Down but Not Out: Material Responses of Unemployed and Underemployed Workers during the Great Depression and Great Recession

DISSERTATION

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By

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Abstract

For decades the study of unemployment has been dominated by psychologists and economists and has largely been overlooked by sociologists. When the world economy entered a period of prolonged economic decline in the fall of 2007, this began to change. During this period many workers found themselves facing extreme economic hardship as they were involuntarily unemployed for extended periods of time. Yet even as the Great Recession forced sociologists to rediscover the topic of unemployment, most of this research followed the traditions set forth by economists and psychologists by focusing on macro-level factors associated with the decline or the psychological responses of unemployed workers. While this research is important, it provides little insight into the lived experiences of unemployed workers and their families. In the following paper I begin addressing this gap by utilizing qualitative methods to explore the lived experiences of unemployed and underemployed workers during two of the most devastating economic collapses in U.S. history: the Great Depression and the Great Recession. Data on the experiences of workers during the Great Recession come from eighty-four semi-structured interviews with displaced workers in Columbus, OH conducted between 2012 and 2013. In contrast, the experiences of unemployed workers during the Great Depression are explored using research conducted by E. Wight Bakke and his team during the 1930s. The current analysis focuses primarily on the material
responses of workers during both periods. Material responses are conceptualized as the strategies individuals and families employ in order to maintain their standard of living in the face of economic hardship. Given the substantial technological, industrial, and institutional changes that have occurred since the start of the Great Depression, one would expect there to be significant differences in the material responses of workers during both periods. Yet, the current analysis discovers that this is not the case. Instead, unemployed and underemployed workers during both periods relied on a combination of wages, familial and social resources, and social assistance. These similarities stand in stark contrast to the contemporary conservative rhetoric of an overly generous welfare state, as this ideological lens suggests that the modern social safety net would have protected displaced workers from nearly all of the hardship. Instead, social assistance during both periods is found to be lacking. Instead of being overly generous, a critical analysis of the experiences of workers finds it to be quite miserly in terms of duration, generosity, and availability. Moreover, the contemporary system is also found to be extremely unequal, favoring middle-class workers over working-class workers.
Dedicated to my family – especially my wife, mother, father, brother, and sister – whose unconditional love and support made this possible. I would also like to dedicate this dissertation to all of those affected by the Great Recession and the Great Depression.
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Preface

The fall of 1929 marked the beginning of the worst economic collapse in U.S. history. The Great Depression – the name given to this collapse – became the defining moment in the lives of many. Throughout the 1930s, individuals and their families were faced with severe financial hardship and a desperate – at times life and death – struggle to make ends meet. After the economy recovered and the Great Depression faded into the distant past, the experiences and lessons of the Great Depression have become important artifacts of our national history. Unfortunately, while some of these experiences were documented during the midst of the economic downturn, this was not particularly common. Even though further attempts were made to document the experiences of the Great Depression in the following years (see Terkel 1970 for example), the norm remained for these experiences to be passed on orally. My own family chose to adopt such a haphazard approach in passing down their stories.

The accuracy of these oral histories is questionable at best – especially in the case of my family. Much like a game of telephone, facts change slightly with each retelling. Not only do stories suffer from the recall bias of the teller, but also the listener. All of my grandparents passed away many years before I set out to conduct this research. I tried checking my version of their stories against those of other family members, but specifics seem to differ. I sometimes question whether these events actually occurred during the
Great Depression or maybe at some other point during my grandparents' childhood. Therefore, I do not necessarily consider my family stories to be factually accurate; they are best considered family legends or, better yet, folklore. Nevertheless, I feel compelled to share what I recall of these stories because this folklore not only framed my interest in the Great Depression but these stories typify the evidence that makes up the modern mythos of the Great Depression. This mythos has an important lesson, perhaps best summarized by my maternal grandmother: the 1930s were truly "desperate times."

As with many families, the Great Depression acted to tear my maternal grandmother's family apart (I do not recall any stories from my maternal grandfather). When she was eight years old, my grandmother was sent to live on my great-great grandparents' farm in South Haven, MI while her mother worked in Chicago. For a time, my great-great grandparents made a living by selling cucumbers to a local pickle factory, yet their livelihood soon vanished when they lost their farm due to their failure to pay taxes. These tragedies suffered by my maternal side, however, are somewhat balanced by the experiences of my paternal side. Though the 1930s were hard for my paternal grandmother, she did not seem to suffer to nearly the same extent as my maternal grandmother; to the best of my knowledge she lost neither family nor farm to the Great Depression. Nevertheless, she did recount how she would pick asparagus growing in drainage ditches (I'm told that this was a fairly common practice during the period) and would throw stones at passing trains, so that the crew would throw coal back at her (I am unsure how malicious the coal throwing was).
In contrast, my paternal grandfather fared much better, as my paternal great-grandparents were fairly successful local business owners in one of the Polish enclaves in Detroit, MI. It is undisputed in our family stories that their primary business was a local grocery store, but several stories allude to other businesses as well, including an apartment complex, another building – possibly a second grocery store or a rental property –, and a 'prohibition-era' establishment. One of my favorite family stories is perhaps most telling of my grandfather's relatively advantaged position during this period. When he was young, my grandfather wrecked the family car. Instead of telling my great-grandfather what happened, my great-grandmother (who handled the money in our family) simply went out and bought a new car. Nonetheless, this side of the family suffered their own losses. Many of their customers purchased items on credit and it is my understanding that many of these debts were never repaid. By the end of the Great Depression it seems this side of my family lost most of their secondary establishments, but managed to maintain their grocery store until they passed away several decades later. I have been told that whatever customers still owed them money at the time of their deaths informed my grandparents that "our debts died with them."

When I was first presented with the opportunity to help collect data on the experiences of those affected by the Great Recession, I was almost immediately reminded of these family stories. I wondered how the experiences of those living through the Great Recession compared to those living through the Great Depression. I knew that the Great Recession was bound to be a significant life event for many people. In fact, the Great Recession had already played a large role in me going to graduate school.
After the economy crashed in late 2007 and early 2008, I realized that my prospects of finding a decent paying job with benefits when I graduated college the following year were very limited. I had the good fortune of taking a course with Dr. Lawrence Radine around this time. Each semester Dr. Radine would devote a lecture to talk to his students about the economic advantages of going to graduate school. He also provided important information on the different types of graduate programs (academic vs. professional programs) and what to look for when applying to schools. I don't think I had ever considered graduate school prior to this point. As the economy continued to worsen, and as I took classes with several other influential professors – including Dr. Lars Bjorn, Dr. Ronald Stockton, and Dr. Pamela Aronson – graduate school become a much more real possibility. At this time I was still considering following in my father's footsteps and becoming a construction electrician (I had already went to the same university as my father, majored in one of the same majors, and had taken classes with the same professors – so this was not that far of a stretch). In the end, I applied both to graduate school and the electrical apprenticeship program; I only ended up at graduate school because the apprenticeship program did not take a new class of apprentices until the fall of 2010.

Recognizing the Great Recession has the potential to impact the current generation in the same way that the Great Depression impacted previous generations inspired this manuscript. Yet the value of the data collection project that informs this paper extends far beyond the current analysis by systematically documenting the experiences of the Great Recession for future generations.
Chapter 1: Introduction

In the decades since the 1930s, and no doubt in part because of the salient nature of the lived experiences, the Great Depression has become the standard to which all other economic downturns are compared. While several recessionary periods have been described as "the worst since the Great Depression" (see Leventman 1981 for example), it was not until the winter of 2007 that any would be so comparable as to be given the name the "Great Recession" (Farber 2010; Elsby, Hobijn, and Şahin 2010; Elsby et al 2011). Both of these periods are distinguished from other economic downturns over the past century in several ways. First and foremost, the Great Recession and Great Depression stand apart from other economic downturns in terms of their severity. No other economic downturn has resulted in similar economic losses or in increases in the unemployment rate. This severity is no doubt related to the fact that both of these collapses were the result of crises in our core financial institutions. Due to the globalized nature of our economic system during both periods, these core crises meant that the economic losses were felt throughout the entire global economy. No country, sector, industry or worker was fully protected from the financial collapse or the corresponding economic hardship.

Since the beginning of the Great Recession, numerous pages have been devoted to the comparison of these two economic periods. These comparisons have highlighted a number of parallels and differences in terms of causes, severity, and macro-level
responses (see Temin 2010; Bernanke 2010; Jacobson 2013; Levine 2009). True to its name, these macro-level comparisons demonstrate how the Great Depression was much more severe than the Great Recession. These findings suggest that current economic and social policies are quite effective. After all, they managed to stabilize the stock market, the banking system, and even the Gross Domestic Product relatively quickly after the 2007 financial collapse.

Yet these macro-level comparisons leave out an important piece of the puzzle, as macro-level indicators are not particularly meaningful in the day-to-day lived experiences of people. In this way, the macro-level indicators provide little insight into the actual hardships faced by individuals during these periods or how successful public policy – in the form of the public-private safety net – was at staving off such hardship. The fact that the Great Depression appears worse on the basis of macro-level indicators does not mean that the hardships experienced by those facing extended unemployment and underemployment were so dissimilar between these two periods. It is quite likely that the long-term unemployed and underemployed continue to face significant, sometimes insurmountable, financial difficulties just as they did eighty years ago. At best, we are discussing a difference in degree, not kind. We cannot say that the hardships faced by contemporary workers are any less meaningful than the hardships of workers during the Great Depression. Yet, to my knowledge, no systematic analysis has been made on the lived experienced of workers facing financial hardship during these two periods. The current manuscript intends to fill this gap in the literature by analyzing and comparing the lived experiences of individuals during both the Great Depression and Great Recession.
When analyzing and comparing the lived experiences of unemployed and underemployed workers, I pay special attention to the "material responses" that workers and their families employ to make ends meet. In this way, material responses are conceptualized as the strategies individuals and families employ in order to maintain their standard of living in the face of economic hardship; material responses are the strategies that families and individuals utilize to make ends meet. The material responses of unemployed and underemployed workers becomes especially important when one considers that, in light of their employment statuses, these individuals cannot merely rely on the traditional route of provision in modern society – that is the private labor market. Instead they are forced to rely on other, often less traditional or optimal, means of providing for themselves. Given the substantial technological, industrial, and institutional changes that have occurred since the 1930s, one would expect there to be significant differences in the material responses of unemployed and underemployed workers during the Great Depression and Great Recession. Yet, as I will show in more detail in later chapters, this is not the case. In fact, the material responses of unemployed and underemployed workers during the Great Recession bare substantial similarities with the material responses of their Great Depression counterparts.

The similarities of the material responses of unemployed and underemployed workers during both of these periods stand in stark contrast to the contemporary conservative rhetoric of an overly generous welfare state. Using this ideological lens, one would assume that the modern social safety net would have protected individuals from virtually all of the hardships of the current economic collapse. After all, an abundance of
anecdotal accounts exist about spoiled welfare recipients who prefer to bask in the riches of government assistance rather than work to earn their keep. Throughout my analysis, however, I demonstrate that this popular image is based in fantasy, not reality.

In truth, the contemporary safety net is anything but overly generous – especially for displaced workers. Due to the design of many assistance programs which seek only to help "deserving" workers, substantial disparities exist in terms of access and benefits received. For example, at the national level only a minority of displaced workers receive Unemployment Insurance (UI) benefits – the core public program for providing aid to displaced workers. Moreover, while those who receive public assistance often find it to be a vital element of their financial wellbeing, benefits are actually quite miserly. At best UI replaces only half of an individual's former wages. On top of this, in normal circumstances these benefits are only available for a short period of time (although Congress did remove this time-limit during the Great Recession). Admittedly some workers are fortunate enough to receive supplemental private benefits, typically in the form of severance packages, but these tend to further exacerbate the inequalities in the unemployment experience. The distinction between deserving and undeserving recipients also exists with severance packages – perhaps even more so than with public benefits. Finally, it is also worth noting that, in line with previous research which demonstrates that even long-term users of government assistance programs desire to be self-sufficient, even those fortunate enough to receive benefits during the Great Recession did so out of necessity, not preference: displaced workers want to work.
Therefore, I argue that far from being overly generous, the contemporary social safety net is largely insufficient in providing adequate protections to the vast majority of displaced workers. This is not to say that the U.S. social safety net has not improved since the beginning of the Great Depression. In fact, it was economic hardships of the 1930s that spurred the federal government to accept a more active role in providing aid to displaced workers. Nevertheless, to this day, the U.S. social safety net remains fractured, inadequate, and extremely unequal.

Before delving into the more detailed analysis, however, it is worth providing a short synopsis of the chapters that follow. In the next chapter (Chapter 2) I begin my analysis by exploring and comparing the macro-level contexts of both the Great Depression and Great Recession. As mentioned, such comparisons do not provide much insight into the lived experiences, but they do provide important contexts that are necessary for such discussions to occur. Therefore, I spend considerable time comparing the magnitude of each economic downturn, discussing the changing characteristics of the economy and the workforce, and providing an overview of the U.S. welfare regime. This overview sets the stage for my discussion of the similarities and differences of lived experiences between these two time periods. After exploring this empirical background, I also review existing academic literature on the experiences of contemporary unemployed workers. As will be seen, this research has tended to focus primarily on the psychological responses of displaced workers, not their material responses. Therefore, it offers little guidance in understanding how unemployed and underemployed workers make ends meet in the face of prolonged financial hardship.
Throughout Chapter 3 I discuss the analytical strategy and data employed in my analysis. Due to my interest in *lived experiences*, this analysis is qualitative in nature. To investigate the Great Recession experiences, I rely on an original dataset of interviews with displaced workers in Columbus, OH. While over one-hundred interviews were conducted, I limit my analysis to those individuals who had stable employment prior to the 2007 collapse and then experienced long-term, dramatic financial instability in the years following. After applying these strict criteria, I am left with eighty-four in-depth interviews.

As is the nature of historical analyses, however, I was unable to collect original data for my analysis of Great Depression experiences. Therefore, I primarily rely on a secondary analysis of research conducted by E. Wight Bakke and his research team on the experiences of unemployed workers and their families living in New Haven, Connecticut during the Great Depression. While a secondary analysis is less than ideal, Bakke's research possesses certain traits that make it well suited for the purposes of the current study.

Perhaps one of the most important characteristics of Bakke's research is the period in which the data were collected (1940a, 1940b). Bakke and his team collected data from 1932 until 1939. This period has two benefits. First, since the data were collected during the Great Depression, it avoids the potential problem of recall bias. Second, since data were collected over a long period of time, these data also provide information on how experiences changed over the course of the economic collapse. This is especially important considering the experimental and changing nature of recovery programs at this
time. Additionally, due to Bakke's rigorous multi-method approach in data collection, he provides vital details and contexts that are often absent in other first-hand accounts – like personal diaries and the oral histories collected by the Federal Writers' Project. Finally, in contrast to sources like newspaper articles which often focus on notable events, Bakke's research spends considerable time analyzing the more "mundane" aspects of daily lives. This focus on the mundane provides important insights into the typical experiences of workers and their families. Therefore, while I do use other sources to inform my analysis of experiences of the Great Depression, the current manuscript mainly relies on the findings of Bakke's book *The Unemployed Worker* (1940a).

