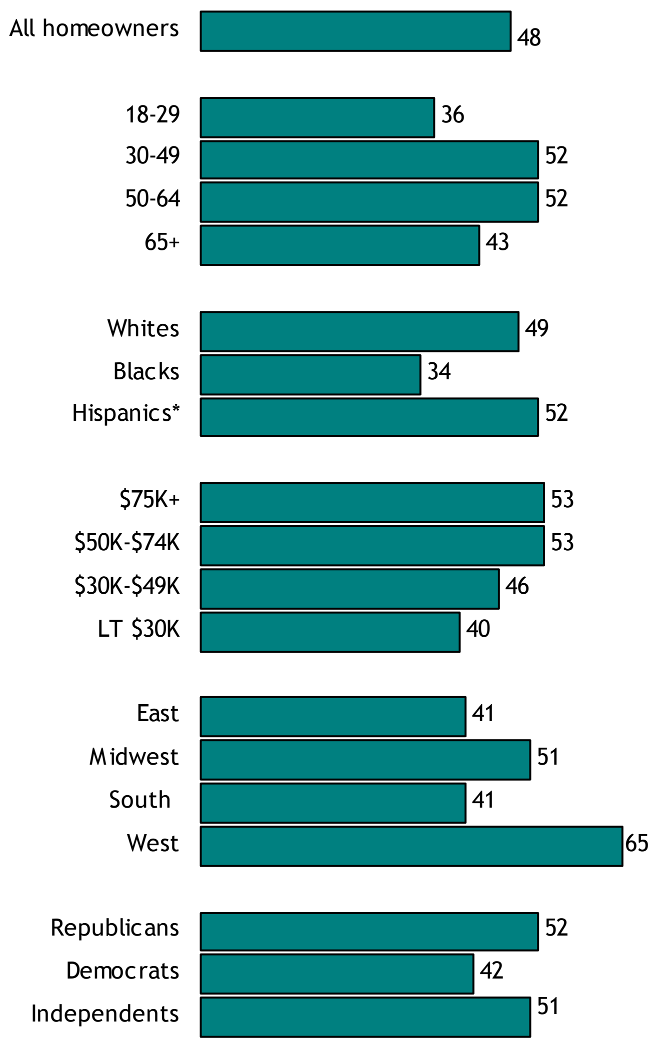
In a reversal from the pattern seen elsewhere in the survey, black homeowners were significantly less likely than whites to say their home had declined in value during the recession. Overall, about half of all white (49%) and Hispanic homeowners (52%) report their house is worth less now than it was at the start of the recession, compared with only 34% of black homeowners.

More affluent homeowners are somewhat more likely to report a drop in home value. Among those with family incomes of $75,000 or more, about half (53%) saw the market price of their home decline. This compares with 40% of those whose family incomes were less than $30,000 a year.

Republicans are significantly more likely than Democrats to say the value of their home declined (52% vs. 42%). About half of independents (51%) also reported a drop.

**Nearly Half Say Homes Have Lost Value**

% in each group who say the value of their home has declined during the recession




Note: Hispanics may be of any race. Whites and Blacks include only non-Hispanics. Displayed income categories are for family incomes.

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## Recovery in Home Values Predicted to Be Slow

Few homeowners expect a quick rebound to housing prices in their area. Most predict it will be at least three years before their home returns to its pre-recession value—an estimate that could increase significantly if the economic climate does not appreciably improve in the next few years.

Only 10% of all homeowners expect it will take two years or less for the price of their house to bounce back. The plurality (47%) predict that it will take longer than the recession has lasted for their home to recover in value—three to five years, by their estimate. An additional three-in-ten (29%) homeowners say it will take six to 10 years, while 10% say it will take longer than 10 years.

## One in Five Homeowners "Underwater"

For about one-in-five homeowners with a mortgage, the recession has been particularly nerve-racking. According to the survey, about 21% of these homeowners currently owe more on their mortgage or other home loans than they could sell their house for at current market prices. In real estate vernacular, they are "underwater."

The demographic groups caught between a big mortgage and sinking home prices differ in key ways from the profile of those whose homes declined in value but do not owe more than their home is currently worth.

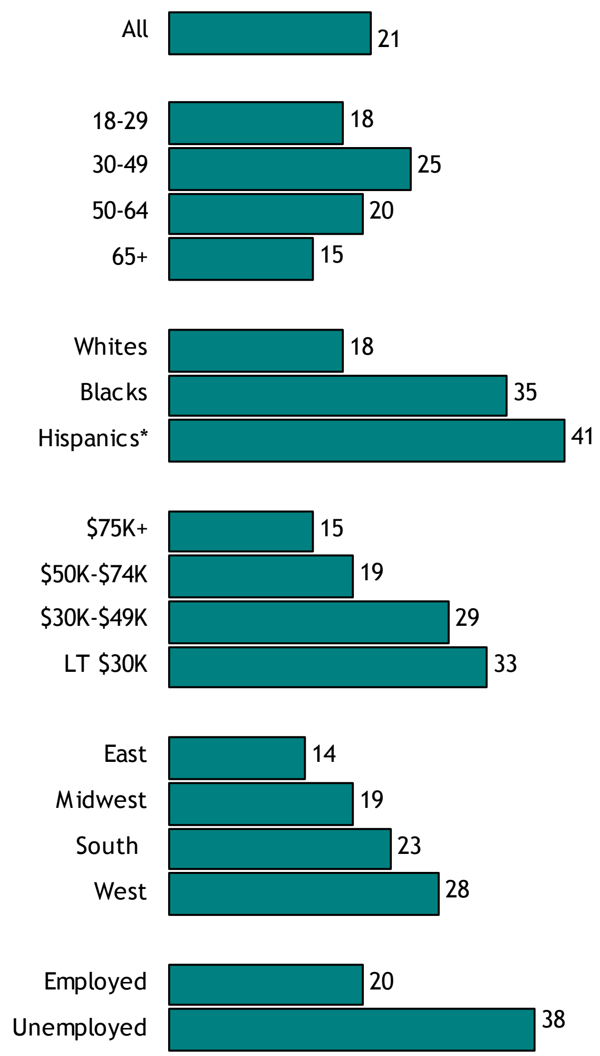
Whites are much less likely to report the amount they owe is greater than their home's current value (18%) than either blacks (35%) or Hispanics (41%). At the same time, those with annual family income under $30,000 are significantly more likely to be underwater (33%) than those with family incomes of $75,000 or more (15%) or whose family incomes were $50,000 to $75,000 (19%).

Nearly three-in-ten homeowners with mortgages in the West (28%) report they owe more than their home's current value, double the proportion in the East (14%). Similarly, nearly a quarter of all homeowners in the South are underwater (23%).

Those who have been hit hardest on the work front also have been hard-hit at home. Among homeowners who are currently unemployed, nearly four-in-ten say they owe more on their home than it is worth—nearly double the proportion of employed homeowners who are in a similar situation (38% vs. 20%).

**Homeowners "Underwater"**

% of homeowners with a mortgage who say they owe more on their home than it is currently worth




*Results among Hispanics should be interpreted cautiously. There were only 94 Latino homeowners in the sample. Hispanics may be of any race. Whites and Blacks include only non-Hispanics. Displayed income categories are for family incomes.

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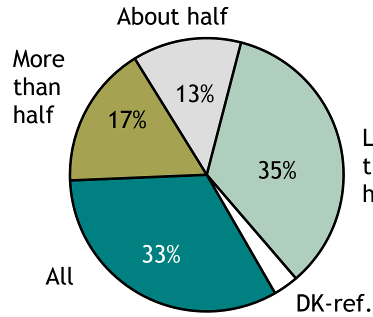
In contrast, there is no difference in the proportion of Republicans (23%) and Democrats (23%) who say they are underwater. Slightly fewer self-described political independents (18%) say they owe more than their house would sell for in today's housing market.

**Few Homeowners Have Burned Their Mortgages**
% of homeowners who say they have paid off each share of their home loans

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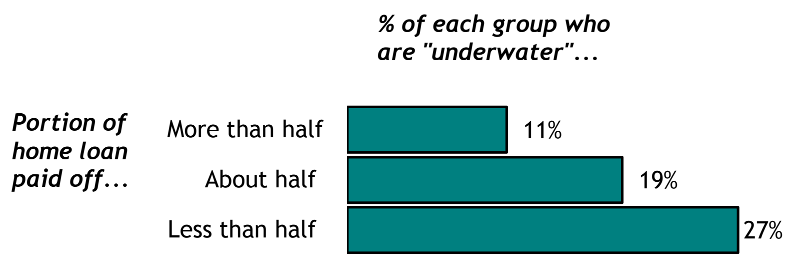
## In Debt and Underwater

Those homeowners who have the most to pay off on their home loans are also the most likely to be underwater.

Overall, about a third of all homeowners own their homes free and clear, while about one-in-six (17%) say they have paid off more than half of their home loans. Slightly more than a third (35%) say they have paid off less than half of their housing debt, while the remainder (13%) still owe about half.

Among those who still owe more than half, about one-in-four (27%) say they are underwater. That is more than double the proportion of those who say they have paid off more than half of their home debt (11%) and substantially more than those who still owe about half (19%).

**The More Homeowners Owe, the More Likely They Are To Be Underwater**

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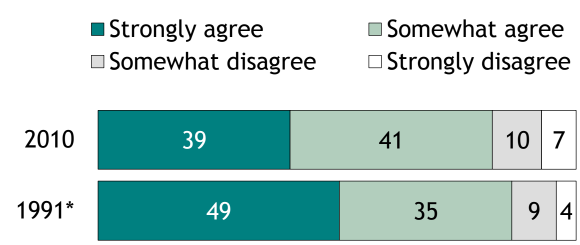
The recent ups and downs of the housing market likely explain most of this correlation. Those with the largest unpaid home debt likely are those who purchased homes relatively recently and have just started paying them off. In contrast, most of those who purchased homes a decade or more ago have already paid off a portion of their mortgages and benefited from sharply rising home prices before the bottom fell out of the housing market in the mid-2000s.

**Most Think a Home Is a Good Investment**
*Some people say that buying a home is the best long-term investment in the United States. Do you ...*




*New York Times/CBS
Note: "Don't know/Refused" responses not shown

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## A Home as an Investment

Despite declining housing values, eight-in-ten Americans see a home as the best long-term investment that the average person can make.

