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Job options narrow as U.S. recession bites

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PHOENIX/DALLAS (Reuters) - Former corporate executive Don Yows took an entry-level job that set his career in information technology back by two decades.

Rick Cumins is selling off his gun collection to make ends meet as his real estate business falters.

Options are dwindling in the United States -- even for those with experience, skills and education as the world's largest economy sheds jobs in the face of recession.

A loss of 467,000 more jobs in June pushed the unemployment rate to 9.5 percent. Economists expect official data coming out on Friday to show another 320,000 jobs lost in July.

The numbers add pressure on U.S. President Barack Obama. His promise to create or save up to 4 million jobs looks likely to go unmet despite a \$787 billion stimulus package.

Some executives are abandoning big cities for the wide-open spaces of Montana or Washington state and the corn fields of Iowa where salary expectations are 20 percent to 30 percent lower.

"We are seeing people more willing to consider opportunities in places traditionally they wouldn't locate to," said John Flanigan, vice president of recruiting at Aerotek, a branch of Allegis Group, the largest U.S. staffing company.

Whether they have to move to new areas or just into new jobs, many workers have had to cope with making less money.

STARTING OVER

Yows, 50, of Phoenix, Arizona, is the father of three, ranging in age from 11 to their 20s. He worked for 14 years at blue chip computer maker Hewlett-Packard as an account manager selling consulting and services.

He was laid off three days after Christmas 2008. "One of my accounts locally, a British firm ... closed U.S. operations. One of my major accounts ceased to exist," he said.

In the following seven months he joined a local executive job network and applied for about 200 jobs. He got three interviews and just one offer, which he decided to take.

Yows now makes around \$24,000 a year, about a fifth of what he was making for HP.

"I'm kind of back to where I was 20 years ago. I'm entering a company at a technical level doing telephone support on Internet-based applications and development tools, and those types of activities," Yows said.

He sees the upside. "It's a way to contribute to the household income. You kind of feel like you're contributing again. You're a viable part of society."

For his wife, Cathy, who works as a nursing supervisor, it has been a hard adjustment.

"It's bittersweet, because I know that what he's doing is just a job. It's not something that's going to fulfill him, it's just a job," she said.

Texas realtor Cumins, 54, who runs his own business in the town of Cleburne near Fort Worth, would like to take another job given how tough business has been. But he cannot find one.

"I have filled out some applications for jobs but they're not calling back or anything. I got myself behind the eight ball now and the only way out is to stay in real estate."

He said he has sold about a dozen guns from his collection to help pay bills and still has six or seven for sale.

"I've got two friends who have been out of work for over two years, one an engineer and one a former bank president. He's doing part-time school teaching now," Cumins said.

UNSKILLED SQUEEZED TIGHTER

It hurts for educated professionals to take pay cuts or less-skilled work. But for those at the bottom of the education ladder, things are much worse. Labor statistics underscore one crucial fact: it pays to have an education.

U.S. Department of Labor data show that for high school dropouts over the age of 25, the unemployment rate in June 2009 was 15.5 percent.

The comparable unemployment rate for high school graduates with no college was 9.8 percent; for those with some college or an associate degree it was 8 percent; for those with a college bachelor's degree or more it was 4.7 percent.

Some analysts see dramatic income changes becoming so commonplace that statistics will show income gaps narrowing as high-paying jobs decline in such sectors as finance.

"Going forward the gap will shrink because people will be pushed into jobs that they don't really need a college degree to do. This is not part of the natural economic cycle," said Peter Morici, a professor at the University of Maryland.

"This is a consequence of policies that have been pursued by previous administrations and exacerbated by Obama, such as never addressing the trade issue with China," he said.

(Additional reporting by Carey Gillam in Kansas City; Editing by Peter Bohan and Howard Goller)

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