The majority of my analysis of the experiences of workers during the Great Depression resides in Chapter 4. Throughout this chapter I rely on Bakke's research to discuss the material responses of unemployed families. I note that these responses generally fall within three domains: wages, familial and social resources, and social assistance. Moreover, I discuss the benefits and limitations of each of these domains as well as how they changed overtime. Surprisingly, Bakke's research highlights how, even when ostensibly unemployed, wages of primary and supplementary earners continued to be the most important resource for depression-era families. When wages proved insufficient, families would then turn towards their familial and social resources, most notably credit from landlords and grocers.

Only after exhausting wages and social and familial resources did depression-era families turn to public social assistance programs. Over the course of the 1930s, the federal government experimented with three types of assistance programs: direct relief,
work relief, and UI. Each type of assistance programs came with their own advantages and limitations. Specifically, direct relief was one of the most efficient programs available, but families were hesitant to accept this type of assistance since it required that they admit dependence and deplete all other resources. In contrast, while work relief proved less of a threat to the status of workers and their families – especially for unskilled workers – it typically offered lower compensation and proved too expensive for the public sector to maintain. Finally, UI provided little aid to struggling families for several reasons. Just like with its modern form, by design the depression-era UI program was only available to relatively few workers. Moreover, for those fortunate enough to receive benefits, benefits proved to be quite limited and were only available for a short period of time. Perhaps the most limiting, however, is that UI was not implemented until the final years of the Great Depression, too late to help most unemployed workers and their families.

Chapter 5 marks the beginning of my analysis of the experiences of contemporary unemployed and underemployed workers. In contrast to the previous chapter, when discussing material responses of contemporary workers I utilize a six-category typology: (1) the public social safety net, (2) the private social safety net, (3) wages, (4) personal resources, (5) social network resources, and (6) social service agencies. As will be discussed, I find that no single category is sufficient in the face of severe financial hardship. Instead, all respondents relied on at least two resources in order to make ends meet. Moreover, no respondent was able to solely rely on public and private benefits without mobilizing a third resource. These findings suggest that equating economic
security with job security is too simplistic. While it is true that it is difficult to achieve financial security in the absence of wages, such a simplistic conceptualization misses much of the variation that exists in how individuals supplement such income. Moreover, these findings highlight how little has changed in ways that individuals and their families work to achieve economic security over the past eighty years.

It has become common knowledge that since the 1970s the U.S. economy has gone through a period of increasing economic inequality – reaching a level unseen since before the Great Depression (Picketty and Saez 2003; Picketty and Saez 2006). While research on economic inequality typically focuses on employed workers (or at times the non-working rich), it is likely that this inequality extends into the unemployment experience of workers as well. Therefore, Chapter 6 builds off of Chapter 5 by exploring the differences in the material responses of contemporary unemployed workers. In this chapter I categorize my respondents by "working-class" occupations – like manual, service, and clerical occupations – and "middle-class" occupations – like managers and professionals. Overall, this analysis finds that working-class and middle-class respondents have similar experiences – with a few notable differences – with using the public social safety net (though this may be due to my sampling strategy which favored workers eligible for such benefits), wages, social network resource, and social service resources. Yet there are substantial inequalities in terms of private benefits and personal resources. My findings highlight how middle-class respondents not only tend to receive more generous private unemployment benefits, but they receive such benefits for longer periods of time than their working-class counterparts. Similar differences arise in terms
of personal resources where middle-class respondents were able to rely on their wealth, while working-class respondents relied on debt. On top of this, when working-class respondents utilize debt they often do so by falling behind on bills, in contrast middle-class respondents using debt are more likely to utilize credit card debt. These findings suggest that to fully understand the nature of rising inequality within the U.S., researchers must take into account the experiences of both employed and unemployed workers.

In Chapter 7 I end my analysis much as I have begun – by offering a short summary of the previous chapters. In addition to this, however, I also highlight potential avenues for future research as well as discuss the policy implications of my findings. The limitations of our social safety net are well known and by design. We continue to make distinctions between deserving and undeserving individuals, both in policy decisions and in common discourse. Nevertheless, the findings of this paper suggest that, in contrast to calls to shrink the safety net, the U.S. government should expand social protections. In short and in the words of Bakke over seventy-five years ago, I urge contemporary policy makers to accept the fact that the logic of social economics is needed when addressing the irrationalities of business economics.
Chapter 2: Historical Background and Context

Severity of Decline, Length of Decline, and Time till Recovery

Before analyzing the lived experiences and material responses of those living through the Great Depression and Great Recession, it is worth discussing the contextual differences between these two time periods. This discussion of contexts will not offer a detailed macro-level comparison, as these comparisons have already been made by other authors (see Temin 2010). Instead, it will focus on more general comparisons. This discussion highlights several important contexts to keep in mind throughout the rest of the manuscript. After this discussion, I also explore the academic literature on the experiences of unemployed workers.

The first contextual difference between these two economic collapses worth discussing in order to better understand the day-to-day lived experiences of workers is the severity of decline. While it is true that the Great Depression and Great Recession stand apart from other economic downturns, it is important to note that these two recessionary periods differ dramatically from each other in terms of severity of decline. True to their names, the Great Depression was much more severe than the Great Recession. While severity can be measured in many ways, below I only compare severity based on three measures: stock market values, Gross Domestic Product (GDP), and changes in the unemployment rate.
Both the Great Depression and the Great Recession are characterized by a significant decline in stock market values – a common indicator of the strength of the economy. The fall of 1929 marked one of the most volatile periods of the stock market in U.S. history. Peaking in September of 1929, the stock market began to decline, with a dramatic loss being posted on October 29\textsuperscript{th}, 1929. That day, commonly referred to as "Black Tuesday," is the date generally considered to be the beginning of the Great Depression. While the decline was not constant – being interrupted by short reversal periods of economic gains – the stock market generally continued to decline until mid-1932. During this entire period the value of the Dow Jones fell from the high of 381.2 closing value on September 3, 1929 to a low of 41.22 on July 8\textsuperscript{th}, 1932 – about a 90% loss in value over a 34 month period. Over the next five years the Dow Jones began to regain some of its lost value. Then, in May 1937, the market contracted again – partly as a result of attempts by the Federal government to tighten expenses and balance the budget – leading to another period of decline. This period of decline, however, was much shorter, lasting 14 months. It took almost 25 years and a World War before the stock market returned to its September 3, 1929 peak. In comparison, on October 9\textsuperscript{th}, 2007 the Dow Jones peaked, closing at 14,164.53. Over the next 17 months the Dow suffered a 53.78% drop in value, closing at 6,547.05 on March 9\textsuperscript{th} 2009. After this point, the stock market quickly resurged, exceeding its 2007 peak by March 2013.

By comparing the relative decline in stock market values during these two periods, several points stand out. First, the Great Recession was not nearly as severe as the Great Depression. While the stock market lost almost 90% of its value during the
1929 collapse, it only lost a little over 50% of its value during the 2007 decline. Second, the period of decline during the Great Recession (17 months) was much shorter than the period of decline during the Great Depression (34 months). Not only did the stock values decline for a shorter period of time but they also regained all of their lost value much quicker during the Great Recession. It took less than 5 years for the Dow Jones to recover from the 2007 crash, while it took over 25 years for it to recover from the 1929 crash. This longer recovery period is, in part, attributable to the final important difference between these periods: to date, the 2007 crash has not resulted in a double-dip recession.

As mentioned above, stock market values are not the only economic indicator one can use to measure economic decline. In fact, the relative declines in other indicators – like the GDP – are much less severe than the relative decline in stock market values. As is shown in Figure 1, during the Great Depression the GDP only suffered a 25% decline, compared to the 90% drop in stock values. In terms of length of decline, the GDP declined a bit longer than stock values – bottoming out in 1933 instead of 1932 – but recovered much quicker, reaching its 1929 levels within 8 years instead of 25. Similarly, the 2007 collapse affected stock values much more than it affected GDP. While the stock market lost a little over 50% of its value between 2007 and 2009, the GDP only dropped about 3%. The GDP then fully recovered by 2010, whereas the stock market did not recover until 2013. Therefore, when comparing the GDP to the stock market in both of these periods, one sees that the GDP was not nearly affected as dramatically or as long as the stock market was by either crash.
While the GDP was not affected by either economic crash as severely as stock market values, it suggests that the Great Depression was much more severe compared to the Great Recession than was originally implied by the stock market. The relative decline in the stock market suggests that the Great Depression was almost twice as severe as the Great Recession (90% decline versus 50% decline). In contrast, the relative decline in the GDP suggests that the Great Depression was nearly 8 times worse than the Great Recession (25% decline versus 3% decline). In terms of length of decline, both the stock

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1 Calculations based on difference between Chained 2009 Dollars in Current Year and Chained 2009 Dollars in Period Start Year. All data gathered from Bureau of Economic Analysis (2015).
market and the GDP suggest that the economic decline lasted twice as long in Great Depression than in the Great Recession. Finally, in terms of time till recovery, the GDP suggests that the economy took twice as long to recover during the Great Depression (8 years versus 4 years), while the stock market suggests it took 5 times as long (25 years versus 5 years).

It is important to discuss one final economic indicator: the unemployment rate. This indicator is perhaps most important when discussing the Great Recession because, unlike the GDP and the stock market, the unemployment rate has yet to fully recover. Between 2006 and late 2007, the seasonally adjusted monthly unemployment rates in the U.S. stood between 4.4 and 4.7% – the lowest rates since 2001 (see Figure 2). Then, in late 2007, the unemployment rate began to increase – rising from 4.7% in November to 5.0% in December. Over the next several months unemployment hovered around 5% then, in May 2008, the unemployment rate began to increase again, reaching 7.3% by the end of the year. 2009 saw similar increases in the unemployment rate, peaking in October at 10%. While the unemployment rate has decreased since 2009, it did not fall below 8% until 2012 and, as of the end of 2015, has yet to drop below 5%.
How do these unemployment rates compare to those seen during the Great Depression? The easy answer: they don't. This answer, however, has two meanings. First, when one compares the annual unemployment rates during the Great Depression (see Figure 3) to those from the Great Recession one sees that unemployment during the Great Depression was much higher than during the Great Recession. In fact, peak unemployment during the 1930s stood over twice the peak levels seen during the most recent economic downturn – suggesting, much like stock values, that the Depression was twice as severe as the Recession. Nevertheless, one should be careful when directly comparing these statistics.
Prior to the 1930s, the federal government made no attempts to collect labor force statistics (Smiley 1983). While this absence of data changed in the 1930s, when the federal government began collecting data on the number of unemployed persons, the government did not simultaneously collect data on the size of the labor force in general. This makes calculating unemployment rates difficult (Smiley 1983). Moreover, the definition of unemployment changed in the 1940s which further limits the comparability of the unemployment data that were collected during the Great Depression. Most surveys during the Great Depression counted people as unemployed if they were currently

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Figure 3: Annual Unemployment Rates in the Great Depression and the Great Recession

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2 Darby's estimates are reported in Smiley (1983) and reproduced in Margo (1993); Lebergott's estimates are reported from the Bureau of the Census (1975) and reproduced in Margo (1993); Recession estimates are gathered from the Bureau of Labor Statistics (2016). All estimates include both farm and non-farm civilian workforce.
without work, but willing and able to work (Bureau of Census 1975). In contrast, modern unemployment levels calculated by the Current Population Survey (CPS) counts persons as unemployed if they are currently without work, available to work, and have actively searched for work in the past four weeks (Bureau of Labor Statistics 2014). These methodological differences between the 1930s and today make direct comparisons extremely difficult.

Nevertheless, several estimates of the unemployment rate during the Great Depression have been made in an attempt to make comparisons to contemporary unemployment statistics. The most popular and widely accepted of these estimates are those made by Lebergott in the 1950s which provide estimates roughly comparable to our contemporary calculations of the unemployment rate (Bureau of Census 1975). Despite its popularity, Lebergott's estimates suffer from one major limitation: it counts persons working on relief projects as unemployed (a more detailed discussion of work relief occurs later in this paper). Therefore, Lebergott's estimates overestimate the actual unemployment rate in several years during the Great Depression (Margo 1993). Darby (1976) revised Lebergott's Depression-era estimates by correcting this overestimation (Margo 1993). As one can see in Figure 3, Darby's and Lebergott's estimates are almost identical between 1929 and 1932, but diverge after that point (Margo 1993).

Despite making these data as comparable as possible, one should still proceed with caution when making direct comparison for several reasons. First, in both periods there was a lot of geographical, industrial, and demographic variation in unemployment rates (Bureau of Labor Statistics 2012; Meltzer 1969; Watkins 1999). For instance,
historical studies of the Great Depression show that some single industry and single employer towns boasted practically 100% unemployment (Meltzer 1969) and even large metropolitan areas, like Detroit, reported unemployment rates around 50% (Watkins 1999) – much higher than the national average.

Second, the dynamics of the labor market are significantly different today than they were eighty years ago. At the beginning of the Great Depression, the U.S. was still transitioning into an industrialized economy. Over the past century, however, America completed the transition from an agricultural into an industrialized economy and then transitioned again into a post-industrial economy. Consequently, over the past eighty years there has been a substantial decline in the proportion of workers in traditional working-class occupations. In 1930, skilled workers and supervisors, semi-skilled workers, and non-farm laborers constituted over 40% of the workforce (Levine 2009). In 2008 comparable occupations (i.e. construction, extraction, maintenance, production, and transportation) represented just over 21% (Bureau of Labor Statistics 2008). At the same time, there have been dramatic increases in the proportion of workers employed in professional, clerical, and service occupations. In 1930, professionals constituted roughly 6.1% of the workforce and clerical and sales workers represented another 16.3% (Levine 2009). Levine (2009) does not provide an estimate of non-household service workers, but Wyatt and Hecker (2006) estimate that in 1910 these occupations represented less than 5% of the workforce. At the beginning of the Great Recession these proportions were much higher. Professionals now represent over 21% of the workforce, clerical and sales workers represent nearly 25%, and service occupations now represent over 16% (Bureau
of Labor Statistics 2008). Surprisingly, the proportion of workers employed in managerial occupations was not substantially different during the two time periods. Levine (2009) estimates that managers represented about 19.9% of the workforce in 1930, today that number has only dropped to about 15.2% (Bureau of Labor Statistics 2008). The most significant occupational change, however, is in agriculture. At the beginning of the Great Depression, over 20% of the workforce was still working in the agricultural sector (Levine 2009; Edwards 1943). As of 2008, that number has dropped to less than 2% (Bureau of Labor Statistics 2008). This drop in agricultural employment may have the biggest impact on the comparability of unemployment data from the Great Depression to the Great Recession since farm employees are more likely to be underemployed than unemployed (Lebergott 1957). When looking only at non-agricultural workers, unemployment estimates during the Great Depression increase by between 5 to 13 points, depending on the year.