But some doubts have emerged in Americans' love affair with their homes. The proportion that strongly agrees that a home is the best investment has declined a full 10 percentage points (from 49% to 39%) since that question was last asked by CBS News and the New York Times nearly 20 years ago. At the same time, the proportion that somewhat agrees with that statement has increased from 35% to 41%, while those who disagree increased modestly from 13% to 17%.

While it is impossible to say whether these changes are related to the recession or the result of long-term trends or some pre-recession event, the conclusion from the latest survey is clear: For most Americans, their home is their castle—and still their best investment.

## Impact of the Recession on Views of Homeownership

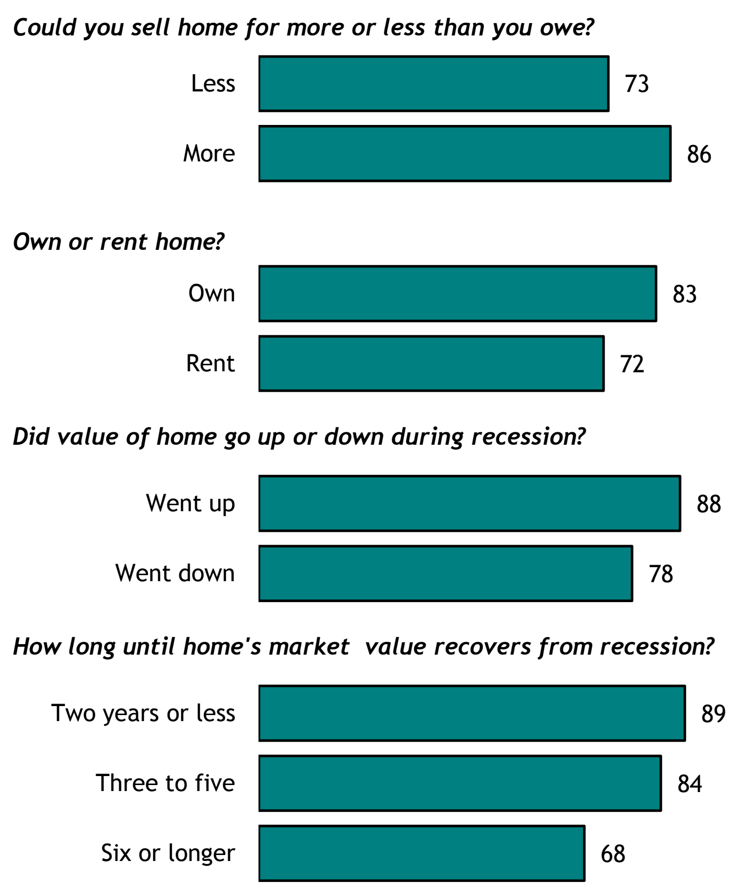
The Pew Research Center survey suggests that people hit hardest by the recession view the investment value of their homes differently than those who experienced relatively few adverse effects. But these differences are surprisingly modest, suggesting that views of homeownership as an investment strategy may be relatively immune to the ups and downs of the business cycle.

For example, more than seven-in-ten homeowners (73%) who are currently underwater still say their home is the best investment they can make, compared with 86% of those who would make money if they sold their homes today.

The pattern is virtually identical among those whose home values rose or fell in the past 30 months. Among those who say the market price of their home went down during the recession, more than three-in-four (78%) rate homeownership as a good investment, compared with 88% of those whose home increased in value.

**Experiences during Recession Shape Attitudes Toward Home as an Investment**

% who say home is the best investment a person could make

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Not surprisingly, those who have been hit hardest by the bad real estate market are less likely to view homeownership as a good investment. According to the survey, about two-thirds (68%) of those who predict it will take six years or longer for the value of their home to get back to where it was before the recession also say homeownership is the best long-term investment an American can make. In contrast, about nine-in-ten homeowners (89%) who say it will take two years or less to recover value homeownership as an investment consider homeownership the best-long term investment.

Similarly, those who say their home lost "a lot" of market value during the recession are less likely than those who said it lost only a little to rate homeownership as the best investment for the typical American (71% vs. 85%).

# Appendices: Survey Methodology

Prepared by Princeton Survey Research Associates International
for the Social & Demographic Trends Project of the Pew Research Center

Results for this survey are based on telephone interviews conducted by Princeton Survey Research Associates International with a nationally representative sample of 2,967 adults living in the continental United States. Interviews were done in English and Spanish by Princeton Data Source from May 11 to 31, 2010. Statistical results are weighted to correct known demographic discrepancies. The margin of sampling error for the complete set of weighted data is ±2.2 percentage points.

## Design and Data Collection Procedure

Seven separate sample segments were used for data collection in order to obtain a representative sample that also oversampled two key demographic groups—those who are unemployed but are able to work and those who are working part time for economic reasons. The unemployed but able to work group (UEA) is defined as those who are not currently employed full- or part-time but would like a job and could start one now if it were offered to them. The working part time for economic reasons group (PTE) is defined as people who are currently working part time but are doing so only because their hours were cut back or they could not find full-time work and have to settle for part-time work. Table 1 shows the sample segment definitions along with the number of interviews in each.

**Table 1: Sample Design Segments**

| Segment | Sample Type | Population | n= |
|---|---|---|---|
| 1 | Landline RDD | All adults | 1,001 |
| 2 | Landline RDD screened | Adults 18-64 | 600 |
| 3 | Landline RDD screened | UEA or PTE | 96 |
| 4 | Landline callback screened | UEA or PTE | 196 |
| 5 | Cell RDD | All adults | 805 |
| 6 | Cell RDD screened | UEA or PTE | 119 |
| 7 | Cell callback screened | UEA or PTE | 150 |

Sample segments 1-3 were all landline random-digit dialing (RDD) samples drawn using standard list-assisted methods, where telephone numbers were drawn with equal probabilities from all active blocks in the continental U.S. Cell sample segments 5 and 6 were not list-assisted but were drawn through a systematic sampling from dedicated wireless 100-blocks and shared service 100-blocks with no directory-listed landline numbers. The landline and cell callback samples (segments 4 and 7) were drawn from recent PSRAI surveys. Callback sample was identified as those who were under age 65 and had completed less than four years of college.

## Questionnaire Development and Testing

The questionnaire was developed by the Pew Social Trends & Demographics Project. To improve the quality of the data, the questionnaire was pretested twice with a small number of respondents using RDD telephone numbers. The monitored pretest interviews were conducted using experienced interviewers who could best judge the quality of the answers given and the degree to which respondents understood the questions. Some final changes were made to the questionnaire based on the monitored pretest interviews.

## Contact Procedures

Interviews were conducted from May 11 to 31, 2010. As many as seven attempts were made to contact every sampled telephone number. Sample was released for interviewing in replicates, which are representative subsamples of the larger sample. Using replicates to control the release of sample ensures that complete call procedures are followed for the entire sample. Calls were staggered over times of day and days of the week to maximize the chance of making contact with potential respondents. Each phone number received at least one daytime call.

The introduction and screening procedures differed depending on the sample. For each contacted household in sample segments 1-3, interviewers asked to speak with either the youngest male or youngest female currently at home based on a random rotation. If no male/female was available at the time of the call, interviewers asked to speak with the youngest adult of the opposite sex. This systematic respondent selection technique has been shown to produce samples that closely mirror the population in terms of age and gender when combined with cell sample.

In sample segment 2, interviewers then asked if the person was age 18 to 64. If so, they proceeded with the main interview. If not, the interviewers asked if any other household members were age 18 to 64 and, if there was, an interview was conducted with that person. If the household had no age-eligible people, that piece of sample was screened out as ineligible.

Sample assigned to segment 3 was administered the employment status screener, which determined whether the person who answered the phone qualified as either unemployed and able to work (UEA) or employed part time for economic reasons (PTE). Respondents who qualified for either of these groups completed the interviews. Those who did not qualify were screened out as ineligible.

For sample segment 4, interviewers started by asking to talk with the person in the household who had previously completed a telephone interview. The person was identified by age and gender. After the target respondent was on the phone, they were administered the employment status screener.

Sample segment 5 included interviews with all adults on cell phones. This sample was administered a standard cell phone screener that simply confirmed that the person was an adult and in a safe place to talk before continuing with the main interview. Sample segment 6 was administered the employment status screener after the standard cell phone screener. Sample segment 7 included callback interviews with cell respondents. All qualified cell phone respondents were offered $5 to complete an interview.

## Weighting and analysis

Weighting is generally used in survey analysis to adjust for effects of the sample design and to compensate for patterns of non-response that might bias results. The weighting was accomplished in multiple stages to account for the different sample segments as well as the oversampling of certain groups. Weighting also balanced sample demographic distributions to match known population parameters.

The first stage of weighting corrected for the oversampling in segments 2, 3, 4, 6 and 7. This adjustment was computed separately for landline sample segments (2, 3 and 4) and cell sample segments (6 and 7). This adjustment is called SAMPWT in the dataset.

We also made two more adjustments before raking the data to population parameters. The Probability of Selection Adjustment (PSA) corrects for the fact that respondents in the landline sample have different probabilities of being sampled depending on how many adults live in the household. Since we sample only one person per household, adults who live with no other adults have a greater chance of being sampled than adults who live in multiple-adult households.

The PSA was applied to all respondents in sample segments 1-3 where we were calling a household by landline and selecting one adult from within the household to complete the interview. To compute the PSA, first define n1 as the number of respondents in the landline sample who live in single-adult households and n2 as the number of respondents in the landline sample that live in multi-adult households. The PSA equals:

$$\frac{n_1 + n_2}{n_1 + 2n_2}\ for\ landline\ respondents\ in\ single - adult\ households$$

$$\frac{2(n_1 + n_2)}{n_1 + 2n_2}\ for\ landline\ respondents\ in\ multiple - adult\ households$$

$$1\ for\ respondents\ in\ all\ other\ sample\ segments$$

The final adjustment we made prior to raking the data is the Phone Use Adjustment (PUA), which corrects for the overlapping landline and cellular sample frames. The PUA was applied to all cases in the dataset. To compute the PUA, first define p1 as the number of respondents with only one type of phone—landline or cell—and define p2 as the number of respondents with both types of phones. The PUA equals:

$$\frac{2(p_1 + p_2)}{2p_1 + p_2}\ for\ respondents\ with\ one\ kind\ of\ phone$$

$$\frac{(p_1 + p_2)}{2p_1 + p_2}\ for\ respondents\ with\ two\ kinds\ of\ phones$$

At this point, an interim weight was computed that was the product of the three sample adjustments : SAMPWT, PUA and PSA. This interim weight was used as an input weight for the final stage of weighting—the demographic raking. The data was raked, by form, to current population parameters for: sex by age; sex by education; age by education; race/ethnicity; number of adults in the household; employment status; census region; population density; and household telephone usage.