In addition to these occupational changes, over the past eighty years we have also seen a dramatic change in the demographic makeup of the workforce. Child labor laws and old age pensions, both originating during the Great Depression, have created age limits which influence who is eligible to be considered part of the working population and, therefore, part of the unemployed population. While the unemployment measures during the 1930s counted persons 14 years old and over as part of the workforce, modern measures look at those 16 years old and older (Bureau of the Census 1975). Public and private pensions, moreover, allow older workers to exit the labor force at much higher levels than were possible during the 1930s. These age boundaries may account for some
of the differences in unemployment levels between the Great Depression and Great Recession. Another important demographic change in the labor force is the dramatic increase of women. Once again, labor force statistics prior to the 1940s are not completely comparable to modern measures, nevertheless, even looking from the 1940s onward one can see a marked increase. In 1948, 28.6% of the workforce were women and by 2013 that number increased to 46.8%.

On top of these demographic and industrial changes, during and since the New Deal a series of employment policies have been enacted at the state, federal and private level, which further affect unemployment rates. Perhaps the most important of these policies are the 40 hour workweek – which encourages employers to hire more workers instead of increasing working hours – and (paid) vacations – a mechanism through which employers can deal with temporary production slowdowns without formally laying off workers (Lebergott 1957).

Finally, other institutions, not traditionally thought of as influencing the labor market, can also have dramatic effects on the unemployment rate (Western and Beckett 1999). The most important of these non-labor market institutions is the American penal system which removes some of the least employable workers from the labor market – therefore artificially lowering our official unemployment rate (Western and Beckett 1999).

Keeping these limitations in mind, we see that the unemployment rates during the Great Depression seem much more severe than those seen during the recent economic downturn. In fact, both Lebergott and Darby estimate that at the peak of the Great
Depression 1 in 4 workers were unemployed. In contrast, at the peak of the Great Recession only 1 in 10 were unemployed. Much like stock values, this suggests that the economic downturn during the Great Depression was nearly twice as severe as the recent downturn. Overall, triangulating measures of the economic contraction between stock values, changes in the GDP and unemployment rates, we see fairly consistent evidence which suggests that, true to its name, the Great Depression was much more severe than the Great Recession. Both the stock market and unemployment rate suggests the Depression was nearly twice as severe, while the GDP suggests it was up to eight times as severe. The major difference between these three measures is that while current stock values and the current GDP suggest that the length of the decline and time till recovery was much shorter during the Great Recession than the Great Depression, unemployment rates suggest that the most recent recession is still occurring and has the potential of lasting just as long as the Great Depression – perhaps longer since the chances of a World War being the catalyst that ends the economic downturn seems remote in today's society.

U.S. Welfare Regime

The final context worth exploring before comparing the different experiences of unemployed and underemployed workers during the Great Depression and Great Recession is the U.S. social safety net. The U.S. social safety net is best thought of as a complex constellation of programs and policies – public and private – functioning at local, state, and national levels – which focus on protecting and providing aid to at-risk populations (Esping-Andersen 1990; Hacker 2002). Although previous authors have used many terms to describe this system, I adopt the term "welfare regime" as used by Hacker
Hacker (2002), who bases his definition on the work of Esping-Andersen, defines the U.S. welfare regime as being comprised of three interrelated elements designed to assist individuals and families through hard times: direct public spending, indirect public interventions, and private social protections.

Direct public spending includes traditional "welfare" programs – like the now defunct Aid to Families with Dependent Children (AFDC) and its replacement program Temporary Assistance for Needy Families (TANF) – as well as a host of other programs – importantly those classified as "social insurance." Many welfare programs are designed to create a minimal floor below which one cannot fall. In contrast, social insurance programs, like Social Security Insurance (SSI) and UI, are designed to prevent downward mobility during periods of increased insecurity – like those that occur during old age or after an involuntary job loss – by providing direct aid to individuals. These social insurance programs are often seen as "earned" by the general public, as individuals are typically required to directly contribute monetarily into the programs in order to receive benefits.

Indirect public intervention, in contrast, is used to describe a plethora of policies that shape various institutions within our society without direct spending. These include, but are not limited to, a variety of tax and regulatory policies (such as tax deductions and credits) which seek to protect the vulnerable in our society as well as stabilize our economy by encouraging or requiring certain types of behavior. Finally, private social protections consist of the many workplace benefits that employers offer to their workers. While these are often thought of as purely private benefits, including them as part of the
welfare regime emphasizes how these private benefits "... are a product both of
government policy and of the distinctive organizational and economic imperatives of the
institutions that provide them" (Hacker 2002, p. 12).

_U.S. Welfare Regime in Comparison_

Several aspects of the U.S. welfare regime are quite unique when compared to the
welfare regimes of other nations. First, direct public assistance is not seen as a basic right
in the U.S. Instead, there is often a distinction made between deserving and undeserving
recipients. In the public's eye, only those unable to care for themselves through no fault
of their own should receive public benefits. To dissuade the use of public programs,
politicians and practitioners have historically made the programs as exclusive and
humiliating as possible to ensure that no "undeserving" people receive aid. Thanks to the
male-breadwinner ideal, traditionally the label of "deserving" was reserved for women,
children, and those physically unable to find private employment. More contemporarily,
however, the categorization of deserving has changed, but still generally revolves around
the idea that those able to work, should work before receiving public benefits (there are
exceptions to this generalization, for instance the case of elderly individuals still
physically able to work, but old enough to receive their "earned" retirement benefits).

The hesitance of the U.S. to provide direct public support for those in need is
reflected in our social expenditures as measured by proportion of the GDP. According to
the Organisation for Economic Co-operation and Development (OECD), in 2009 U.S.
public social spending comprised 19.2% of its GDP compared to the OECD average of
22.1%. In contrast, most of the European nations that we consider to be our
contemporaries spent substantially more than the U.S. For instance, the United Kingdom spent 24.1%, Germany spent 27.8%, and France spent an astounding 32.1%. Even nations like Hungary (23.9%), the Czech Republic (20.7%), and Estonia (20%) spent a higher proportion of their GDP on direct assistance than the U.S. (OECD 2014).

This comparison of direct public spending, however, brings us to another important difference between the U.S. welfare regime and the welfare systems in other countries. The private welfare system in the U.S. plays a much larger role in the provision of benefits than it does within other nations (Hacker 2002). According to Hacker, these private benefits often function as supplementary protections for working ("deserving") Americans. For example, while many Americans receive private retirement packages from employers, these packages are often designed to supplement public benefits like SSI. Private benefits, however, do not always take on a supplementary role within the U.S. (Hacker 2002). For instance, private benefits take on a more central role in the healthcare field. In the U.S., the vast majority of Americans rely on their employers for health insurance. Until recently, the U.S. had no national healthcare program. Instead the public sector offered supplementary programs only to the poor, disabled, and elderly (Medicare and Medicaid) who had difficulty obtaining private benefits. Even though the role of the public sector expanded in 2010 under the Affordable Care Act, this legislation is far from universal in the sense that it still requires the majority of Americans to acquire private benefits.

When looking at the combination of public social expenditures and private social expenditures, the U.S. does much better than when looking solely at public social
expenditures. The U.S. private sector spends an additional 10.5% of the GDP on social expenditures, which is much higher than the OECD average. So while the U.S. lags behind in terms of public expenditures, much of this ground is made up when one includes private expenditures in the equation. According to OECD estimates on net social expenditure, the U.S. spent 28.8% of its GDP in 2009. This means that when looking at net social expenditures, instead of simply public social expenditures, U.S. jumps from 23rd to 2nd place in percent of GDP spent. The U.S. only lags behind one nation: France (OECD 2014).

Throughout the years, many scholars have attempted to explain why the U.S. has such a unique welfare regime. These scholars traditionally focus on one element of the U.S. welfare regime, such as the relatively small size of the public welfare system. Numerous explanations have been proffered in this vein of research, including the popularity of anti-government values, the weak labor movement, lack of a socialist movement, fragmented political institutions, and the history of racial conflict (Hacker 2002). More recently, scholars have primarily focused their attention on explaining the relatively large size of private social expenditures in the U.S. (Hacker 2002; Klein 2003). Klein (2003) argues that the public-private welfare system was developed because employers did not want the state to interfere with the employment system. Instead, they wanted workers dependent upon their employer. At the same time, however, employers proved unwilling or unable to provide the security necessary until the state stepped in and created a basic system – although this system was still primarily reserved for working Americans. This contributed to a rise in an ideology of minimal public benefits.
supplemented by private benefits. Hacker (2002) offers a similar account of the rise of private benefits, identifying historical determinism as the primary mechanism that shaped the growth of the U.S. welfare regime.

Regardless of the exact mechanisms that brought it about, the nature of the U.S. welfare regime provides important insights to both economic inequality and insecurity in the U.S. In terms of economic inequality, both Klein and Hacker argue that the unique configuration of the U.S. welfare regime does something most welfare systems do not: it increases inequality. Even though the U.S. welfare regime guarantees a basic standard of living through some of its public benefits, it tends to aggravate inequality since most private benefits, and some public benefits, are reserved for higher paid workers (Hacker 2002; Klein 2003). Not only are middle-class and upper-class employees more likely to receive benefits than working-class employees, these benefits are often much more generous than any of those offered to low-level workers (I have yet to hear of a low-level employee receiving a Golden Parachute). Inequality is even further exacerbated when looking at the indirect public interventions. Tax policies, one of the indirect public interventions, tend to benefit the middle and upper classes far more than lower classes. When looking at tax expenditures, which include both deductions and credits, Hacker observes that only one policy tends to be more favorable to the poor: the Earned Income Tax Credit. The vast majority of these policies – like the mortgage interest deduction, child and dependent care credit, and the charitable giving deduction – heavily favor the upper-middle-class (e.g. those making between $50-100k) (Hacker 2002; ph. 38).

History of the U.S. Welfare Regime
While a few elements of the U.S. welfare regime were present before the 1930s, the Great Depression is commonly considered to be a tipping point that stimulated the creation of the modern U.S. welfare regime (Hacker 2002; Klein 2003). The creation and expansion of the U.S. welfare regime, however, was not the first solution experimented with during the Great Depression. At the beginning of the Great Depression the federal government, under the leadership of President Herbert Hoover, acted primarily as an advisor, consultant, and coordinator when responding to the demands of the economic downturn. This laissez-faire approach was true for both macro-economic policies and direct assistance. President Hoover approached the Great Depression much like any other economic downturn in the history of the U.S. – figuring that the market would right itself without the interference of the federal government.

Fearing the moral decline of the American people, Hoover opposed direct federal assistance to those affected by the downturn. Instead, he relied primarily on trickle-down policies, private charity, and local aid to help those hurt the most (Smith 1970). In the eyes of Hoover, relief should be on a voluntary basis and as local as possible, starting with the family, then the landlord, then the employer, then neighbors, and, if those proved insufficient, the local community and then the state (Bernstein 1960). While social networks, charities, communities, and states did help at-risk individuals, there was a lot of variation in the help available to those in need by geographical region (both city and state), race, gender, and by membership status in organizations, including social and religious clubs. Employers, on the other hand, rarely helped their unemployed workers (Bernstein 1960). Admittedly, there were a few exceptions where employers created
work-sharing schemes to share the financial burden, offered interest-free loans to
displaced workers to smooth consumption, or even implemented some sort of
unemployment relief, but these were never the norm. In fact, these examples are balanced
by major employers who took no efforts to help their displaced workers. For instance,
Henry Ford, who was technically located in Dearborn, Michigan, did not even pay into
the relief fund of Detroit, where almost all of his workers lived, let alone offer his own
private benefits.

This haphazard system of welfare ultimately proved inadequate in providing
enough aid at the scale necessary to stem extreme hardship during the economic collapse.
As the depression continued to worsen, local and state resources were stretched to the
breaking point. It was not until the election of President Roosevelt and the passage of the
New Deal in 1933 that the federal government became more of a direct player in
economic policies and public assistance. The New Deal was not a single policy, instead,
it consisted of a series of economic and institutional programs geared towards stopping
the decline of the economy, sparking economic growth, providing assistance to
individuals hurt by the decline, and preventing future crashes. While the individual
policies are legion, they included the introduction of new fiscal policies, tax reforms,
banking reforms, monetary reforms, agricultural and rural recovery and modernization
programs, public works projects, labor laws (a few of which were mentioned above),
grants and loans to states, and the creation of a federal relief program through
combination of direct relief and work relief. While many of the original New Deal
policies were quickly overturned by the Supreme Court, the second New Deal (1935-
1936) consisted of revised versions of several of the programs. Many of these programs are still in effect today and directly or indirectly impact the lives of contemporary Americans.

After the Great Depression ended, the U.S. welfare regime continued to evolve and grow for a number of decades. Additional programs were created and existing programs were expanded in order to promote labor peace, stabilize the economy, and serve at-risk populations more effectively (Hacker 2002; Klein 2003). Unfortunately, the post-war expansionary period of the U.S. welfare regime has come to an end. Since the 1970s, programs within the welfare regime were much more likely to be cut than expanded. For instance, one of the core programs of the New Deal, AFDC, ended in the 1990s and was replaced by TANF. While both programs are designed to serve the poor, TANF puts greater restrictions on the at-risk populations receiving benefits. Similar changes have occurred in almost every aspect of the welfare regime from retirement benefits to education policies to labor laws (Hacker 2008).

Hacker (2008) refers to this overall contraction in the welfare regime as the "great risk shift." He argues that during this shift a substantial amount of economic risks were transferred away from the large entities best equipped to prepare for them – like the U.S. government and large corporations – and onto the shoulders of individual Americans who do not have the resources to truly protect themselves from economic volatility. These changes were made in the name of individual responsibility and control and are supported by a new ideology that Hacker labels the "Personal Responsibility Crusade." This shift, moreover, has occurred in almost every facet of U.S. life. Today, many Americans are
less secure in their employment, their health coverage, and their retirement than they were decades ago. Importantly, this risk shift occurred precisely at the time as the American economy became more volatile. Even prior to the Great Recession, Americans experienced declines in employer tenure, increases in involuntary job loss, and the spread of non-standard work arrangements (Hollister 2011; Bernhardt et al. 2001; Jaeger and Stevens 2000; Neumark 2000; Farber 1995; Farber 1997; Farber 2001; Farber 2007; Farber 2008; Farber 2009; Farber, Haltiwanger and Abraham 1997; Gardner 1995; Gottschalk and Moffitt 2000; Polsky 1999; Stewart 2000; Stewart 2002; Valletta 2000; Smith 1997; Newman 1988).

It was not until the 2007 financial collapse that this risk shift slowed. This second economic collapse once again stimulated action by the federal government. In contrast to the laissez-faire policy program that marked the beginning of the Great Depression, federal policy at the beginning of the Great Recession is marked by direct action. These actions included fiscal policies, corporate bailouts, previously established social assistance programs, and, as the recession worsened, the American Recovery and Reinvestment Act of 2009 (ARRA). While many of the provisions of the ARRA were geared towards stemming economic decline and encouraging economic growth, it also included programs that expanded both the public and non-profit social assistance programs. Among some of the most important social programs that received additional support thanks to ARRA were SSI, UI, TANF, and the Supplemental Nutrition Assistance Program (the contemporary name for the federal Food Stamp Program). Many elements of the ARRA are extensions of programs that began during the New Deal, built
off of New Deal programs, or replaced New Deal programs. Moreover, the Great Recession created the political opportunity to enact a federal healthcare policy in the form of the Affordable Care Act. While the first national healthcare policy was attempted as part of the New Deal, it was soundly defeated at the time. It took a second major economic collapse for one to finally be implemented.

Even considering these recent successes, the U.S. welfare regime has largely become less effective in protecting Americans from economic insecurity due to the great risk shift (Hacker 2008). Moreover, the risk shift continues to occur. The recent expansions in the welfare regime are continually in danger of being dismantled as the distinction between "deserving" and "undeserving" recipients – a distinction that predates even the New Deal – has once again gained a strong foothold in the public discourse. The label of "undeserving" has expanded to even include those receiving "earned" benefits like SSI and UI. This helps to explain why the extensions in the duration of UI benefits achieved by ARRA were ended in 2014 even though the economy had yet to fully recover. Moreover, there continues to be calls for and attempts to repeal the Affordable Care Act.

*Contemporary Unemployed Workers and the U.S. Welfare Regime*

Having discussed the history and international uniqueness of the U.S. welfare regime, I now turn to the aspects of this regime that are available to contemporary displaced workers. The welfare of unemployed workers is primarily the responsibility of the public sector in the form of UI, while private benefits take on supplemental role in the form of severance packages. It is important to keep in mind that the distinction between
"deserving" and "undeserving" recipients continues to play a major role in the structure of both public and private unemployment benefits.

Several aspects of UI are specifically designed to restrict benefits only to "deserving" unemployed workers. This restriction is accomplished in three ways: duration of benefits, generosity of benefits, and eligibility for benefits. According to Stone and Chen (2014), most states limit the duration of benefits to about 26 weeks. Only two states exceed this length of time, the most generous being Massachusetts which allows unemployed workers to receive regular benefits for a maximum of 30 weeks. In contrast, many European nations normally allow displaced workers to draw benefits for at least one year (Farber and Valletta 2013).

Fortunately for many Americans during the Great Recession, the federal government is able to extend the duration of benefits during times of severe economic downturns. In fact, during the Great Recession the federal government allowed for a maximum of 99 weeks of benefits, as opposed to the regular 26 (Farber and Valletta 2013). There is fear, however, that lengthening the duration of benefits increases the duration of unemployment by creating a disincentive to return to work (Moffitt 1985; Katz and Meyer 1990; Card and Levine 2000). While this theory is often cited by conservative policymakers as a reason to keep the duration of benefits short, recent research suggests that the effects of extended benefits are actually quite minimal (Farber and Valletta 2013). Moreover, this research suggests that the reason the duration of unemployment tends to increase with extended UI benefits is that the extended length of benefits encourages workers to stay in the labor market, instead of dropping out (Farber
and Valletta 2013; Bradbury 2014). Interpreted in this way, extended benefits increase average spells of unemployment precisely because it incentivizes remaining in the labor market, not because it disincentivizes work.

In terms of generosity, UI is intended only to be a *partial* substitution for lost wages. Once again, there is substantial variation between states, but even in the most generous cases, UI generally replaces less than 50% of previous earnings (Department of Labor 2013). Though the partial substitution does tend to smooth the consumption patterns of unemployed workers (Gruber 1997), it tends to be much more important – in terms of both consumption patterns and length of unemployment – for those who lack other assets that they can rely on (Browning and Crossley 2001; Bloemen and Stancanelli 2005; Chetty 2005; Chetty 2008). With so many Americans struggling financially even while working, the assumption that individuals are able to make ends meet solely through the partial relief of UI is tenuous at best. Instead, the partial replacement of previous wages is designed to be a stop-gap measure for workers, encouraging workers to return to wage labor as quickly as possible.

The last, but most important, characteristic of UI that restricts benefits to deserving unemployed workers is the eligibility requirements of the program. While eligibility rules vary from state to state, they often include wage and hour requirements that tend to disqualify low wage, part-time workers. Even highly paid workers may find themselves disqualified from receiving benefits if they are hired on a contingent basis as independent contractors (Dunlop Commission 1994). Finally, only those deemed "unemployed through no fault of their own" (Department of Labor 2004) are able to
receive benefits. This excludes workers who are fired for minor transgressions as well as workers who voluntarily leave their jobs – even if they leave due to hostile working conditions. Largely due to the strict eligibility requirements one has to meet in order to receive benefits, actual recipiency rates of UI are quite low. At its peak in the 1950s, less than one-half of unemployed workers received benefits. Today, recipiency rates have dropped to nearly one-third (Vroman 2002).

UI, however, is not the only non-wage source of economic security for unemployed workers. Looking beyond direct public spending, one sees various private programs designed to assist displaced workers by giving them supplementary benefits. These private benefits, most commonly severance packages, offer financial resources to displaced workers either in the form of lump-sum or over-time payments. These severance packages can range in generosity, replacing anywhere from a few weeks of income to replacing over a year of income. Unfortunately, relatively few workers are covered by these private severance packages. While there is a large amount of variation based on occupation, industry, and firm size, only about 20% of private-sector workers have access to severance benefits (Bishow and Parsons 2004; Bureau of Labor Statistics 2003).

*Previous Unemployment Research*

Having discussed the different economic and institutional contexts of the Great Depression and Great Recession, I now review previous literature on unemployed workers in the U.S. Previous research on the experiences of unemployed workers has been dominated by psychologists and has therefore focused primarily on psychological
questions (Ezzy 2001). Nevertheless, this research has provided important insights into
the experiences of displaced workers. For instance, Ezzy (2000; 2001) focuses on the
narratives that the unemployed use to describe their situation. He shows that workers do
not always view unemployment as a traumatic experience, especially when they lose
degrading jobs. Instead, unemployment can be interpreted in a romantic light, believing
that job loss was for the best. Ezzy (2000) also observes a second major difference in
narratives of the unemployed, specifically in the extent that they feel agency. Ezzy argues
that some workers adopt a view of being victims of external forces, which they are
powerless to resist. Alternatively, others stress agency in the face of unemployment
believing that they are masters of their own fate.

The way someone interprets their unemployment experience has tremendous
implications for the way they will respond to the financial hardship of unemployment.
For example, if one adopts a sense of agency, it is likely that they will adopt more
individualistic responses to the unemployment experience. This pattern has been
documented in various studies (Newman 1988; Lane 2011). Many workers, in order to
maintain a sense of worth as well as a sense of control, engage in efforts to
"professionalize unemployment" (Smith 2001; Sharone 2007; Garrett-Peters 2009).
Commonly, this professionalization means redefining the meaning of unemployment by
viewing the job search as a full time job; recognizing, often minor, accomplishments;
restructuring daily time use to reflect more of a workday; forming accountability
partnerships with others to make sure you follow through; and helping others (Garrett-
Peters 2009). Workers who attempt to professionalize the unemployment experience

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sometimes view themselves as "free agents" or "companies of one" (Mendenhal et al. 2008; Lane 2011). The "company of one" mindset involves viewing unemployment as a natural part of career development, rationalizing their job loss as necessary for the company, and believing that individuals and corporations have equal power in the employment relationship (Lane 2011).

Not all responses, however, are individualistic. There have been numerous documented cases of workers and communities banding together to fight off unemployment. These responses are quite diverse, ranging from political protest activities to experiments with employee ownership of factories (Dudley 1994; Fuechtmann 1989). While studies of communal responses often focus on attempts to change the economic, political and social order, the actual responses more often take a pragmatic approach. Moreover, these pragmatic responses usually do not include grand worker or community based acts of solidarity. Instead, they reflect responses taken by a much smaller, tightly knit, group: the family (Elder Jr. 1974).

Previous research documents many important political, communal, and psychological responses to unemployment; this research, however, does little to help us understand how workers and their families achieve economic security in the face of a job loss. While studies documenting attempts by communities to purchase and reopen plants (Fuechtmann 1989) and attempts by workers to professionalize their unemployment experience (Smith 2001; Sharone 2007; Garrett-Peters 2009) can be framed as such attempts, they do little to help us understand how unemployed workers make ends meet. This becomes an important question when one recognizes that many working families
live paycheck to paycheck, often relying on credit to pay for basic expenses (Treas 2010). What happens when these already struggling families face a dramatic loss of financial resources? In other words, how do families achieve economic security without a stable paycheck?

Economic Security and Unemployed Workers

Economic security is often equated with job security. This monolithic conceptualization, however, is quite simplistic in that it misses much of the variation in economic security that exists in modern society. With the decline of job security in the U.S., many workers are now relying on other resources in order to achieve economic security. For instance, Smith (2001) demonstrates that economic security can be achieved through occupational security, as opposed to job security. In this sense, workers are able to achieve a certain level of economic security, not through continued employment with a single employer, but through finding new work opportunities with other employers. Both job security and occupational security prioritize the use of wages in order to achieve economic security. While wages are one of the most important resources used to achieve economic security for the vast majority of Americans, one needs to recognize that other resources exist.

Unfortunately, few studies have explored the wide range of resources workers use to achieve economic security in the face of unemployment or underemployment. There is, however, a rich literature on how other populations achieve economic security in the face of extended periods of inadequate and non-existent wages (Stack 1974; Edin and Lein 1997). This literature provides valuable insights into the resources that can be utilized by those facing more temporary financial hardship. For example, in her analysis of black
communities, Stack (1974) demonstrates how disadvantaged black families create extended networks, consisting of biological and non-biological kin, to exchange goods and services in order to achieve economic security.

Similarly, Edin and Lein (1997) analyzed the budgets and resources of 214 welfare-reliant and 165 wage-reliant poor single mothers in order to better understand how they make ends meet. Through their analysis, they discovered that neither group was able to solely rely on their primary source of income – be it welfare or wages. Instead, both groups adopted multiple strategies to provide for themselves and their families. Edin and Lein created a four-category typology to capture the breadth of these strategies: welfare benefits, work, social networks, and community agencies. There were substantial differences between welfare-reliant and wage-reliant mothers in their use of these resources. For instance, while (by definition) 100% of welfare-reliant mothers utilized AFDC, 95% also received food stamps, 9% received SSI, and 7% received an Earned Income Tax Credit (EITC). In contrast, the wage-reliant mothers were ineligible for AFDC, but 28% received food stamps, 2% received SSI, and 28% received EITC.

When looking at work-based strategies one sees similar variability between welfare-reliant and wage-reliant mothers. 46% of welfare-reliant mothers utilized work-based strategies, with 5% engaging in formal work, 39% engaging in unreported work, and 8% engaging in underground work. In contrast, 100% of wage-reliant single mothers had at least one job (by definition), but 39% relied on supplemental income from at least one other job, with 12% engaging in supplemental formal work, 28% engaging in
supplemental unreported work, and only 1% engaging in supplemental underground work.

In all, 77% of welfare-reliant mothers received help from their social network compared 82% of wage-reliant mothers. Both of these groups had similar propensities for relying on friends and family (46% vs. 47%). Wage-reliant mothers, however, were more likely to rely on men for financial support, with 61% receiving help from either boyfriends or the father of their children versus 53% of welfare-reliant mothers. Finally, welfare-reliant mothers were somewhat more likely to receive help from an agency (e.g. non-profit, charity, or other community group) than were wage-reliant mothers (31% vs. 22%).

Edin and Lein's work is perhaps the most important study on the material responses of those in financial hardship. This study demonstrates that when faced with long-term financial hardship, individuals must mobilize multiple resources in order to provide for themselves and their families. These resources generally fall within four categories: welfare (i.e. public social services), work, social networks, and community agencies. Central to their study, however, is the finding that even those individuals who currently depend on welfare benefits, did not intend to permanently drop out of the labor force. Instead, the regulations governing welfare eligibility, along with the nature of the jobs available, encouraged some poor single mothers to temporarily drop out of the labor force.

Unfortunately, Edin and Lein's work is limited in its narrow focus poor single mothers, whose experiences in the face of long-term financial hardship are not
necessarily the same as the experiences of those facing temporary financial hardship. Importantly, it is likely that unemployed and underemployed workers who are new to financial hardship have access to a variety of resources that they can use in the short term that are unavailable to poor single mothers. It is expected that some of these strategies will not be captured under Edin and Lein's four-category typology. Specifically, resources like personal savings and credit, along with private social safety net programs like severance packages, do not clearly fit within welfare, work, social networks, or social agency strategies. This suggests that in order to fully capture the range of material responses to financial hardship, two additional categories must be added to Edin and Lein's typology: private safety net resources and personal resources. I adopt this larger typology in Chapter's 5 and 6. Due to historical differences in the nature of certain resources and in differences in the unit of measurement, however, a separate (simplified) typology is used in Chapter 4 (discussed in more detail later).

Additionally, it is likely that different sub-categories of strategies will be utilized by unemployed workers and poor single mothers. I argue this partly because the long-term poor have had time to develop and test survival strategies, while newly unemployed persons have not. Unemployed workers are likely to use a wider variety of strategies, searching for which, if any, strategies are effective. In contrast, poor single mothers may utilize fewer strategies, but do so more effectively. Other differences will no doubt be attributed to the different resources available to those who are newly experiencing financial hardship and those who are experiencing longer periods of financial hardship.
For example, there are different public and private assistance programs available for each group (UI vs. TANF).
Chapter 3: Data and Methods

Data Sources

Great Depression Data

One of the biggest challenges I faced during the course of completing the current research project was finding adequate data on the experiences of displaced workers during the Great Depression. As is the nature of historical analyses, I was unable to collect new data on the subject. Instead, I was forced to rely on existing artifacts. Fortunately, I was aided in this endeavor by the fact that the events of the Great Depression were, and are, extremely salient. Consequently, numerous pages – in the form of formal histories, newspaper articles, oral histories, etc. – have been devoted to analyzing and discussing the events of the Great Depression. Therefore, the more difficult task lay not in finding any data, but in finding the right data for the current analysis.

I felt it best to begin by reading numerous histories of the Great Depression. These histories proved invaluable in helping me understand the important historical contexts of the era, but the macro-level focus of these histories rarely provided the level of detail necessary to explore lived experiences. Similarly, depression-era newspaper articles tended to concern themselves with notable events, not the more mundane information of everyday life that I required. The next obvious choice was the use of oral histories. As I mentioned in the preface, over the decades great effort has been exerted to
document many of these oral histories. While these oral histories largely avoided the same limitations of more traditional histories or newspaper articles, I found this promising avenue suffered from limitations of its own.

Perhaps the most common limitation of using oral histories is the fact that the vast majority of them were recorded years after the Great Depression ended (see Terkel 1970 for example). Due to this delay, the potential of recall bias is quite high for many of these oral histories. In order to avoid this potential source of bias, I limited my search to oral histories that were recorded during the midst of the Great Depression. I was greatly aided in this endeavor by the fact that one of the undertakings of the Federal Writer's Project was to collect this very information. Here, however, I was met with a limitation I had not expected: a significant lack of detail. The data collection process for these oral histories was anything but systematic. There is a substantial amount of variation not only in who was interviewed for these life histories, but also in the level of detail provided. While many of these life histories could be measured in pages, others could be measured in paragraphs. I soon discovered that most oral histories lacked the level of detail necessary to piece together the day-to-day experiences of the Great Depression. Like the family histories I shared in the preface, they typically offered only summaries of experiences. I had difficulty piecing together the timing of events or knowing whether events actually occurred during the Great Depression. Moreover, relatively few accounts specifically focused on the unemployment experience. Due to this lack of detail, I could not always tell if an individual had suffered a bout of joblessness or whether his/her experiences were simply the result of a lower standard of living at the time.
The final data medium I explored was academic research conducted during the 1930s. Fortunately, I was able to find several impressive studies that utilized data collected during the Great Depression, thus avoiding the problem of recall bias (see Lynd and Lynd 1937; Ginzberg et. al. 1943; Bakke 1935; Bakke 1940a; Bakke 1940b; Elder Jr. 1974). In the end, the research conducted by E. Wight Bakke and his research team fit my needs almost perfectly. Between 1932 and 1939, Bakke implemented a multi-method research program in New Haven, Connecticut in order to collect data on the lives of unemployed workers and their families. The bulk of the data for this impressive research program came from six sources:

1. Multiple periods of participant observation over an 8-year period.
2. In-depth interviews with 200 unemployed workers and their families who appeared in a random sample of 2,000 families in 1933.
3. Detailed case studies of twenty-five families from 1932-1939 which, among other things, specifically analyzed family budgets.
4. A 10% sample of unemployed households in 1938 focusing on the experience of using the newly launched unemployment compensation program.
5. Interviews with social workers, ministers, public officials, and employers to fact-check data gleaned from other sources.
6. Numerous reports and documentary evidence on the social and economic environment faced by unemployed worker and the social services available to them.