The telephone usage parameter was derived from an analysis of recently available National Health Interview Survey data.41 The population density parameter is county-based and was derived from Census 2000 data. All other weighting parameters were derived from the Census Bureau's 2009 Annual Social and Economic Supplement (ASEC).

This stage of weighting, which incorporated each respondent's initial weighting adjustments, was accomplished using Sample Balancing, a special iterative sample weighting program that simultaneously balances the distributions of all variables using a statistical technique called the Deming Algorithm. The raking corrects for differential non-response that is related to particular demographic characteristics of the sample. This weight ensures that the demographic characteristics of the sample closely approximate the demographic characteristics of the population. Table 2 compares weighted and unweighted sample demographics to population parameters.

[41] Blumberg SJ, Luke JV. Wireless substitution: Early release of estimates from the National Health Interview Survey, July-December, 2008. National Center for Health Statistics. May 2009.

**Table 2: Sample Demographics**

| | Parameter | Unweighted | Weighted |
|---|---|---|---|
| Gender | | | |
| Male | 48.5% | 44.7% | 48.3% |
| Female | 51.5% | 55.3% | 51.7% |
| Age | | | |
| 18-24 | 12.6% | 12.3% | 12.2% |
| 25-34 | 17.8% | 13.5% | 16.9% |
| 35-44 | 18.2% | 14.4% | 17.0% |
| 45-54 | 19.6% | 21.6% | 19.5% |
| 55-64 | 15.1% | 21.8% | 15.5% |
| 65+ | 16.6% | 14.0% | 16.9% |
| Education | | | |
| Less than HS graduate | 14.1% | 9.7% | 12.4% |
| HS graduate | 34.7% | 32.0% | 33.9% |
| Some college | 24.1% | 25.5% | 24.6% |
| College graduate | 27.1% | 31.9% | 28.3% |
| Race/Ethnicity | | | |
| White/not Hispanic | 68.8% | 70.7% | 68.8% |
| Black/not Hispanic | 11.5% | 11.0% | 11.3% |
| Hispanic | 13.7% | 10.2% | 12.5% |
| Other/not Hispanic | 6.0% | 6.7% | 6.1% |
| Region | | | |
| Northeast | 18.5% | 17.7% | 18.2% |
| Midwest | 22.0% | 24.0% | 22.6% |
| South | 36.8% | 38.7% | 37.5% |
| West | 22.7% | 19.7% | 21.7% |
| County Pop. Density | | | |
| 1 - Lowest | 20.1% | 23.3% | 20.9% |
| 2 | 20.0% | 21.5% | 20.2% |
| 3 | 20.1% | 21.3% | 20.5% |
| 4 | 20.2% | 18.9% | 20.0% |
| 5 - Highest | 19.6% | 15.0% | 18.3% |
| Phone Use | | | |
| LLO | 11.7% | 10.3% | 11.6% |
| Dual - few, some cell | 47.3% | 54.4% | 47.2% |
| Dual - most cell | 17.4% | 18.3% | 17.3% |
| CPO | 23.6% | 15.9% | 22.9% |

*Continued…*

**Table 2: Sample Demographics *(continued…)***

| | Parameter | Unweighted | Weighted |
|---|---|---|---|
| # of adults in HH | | | |
| One | 17.4% | 24.1% | 18.1% |
| Two | 54.8% | 52.8% | 55.6% |
| Three+ | 27.8% | 23.2% | 26.3% |
| | | | |
| Employment Status | | | |
| Employed-FT | 45.2% | 38.3% | 44.5% |
| Employed-PT | 15.6% | 15.7% | 15.5% |
| Employed-Undes. | missing | 3.5% | 3.2% |
| Not employed | 6.0% | 18.4% | 6.6% |
| Not in labor force | 33.2% | 23.6% | 29.7% |

## Effects of Sample Design on Statistical Inference

Post-data collection statistical adjustments require analysis procedures that reflect departures from simple random sampling. PSRAI calculates the effects of these design features so that an appropriate adjustment can be incorporated into tests of statistical significance when using these data. The so-called design effect, or deff, represents the loss in statistical efficiency that results from a disproportionate sample design and systematic non-response. The total sample design effect for this survey is 1.46.

PSRAI calculates the composite design effect for a sample of size n, with each case having a weight, wi as:

$$deff = \frac{n\sum_{i=1}^{n} w_i^{2}}{\left(\sum_{i=1}^{n} w_i\right)^2} \qquad \textit{formula 1}$$

In a wide range of situations, the adjusted standard error of a statistic should be calculated by multiplying the usual formula by the square root of the design effect (√deff ). Thus, the formula for computing the 95% confidence interval around a percentage is:

$$\hat{p} \pm \left(\sqrt{deff} \times 1.96\sqrt{\frac{\hat{p}(1-\hat{p})}{n}}\right) \qquad \textit{formula 2}$$

where $\hat{p}$ is the sample estimate and n is the unweighted number of sample cases in the group being considered.

The survey's margin of error is the largest 95% confidence interval for any estimated proportion based on the total sample—the one around 50%. For example, the margin of error for the entire sample is ±2.2 percentage points. This means that in 95 of every 100 samples drawn using the same methodology, estimated proportions based on the entire sample will be no more than 2.2 percentage points away from their true values in the population. It is important to remember that sampling fluctuations are only one possible source of error in a survey estimate. Other sources, such as respondent selection bias, question wording and reporting inaccuracy may contribute additional error of greater or lesser magnitude. Table 3 shows design effects and margins of error for key subgroups.

**Table 3: Design Effects and Margins of Sampling Error**

| | Sample Size | Design Effect | Margin of Error |
|---|---|---|---|
| Total Sample | 2,967 | 1.46 | 2.2 percentage points |
| | | | |
| Form 1 | 1,484 | 1.43 | 3.0 percentage points |
| Form 2 | 1,483 | 1.49 | 3.1 percentage points |
| | | | |
| UEA | 753 | 1.51 | 4.4 percentage points |
| PTE | 180 | 1.25 | 8.2 percentage points |
| CWU[1] | 264 | 1.24 | 6.7 percentage points |

[1] Currently Working but Unemployed at some point since the recession started.

## Response Rate

Table 4 reports the disposition of all sampled telephone numbers ever dialed from the original telephone number samples. The response rate estimates the fraction of all eligible sample that was ultimately interviewed. At PSRAI, it is calculated by taking the product of three component rates:[42]

- Contact rate—the proportion of working numbers where a request for interview was made[43]
- Cooperation rate—the proportion of contacted numbers where a consent for interview was at least initially obtained, versus those refused
- Completion rate—the proportion of initially cooperating and eligible interviews that were completed

The final response rate for all sample segments combined was 16.5 percent.

[42] PSRAI's disposition codes and reporting are consistent with the American Association for Public Opinion Research standards.
[43] PSRAI assumes that 75 percent of cases that result in a constant disposition of "No answer" or "Busy" are actually not working numbers.

**Table 4: Sample Disposition**

| Combined | Landline fresh | Landline screen for 18-64 | Landline screen for UEA/PTE | LL CB screen for UEA/PTE | Cell Fresh | Cell screen for UEA/PTE | Cell CB screen for UEA/PTE | |
|---|---|---|---|---|---|---|---|---|
| 80864 | 25251 | 18093 | 6951 | 4541 | 15695 | 7338 | 2995 | **T** Total Numbers Dialed |
| | | | | | | | | |
| 3754 | 1559 | 1126 | 442 | 108 | 320 | 163 | 36 | **OF** Non-residential |
| 2026 | 998 | 707 | 265 | 27 | 14 | 15 | 0 | **OF** Computer/Fax |
| 21 | 15 | 2 | 4 | 0 | 0 | 0 | 0 | **OF** Cell phone |
| 33635 | 12280 | 8699 | 3318 | 402 | 5744 | 2788 | 404 | **OF** Other not working |
| 1013 | 131 | 302 | 137 | 101 | 227 | 95 | 22 | **UH** Additional projected not working |
| 40416 | 10269 | 7257 | 2786 | 3904 | 9391 | 4278 | 2533 | Working numbers |
| 50.0% | 40.7% | 40.1% | 40.1% | 86.0% | 59.8% | 58.3% | 84.6% | Working Rate |
| | | | | | | | | |
| 338 | 44 | 101 | 46 | 34 | 76 | 32 | 7 | **UH** No Answer / Busy |
| 6233 | 487 | 577 | 324 | 825 | 2349 | 985 | 686 | **$UO_{NC}$** Voice Mail |
| 1466 | 40 | 47 | 11 | 297 | 666 | 293 | 112 | **$UO_{NC}$** Other Non-Contact |
| 32379 | 9698 | 6532 | 2405 | 2748 | 6300 | 2968 | 1728 | Contacted numbers |
| 80.1% | 94.4% | 90.0% | 86.3% | 70.4% | 67.1% | 69.4% | 68.2% | Contact Rate |
| | | | | | | | | |
| 10810 | 5351 | 3054 | 1144 | 418 | 554 | 128 | 161 | **$UO_R$** Callback |
| 14781 | 3241 | 2485 | 848 | 1189 | 4341 | 1965 | 712 | **$UO_R$** Refusal |
| 6788 | 1106 | 993 | 413 | 1141 | 1405 | 875 | 855 | Cooperating numbers |
| 21.0% | 11.4% | 15.2% | 17.2% | 41.5% | 22.3% | 29.5% | 49.5% | Cooperation Rate |
| | | | | | | | | |
| 208 | 72 | 47 | 25 | 3 | 40 | 16 | 5 | **IN1** Language Barrier |
| 3558 | 0 | 342 | 291 | 941 | 547 | 738 | 699 | **IN2** Child's phone/Screen out for age/UEA/PTE |
| 3022 | 1034 | 604 | 97 | 197 | 818 | 121 | 151 | Eligible numbers |
| 44.5% | 93.5% | 60.8% | 23.5% | 17.3% | 58.2% | 13.8% | 17.7% | Eligibility Rate |
| | | | | | | | | |
| 55 | 33 | 4 | 1 | 1 | 13 | 2 | 1 | **R** Break-off |
| 2967 | 1001 | 600 | 96 | 196 | 805 | 119 | 150 | **I** Completes |
| 98.2% | 96.8% | 99.3% | 99.0% | 99.5% | 98.4% | 98.3% | 99.3% | Completion Rate |
| | | | | | | | | |
| 16.5% | 10.4% | 13.6% | 14.7% | 29.1% | 14.7% | 20.1% | 33.5% | Response Rate |