This research culminated in two books which document the experiences of unemployed workers and their families during the Great Depression. The first volume, *The Unemployed Worker*, focuses primarily on

… the adjustments in *self-maintenance* made by workers and their families when the customary means of self-maintenance is lacking. The companion volume, *Citizens Without Work*, deals with the effect of unemployment on the community and family relationships and practices of workers. (Bakke 1940a, p. ix)
Although I attempted to gain access to Bakke's original data, my efforts proved unsuccessful because I could not find existing copies. Therefore, I am forced to rely on a secondary analysis of Bakke's findings. While this secondary analysis focuses primarily on Bakke's first volume, I utilize his second volume in parts of this manuscript as well.

**Great Recession Data**

In comparison, finding data on the experiences of contemporary unemployed and underemployed workers proved relatively easy. In order to explore the material responses of unemployed and underemployed workers in the Great Recession, I utilize an original dataset based on interviews with contemporary displaced workers in Columbus, Ohio. Admittedly, this research design falls short of the one utilized by Bakke, but this shortcoming is overcome by the fact that I was able to gear the data collection process specifically around answering the questions posited in this manuscript.

Over a twelve-month period beginning in September 2012, a group of eight researchers – consisting of two professors and six graduate students – from The Ohio State University recruited and interviewed over one hundred individuals in order to better understand the lived experiences of unemployed and underemployed workers during the Great Recession. These respondents included unemployed and underemployed workers as well as contacts at various organizations in the Columbus, Ohio metropolitan area providing services to unemployed and underemployed workers. The majority of these respondents were recruited at job fairs, food banks, and union halls as they engaged in job search activities. After initial contact, snowball sampling methods were utilized to find additional respondents.
The current study focuses only on interviews that were conducted directly with individuals who had stable employment prior to the Great Recession, but experienced dramatic financial instability afterwards. The qualifying event for the majority of these individuals was a job loss; however, several respondents who had experienced a dramatic pay cut (>10%) – either through a direct cut in salary or hourly compensation or through a loss of compensated hours – while not experiencing a job loss were included as well. Those with unstable work histories prior to the 2007 economic downturn were disqualified from this sample, as financial instability could not be directly attributed to the economic recession. The sample is further limited by only looking at respondents who experienced unusually prolonged periods of financial instability. For individuals in standard work arrangements, this meant narrowing respondents down to those experiencing at least three months of financial instability. This threshold, however, was not strictly applied to those in non-standard work arrangements to account for the fact that periods of financial instability may be expected within certain occupations and industries (e.g. the seasonal nature of construction work). For these non-traditional work arrangements we used personal conversations with potential respondents in order to determine whether or not their financial instability was abnormal. After applying these criteria, my final sample includes interviews with eighty-four respondents.

During data collection, researchers attempted to recruit a group of respondents that displayed similar demographic traits as the larger population. While this sample cannot be considered statistically representative, it does provide insight on a variety of different factors that have previously been linked to labor market position. The average
age within our sample was roughly 44, with a standard deviation of 11.24 years. Our youngest respondent was 20 years old and our oldest was 61. Of the eighty-four respondents used in this study, forty-five are male and thirty-nine are female. We focused data collection on the experiences of white workers and black workers. Therefore, forty-five of the final sample are white and thirty-six are black. The last three respondents are categorized as "other." In terms of educational attainment prior to the qualifying event, three of our respondents had less than a high school education, twelve had a high school diploma, eighteen had some college but no degree, fifteen had an Associate's degree, twenty-seven had a Bachelor's, and nine had advanced degrees.

Finally, researchers also attempted to recruit respondents from a variety of different occupations and industries. Prior to the qualifying event, thirty-two of our respondents were in manual or service occupations, fourteen were in clerical occupations, eighteen were in professional occupations, fifteen were in managerial occupations, and five were full time students. In Chapter 6, I use these occupational groups as a crude measure of social class. Respondents working in manual, service, or clerical occupations are considered to be "working-class" while respondents working in professional and managerial occupations are considered "middle-class." Dropping the five students from the analysis in Chapter 6 leaves me with a total of seventy-nine respondents, forty-six of which are working-class and thirty-three of which are middle-class.

During interviews, researchers attempted to construct life histories for each respondent. Relying on semi-structured interviews, researchers explored work, educational, and familial histories as well as detailed discussions of their experiences
during the Great Recession. These interviews were of varying length with the shortest lasting roughly forty-five minutes and the longest lasting over three hours. All interviews were conducted by the eight-person research team and then transcribed by undergraduate research assistants. After transcription, the research team developed a coding scheme. Several members of the research team, along with a group of undergraduate coders, went through rigorous training on how to apply the coding scheme using the NVIVO software. During the coding process several quality checks were performed to ensure a high rate of inter-coder reliability.

A second round of coding was also conducted by the author, along with two undergraduate research assistants, in order to create an individual timeline of events for each interview. These timelines documented educational, occupational, income, wealth, consumption, and familial histories in order to better understand the chronological ordering of events. These timelines were used to identify the timing of different types of material responses to financial hardship. Special attention was paid to the use of personal, public, and private safety nets as well as non-profit services and social network resources. Once coded, these timelines, along with the NVIVO coding, were used to explore the differences in resource availability and usage within the data.

Admittedly, this sampling method is non-random, which can lead to questions of generalizability (Lucas 2012), but this does not necessarily negate the findings of the current study (see Rojas 2013a; Rojas 2013b; Rojas 2013c; Perrin 2013; Whipple 2013). Importantly, the non-random sample being employed fits the purpose of creating a provisional typology of the strategies unemployed and underemployed workers utilize in
order to achieve economic security in the face of financial hardship. Moreover, while descriptive statistics are utilized during the analysis, these statistics are used to highlight differences within the sample and are not considered representative of the general population. In fact, due to our sampling strategy that favored unemployed workers that were stably employed prior to displacement, the prevalence of several strategies, like the utilization of UI, are known to be overestimated. Nevertheless, the prevalence of a given strategy is not the central concern of this paper. Instead, our analysis is more concerned with the form that a survival strategy takes.

Typologies of Material Responses

In the following chapters I adopt two separate typologies of material responses to unemployment. Both of these typologies are heavily influenced by the four-category typology created by Edin and Lein (1997). When analyzing Bakke's findings, I utilize a three-category typology of wages, familial and social resources, and social assistance. In contrast, when analyzing the responses of contemporary workers I utilize a six-category typology consisting of (1) the public social safety net, (2) the private social safety net, (3) wages, (4) personal resources, (5) social network resources, and (6) social service agencies. The primary motivation behind using the simplified typology in Chapter 4 instead of the six-category typology utilized in later chapters is that the unit of interest differs between these chapters. Bakke's unit of measurement was the family, while the unit of interest in the later chapters is the individual worker, as not all contemporary respondents had families. This unit change affects how several resources, like "social network resources," are categorized. For example, Chapter 4 categorizes wages earned by
the primary breadwinner and by supplemental earners in the same way, since they are members of the same family unit. In contrast, wages from supplementary (or complimentary) earners in the following chapters are categorized as "social network resources" since the unit of interest is the individual worker.

Other categorization differences arise due to the changing nature of some resources like credit and social assistance. Specifically, as is discussed in more detail in Chapter 4, during the Great Depression access to credit is considered both a familial resource and a social resource since it was dependent on personal relationships between the family and the creditor. Therefore, in Chapter 4 I do not distinguish between familial and social resources because they are inherently intertwined. Similarly, work relief can be categorized as either "social assistance" or "wages." While I discuss this type of work in both sections, the bulk of the discussion is placed in the "social assistance" section of Chapter 4. Finally, it appears that Bakke uses the term "direct relief" to refer to governmental and non-profit social assistance. Therefore, I do not distinguish between these two sources in Chapter 4.
Bakke (1940a) begins the discussion of the self-maintenance of the unemployed by recognizing that "'getting by' on a limited income is no new task for unemployed workers and their families" (p. 252). When employed, his respondents lacked "... any respectable margin of income over the bare necessities" (p. 66). Therefore, making ends meet was a constant task that occupied most of their energy while employed. While adjustments in the ways families generate income were made once the primary breadwinner became unemployed, these adjustments were largely based on the tried and true methods the families had previously utilized. These strategies can be thought of as falling within the following areas: wages, familial and social resources, and social assistance.

*Material Responses of Unemployed Families*

*Wages*

Even during periods of extended unemployment, the wages of the primary breadwinner continued to be the most important means of family survival during the Great Depression. Following their initial layoff, the primary breadwinner's last paycheck was the first line of defense against financial hardship. Early on, according to Bakke, the breadwinner expected to be recalled by their former employer and so did not exert much effort into finding new employment opportunities. After all, prior to the Great Depression, temporary periods of unemployment were fairly common and workers were typically
recalled after a short period of time. As the length of their unemployment continued, however, the primary breadwinner began to look for temporary work (sometimes with their former employer). These "pick up" jobs were especially common among skilled workers and were accepted by workers in order to help smooth consumption until they were recalled. In all, the primary breadwinners in eighteen of the twenty-four families Bakke performed in-depth case studies on accepted this type of temporary work.

As the period of unemployment lengthened, workers began to lose hope of being permanently recalled by their former employer. While they continued to accept temporary working arrangements, they began looking for full-time work with other companies. When this work could be found, workers searched outside of their normal occupation and, if available, accepted work relief (discussed in more detail in the social assistance section). Bakke argues that as unemployment continued and workers were unable to find full time private or public work, primary breadwinners started to consider temporary work as their new career. Taken as a whole, these employment efforts by formally displaced workers allowed the primary breadwinners to continue to be the largest source of income for most families.

The second most important source of income for families came from the wages of supplemental earners – although it is unclear how many families had such supplemental earners. In Bakke's in-depth analyses of the budgets of twenty-four families, he notes that only about one-third reported having supplemental earners\(^3\), however, in his analysis of two hundred families he implies that the proportion was much higher (Bakke 1940a).

\(^3\) This does not include the supplemental earnings families received by participating in his research.
This discrepancy may be the result of differences in the social class, demographics, and family economies of the twenty-four families compared to the two hundred families. Therefore, I do not focus on the proportion of families that had supplemental workers, but on who these supplemental earners were.

Prior to the Great Depression, only about 13% of married women in New Haven were gainfully employed. Nevertheless, as the depression worsened and as the primary breadwinner struggled to find stable employment, wives were more likely to enter into income generating activities (Elder Jr. 1974; Bakke 1940b). "Usually, however, this employment is a renewal of former earning methods, such as the wife selling cards, baking, or ironing curtains" (Bakke 1940b, p. 158) and did not necessarily constitute "gainful employment." In contrast, children were much more likely to be supplemental earners than were married women. According to Bakke, in his sample of two hundred families, he found that all school aged children from working-class families earned some sort of supplementary income. These children earned money when they helped their father with his trade, worked as apprentices, helped on farms, shined shoes, "... sold papers, delivered groceries, did odd jobs, gathered wood and coal from the dump, or did other miscellaneous jobs" (Bakke 1940a, p. 117). While younger children would typically only earn a few pennies, once they turned 15 their "earnings became more substantial..." (Bakke 1940a, p. 117).

It should be noted that the wages of supplementary earners did not all go into the family's general budget, at least not at first. In fact, much of this income was spent

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4 Bakke notes that, at least in working-class families, "the proportions of boys and girls do not vary considerably" in terms of which became supplementary earners (Bakke 1940a, p. 118).
directly by the supplementary earners to purchase personal items that the family's budget would not otherwise permit. Moreover, prior to the Great Depression it appears that there was substantial variation in how these supplemental earnings were distributed based on ethnicity, social class, age of the child, and whether or not the child was still attending school. These last two factors seem to be most important. If a child was still in school, most of their earnings would be spent on personal items. In contrast, if the child no longer attended school, they would be expected to contribute a certain amount of their income as 'board' (Bakke 1940a). Age was also an important factor. As mentioned, prior to turning fifteen, most of the supplemental earnings were small. After this point, however, children were able to earn more substantial wages, especially if they were gainfully employed (which a majority were by the age of 17). Nevertheless, these normal patterns of distributing supplemental earnings changed once the primary breadwinner became unemployed.

Almost immediately after the primary breadwinner was displaced, any existing supplementary earners were expected to contribute a higher proportion of their earnings to the family budget. These contributions slowly increased until most, if not all, supplemental earnings went into the family budget. In addition to this increased contribution from existing earners, families often sent any potential earners into the workforce. It should be noted, however, that this pattern of supplemental earner contributions is an ideal case. Bakke notes that not all supplemental earners were willing to contribute higher proportions of their incomes to their family budgets, which
significantly affected a family's ability to maintain while the primary breadwinner was displaced.

Using the twenty-four in-depth case studies, Bakke estimates that wages from primary and supplementary earners (including both private sector and work relief wages) covered less than 60% of a family's weekly expenses (see Table 1). Therefore, families were forced to mobilize other resources in order to make ends meet. Through interviews with two-hundred unemployed workers (see Table 2), Bakke identifies seven types of resources that could be drawn upon instead of earnings: 78% of unemployed relied on some type of credit, 64% relied on savings, 51% accessed supports from social agencies (though these agencies usually encouraged workers to utilize any available credit first and often did not offer enough support to maintain users), 34% acquired loans, 19% sold or pawned possessions, 12% cashed insurance policies, and 5% relied on miscellaneous gifts. Below I discuss in more detail a few of these resources, broken up generally by familial and social resources and social assistance.
<table>
<thead>
<tr>
<th>Item</th>
<th>Amount of the Income Dollar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings of Head</td>
<td></td>
</tr>
<tr>
<td>From Private Employment(^5)</td>
<td>0.24</td>
</tr>
<tr>
<td>From Work Relief(^6)</td>
<td>0.15</td>
</tr>
<tr>
<td>Earnings of Others(^7)</td>
<td>0.20</td>
</tr>
<tr>
<td>Gifts(^8)</td>
<td>0.07</td>
</tr>
<tr>
<td>Direct Relief(^9)</td>
<td>0.05</td>
</tr>
<tr>
<td>Miscellaneous: Rent, Interest, Benefits, etc.(^10)</td>
<td>0.03</td>
</tr>
<tr>
<td>Withdrawn Savings(^11)</td>
<td>0.09</td>
</tr>
<tr>
<td>Cashed Insurance(^12)</td>
<td>0.04</td>
</tr>
<tr>
<td>Net Debt</td>
<td>0.13</td>
</tr>
<tr>
<td>Loans(^13)</td>
<td>0.09</td>
</tr>
<tr>
<td>Credit(^14)</td>
<td>0.18</td>
</tr>
<tr>
<td>Total .27 less .14 paid on debt==$.13</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$1.00</td>
</tr>
</tbody>
</table>

Table 1: Source of Average Weekly-Income Dollar of 24 Unemployment Families in New Haven.\(^{15,16}\)

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\(^5\) Wages of head from private enterprise. All income from wages by the head of the family which are not from work relief.