# PEW SOCIAL & DEMOGRAPHIC TRENDS
## MAY 2010 ECONOMIC SURVEY
## FINAL TOPLINE FOR SELECTED QUESTIONS
## MAY 11-MAY 31, 2010
## TOTAL N=2,967

**NOTE: ALL NUMBERS ARE PERCENTAGES. THE PERCENTAGES GREATER THAN ZERO BUT LESS THAN 0.5 % ARE REPLACED BY AN ASTERISK (*). COLUMNS/ROWS MAY NOT TOTAL 100% DUE TO ROUNDING. UNLESS OTHERWISE NOTED, ALL TRENDS REFERENCE SURVEYS FROM SOCIAL & DEMOGRAPHIC TRENDS AND THE PEW RESEARCH CENTER FOR THE PEOPLE & THE PRESS.**

**ASK FORMS 1A AND 2A [n=1,469]:**

**Q1** All in all, are you satisfied or dissatisfied with the way things are going in this country today?

| | Satisfied | Dissatisfied | (VOL.) DK/Ref |
|---|---|---|---|
| May 2010 | 29 | 65 | 6 |
| March 2010 | 23 | 71 | 7 |
| February 2010 | 23 | 71 | 6 |
| January 2010 | 27 | 69 | 4 |
| Late October 2009 | 25 | 67 | 7 |
| Late September 2009 | 25 | 67 | 7 |
| Mid-September 2009 | 30 | 64 | 7 |
| Late August 2009 | 28 | 65 | 7 |
| Mid-August 2009 | 28 | 65 | 7 |
| July 2009 | 28 | 66 | 6 |
| June 2009 | 30 | 64 | 5 |
| Late April 2009 | 34 | 58 | 8 |
| Mid-April 2009 | 23 | 70 | 7 |
| January 2009 | 20 | 73 | 7 |
| December 2008 | 13 | 83 | 4 |
| Early October 2008 | 11 | 86 | 3 |
| Mid-September 2008 | 25 | 69 | 6 |
| August 2008 | 21 | 74 | 5 |
| July 2008 | 19 | 74 | 7 |
| June 2008 | 19 | 76 | 5 |
| Late May 2008 | 18 | 76 | 6 |
| March 2008 | 22 | 72 | 6 |
| February 2008 | 30 | 62 | 8 |
| Early February 2008 | 24 | 70 | 6 |
| Late December 2007 | 27 | 66 | 7 |
| October 2007 | 28 | 66 | 6 |
| February 2007 | 30 | 61 | 9 |
| Mid-January 2007 | 32 | 61 | 7 |
| Early January 2007 | 30 | 63 | 7 |
| December 2006 | 28 | 65 | 7 |
| Mid-November 2006 | 28 | 64 | 8 |
| Early October 2006 | 30 | 63 | 7 |
| July 2006 | 30 | 65 | 5 |
| June 2006 | 33 | 60 | 7 |

| Q1 CONTINUED… | Satisfied | Dissatisfied | (VOL.) DK/Ref |
|---|---|---|---|
| May 2006 | 29 | 65 | 6 |
| March 2006 | 32 | 63 | 5 |
| January 2006 | 34 | 61 | 5 |
| Late November 2005 | 34 | 59 | 7 |
| Early October 2005 | 29 | 65 | 6 |
| July 2005 | 35 | 58 | 7 |
| Late May 2005 | 39 | 57 | 4 |
| February 2005 | 38 | 56 | 6 |
| January 2005 | 40 | 54 | 6 |
| December 2004 | 39 | 54 | 7 |
| Mid-October 2004 | 36 | 58 | 6 |
| July 2004 | 38 | 55 | 7 |
| May 2004 | 33 | 61 | 6 |
| Late February 2004 | 39 | 55 | 6 |
| Early January 2004 | 45 | 48 | 7 |
| December 2003 | 44 | 47 | 9 |
| October 2003 | 38 | 56 | 6 |
| August 2003 | 40 | 53 | 7 |
| April 2003[44] | 50 | 41 | 9 |
| January 2003 | 44 | 50 | 6 |
| November 2002 | 41 | 48 | 11 |
| September 2002 | 41 | 55 | 4 |
| Late August 2002 | 47 | 44 | 9 |
| May 2002 | 44 | 44 | 12 |
| March 2002 | 50 | 40 | 10 |
| Late September 2001 | 57 | 34 | 9 |
| Early September 2001 | 41 | 53 | 6 |
| June 2001 | 43 | 52 | 5 |
| March 2001 | 47 | 45 | 8 |
| February 2001 | 46 | 43 | 11 |
| January 2001 | 55 | 41 | 4 |
| October 2000 (RVs) | 54 | 39 | 7 |
| September 2000 | 51 | 41 | 8 |
| June 2000 | 47 | 45 | 8 |
| April 2000 | 48 | 43 | 9 |
| August 1999 | 56 | 39 | 5 |
| January 1999 | 53 | 41 | 6 |
| November 1998 | 46 | 44 | 10 |
| Early September 1998 | 54 | 42 | 4 |
| Late August 1998 | 55 | 41 | 4 |
| Early August 1998 | 50 | 44 | 6 |
| February 1998 | 59 | 37 | 4 |
| January 1998 | 46 | 50 | 4 |
| September 1997 | 45 | 49 | 6 |
| August 1997 | 49 | 46 | 5 |

[44] Asked April 8, 2003 only; N=395

| Q1 CONTINUED… | Satisfied | Dissatisfied | (VOL.) DK/Ref |
|---|---|---|---|
| January 1997 | 38 | 58 | 4 |
| July 1996 | 29 | 67 | 4 |
| March 1996 | 28 | 70 | 2 |
| October 1995 | 23 | 73 | 4 |
| June 1995 | 25 | 73 | 2 |
| April 1995 | 23 | 74 | 3 |
| July 1994 | 24 | 73 | 3 |
| March 1994 | 24 | 71 | 5 |
| October 1993 | 22 | 73 | 5 |
| September 1993 | 20 | 75 | 5 |
| May 1993 | 22 | 71 | 7 |
| January 1993 | 39 | 50 | 11 |
| January 1992 | 28 | 68 | 4 |
| November 1991 | 34 | 61 | 5 |
| Late February *1991 (Gallup)* | 66 | 31 | 3 |
| August 1990 | 47 | 48 | 5 |
| May 1990 | 41 | 54 | 5 |

**Q5** Compared to your parents when they were the age you are now, do you think your own standard of living now is much better, somewhat better, about the same, somewhat worse, or much worse than theirs was?

| May 2010 | | Jan/Feb 2008 | *GSS 2008* | *GSS 2006* | *GSS 2004* | *GSS 2002* | *GSS 2000* | *GSS 1998* | *GSS 1996* | *GSS 1994* |
|---|---|---|---|---|---|---|---|---|---|---|
| 31 | Much better | 38 | 31 | 35 | 39 | 35 | 35 | 33 | 33 | 32 |
| 26 | Somewhat better | 27 | 31 | 31 | 31 | 33 | 31 | 32 | 29 | 32 |
| 23 | About the same | 19 | 21 | 21 | 18 | 19 | 21 | 21 | 21 | 21 |
| 11 | Somewhat worse | 9 | 11 | 9 | 8 | 10 | 9 | 10 | 12 | 10 |
| 6 | Much worse | 5 | 5 | 3 | 3 | 2 | 3 | 3 | 3 | 3 |
| 3 | Don't know/Refused **(VOL.)** | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 |

**Q6** When your children are at the age you are now, do you think their standard of living will be much better, somewhat better, about the same, somewhat worse, or much worse than yours is now?

| May 2010 | | Jan/Feb 2008 | *GSS 2008* | *GSS 2006* | *GSS 2004* | *GSS 2002* | *GSS 2000* | *GSS 1998* | *GSS 1996* | *GSS 1994* |
|---|---|---|---|---|---|---|---|---|---|---|
| 24 | Much better | 26 | 27 | 28 | 23 | 26 | 28 | 22 | 20 | 16 |
| 21 | Somewhat better | 23 | 26 | 29 | 30 | 35 | 31 | 33 | 27 | 29 |
| 19 | About the same | 20 | 18 | 18 | 22 | 18 | 16 | 20 | 20 | 22 |
| 16 | Somewhat worse | 14 | 13 | 11 | 11 | 8 | 7 | 9 | 17 | 15 |
| 10 | Much worse | 7 | 5 | 3 | 3 | 2 | 3 | 3 | 5 | 5 |
| 6 | No children **(VOL.)** | 5 | 9 | 10 | 9 | 9 | 11 | 9 | 7 | 9 |
| 4 | Don't know/Refused **(VOL.)** | 5 | 3 | 1 | 2 | 2 | 4 | 4 | 4 | 4 |

**Q7** If you were asked to use one of these commonly used names for the social classes, which would you say you belong in? The upper class, upper-middle class, middle class, lower-middle class, or lower class?

| May 2010 | | Jan/Feb 2008 |
|---|---|---|
| 2 | Upper class | 2 |
| 18 | Upper-middle class | 19 |
| 50 | Middle class | 53 |
| 21 | Lower-middle class | 19 |
| 8 | Lower class | 6 |
| 1 | Don't know/Refused **(VOL.)** | 1 |

**ASK IF GAVE ANSWER IN Q7 (Q7= 1-5) [n=2,929]:**

**Q8** Do you feel you're falling out of the **[INSERT Q7 RESPONSE]**, moving up from the **[INSERT Q7 RESPONSE]** or are you pretty firmly in the **[INSERT Q7 RESPONSE]**?

| | |
|---|---|
| 12 | Falling out of current class |
| 16 | Moving up from current class |
| 70 | Pretty firmly in current class/Not moving **(VOL.)** |
| 2 | Don't know/Refused **(VOL.)** |

**ASK ALL:**

**Q9** Do you agree or disagree: Although there may be bad times every now and then, America will always continue to be prosperous and make economic progress?

| | | | -----------*Cambridge Reports/Research International*----------- | | | | |
|---|---|---|---|---|---|---|---|
| May 2010 | | Jan 1995 | Jan 1994 | Jan 1993 | April 1992 | Jan 1992 | Oct 1987 |
| 63 | Agree | 67 | 65 | 65 | 58 | 62 | 71 |
| 31 | Disagree | 27 | 29 | 30 | 36 | 32 | 11 |
| 6 | Don't know/Refused **(VOL.)** | 6 | 6 | 5 | 6 | 7 | 18 |

**ASK ALL:**
Thinking now about the nation's economy …
**Q11** How would you rate economic conditions in this country today … as excellent, good, only fair, or poor?

| | Excellent | Good | Only fair | Poor | (VOL.) DK/Ref |
|---|---|---|---|---|---|
| May 2010 | 1 | 14 | 46 | 38 | 1 |
| March 2010 | 1 | 6 | 39 | 53 | 1 |
| February 2010 | 1 | 7 | 38 | 53 | 1 |
| December 2009 | 1 | 7 | 41 | 50 | 1 |
| Late October 2009 | * | 8 | 41 | 50 | 1 |
| Late September 2009 | 1 | 8 | 43 | 48 | 1 |
| Mid-August 2009 | * | 8 | 38 | 52 | 2 |
| June 2009 | 1 | 8 | 39 | 52 | 1 |
| March 2009 | * | 6 | 25 | 68 | 1 |
| February 2009 | * | 4 | 24 | 71 | 1 |
| December 2008 | * | 7 | 33 | 59 | 1 |
| November 2008 | 1 | 6 | 28 | 64 | 1 |
| Late October 2008 | * | 7 | 25 | 67 | 1 |
| Early October 2008 | 1 | 8 | 32 | 58 | 1 |
| Late September 2008 | * | 7 | 27 | 65 | 1 |
| July 2008 | 1 | 9 | 39 | 50 | 1 |
| April 2008 | 1 | 10 | 33 | 56 | * |
| March 2008 | 1 | 10 | 32 | 56 | 1 |
| Early February 2008 | 1 | 16 | 36 | 45 | 2 |
| January 2008 | 3 | 23 | 45 | 28 | 1 |
| November 2007 | 3 | 20 | 44 | 32 | 1 |
| September 2007 | 3 | 23 | 43 | 29 | 2 |
| June 2007 | 6 | 27 | 40 | 25 | 2 |
| February 2007 | 5 | 26 | 45 | 23 | 1 |
| December 2006 | 6 | 32 | 41 | 19 | 2 |
| Early November 2006 *(RVs)* | 9 | 35 | 37 | 17 | 2 |
| Late October 2006 | 6 | 27 | 40 | 25 | 2 |
| September 2006 | 5 | 32 | 41 | 20 | 2 |
| March 2006 | 4 | 29 | 44 | 22 | 1 |
| January 2006 | 4 | 30 | 45 | 19 | 2 |
| Early October 2005 | 2 | 23 | 45 | 29 | 1 |
| Mid-September 2005 | 3 | 28 | 44 | 24 | 1 |
| Mid-May 2005 | 3 | 29 | 47 | 20 | 1 |
| January 2005 | 3 | 36 | 45 | 15 | 1 |
| December 2004 | 3 | 33 | 43 | 20 | 1 |
| Early November 2004 *(RVs)* | 5 | 31 | 37 | 26 | 1 |
| Mid-September 2004 | 4 | 34 | 40 | 20 | 2 |
| August 2004 | 3 | 30 | 45 | 21 | 1 |
| Late April 2004 | 4 | 34 | 38 | 22 | 2 |
| Late February 2004[45] | 2 | 29 | 42 | 26 | 1 |

[45] Earlier trends available from Gallup.

**Q12** How would you describe your household's financial situation? Would you say you **(READ) …**

| May 2010 | | July 2009 | Jan 2008 |
|---|---|---|---|
| 30 | Live comfortably | 33 | 38 |
| 30 | Meet your basic expenses with a little left over for extras | 27 | 32 |
| 27 | Just meet your basic expenses, or | 26 | 22 |
| 11 | Don't even have enough to meet basic expenses | 11 | 7 |
| 1 | Don't know/Refused **(VOL.)** | 2 | 1 |

**Q13** Over the course of the next year, do you think the financial situation of you and your family will improve a lot, improve some, get a little worse or get a lot worse?

| | Improve a lot | Improve some | Get a little worse | Get a lot worse | **(VOL.)** Stay the same | **(VOL.)** DK/Ref |
|---|---|---|---|---|---|---|
| May 2010 | 10 | 52 | 14 | 5 | 16 | 4 |
| March 2010 | 9 | 52 | 15 | 8 | 12 | 4 |
| December 2009 | 9 | 44 | 19 | 8 | 15 | 4 |
| Late October 2009 | 6 | 50 | 19 | 8 | 13 | 4 |
| Late September 2009 | 10 | 49 | 17 | 6 | 13 | 4 |
| August 2009 | 8 | 47 | 17 | 8 | 15 | 5 |
| June 2009 | 9 | 54 | 17 | 7 | 9 | 4 |
| February 2009 | 7 | 47 | 22 | 7 | 13 | 4 |
| December 2008 | 7 | 49 | 21 | 6 | 13 | 4 |
| Early October 2008 | 8 | 51 | 20 | 6 | 9 | 6 |
| July 2008 | 7 | 44 | 21 | 7 | 14 | 7 |
| March 2008 | 10 | 45 | 20 | 7 | 13 | 5 |
| January 2008 | 11 | 49 | 16 | 6 | 14 | 4 |
| September 2007 | 10 | 52 | 14 | 4 | 16 | 4 |
| February 2007 | 11 | 52 | 12 | 3 | 19 | 3 |
| December 2006 | 10 | 57 | 13 | 3 | 14 | 3 |
| January 2006 | 10 | 51 | 14 | 5 | 16 | 4 |
| Mid-May 2005 | 10 | 51 | 15 | 5 | 15 | 4 |
| January 2005 | 10 | 54 | 14 | 4 | 15 | 3 |
| August 2004 | 13 | 57 | 9 | 3 | 12 | 6 |
| September 2003 | 11 | 53 | 15 | 4 | 14 | 3 |
| Late March 2003 | 12 | 51 | 15 | 4 | 11 | 7 |
| January 2003 | 9 | 51 | 18 | 5 | 13 | 4 |
| Early October 2002 | 10 | 54 | 13 | 5 | 12 | 6 |
| June 2002 | 11 | 55 | 15 | 4 | 11 | 4 |
| January 2002 | 12 | 53 | 15 | 5 | 11 | 4 |
| Late September 2001 | 9 | 46 | 16 | 4 | 17 | 8 |
| June 2001 | 11 | 52 | 15 | 4 | 14 | 4 |
| January 2001 | 11 | 46 | 18 | 9 | 12 | 4 |
| January 1999 | 17 | 55 | 7 | 3 | 14 | 4 |
| May 1997 | 12 | 56 | 10 | 2 | 17 | 3 |
| February 1995 | 11 | 53 | 13 | 3 | 17 | 3 |
| March 1994 | 10 | 57 | 11 | 3 | 16 | 3 |
| October 1992 *U.S. News* | 9 | 51 | 14 | 3 | 15 | 8 |
| August 1992 *U.S. News* | 6 | 50 | 20 | 5 | 14 | 5 |
| May 1992 *U.S. News* | 8 | 49 | 22 | 4 | 13 | 4 |
| January 1992 *U.S. News* | 9 | 46 | 19 | 5 | 16 | 5 |

We're interested in people's experiences during the economic recession, which began about two-and-a-half years ago in December 2007.

**Q14** Do you think the U.S. economy is still in a recession, starting to come out of a recession, or do you think the recession is over?

| | |
|---|---|
| 54 | Still in a recession |
| 41 | Starting to come out of the recession |
| 3 | Recession is over |
| 3 | Don't know/Refused **(VOL.)** |

**RANDOMIZE Q15/16 AND Q17/18/19 IN BLOCKS:**

**Q15** Has the recession caused major changes in the U.S. economy, minor changes, or hasn't the recession changed the economy one way or another?

| | |
|---|---|
| 70 | Major |
| 21 | Minor |
| 6 | Hasn't changed the economy |
| 3 | Don't know/Refused **(VOL.)** |

**ASK IF MAJOR OR MINOR (Q15 = 1 or 2): [n=2,720]**

**Q16** Do you think most of these changes are permanent, or do you think they are mostly temporary?

| | |
|---|---|
| 24 | Permanent |
| 68 | Temporary |
| 5 | Some permanent, others temporary **(VOL.)** |
| 4 | Don't know/Refused **(VOL.)** |

**Q15/Q16 COMBINED:**

Has the recession caused major changes in the U.S. economy, minor changes, or hasn't the recession changed the economy one way or another?

Do you think most of these changes are permanent, or do you think they are mostly temporary?

| | |
|---|---|
| 70 | Major |
| 18 | Permanent |
| 45 | Temporary |
| 4 | Some permanent, others temporary **(VOL.)** |
| 3 | Don't know/Refused **(VOL.)** |
| 21 | Minor |
| 4 | Permanent |
| 16 | Temporary |
| * | Some permanent, others temporary **(VOL.)** |
| * | Don't know/Refused **(VOL.)** |
| 6 | Hasn't changed the economy |
| 3 | Don't know/Refused **(VOL.)** |

**ASK ALL:**

**Q17** Has the recession caused major changes in the way YOU live, minor changes, or hasn't the recession changed the way you live one way or another?

| | |
|---|---|
| 25 | Major |
| 44 | Minor |
| 31 | Hasn't changed the way you live |
| 1 | Don't know/Refused **(VOL.)** |

**ASK IF MAJOR OR MINOR (Q17 = 1 OR 2): [n=2,134]**

**Q18** Do you think most of these changes are permanent, or do you think they are mostly temporary?

| | |
|---|---|
| 30 | Permanent |
| 67 | Temporary |
| 2 | Some permanent, others temporary **(VOL.)** |
| 2 | Don't know/Refused **(VOL.)** |

**Q17/Q18 COMBINED:**

Has the recession caused major changes in the way YOU live, minor changes, or hasn't the recession changed the way you live one way or another?