\(^7\) Wages of others – all income from others in the family. The money from Yale [for participation in study] was included here. Board was also included.

\(^8\) Gifts. Included all gifts which were not public relief. Includes those from friends and family. Visiting Nurse, clinics, and dispensary for which small payments were made were included here, but free medical care by the city was considered relief.

\(^9\) Relief. Includes all direct relief, estimated cost of milk, coal, and rent provided by the city, and free medical care paid by the city.

\(^10\) Rent and interest. Rent from houses, roomers, and interest from stocks were included here. [This category also includes income from the sale of personal possessions].

\(^11\) Cashed savings. Includes amounts taken from the bank, amounts returned by creditors, amounts paid by insurance companies and Veterans Bureau. If any of these amounts were saved they were entered first under these cashed savings, and then under new savings. Nearly all were spent, however.

\(^12\) Cashed insurance. Records amounts returned by the insurance companies when policies were turned in. Loans on insurance were recorded under Loans.

\(^13\) Loans. Includes both amounts borrowed from friends without interest and amounts from loan companies, banks, and insurance companies.

\(^14\) Credit. Includes all other current bills. If regular weekly or monthly payments are not met, they are entered here.

\(^15\) Based on Table 13 in Bakke 1940a (p. 254).

\(^16\) Footnotes within Table 1 based on Table 12 Bakke 1940a (p. 258).
<table>
<thead>
<tr>
<th>Order</th>
<th>Type of Resource</th>
<th>Proportion of Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Credit of all sorts</td>
<td>78%</td>
</tr>
<tr>
<td></td>
<td>For Rent</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td>For Food</td>
<td>38%</td>
</tr>
<tr>
<td></td>
<td>For Clothing</td>
<td>17%</td>
</tr>
<tr>
<td></td>
<td>For Furniture or Household Equipment</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>For Medical Care</td>
<td>11%</td>
</tr>
<tr>
<td></td>
<td>For Light and Fuel</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>For Taxes</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>For Miscellaneous</td>
<td>3%</td>
</tr>
<tr>
<td>2</td>
<td>Savings</td>
<td>64%</td>
</tr>
<tr>
<td>3</td>
<td>Social Agencies</td>
<td>51%</td>
</tr>
<tr>
<td>4</td>
<td>Loans of all Sorts</td>
<td>34%</td>
</tr>
<tr>
<td></td>
<td>Insurance</td>
<td>24%</td>
</tr>
<tr>
<td></td>
<td>Small Loan</td>
<td>17%</td>
</tr>
<tr>
<td></td>
<td>Friends</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>Family</td>
<td>12%</td>
</tr>
<tr>
<td></td>
<td>Bank</td>
<td>7%</td>
</tr>
<tr>
<td>5</td>
<td>Sell or Pawn Possessions</td>
<td>19%</td>
</tr>
<tr>
<td>6</td>
<td>Cashed Insurance</td>
<td>12%</td>
</tr>
<tr>
<td>7</td>
<td>Miscellaneous (Including Gifts)</td>
<td>5%</td>
</tr>
</tbody>
</table>

Table 2: Financial Resources Other Than Earnings Used By 200 Unemployed Families in New Haven (1933).  

**Familial and Social Resources**

As can be seen above, the most common resource that families utilized was credit.

Contrary to modern day credit, however, credit during the Great Depression typically came directly from the person owed, not a third party. The use of credit was centralized on a few items like rent and food. This meant that the primary creditors of the time were local landlords and grocers. Aware of the importance of such relationships prior to their unemployment spell, many families would forgo the "…thriftiness of shopping

17 Based on Table 11 in Bakke 1940a (p. 254)
around…" in order to establish relationships with landlords and grocers that could
"…'carry' one during a spell of interrupted earning power" (Bakke 1940a, p. 150). This
adds a personal element to the use of credit that is largely nonexistent in modern society.
These personal relationships likely came with their own sets of advantages and
disadvantages, however. For instance, if a family had a personal relationship with a
grocer, that grocer was unlikely to let them starve. Nevertheless, that grocer probably had
opinions about what kinds of food that family should receive. Moreover, if the family
should default on this credit, a small grocer or landlord was less able to weather the loss
than a larger credit company. At the same time, however, the personal relationships likely
made default less prevalent.

After credit, the most common type of personal resource used by families was
savings, which 64% of Bakke's two hundred families utilized (although almost 75% of all
families had savings accounts). During the twenty-four in-depth case studies, however,
Bakke found that these savings typically covered less than 10% of a family's expenses
each week. This small contribution is mostly explained by the fact that, even when the
primary breadwinner had stable employment, families had difficulty covering all
expenses. Therefore, accumulating substantial savings was extremely difficult. Moreover,
due to the bank failures near the beginning of the Great Depression, many families either
lost their savings or were wary of traditional bank savings accounts. In the end, this
meant that most families only had nominal amounts in their savings accounts – enough to
cover roughly half a week to two and a half weeks' worth of expenses (falling
significantly short of the contemporary advice of three to six months).
Despite only having nominal savings, one should not conclude that depression-era families had no financial assets. Most of these assets, however, did not take the same form as modern assets, as few owned any stocks or other investments. In fact, only 23% of Bakke's respondents owned their own home, 10% were members of Lodge or Benefit societies (which often focused on providing "sickness" benefits or another type of small insurance plan), 10% owned life insurance, 3% owned stocks or bonds, 1% invested in a Building and Loans, and 5% had some other form of investment (Bakke 1940a). Instead, the most common type of investment among depression-era families was Industrial Insurance (e.g. burial insurance), which nearly 80% of workers possessed. Workers flocked to this type of investment for two reasons. First, Industrial Insurance offered the greatest returns to workers. Unfortunately, these returns could typically only be realized upon their death. Second, in light of the bank failures early on in the Depression, Industrial Insurance was seen as less risky than other forms of investment (p. 135).

Depression-era families were hesitant to give up these investments once unemployed, so these investments offered limited help during periods of increased financial hardship. In fact, many of Bakke's respondents viewed Industrial Insurance as much of a necessity as food (p. 270). That being said, however, about 12% of the two hundred families cashed in on their insurance policies and 24% took out loans against their policies when faced with unemployment (Bakke 1940a).

As mentioned above, 19% of families resorted to selling or pawning their personal possessions in order to make ends meet. Bakke (1940a) found that this response tended to be the "most damaging to morale as the family sees belongings, each of which
has a history in the family's experience, used to provide absolute necessities" (p. 259). Items that outsiders may not consider necessities like wedding furniture, engagement rings, or musical instruments, take on symbolic meanings within families. Therefore, Bakke noticed that selling items such as these was often "accompanied by a depression of hope and confidence" (p. 260) within the family.

It is worth briefly discussing two other resources before moving on to discussing social assistance: social network assistance and domestic economies. While much of the above discussion implies that households were self-reliant during the Great Depression, this is not the case. In fact, most families relied on their friends and extended family members for help. This help came in two forms: loans and gifts. According to Bakke (1940a), 15% of unemployed families received loans from friends and 12% received loans from family. Moreover, while a smaller proportion received gifts from their social network, gifts were often an important part of a family's budget. In fact, using the case studies of twenty-four families, Bakke argues that, on average, gifts covered roughly 7% of a family's budget. These gifts, however, were "usually earmarked for some particular purpose" (Bakke 1940a, p. 259), like utilities or for clothes and school supplies for children.

The last source of assistance worth mentioning is a family's domestic economy. It is often thought that during the Great Depression many families made ends meet by generating items that they typically bought in the marketplace. Anecdotal stories of families making their own clothes, growing their own food, canning, cooking, collecting fuel flourish today. Bakke, however, argues that while these activities occurred at the
time, there was not a migration towards them (Bakke 1940a, 1940b). Instead, those families that engaged in these activities prior to job loss continued to do so, while those that had not engaged in these activities did not. This is mostly due to the costs of these activities (e.g. fuel, equipment, etc.) which were often prohibitive to families who were not already engaged in them. Moreover,

...new forms of nonmonetary endeavors were conspicuous by their absence... Barter arrangements were not developed as extensively [in New Haven] as in some other cities. The unemployed... did not build their own shacks, or 'squat' on unused land, or scout the city and countryside for unused surpluses, or buy a pig for fattening, or raise chickens. (Bakke 1940a, p. 279)

While visions of family self-sufficiency in terms of domestic economy may be exaggerated, other forms of familial and social resources were not. In fact, Bakke estimates that taken as a whole, these resources covered roughly 36% of a family's weekly budget. Nevertheless, many families were unable to make it on their own. Wages and familial resources proved insufficient, forcing families to rely on the U.S. welfare system. Unfortunately, during the Great Depression the U.S. welfare regime was still in its infancy.

Social Assistance

As mentioned in the introduction and Chapter 2, direct federal action taken on behalf of protecting unemployed workers was virtually non-existent prior to the passage of the New Deal. While many states, cities, and communities did have support systems in place to help those facing financial hardship, these were not specifically designed to help the unemployed. Instead, they were primarily concerned with assisting the poor in their communities. In fact, it was not until the early 1930s that states enacted programs
specifically designed to help workers who found themselves "involuntarily" without work (Huzar 1940). After the passage of the New Deal, the federal government adopted a more direct role in providing protections to those facing financial hardship caused by involuntary unemployment. This response, however, is marked by a large amount of experimentation, as the government attempted to establish its proper role in helping those in need. Due to this large amount of geographic and temporal variation in assistance programs, a detailed analysis of all the programs available to displaced workers is beyond the scope of the current paper (for those interested in such an analysis see Bernstein 1960; Watkins 1999; Smith 1970, Bird 1966; Meltzer 1969; Huzar 1940). Nevertheless, these programs can broadly be thought of as offering direct relief, work relief, or UI.

During the Great Depression, direct relief was the first type of relief available to displaced workers. This type of relief is most comparable to our modern day assistance programs geared towards helping the poor. Though direct relief was funded by charities, cities, states, and, eventually, the federal government, recipients rarely made a distinction between sources. "The dole," as it was commonly referred to at the time, provided cash-payments or in-kind goods based on the needs of those facing financial hardship. While vital for the survival of many depression-era families, most families never sought this type of relief. In Bakke's random sample of 2,000 families in New Haven, he found that only 24% of the 988 unemployed individuals sought relief between 1933 and 1935. Using more in-depth case studies with twenty-four unemployed families, Bakke discovered that families typically held off applying for relief until they entered a stage of disorganization (Bakke 1940a). Families in this stage of the unemployment process had depleted savings,
racked up debt (Ginzberg et al. 1943 found that 85% of families had at least some debt prior to applying for relief), sold possessions, and often cut their consumption to a bare minimum. Moreover, by this time the displaced workers had largely fallen out of the labor market as they had given up hope of finding employment. In short, families in disorganization had exhausted every other method of survival before applying for relief.

(I discuss Bakke's stages of unemployment in more detail below.)

Why would families wait so long to apply for relief? The answer to this question largely comes down to the fact that relief threatened the status of families and workers; admitting dependency was in direct conflict with the prevailing ideology of rugged individualism. During the first few years of the Great Depression, it was commonly accepted that "any willing worker could find a job, and that any who did not were inferior individuals. Only the 'ill, the lame, and the lazy' found their way to charitable societies or public relief" (Bakke 1940a, p. 319). Admittedly, this view began to change in 1933 when public discourse started distinguishing between the unemployed and regular 'relievers,' but accepting relief continued to challenge the status of unemployed workers.

In an attempt to protect their status, many workers would try to rationalize why they sought relief. According to Bakke (1940a), "The most frequent rationalization made by the man who paid taxes (and all citizens have presumably paid poll taxes) is that such payments have been used for community services for others, now it is his turn to receive service from the funds to which he has contributed" (p. 317). Bakke provides the following example of this rationalization from a painter:

For years I have been paying taxes. They give businessmen and everyone what they need from that money, don't they? If what they need is streets, or sewers or
celebrations to bring business to town they get it. If what I need is bread, why shouldn't I get it? I've paid taxes since I was twenty-one; comes close to being $3,000 in all. (p. 317)

Others identified their previous military service or contributions into the Community Chest during their rationalizations. Nonetheless, Bakke states that regardless of the type of rationalization, workers would inevitably conclude "But you can say what you will, it is still charity" (p. 318).

The status of individuals receiving relief was further challenged by the humiliating process of getting relief. Families were subject to intrusive investigations to ensure that no one cheated the system. Similar to contemporary welfare recipients, these investigations motivated families to hide resources from the investigators (Bakke 1940a; Edin and Lein 1997). These resources, however, were "…frequently symbolic of some degree of independence" (Bakke 1940a, p. 372). These symbolic resources could be something as small as a new[er] pair of shoes. Moreover, since workers had to prove dependency (not just claim dependency), families often had to deplete all other means of support. For instance,

The Charities Department would not pay out a cash allowance to one who owned his own home… The client was urged to place an additional mortgage on his house. Usually this was impossible. The Department was fairly sure that he would be unable to obtain a new one because he had no cash income. Where could he have obtained money to pay interest charges? Banks would not give mortgages where the breadwinner was unemployed. The usual result was that the client soon lost his home. (pp. 360-361)

In this way, relief during the Great Depression was not a safety net meant to slow or stop downward mobility – it was simply the floor.
One advantage of direct relief, however, was that benefit amounts were typically based on family need. When calculating how much each family received, the number of members in the family was taken into account – something that was not factored in for work relief or UI. Nevertheless, this benefit is balanced by the fact that there were restrictions on how direct relief could be spent. Families were forced to patronize certain stores and could only purchase specific items. As one of Bakke's respondents, Mrs. Torrio, states:

I'm ashamed that I've had to go to charity... The greatest trouble with the D.P.C. [Department of Public Charities] is that they do not give us cash. If I could have $4 in cash, so that I could go around from store to store and buy the cheapest, I would be much happier and better off. As it is, the groceryman does not carry everything that I need, and I have to go to his particular store because his name is on the slip. He has very few vegetables. On Mondays he has none. On Tuesdays he has greens. I try to go in on Tuesdays to get the green vegetables. He has no oranges. If it were not for the dollar I get from you [for the the interview] I don't see how I could have got along. With this dollar I'm able to buy vegetables and fruits which the groceryman does not carry... (pp. 355-356)

Given these spending restrictions accompanied by the drop in status, it is not surprising that families were hesitant to receive this type of assistance, even when this type of relief could more efficiently provide for their needs than other forms.