Do you think most of these changes are permanent, or do you think they are mostly temporary?

| | |
|---|---|
| 25 | Major |
| 8 | Permanent |
| 15 | Temporary |
| 1 | Some permanent, others temporary **(VOL.)** |
| 1 | Don't know/Refused **(VOL.)** |
| 44 | Minor |
| 12 | Permanent |
| 31 | Temporary |
| 1 | Some permanent, others temporary **(VOL.)** |
| 1 | Don't know/Refused **(VOL.)** |
| 31 | Hasn't changed the way you live |
| 1 | Don't know/Refused **(VOL.)** |

**ASK IF MAJOR OR MINOR IN Q17 (Q17 = 1 OR 2): [n=2,134]**

**Q19** What is the biggest change that the recession has made in the way YOU live? **(OPEN-END. ACCEPT ONE RESPONSE. IF ANSWERS ARE VAGUE SUCH AS "FINANCES" OR "THE OVERALL ECONOMY" PROBE FOR A MORE SPECIFIC RESPONSE)**

38 NET Spending changes

| | |
|---|---|
| 15 | Limiting spending; more careful about spending; budgeting |
| 7 | Cut back on luxury items; only buying necessities; learning to do without |
| 5 | Less eating out |
| 3 | Less travel |
| 3 | Lower standard of living/cutting back on everything |
| 2 | Cutting back on use of gas and utilities |
| 2 | Different shopping habits |
| 1 | Postpone major expenditures |
| * | Buying less on credit |

19 NET Personal finance

| | |
|---|---|
| 5 | Finances (general) |
| 4 | Can't pay bills/hard to pay bills/not enough money |
| 4 | Loss of income |
| 2 | Saving more |
| 2 | No discretionary money; no spending money |
| 1 | Will have to work longer before retiring/change in retirement plans |
| 1 | Lost savings; lost investments; lost money in stock market |
| * | Less able to save/saving less |
| * | Taken on more debt |

**Q19 CONTINUED…**

18 NET Employment changes

- 6 Lost job; unemployed; spouse lost job
- 4 Can't find a job/terrible job market
- 4 Loss of job security/other job mentions
- 2 Salary reduced; hours reduced
- 2 Business has slowed/business affected
- 1 No raise at work
- * Took lower-paying job

6 Cost of living; higher prices (food, gas, utilities)
3 Fear, anxiety, worry about the future (and children's/parent's future)
2 Changes in living arrangements
1 Education costs/taking fewer courses
1 Heath care costs; no health insurance
1 Nothing changed
* Value of home or real estate has declined/can't sell
* Personal problems /divorce
4 Other
7 Don't know/Refused

**ASK ALL:**
**Q20** Thinking about your household's current financial situation, are you in better shape or worse shape NOW than you were BEFORE the recession started?

21 Better
48 Worse
29 No different/stayed the same **(VOL.)**
2 Don't know/Refused **(VOL.)**

**ASK IF BETTER (Q20 =1): [n=545]**
**Q20a** Would you say you are in much better shape or just a little better shape now than before the recession?

27 Much better
71 A little better
2 Don't know/Refused **(VOL.)**

**ASK IF WORSE (Q20 =2): [n=1,591]**
**Q20b** Would you say you are in much worse shape or just a little worse shape now than before the recession?

33 Much worse
67 A little worse
1 Don't know/Refused **(VOL.)**

**Q20/Q20a/Q20b COMBINED:**

Thinking about your household's current financial situation, are you in better shape or worse shape NOW than you were BEFORE the recession started?
Would you say you are in much better shape or just a little better shape now than before the recession?
Would you say you are in much worse shape or just a little worse shape now than before the recession?

| | |
|---|---|
| 21 | Better |
| 6 | Much better |
| 15 | A little better |
| * | Don't know/Refused **(VOL.)** |
| 48 | Worse |
| 16 | Much worse |
| 32 | A little worse |
| * | Don't know/Refused **(VOL.)** |
| 29 | No different/stayed the same **(VOL.)** |
| 2 | Don't know/Refused **(VOL.)** |

**No Q21**

**ASK IF WORSE IN Q20 (Q20 = 2): [n=1,591]**

**Q22** Considering everything, how long do you think it will take you and your family to recover financially from the effects of the recession? Would you say it will take less than a year, one to two years, three to five years, six to 10 years, or longer than 10 years? **(DO NOT NEED TO CONTINUE READING CATEGORIES IF R GIVES ANSWER)**

| | |
|---|---|
| 32 | Two years or less |
| 5 | Less than a year |
| 27 | One to two years |
| 40 | Three to five years |
| 21 | Six years or longer |
| 13 | Six to 10 years |
| 8 | Longer than 10 years |
| 2 | Never **(VOL.)** |
| 2 | Recession not over/depends on how long recession continues **(VOL.)** |
| 4 | Don't know/Refused **(VOL.)** |

**RANDOMIZE Q23/24a-c and Q25/26a-c IN BLOCKS**
**ASK ALL:**

**Q23** Since the recession started, have you cut back on household spending, have you increased spending, or have you been spending about as much as you did before the recession began?

| | |
|---|---|
| 62 | Cut back on spending |
| 6 | Increased spending |
| 30 | Spent about as much |
| 1 | Don't know/Refused **(VOL.)** |

**ASK IF CUT BACK ON SPENDING (Q23=1): [n=1,948]**

**Q24a** When the economy improves, will you continue to spend less than you did before the recession, will you spend more than you did, or will you spend about as much as you did before the recession began?

| | |
|---|---|
| 41 | Spend less |
| 11 | Spend more |
| 47 | Spend about as much |
| 2 | Don't know/Refused **(VOL.)** |

**ASK IF INCREASED SPENDING (Q23 = 2): [n=158]**

**Q24b** When the economy improves, will you continue to spend more than you did before the recession, will you spend less than you did, or will you spend about as much as you did before the recession began?

| | |
|---|---|
| 24 | Spend less |
| 26 | Spend more |
| 48 | Spend about as much |
| 2 | Don't know/Refused **(VOL.)** |

**ASK IF SPENT ABOUT AS MUCH (Q23 = 3): [n=837]**

**Q24c** When the economy improves, will you continue to spend about as much as you did before the recession, will you spend more than you did, or will you spend less than you did before the recession began?

| | |
|---|---|
| 14 | Spend less |
| 11 | Spend more |
| 73 | Spend about as much |
| 2 | Don't know/Refused **(VOL.)** |

**RANDOMIZE Q23/24a-c and Q25/26a-c IN BLOCKS**

**ASK ALL:**

**Q25** Since the recession started, have you had to cut back on the amount you save, are you saving more or are you saving about as much as you did before the recession began?

| | |
|---|---|
| 47 | Cut back on saving/saving less |
| 14 | Saving more |
| 34 | Saving about as much |
| 4 | Don't know/Refused **(VOL.)** |

**ASK IF SAVING LESS (Q25 = 1): [n=1,463]**

**Q26a** When the economy improves, will you continue to save less than you did before the recession, will you save more than you did or will you save about as much as you did before the recession began?

| | |
|---|---|
| 10 | Save less |
| 50 | Save more |
| 35 | Save about as much |
| 4 | Don't know/Refused **(VOL.)** |

**ASK IF SAVING MORE (Q25 = 2): [n=437]**

**Q26b** When the economy improves, will you continue to save more than you did before the recession, will you save less than you did or will you save about as much as you did before the recession began?

| | |
|---|---|
| 5 | Save less |
| 62 | Save more |
| 32 | Save about as much |
| 1 | Don't know/Refused **(VOL.)** |

**ASK IF SAVING ABOUT AS MUCH (Q25 = 3): [n=946]**

**Q26c** When the economy improves, will you continue to save about as much as you did before the recession, will you save more than you did or will you save less than you did before the recession began?

| | |
|---|---|
| 5 | Save less |
| 44 | Save more |
| 49 | Save about as much |
| 1 | Don't know/Refused **(VOL.)** |

**ASK ALL:**

**Q27** Now I'd like you to think about the money you owe on your credit cards, mortgage, car loans and other kinds of loans. During the recession, did you have to borrow more money to pay your monthly bills, or did you take steps to cut back what you owe?

| | |
|---|---|
| 13 | Borrowed more |
| 50 | Cut back |
| 19 | Neither borrowed more nor cut back **(VOL.)** |
| 2 | Did both **(VOL.)** |
| 15 | No debts/loans **(VOL.)** |
| 1 | Don't know/Refused **(VOL.)** |

**Q28** When the economy improves, do you think the amount of money you borrow FOR ANY PURPOSE will increase, decrease or remain about the same?

| | |
|---|---|
| 9 | Increase |
| 30 | Decrease |
| 54 | Remain about the same |
| 7 | Don't know/Refused **(VOL.)** |

**OWN/RENT** Do you own or rent your home?

| | |
|---|---|
| 63 | Own |
| 31 | Rent |
| 6 | Other arrangement **(VOL.)** |
| * | Don't know/Refused **(VOL.)** |

**ASK IF HOMEOWNER (OWN/RENT=1): [n=1,937]**

**Q29** And have you paid off all, more than half, about half or less than half of the money you owe on your home?

| May 2010 | | Jan/Feb 2008 |
|---|---|---|
| 33 | All | 30 |
| 17 | More than half | 18 |
| 13 | About half | 10 |
| 35 | Less than half | 38 |
| 3 | Don't know/Refused **(VOL.)** | 4 |

**ASK ALL:**

**Q30** Some people say that buying a home is the best long-term investment in the United States. Do you strongly agree, somewhat agree, somewhat disagree, or strongly disagree?

| May 2010 | | *CBS/New York Times* April 1991 |
|---|---|---|
| 39 | Strongly agree | 49 |
| 41 | Somewhat agree | 35 |
| 10 | Somewhat disagree | 9 |
| 7 | Strongly disagree | 4 |
| 3 | Don't know/Refused **(VOL.)** | 3 |

**ASK IF HOMEOWNER (OWN/RENT=1): [n=1,937]**

**Q31** Since the recession began in December 2007, has the value of your home gone up, gone down, or stayed about the same? [**IF GONE UP/DOWN:** Has it gone **(INSERT RESPONSE:** up/down) a lot, or just a little?]

| | |
|---|---|
| 13 | Gone up |
| 4 | Gone up a lot |
| 8 | Gone up a little |
| 48 | Gone down |
| 22 | Gone down a little |
| 26 | Gone down a lot |
| 33 | Stayed same |
| 1 | Bought home recently/Too soon to tell **(VOL.)** |
| 5 | Don't know/Refused **(VOL.)** |

**ASK THOSE WHO SAY GONE DOWN (Q31 = 3,4): [n=934]**

**Q32** Considering everything, how long do you think it will take for the value of your home to recover from the effects of the recession? Would you say it will take less than a year, one to two years, three to five years, six to 10 years, or longer than 10 years? **(DO NOT NEED TO CONTINUE READING CATEGORIES IF R GIVES ANSWER)**

| | |
|---|---|
| 10 | Two years or less |
| 1 | Less than a year |
| 8 | One to two years |
| 47 | Three to five years |
| 39 | Six years or longer |
| 29 | Six to 10 years |
| 10 | Longer than 10 years |
| 1 | Never **(VOL.)** |
| * | Recession not over/depends on how long recession continues **(VOL.)** |
| 3 | Don't know/Refused **(VOL.)** |