In contrast to direct relief, work relief was often seen as less of a threat to the status of workers, especially when they were working on socially meaningful projects (Bakke 1940a). For many, work relief was simply considered work, not relief (Lynd and Lynd 1937). After all, workers earned a paycheck and were given the freedom to spend their money in any way they saw fit. Nevertheless, this flexibility was balanced by the fact that wages were not based on family size; larger families often received less on work relief than on direct relief.
During the Great Depression, many argued that work relief had the added benefits of boosting the morale of workers and keeping their skills sharp. The influence of work relief on status and morale of displaced workers, however, is not that straightforward. The effects of work relief were dependent on the reactions of "the community, his former workmates, and he himself" (Bakke 1940a, p. 397). Therefore, a worker's perception of work relief

...depends upon whether the relief job is being compared with former maintenance by direct relief or with a 'regular' job. We have seen the difficulties involved in maintaining any desirable social status while labeled a 'reliefer.' There is little question that for many of the unemployed, work relief, coming as it did after a contrasting experience with direct relief, meant an opportunity for a 'comeback.' Particularly for the unskilled worker, moreover the ordinary project type of work may, if purposeful, socially useful, and efficiently managed\footnote{According to Bakke (1940a), it was often difficult to get good supervision because good supervisors were less likely to be unemployed. Therefore, this "efficiently managed" characteristic was not always possible.}, provide a basis for social adjustment and status which is similar to and in some cases superior to his former jobs for a private employer. In many cases these men have done similar work all their lives. Work relief is a renewing of their 'regular' occupation. (pp. 392-393, italics original)

Skilled workers had a much harder time achieving these social benefits from work relief than unskilled workers (Bakke 1940a; Lynd and Lynd 1937). "The chief difficulty is that many of those undertakings which might prove satisfactory as a morale builder for skilled men are in that domain reserved for private enterprise" (Bakke 1940a, p. 394). After all, due to political limitations, the government could not undertake projects that would directly compete with the private sector. While there was still an attempt to create socially meaningful projects, there were commonly accusations that these projects were simply "make-work" – where workers were put to work for the sake of putting them to
work. Additionally, while some work relief projects attempted to provide work similar to the worker's chosen profession, this was not always possible, especially early on. This resulted in a skills-mismatch at times. Due to this mismatch, displaced skilled workers worried that work relief would reduce their ability to find private sector employment in the future. Bakke's vignette of "Mr. Goldstein" offers an excellent example of this problem.

Mr. Goldstein had a diverse career. Over the years he tried his hand at several entrepreneurial ventures. One of the constants over the years, however, was his work as a violinist. Unfortunately, during the Great Depression, Mr. Goldstein had difficulty earning enough income through his assorted ventures to stave off financial hardship.

Failing in his efforts to find [better paying] work, Mr. Goldstein considered applying for C.W.A. work. He held off taking this manual labor because he was afraid his hands would become rough and stiff, a disastrous result for a violin player; but eventually he applied and found work [on the West Rock project]. Tears were in the eyes of his wife on the morning she announced that he had at last decided to do manual labor. Both of them felt that this was a distinct change in their status, and for several days Mr. Goldstein would not tell her what kind of work he actually did. She suspected that it was work with a pick and shovel, and now she knew it was, for Mr. Goldstein took a bravado attitude toward it and even joked about his new 'position.' (p. 219)

Mr. Goldstein worked in this position for about a month before transferring back to the private sector, in a position more fitting his status. Over the next several years, however, Mr. Goldstein experienced difficulty finding stable private sector employment that offered adequate income. He bounced between jobs, often working in manual positions. When the W.P.A. began offering opportunities for musicians, Mr. Goldstein did not apply, for "[h]e thought... that it would be only a short-time job and that he had better stay at his [current job] unloading [trucks] (p. 223). In the following years
He accepted relief work on several occasions but was never in danger of becoming a permanent 'reliefer.' In spite of the steadiness of relief-work wages, in spite of the fact that on the musicians' project he would get more than at his present job, he is satisfied that he has made the right decision. He has to be, for those gnarled fingers will never produce sweet music again. Had the musicians' project been the first type of relief work offered to him the case might have been different, but it came after he had made his adjustment and after the undesirability of relief work had been ground into his consciousness on the top of West Rock. (p. 227)

As can be seen by the case of Mr. Goldstein, work relief did not completely protect the status of the individuals that received it. While it was work, this work – especially early on – was in low-status positions. Moreover, the transition into this manual work limited Mr. Goldstein's ability to find future employment in his chosen profession. Even when on work relief, Mr. Goldstein, and others like him, continued to search for private employment. Work relief was only taken over private employment when private employment failed to offer comparable levels of financial security (e.g. high enough wages and expectations of continued employment).

In sum, work relief was not able to universally protect the status of all workers. While the status of unskilled workers may have been boosted by finding employment, the status of skilled workers declined because it was not the right kind of employment. Despite having a few benefits over direct relief in terms of protecting the status of those receiving aid, work relief was often substantially more expensive than direct relief. Not only did projects have to pay the wages of workers, they also had to supply the necessary planning, materials, and supervision.\textsuperscript{19} These projects proved too costly, especially when direct relief offered a cheaper and more efficient means of providing for those facing

\textsuperscript{19} Good supervisors were often difficult to find among displaced workers, as private employers would keep them on far longer than others.
financial hardship. Therefore, work relief projects ended in the later years of the Great Depression.

In the last years of the Great Depression a new type of federal relief program was created to assist unemployed workers: UI. In 1932, Wisconsin became the first state in the U.S. to enact such a law (though it did not issue its first check until 1936), with six other states following suit prior to 1935. UI programs spread further with the passage of the Social Security Act in 1935, which, among other things, encouraged states to adopt UI laws. By August 1937 all 48 states, and many territories including Hawaii, Alaska and Washington D.C., had done so (Department of Labor 2010). While adopted by 1937, there was a lag in the implementation of these programs. Therefore, Bakke's respondents in New Haven could not rely on UI until 1938. The late implementation of this program meant that it was of little use to many of those who found themselves displaced during the Great Depression. Bakke states

Promoted and publicized as a first line of defense against the onslaught of unemployment, the new security measure, unemployment compensation [UI], was established long after many of the unemployed had fallen back to defense positions far in the rear of the line considered appropriate for such a system of protection. (p. 295)

While Bakke critiqued UI for being implemented too late to adequately serve those during the Great Depression, the legacy of UI is still in effect today. In contrast to direct relief and work relief, UI is specifically designed to be a social safety net. Indeed, UI represents the primary program designed to aid displaced workers in modern society. Firmly established, UI now has the potential to be that first line of defense for unemployed workers. In light of this, workers no longer wait until reaching a stage of
disorganization before applying for assistance. In fact, applying for UI benefits is often one of the first things done after experiencing a layoff. Nevertheless, it is worth discussing three other criticisms of UI offered by Bakke that are still relevant to today's modern program: eligibility, duration, and generosity.

One of Bakke's major critiques of UI is that relatively few displaced workers actually received benefits. Utilizing a 10% sample of unemployed households in 1938, Bakke (1940a) found that only 27% of unemployed workers "were able to prove themselves eligible for unemployment-compensation benefits" (p. 295). The most common reason for ineligibility was the failure to work enough hours in the previous year; Bakke estimates that roughly 32% of displaced workers were deemed ineligible for this reason. As discussed in Chapter 2, eligibility remains a major concern in the contemporary UI system. Even at its peak in the 1950s, less than one-half of unemployed workers received benefits. Today, recipiency rates have dropped back down to nearly one-third (Vroman 2002). Therefore, Bakke's argument that "It is quite obvious that unemployment compensation is not a first line of defense for even a majority of the unemployed under the present qualifying rules" (p. 296), is as applicable today as it was nearly seventy-five years ago.

The second critique offered by Bakke about the early UI system is in regards to the duration of benefits. At the time of its implementation, the maximum duration of benefits available to Bakke's respondents was thirteen weeks. Nevertheless, the actual duration of benefits for half of his respondents was less than eight weeks. In fact, according to Bakke, only 16% received the maximum thirteen. Bakke notes, however,
that heads of households fared a bit better, as 21% of them received the thirteen-week maximum. In all, Bakke estimates that due to this short duration, 83% of his respondents (from the 10% sample of unemployed households in 1938) "... had their benefit terminated because of the exhaustion of benefits and only 17 per cent because they returned to work" (p. 309).

In terms of duration, the contemporary UI system fairs significantly better than the early program. As previously stated, most states now have a maximum duration nearly twice as long as the early system. Moreover, the federal government is able to further extend the maximum duration during periods of severe economic downturns. This means that, compared to the Great Depression, relatively few eligible unemployed workers exhausted their benefits during the Great Recession.

The final critique offered by Bakke that is still relevant to the modern system is in terms of the insufficiency of benefits. This insufficiency arises from the fact that UI is designed to be a partial substitution of wages. Therefore, UI ignores the variability that exists in the financial needs of families and the financial responsibilities of workers. Specifically, "... since benefits are paid to individuals in relation to their past wage record, not their economic responsibilities" (Bakke 1940a, pp. 297-298) it is likely that benefits are "inadequate for those who did have others who counted on them for support" (p. 298). Bakke notes that nearly 40% of the eligible unemployed had such dependents and that 71% of those with dependents "had no others to assist them in fulfilling their responsibilities" (p. 300). Therefore, UI often proved insufficient during the later years of
the Great Depression. Bakke argues, therefore, that UI should not be based on previous wages, but should be based on family need.

It is difficult, in considering a scheme of social maintenance designed to make good the inadequacies and irregularities of wages, to escape the fact that such a scheme is necessary primarily because wages are not geared to maintenance and needs and to the economic responsibilities of workers living in families. Wages are geared to the productive usefulness of the individual worker. That is a sound principle of business economics. But when payment on the basis of this principle ceases and a social device is needed to provide maintenance during the interruption, it is only common sense to apply the principles of social economics and to gear that device to the problem of maintenance faced by the unemployed... To gear the device to the very inadequacies and irregularities in wages which gave rise to the need for that devise is, to say the least, anomalous. (p. 301)

As can be seen, Bakke finds the present system of UI to be irrational. Why base benefit amounts on the market when the market is the reason workers need benefits in the first place? Using Bakke's terms, we should use the logic of social economics when trying to fix the problems that business economics cause.

Unfortunately, policy makers did not heed Bakke's advice over the past seven decades. As mentioned previously, there is substantial variation between states in the modern UI system. Nevertheless, even in the most generous cases, UI typically replaces less than 50% of previous earnings (Department of Labor 2013). Considering that many workers live paycheck to paycheck, it is likely that Bakke's critiques remain justified today.

Changes in Consumption

It is not surprising that unemployed families during the Great Depression, despite drawing from many resources, were unable to maintain their regular standard of living. Bakke (1940a) documents nine types of readjustments made to expenditures by his two
hundred respondents during the Depression. Bakke found that of these respondents, 88% economized on clothes, 88% economized on recreational and community activities, 76% economized on food, 62% made adjustments to their insurance policies (47% went into arrears, 12% cashed in, and 3% converted to lower premiums), 49% moved to save on rent, 11% economized on children's schooling, 11% moved in with relatives, 8% sacrificed home equity, and 5% economized in other ways (reduced fuel consumption, cut out trips, quit smoking, went without medical attention, let the house fall into disrepair, avoided taxes, stopped newspapers, etc.).

It is important to remember that many families did not flock to the home economy to supplement these consumption changes. According to Bakke "new forms of nonmonetary endeavors were conspicuous by their absence..." (p. 279). Families did not turn to growing their own food or making their own clothes unless they had done these activities prior to the Great Depression. Instead, financial adjustments often meant fairly substantial changes in lifestyles. For instance, food expenses were reduced by socializing less often (to avoid providing refreshments or providing food for others), eating only two meals a day, eating eggs instead of meat, substituting vegetables for fruit, using drippings and margarine instead of butter, replacing fresh produce with canned goods, and drastically reducing the amount of milk consumed (p. 267). Moreover, many families began to rely on a single "staple" during this period. Not surprisingly, this staple varied by ethnic background (e.g. the staple for many Italian families was macaroni). Other adjustments could be made without as much strain. Clothing expenditures could be delayed for months. While most of the studied families required some clothing during the
study period, a number of them spent none of their money for these purposes – partly because they could rely on gifts from outside sources. Again, furniture is another area where families could easily reduce expenses. Almost no families acquired new furniture during the study period. Those families who did, did so through gifts, not purchases. However, furniture was often one of the first items sold when times got tough. So while new furniture was rarely acquired, existing pieces were often let go in order to provide for necessities.

It is worth noting that the above adjustments (in terms of consumption changes and reliance on new financial resources) did not happen all at once. Instead, adjustments were made in stages, depending on the length of unemployment and the family's ability to maintain their standard of living. Bakke (1940b) identifies five stages of adjustment: momentum stability, unstable equilibrium, disorganization, experimental readjustment and permanent readjustment. Each of these stages is characterized by distinct means of support, employment outlook, expenditures, community associations, foresight and planning, and rationalization of position. Nevertheless, according to Bakke:

All of the twenty-four families we observed went through these five stages in their attempts to solve the problem of self-maintenance. They varied in the length of time they spent in each period and in the amount of community assistance they received in the process. (p. 174)

In the first stage – momentum stability – families rely on the last paycheck of the primary breadwinner. This is the stage where supplementary earners begin increasing their contributions to the family budget and families withdraw small amounts from any savings they may have. During this stage, the primary breadwinner often expects to be recalled from his old firm and thus spends little time looking for other means of
employment. Expenditures and participation in the community during this stage are largely unaffected – other than minor reductions in a few luxuries or recreational activities. Workers expect their bout of unemployment to be temporary, so do little to change their long term planning. Finally, families refuse charity at this stage, continuing to see it as a moral failure. The length of this stage varied widely by family, often by the amount of resources at their disposal that allowed them to maintain their traditional standard of living.

During the period of unstable equilibrium, the primary earner begins to look beyond their original employer for work. These workers seek out and accept temporary work in order to have income coming in. Moreover, potential earners are sent to look for work as well. Expenditures begin to decline, but not enough to avoid declining savings or abnormal amounts of items bought on credit. Many luxuries are eliminated and substitutions in basic necessities occur. Expenses that can be delayed, like replacing worn furniture and clothing, are put off indefinitely. "Social expenses" are reduced over this period, until they almost completely vanish by the end, resulting in the increased isolation of unemployed families. As the whole, this period typically lasts one to two months and is marked by families engaging in the same activities that they had employed during other, normal, periods of unemployment, with few new avenues explored.

The stage of disorganization is marked by similar means of support as the period of unstable equilibrium (except for the use of savings, which are now depleted). Debt mounts as families search for new ways to bring in money (additional credit from landlords and grocers, small loans, selling/pawning possessions, etc.). Expenditures are
further curtailed as lines of credit dry up and families are forced to only use available cash. Families rely on budget foods (cheap, bulk), eliminating "healthier" foods that provide balanced diets. Expenses on utilities are reduced by keeping homes at uncomfortable temperatures (e.g. too cold during the winter). Medical care is delayed. Finally, possessions continue to be sold and "social front" expenditures are reduced so drastically that "appearances" can no longer be maintained. The job hunt largely stalls as workers lose hope of finding employment. During this stage workers are more likely to accept relief work, if available. Social contact is reduced and often only occurs with those in similar circumstances (e.g. other unemployed families). Any social events or activities that cost money are eliminated and almost all mental energies are devoted to finding ways to meet basic necessities. It is at this stage that families truly come to terms with accepting relief – seeing it as a probable necessity.