**ASK HOMEOWNERS WITH A MORTGAGE (Q29=2-9): [n=1,307]**

**Q33a** Now I'd like you to think about how much you could sell your home for today and how much you still owe on your home. Do you currently owe more on your home than you could sell it for today, or not?

| | |
|---|---|
| 21 | Yes, owe more |
| 73 | No |
| 1 | No mortgage **(VOL.)** |
| 5 | Don't know/Refused **(VOL.)** |

**ASK ALL:**

**Q34** For each of the following, please tell me whether or not it is something that has happened to you during the recession. …Have you **[INSERT ITEM; RANDOMIZE; OBSERVE FORM SPLITS]**?

| | | Yes | No | **(VOL.)** Does not apply | **(VOL.)** DK/Ref |
|---|---|---|---|---|---|
| a. | Had trouble getting or paying for medical care for yourself or your family | 27 | 71 | 1 | * |
| b. | Had problems paying your rent or mortgage | 20 | 76 | 5 | * |
| c. | Borrowed money from a family member or friend to help pay the bills | 24 | 76 | * | * |
| d. | Cut back or canceled vacation travel | 57 | 39 | 4 | * |
| e. | Bought less expensive brands or shopped more at discount stores | 71 | 26 | 2 | 1 |

**No item f.**

**ASK FORM 1: [n=1,484]**

| | | Yes | No | **(VOL.)** Does not apply | **(VOL.)** DK/Ref |
|---|---|---|---|---|---|
| g. | Lost your house to foreclosure | 2 | 95 | 3 | * |
| h. | Moved back in with your parents after living on your own | 9 | 87 | 4 | * |
| i. | Had to increase your credit card debt to help pay the bills | 15 | 78 | 6 | * |

**ASK FORM 2: [n=1,483]**

| | | Yes | No | **(VOL.)** Does not apply | **(VOL.)** DK/Ref |
|---|---|---|---|---|---|
| j. | Loaned money to someone to help them with expenses or pay their bills | 49 | 50 | * | 1 |
| k. | Postponed getting married or having a baby | 11 | 75 | 13 | 1 |
| l. | Cut back spending on alcohol or cigarettes | 30 | 37 | 32 | * |

**ASK ALL:**

M.1 Are you currently married, living with a partner, divorced, separated, widowed, or have you never been married? **(IF R SAYS "SINGLE," PROBE TO DETERMINE WHICH CATEGORY IS APPROPRIATE)**

| | |
|---|---|
| 54 | Married |
| 7 | Living with a partner |
| 9 | Divorced |
| 2 | Separated |
| 6 | Widowed |
| 21 | Never been married |
| * | Don't know/Refused **(VOL.)** |

**ASK ALL:**

**Q35** Overall, how confident are you that YOU (**IF M1=1:** and your spouse) will have enough income and assets to last throughout your retirement years? Are you **[READ LIST]**?

| May 2010 | | Feb 2009 |
|---|---|---|
| 23 | Very confident | 30 |
| 41 | Somewhat confident | 41 |
| 19 | Not too confident | 16 |
| 13 | Not at all confident | 9 |
| 1 | Won't have anything/haven't been able to save **(VOL.)** | n/a |
| 3 | Don't know/Refused **(VOL.)** | 3 |

**ASK IF MARRIED (M.1 =1): [n=1,532]**

E5 Is your spouse now employed full-time, part-time or not employed?

| | |
|---|---|
| 54 | Full-time |
| 10 | Part-time |
| 35 | Not employed |
| 1 | Don't know/Refused **(VOL.)** |

**ASK ALL:**

**Q36** Do you (**IF M1=1**: or your spouse) **(READ AND RANDOMIZE – ALWAYS ASK ITEM b LAST)**

a. Own any stocks, bonds or mutual funds

| May 2010 | | Jan/Feb 2008 |
|---|---|---|
| 37 | Yes | 44 |
| 61 | No | 55 |
| 2 | Don't know/Refused **(VOL.)** | 1 |

b. Have a checking or savings account, or some other form of savings

| | |
|---|---|
| 85 | Yes |
| 14 | No |
| 1 | Don't know/Refused **(VOL.)** |

c. Have an IRA, 401K or a similar kind of retirement account

| May 2010 | | Jan/Feb 2008 |
|---|---|---|
| 55 | Yes | 57 |
| 43 | No | 41 |
| 1 | Don't know/Refused **(VOL.)** | 2 |

**ASK IF RESPONDENT OWNS ANY STOCKS, BONDS, MUTUAL FUNDS (Q36a = 1): [n=1,181]**

**Q37** During the recession, did you have to sell some of your stocks, bonds or other investments to meet expenses or pay your bills, or not?

| | |
|---|---|
| 19 | Yes |
| 80 | No |
| * | Don't know/Refused **(VOL.)** |

**ASK IF RESPONDENT HAS CHECKING OR SAVINGS ACCOUNT OR RETIREMENT SAVINGS (Q36b or Q36c = 1): [n=2,608]**

**Q37a** During the recession, did you have to withdraw money from your savings, 401(k) or other retirement accounts to meet expenses or pay your bills, or not?

| | |
|---|---|
| 41 | Yes |
| 58 | No |
| 1 | Don't know/Refused **(VOL.)** |

**ASK IF RESPONDENT HAS ANY INVESTMENTS OR SAVINGS (Q36 a, b or c = 1): [n=2,624]**

**Q38** Since the recession began, have you changed the way you are investing or saving your money?

| | |
|---|---|
| 57 | Yes |
| 42 | No |
| 1 | Don't know/Refused **(VOL.)** |

**ASK IF RESPONDENT HAS MADE CHANGES IN INVESTMENTS/SAVINGS (Q38 =1): [n=1,537]**

**Q39** As a result of those changes, are you now investing or saving more cautiously or more aggressively?

| | |
|---|---|
| 74 | More cautiously |
| 14 | More aggressively |
| 3 | Doing both **(VOL.)** |
| 9 | Don't know/Refused **(VOL.)** |

**ASK ALL:**

**AGE** What is your age?

| | |
|---|---|
| 22 | 18-29 |
| 33 | 30-49 |
| 26 | 50-64 |
| 17 | 65+ |
| 2 | Don't know/Refused **(VOL.)** |

**E1** Are you currently retired?

| | |
|---|---|
| 23 | Yes |
| 4 | Yes, semi-retired or "still do some type of work" **(VOL.)** |
| 70 | No |
| 2 | Disabled **(VOL.)** |
| * | Don't know/Refused **(VOL.)** |

**ASK IF DISABLED (E1=4): [n=99]**

**E1a** Are you able to work, or not?

| | |
|---|---|
| 24 | Yes, able to work |
| 75 | No, not able to work **[SKIP TO DEMOGRAPHICS ]**[46] |
| 1 | Don't know/Refused **(VOL.)** |

[46] Q40 through Q67 were not asked of respondents who are fully disabled (E1a=2) [n=80].

**ASK IF NOT RETIRED (E1=3) AND AGE 62 OR OLDER: [n=110]**
**Q40** Have you delayed your retirement because of the recession, or not?

| May 2010 | | *Trend for Comparison* July 2009[47] |
|---|---|---|
| 35 | Yes | 38 |
| 61 | No | 61 |
| 3 | Don't know/Refused **(VOL.)** | 1 |

**ASK IF NOT RETIRED (E1=3) AND AGE 50-61: [n=600]**
**Q41** Do you think you might have to delay your retirement because of the recession, or not?

| May 2010 | | *Trend for Comparison* July 2009[48] |
|---|---|---|
| 60 | Yes | 63 |
| 34 | No | 31 |
| 5 | Don't know/Refused **(VOL.)** | 5 |

**ASK ALL:**
**E2** Are you now enrolled in school, either full or part-time, or not?

| | |
|---|---|
| 9 | Yes, full-time student |
| 7 | Yes, part-time |
| 82 | No |
| 2 | Don't know/Refused **(VOL.)** |

**ASK ALL :**
**E3** (**IF E1=1,2**: Some people who have retired do some type of work for pay…/**IF E2=1,2 & E1=3,9**: Some students also do some type of work for pay/**IF E1=4**: Some people who are disabled do some type of work for pay…) Are you now employed full-time, part-time or not employed?

| | |
|---|---|
| 60 | Employed |
| 45 | Full-time |
| 15 | Part-time |
| 38 | Not employed |
| 2 | Fully disabled/not able to work |
| * | Don't know/Refused **(VOL.)** |

**ASK IF NOT EMPLOYED (E3 = 3): [n=1,271]**
**Q42** Would you like to have a job, whether full or part-time, or not?

| | |
|---|---|
| 45 | Yes |
| 54 | No |
| 1 | Don't know/Refused **(VOL.)** |

[47] In July 2009, the question was worded as follows: "Have you had to delay your retirement because of current economic conditions, or not?"
[48] In July 2009, the question was worded as follows: "Do you think you might have to delay your retirement because of current economic conditions, or not?"

**ASK IF NOT EMPLOYED AND WOULD LIKE TO HAVE A JOB (E3 = 3 AND Q42 = 1): [n=830]**
**Q43** Could you start a job now if one were offered to you?

| | |
|---|---|
| 75 | Yes |
| 20 | No |
| 6 | Don't know/Refused **(VOL.)** |

**ASK IF WORKING PART-TIME (E3=2): [n=467]**
**E3a** Would you prefer to be working full-time, or not?

| | |
|---|---|
| 47 | Yes, prefer full-time |
| 52 | No |
| 1 | Don't know/Refused **(VOL.)** |

**ASK IF WORKING PART-TIME AND PREFER FULL-TIME (E3=2 AND E3a = 1): [n=238]**
**Q44** Are you working part-time because you could not find full-time work, your employer cut back your hours, or is there some other reason?

| | |
|---|---|
| 37 | Could not find full-time work |
| 23 | Employer cut back hours |
| 39 | Other reason |
| 1 | Don't know/Refused **(VOL.)** |

**ASK ALL WORKING (E3=1,2): [n=1,604]**
**E3c.** Are you self-employed, or not? **[INTERVIEWER INSTRUCTION: IF R MENTIONS MORE THAN ONE JOB/EMPLOYER ASK ABOUT THEIR "main job"]**

| | |
|---|---|
| 22 | Yes, self-employed (includes independent contractor, freelance worker) |
| 78 | No, not self-employed |
| * | Don't know/Refused **(VOL.)** |

**ASK ALL WORKING (E3=1,2): [n=1,604]**
**Q45** Overall, how satisfied are you with your job? Are you **(READ)**

| May 2010 | | July 2009 | Jan 2008 | June 2006 | *PSRA*[49] July 1997 | *Gallup* July 1989 |
|---|---|---|---|---|---|---|
| 86 | Satisfied **(NET)** | 90 | 87 | 89 | 86 | 89 |
| 32 | Completely satisfied | 30 | 31 | 28 | 24 | 28 |
| 54 | Mostly satisfied | 60 | 56 | 61 | 62 | 61 |
| 12 | Dissatisfied **(NET)** | 9 | 12 | 10 | 13 | 11 |
| 7 | Mostly dissatisfied | 7 | 10 | 8 | 10 | 8 |
| 4 | Completely dissatisfied | 2 | 3 | 2 | 3 | 3 |
| 2 | Don't know/Refused **(VOL.)** | 1 | * | 1 | 1 | * |

[49] The July 1997 PSRA question was worded "Overall, how satisfied or dissatisfied are you with your current job? Are you…[READ RESPONSES]"

**ASK IF NOT EMPLOYED (E3=3): [n=1,271]**

**Q46** You said you are not employed. Just to be sure, in the last week did you do any work for pay?

| | |
|---|---|
| 9 | Yes |
| 83 | No |
| 8 | Retired **(VOL.)** |
| * | Don't know/Refused **(VOL.)** |

**ASK IF EMPLOYED (E3=1,2): [n=1,604]**

**Q49** Here are two different ways of looking at your job. Some people get a sense of identity from their job. For other people, their job is JUST what they do for a living. Which of these best describes the way you usually feel about your job?

| May 2010 | | June 2006 | *Gallup* Aug 2003 | *Gallup* Aug 1999 | *Gallup* May 1993 | *Gallup* July 1989 |
|---|---|---|---|---|---|---|
| 49 | Sense of identity | 51 | 56 | 51 | 58 | 57 |
| 49 | Just what do for a living | 45 | 43 | 47 | 41 | 40 |
| 2 | Don't know/Refused **(VOL.)** | 4 | 1 | 2 | 1 | 3 |

**ASK IF EMPLOYED (E3=1,2): [n=1,604]**

**Q50** For each of the following, please tell me whether or not it is something that happened to you during the recession…. Have you [**INSERT ITEM; RANDOMIZE**]?

| | Yes | No | **(VOL.)** DK/Ref |
|---|---|---|---|
| a. Gotten a pay raise at your current job | 38 | 61 | 1 |
| b. Gotten a better job or a promotion at your current job | 20 | 79 | 1 |
| c. Been ordered by your employer to take time off without pay or take unpaid leave | 12 | 87 | 1 |
| d. Taken a cut in pay | 23 | 77 | * |
| e. Had your work hours reduced | 28 | 72 | 1 |
| f. Been forced to switch from a full-time to a part-time job | 11 | 89 | * |
| g. Had to work more overtime or longer hours | 33 | 66 | * |

**ASK IF EMPLOYED (E3=1,2): [n=1,604]**

**Q51** Would you say you have more qualifications than the job requires, the right amount of qualifications that the job requires or only some of the qualifications the job requires?

| | |
|---|---|
| 41 | More |
| 51 | Right amount |
| 7 | Only some |
| 2 | Don't know/Refused **(VOL.)** |

**ASK IF EMPLOYED (E3 = 1,2): [n=1,604]**

**Q52** Since the recession started in December 2007, was there a time when you were out of work AND LOOKING FOR A JOB?

| | |
|---|---|
| 26 | Yes |
| 73 | No [**SKIP TO Q67]** |
| 1 | Retired/Does not apply (student, homemaker, disabled) **(VOL.)** [**SKIP TO Q67]** |
| * | Laid off/break in work, resumed same job **(VOL.)** [**SKIP TO Q61]** |
| * | Don't know/Refused **(VOL.)** [**SKIP TO Q67]** |

**ASK IF UNEMPLOYED NOW OR UNEMPLOYED SOMETIME DURING RECESSION/DK (E3=3 OR Q52=1): [n=1,647]**

**Q53** **IF UNEMPLOYED (E3=3)**: Since the recession started, how many times, INCLUDING THIS TIME, have you been unemployed?
**IF EMPLOYED (E3=1,2)**: Since the recession started, how many times have you been unemployed?

| | |
|---|---|
| 60 | One time |
| 9 | Two times |
| 11 | Three or more times |
| 20 | Don't know/Refused **(VOL.)** |

**ASK IF UNEMPLOYED AND OUT OF WORK MORE THAN ONE TIME DURING RECESSION (E3=3 AND Q53=2-8): [n=207]**

**Q54a-c** And what was the LONGEST period of time you were out of work? **[INTERVIEWER: PROBE IF NECESSARY; RECORD AS MONTHS IF LESS THAN ONE YEAR. 12 MONTHS SHOULD BE RECORDED AS 1 YEAR. IF MORE THAN ONE YEAR RECORD AS YEARS AND MONTHS]**

**ASK IF NOT SURE/DON'T KNOW (CODE 99 TO Q54a, b, c):**

**Q54d** Was it less than three months, or was it three months or longer?

| | |
|---|---|
| 5 | Less than three months |
| 91 | Three months or longer |
| 5 | Three to five months |
| 16 | Six to 11 months |
| 27 | One year |
| 33 | Two years or longer |
| 8 | Unspecified |
| 1 | Never worked/Homemaker **(VOL.)** |
| 3 | Don't know/Refused **(VOL.)** |

**Q55/56 COMBINED:**
**BASED ON THOSE WHO ARE EMPLOYED BUT WERE UNEMPLOYED AT LEAST ONCE DURING THE RECESSION: [n=360]**

**ASK IF EMPLOYED AND OUT OF WORK ONCE DURING RECESSION (E3=1,2 & Q53=1):**

**Q55a-c** How long were you out of work and looking for a job? **[INTERVIEWER: PROBE IF NECESSARY; RECORD AS MONTHS IF LESS THAN ONE YEAR. 12 MONTHS SHOULD BE RECORDED AS 1 YEAR. IF MORE THAN ONE YEAR RECORD AS YEARS AND MONTHS]**

**ASK IF NOT SURE/DON'T KNOW (CODE 99 TO Q55a, b, c):**

**Q55d** Was it less than three months, or was it three months or longer?

**ASK IF EMPLOYED AND OUT OF WORK MORE THAN ONCE DURING RECESSION (E3=1,2 AND Q53=2-8):**

**Q56a-c** And what was the LONGEST period of time you were out of work? **[INTERVIEWER: PROBE IF NECESSARY; RECORD AS MONTHS IF LESS THAN ONE YEAR. 12 MONTHS SHOULD BE RECORDED AS 1 YEAR. IF MORE THAN ONE YEAR RECORD AS YEARS AND MONTHS]**

**ASK IF NOT SURE/DON'T KNOW (CODE 99 TO Q56a, b, c):**
**Q56d** Was it less than three months, or was it three months or longer?

| | |
|---|---|
| 20 | Less than three months |
| 80 | Three months or longer |
| 27 | Three to five months |
| 26 | Six to 11 months |
| 16 | One year |
| 9 | Two years or longer |
| 1 | Unspecified |
| * | Never worked/Homemaker **(VOL.)** |
| * | Don't know/Refused **(VOL.)** |

**ASK IF UNEMPLOYED NOW OR UNEMPLOYED SOMETIME DURING RECESSION (E3=3 OR Q52 = 1): [n=1,647]**
Now I would like you to think of the job you had BEFORE you were last out of work.
**Q57** Were you employed full-time or part-time?

| | |
|---|---|
| 72 | Full-time |
| 24 | Part-time |
| 4 | Not employed/student/never employed **(VOL.) [SKIP TO Q61]** |
| 1 | Don't know/Refused **(VOL.)** |

**ASK IF EMPLOYED NOW BUT UNEMPLOYED SOMETIME DURING RECESSION (E3=1,2 AND Q52=1): [n=376]**
**Q58** Does your new job pay more, less or about the same as your last job?

| | |
|---|---|
| 38 | More |
| 39 | Less |
| 22 | Same |
| * | Don't know/Refused **(VOL.)** |

**ASK IF EMPLOYED NOW BUT UNEMPLOYED SOMETIME DURING RECESSION (E3=1,2 AND Q52=1): [n=376]**
**Q59** Does your new job have better benefits, worse benefits or about the same benefits as your last job?

| | |
|---|---|
| 26 | Better |
| 28 | Worse |
| 39 | Same |
| 5 | Don't know/Refused **(VOL.)** |

**ASK IF EMPLOYED NOW BUT UNEMPLOYED SOMETIME DURING RECESSION (E3=1,2 AND Q52=1): [n=376]**
**Q60** Considering everything, is your new job better, worse or about the same as your last job?

| | |
|---|---|
| 43 | Better |
| 24 | Worse |
| 30 | Same |
| 2 | Don't know/Refused **(VOL.)** |

**ASK IF UNEMPLOYED NOW OR UNEMPLOYED SOMETIME DURING RECESSION (E3=3 OR Q52=1). RESULTS SHOWN BASED ONLY ON THOSE EMPLOYED NOW BUT UNEMPLOYED SOMETIME DURING RECESSION [n=376]**

**Q61 IF EMPLOYED NOW BUT UNEMPLOYED SOMETIME DURING RECESSION (E3=1,2 AND Q52=1):** When you were unemployed and looking for work, did you … **(INSERT AND RANDOMIZE)**?

| | Yes | No | **(VOL.)** DK/Ref |
|---|---|---|---|
| a. Move(d) or consider(ed) moving to another part of the state or country where there might be more jobs, or not | 39 | 60 | 1 |
| b. Change(d) your career or field, or seriously consider(ed) changing your career or field, or not | 60 | 39 | 1 |
| c. Pursue(d) any job retraining programs or educational opportunities, or not | 36 | 63 | 1 |

**No Q62**

**ASK ALL:**
**Q70** Compared to what it was before the recession, has your family income increased, decreased or stayed about the same?

| | |
|---|---|
| 14 | Increased |
| 34 | Decreased |
| 49 | Stayed about the same |
| 3 | Don't know/Refused **(VOL.)** |