Experimental readjustment is marked by even more drastic shifts from their previous lives. Families adopt a variety of strategies to make ends meet, including new ways of selling the services of the primary breadwinner, trying to start one's own business, and accepting relief. The search for work is resumed, now extending into new occupations and industries. Workers look for new angles to find employment like using political connections and acquiring new skills. During this period, expenditures fluctuate depending on cash on hand. The use of credit is held at present levels or reduced. But a redefinition of what is a "necessity" occurs, with greater emphasis once again being placed on healthy foods. Any delayed expenses (clothing, furniture, medical, etc.) are made when the family experiences "windfalls." Families begin to engage in more
community activities – especially any free ones or ones that could help with self-maintenance through the formation of useful social contacts. "Social front" expenses, however, are still avoided. The final stage – permanent readjustment – occurs when the above experimental adjustments become accepted as relatively permanent. Any resources above bare necessities are used to reduce debts, with any "extras" being purchased with "windfalls." Social status expenditures begin to be prioritized once again, however, socialization still revolves around free activities.

**Summary**

This chapter explored how depression-era families made ends meet in the face of long-term unemployment and underemployment. Despite the difficulties in finding stable employment, the wages of the breadwinner and supplemental earners continued to be the most important resources available to families. Nevertheless, these resources were unable to fully provide for the needs of displaced families. Not only did families have to economize on many of their regular expenses, but they also had to rely on their familial and social resources in order to make up the difference. Only when these resources were inevitably depleted did families turn to public assistance.

Several different types of public assistance programs were implemented during the depression, including direct relief, work relief and UI. These programs provided necessary financial aid to those in dire need of help. This help, however, came at a cost. The status of workers and families were threatened when they had to admit dependency and receive aid. While work relief was less of a threat to the status of unskilled workers, skilled workers continued to be negatively affected. In the end, work relief programs
proved too expensive and too inefficient in providing aid to those in need. Therefore, only two types of relief outlived the Great Depression: direct relief and UI. Since the Great Depression, however, direct relief programs have been primarily aimed at providing aid to the long-term poor, not the temporarily unemployed. Therefore, UI is the core program geared to assist displaced workers and their families. Unfortunately, many of the criticisms that Bakke (1940a) had against UI during the Great Depression remain relevant today. Eligibility requirements continue to exclude the majority of workers, benefits run out too quickly in many cases, and benefit amounts remain relatively small.

The above discussion helps to set the stage for the discussion of the material responses of contemporary workers as they face a similar economic collapse as those during the Great Depression. As will be seen, material responses have not changed too dramatically over the years. Despite years of growth, the U.S. welfare system is still unable to provide adequate assistance for those facing long periods of unemployment. Moreover, while a private social safety net has appeared during this period, most individuals do not have access to it. The inadequacies of the contemporary U.S. welfare regime means that workers responded to the Great Recession in similar ways as workers responded to the Great Depression. They were forced to accept temporary working arrangements, drain personal resources, depend on their social network, and, to a smaller extent, seek aid from non-profit social agencies.
Chapter 5: The Material Responses of Unemployed Workers during the Great Recession

In the previous chapter, I explored how depression-era families made ends meet when faced with prolonged periods of unemployment. In this chapter, I now turn my sights to the material responses of workers during the Great Recession. In order to do so, I analyze how all eighty-four of my contemporary respondents who became unemployed or underemployed during the Great Recession made ends meet. During interviews, respondents highlighted six categories of resources from which they drew: (1) the public social safety net, (2) the private social safety net, (3) wages, (4) personal resources, (5) social network resources, and (6) social service agencies. No single strategy, however, proved sufficient in the face of severe financial hardship. Instead, all respondents relied on at least two resources in order to make ends meet. Moreover, no respondent was able to solely rely on his or her public and private benefits without mobilizing a third resource.

Table 3 breaks down the prevalence of each of the six strategies among respondents. It is important to remember that these proportions should not be considered representative of the general population. Due to a sampling strategy that favored individuals who remained active in the labor force and who had a history of stable employment, the prevalence of some of the material responses may be inflated. For instance, almost 55% of our sample received UI, whereas closer to 33% of the general population receives these benefits. Nevertheless, these proportions are beneficial in
highlighting how unemployed and underemployed workers in our sample were forced to rely on multiple resources to make ends meet when faced with severe financial hardship.
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**Total Respondents:** 84

Table 3: Material Responses of Unemployed Workers during the Great Recession

20 “Other assistance” includes respondents who mention receiving Medicaid, SSDI, or fail to mention the specific program they receive. Also captured in this category are five respondents who indirectly receive benefits through another individual.
Before beginning this analysis, it is worth noting that I discuss contemporary resources in a slightly different order than resources of depression-era families. Specifically, I begin this chapter with a discussion of social assistance programs. I choose to start with these programs in order to reflect the changing nature of social assistance. Most social assistance programs utilized by unemployed families during the Great Depression were not designed to prevent or slow downward mobility. Instead, direct relief and work relief were designed to ensure a minimal level of support until families could make an economic comeback. In contrast, the UI system implemented at the end of the Great Depression acts more as a social safety net designed to prevent downward mobility so that economic comebacks are unnecessary. Due to this different design, public assistance, now referred to as the public social safety net, is often sought immediately after workers experience a layoff. Workers expect to utilize the public safety net before other resources – the opposite of which occurred during the Great Depression. Therefore, I discuss this response before others.

*The Public Safety Net*

Considering the above discussion, it should not be surprising that one of the most prevalent responses to financial hardship amongst my respondents was utilizing the public social safety net. In all, sixty (71.43%) of my respondents relied on public benefits at least once after their initial qualifying event. The most popular program that unemployed workers utilized was UI, while other public programs, like food assistance, housing assistance or social security disability, were significantly less popular amongst my respondents.
One should not consider the popularity of utilizing the public social safety net as being evidence of its generosity. As alluded to at the end of the last chapter, and in contrast to the popular image of overly generous benefits which disincentivizes employment, the public social safety net currently offers only limited assistance to displaced workers – assistance that cannot replace steady employment. That being said, while no respondent considered public benefits to be sufficient for survival, many considered it to be necessary. This is best demonstrated in the following quote from Mark, an unemployed white collar service worker.

It [UI] has been a nice cushion, you know, to soften the blow and what have you. Instead of my finances being in turmoil, it's like, oh things are tight. ... I wouldn't say I can live on four hundred a week, but I can survive on four hundred a week. My finances are not trashed.

As this quote shows, unemployment benefits – and other public programs – are seen as offering only limited financial support to those that rely on them. Nevertheless, even these meager benefits are enough to shelter unemployed workers from the worst financial ravages of unemployment. This theme of duality arose repeatedly across interviews. For example, Hillary, an unemployed clerical worker, states that UI "isn't a lot, but you know, it's better than nothing." Similarly, Ben, an unemployed manager, describes UI as a "Band-Aid," which helps stop the outflow of money. The importance of UI, however, is perhaps best vocalized by Emma, a now underemployed manager, when she simply ponders "I don't know what people would do without unemployment [insurance], because it did help."

Despite the prevalence and necessity of utilizing the public social safety net, many respondents expressed a reluctance to do so. Similar to workers during the Great
Depression, contemporary workers do not want to be stigmatized as members of a "moocher" class who would rather be dependent on the government than earn an "honest" living. The stigma associated with receiving public benefits was even present for those receiving "earned" benefits like UI. Below is a quote from Andrew, an unemployed manual worker currently receiving UI:

...not working is driving me crazy. I can't just sit there. People that are just on unemployment say, 'well, you know I'll just live on what I'm making.' I've got to work. I started working and earning income when I was 13 [years old]... and you never got anything free in our house. And that's the way I've been. And that's the way I was raised. That's the way I will continue.

In the above quote, Andrew stresses that, while he receives UI, he would rather work. He uses this motivation for work to distinguish himself from others who he perceives as willing to live on unemployment benefits indefinitely. This theme of viewing others on unemployment as lazy, while portraying oneself as wanting to work, appeared in several other interviews as well. Wilson, an unemployed construction worker states:

you're talking about six months of basically unemployment. I don't know—I can't stand being on unemployment. Some people can, they just, 'Oh, yeah!' I can't. I don't want to be there, like I said, I get depressed if I'm not working... I can't lay around on unemployment too long because it doesn't pay the bills. I can survive on it a little while but I'm a worker. I get stir-crazy sitting at the house anyway, I like to work. That's when I feel happiest.

Here Wilson stresses how his use of the public social safety net is only a temporary substitute for wages. Wilson does not want his bout of unemployment to be perceived as laziness. In fact, several other times during the interview Wilson stressed how he would rather be earning wages than receiving UI.

Despite the popularity of using the public social safety net, and in contrast to the continued national dialogue touted by conservative pundits, my respondents do not want
to be dependent on public assistance indefinitely. Instead, they see it as what it is
designed to be: a safety net. They plan on using the safety net only temporarily until they
can find adequate employment. Moreover, while many view the benefits as necessary for
survival, these benefits are also seen as offering only limited protections. The insufficient
nature of public benefits forces my respondents to mobilize other resources in order to
buffer their budgets. The nature of the public-private welfare regime in the U.S. suggests
that the next resource contemporary unemployed workers should use are private benefits.

Private Social Safety Net

While only nineteen (22.62%) respondents received a severance package during their
displacement, this proved to be one of the most effective means of avoiding financial
hardship. For instance, Jessica, a former manager, explains "... when I got laid off I did
get a severance. I got thirty-seven thousand dollars and I was able to collect
unemployment [insurance] as well." The severance alone amounted to over seven months
of income and, once that ended, she was able to receive unemployment benefits. It is
important to note, however, that severance packages ranged in generosity. Some, like
Jessica's, replaced several months of income. For others, severance proved nearly
worthless in helping them through their unemployment.

When I saw what the severance package was for me, I didn't see the point... It was
devastating to me because it... would have been only a total of $685 and after they
taxed that, that was all I was gonna get. The other employees, some of them had
years, so naturally they went this much per year. So they were in a more better
position than I was and I was racking my brains what am I going to do? – Joanna,
unemployed service worker
On top of financial support, some severances offered health insurance or other benefits.

One of the benefits mentioned by several respondents was the use of job search services.

Colleen, an unemployed professional, discusses the benefits of these services:

Well I should explain first that when I was laid off I was connected with a… displacement company. They're sort of career coaching types of people. My contract with them was three months, which is now expired. But I am and I was going to seminars and different events through them as well as a weekly three-hour meeting with what they would call a job search team. There would be fifteen to twenty of us and with a very rigid agenda and it would talk about not just how are you positioning yourself but have you created a marketing plan and some interview tips. But there was an element of group therapy and I'm still going to those. So those three-hour meetings every week are still happening.

One of the important lessons Colleen learned from this displacement service was the necessity of networking:

I have had more coffee with more strangers in the past three months than [laughs] I ever thought possible because apparently it is all, all, all about networking. You can apply for a job but if you don't know anyone within that organization it's kind of useless to try because they're going to look at the resumes of people that 'oh my co-worker... said this person is great!' I mean it's those extra personal introductions that really do help get your foot in the door...at least get you in front of someone to have that interview or something like that. So I spend a lot of time having coffee with strangers and lunch...occasionally dinner. When I'm not having that coffee I'm arranging my schedule for next week or the week after to schedule those coffee dates with strangers.

In the end, the benefits of Colleen's severance package extended far beyond the immediate financial support. Her company offered her three months of job search services, which are geared to help position her for the job market. Moreover, these services and the people she met through them offered her emotional support.

While private unemployment benefits were, for many, the most effective means of avoiding financial hardship, the benefits received by my respondents ranged in generosity. Some workers received financial assistance for several months, while others
received only a few weeks. Additionally, some severance packages included non-financial benefits as well. Typically these non-financial benefits took the form of job-search services. For those workers who received such financial and non-financial benefits through their employer, the financial hardship caused by unemployment could be delayed for a significant period of time. When private benefits inevitably ended, most could then rely on the public social safety net for a period of time. Nevertheless, even respondents who had access to both the public and private safety nets found them to be insufficient in the face of long-term unemployment. The insufficiency of these protections is compounded even more once one recognizes that relatively few workers are eligible for these public and private protections. As mentioned in Chapter 2, typically only one-third of displaced workers receive UI and only about 20% of private sector employees have access to severance packages (Vroman 2002; Bishow and Parsons 2004; Bureau of Labor Statistics 2003). Since it is likely that there is significant overlap between those workers receiving severance packages and those eligible for UI, this means that a majority of displaced workers have access to neither form of protection. Instead, these workers have to mobilize other resources in order to make ends meet in the face of financial hardship.

Wages

Perhaps unsurprising in light of respondents' preference for work over public aid, sixty-five (77.38%) of my respondents engaged in work activities after their initial qualifying event – making this the most popular material response to financial hardship. Respondents were strategic in their acceptance of work however, often refusing work that would mean permanent downward mobility. This meant that many respondents were
unwilling to accept low-wage, entry-level positions. Hillary, the unemployed clerical worker we heard from before, explains:

I did actually apply at like... [a] gas station cause I was startin to get really- cause it was- I was like, 'This is crazy, I need to be working somewhere.' And unfortunately, I mean, they offered me a position as a cashier, but it was- it would eventually have been working forty hours a week making less than my unemployment [benefits]. And we [her and her partner] talked about it... and he said, you know, 'That really probably isn't the direction you want to go,' He said, 'Even if you got a raise in three to six months, you're still gonna be making less than you are right now [on UI] and that's gonna be more detrimental to us than... if you're not working.' So, I understood that, and so I thought, 'Well, I've gotta stop doin that cause I don't wanna waste their time and I don't wanna waste my time,' but, um, you know I keep my eyes open...

As can be seen from her comments, Hillary did not want to experience permanent downward mobility by accepting a job in the wrong direction, especially when she still had hopes of finding a job more comparable to her previous position. Two of her other comments explain why her, and other unemployed workers, refuse these jobs even temporarily. First, she considers the cashier job to be a "waste of her time" – valuable time that could be spent in other activities, like finding a better job. Second, Hillary has a real concern about accepting a job that pays less than she currently receives drawing from UI. While other respondents did not necessarily touch on each of these three themes – downward mobility, wasted time, and comparing wages to UI – when discussing why they did not accept low wage work, they typically mentioned at least one.

Though respondents were particular about the pay and benefits of jobs they accepted, they were less picky about the structure of the employment relationship. Using the interview timelines, I was able to break down work related activities into three separate categories of employment relationships: steady employment, non-standard
employment, and self-employment. Respondents were considered to have found steady employment when they accepted a full-time permanent position after their initial qualifying event. At the time of their interview, only thirty (35.71%) of my respondents had found such work. Unfortunately for the vast majority of these respondents, the relief of steady work was only temporary – all but three of these respondents experienced another bout of unemployment or considered themselves to be underemployed. Respondents often considered themselves to be underemployed either due to their compensation or because the steady work was outside of their preferred field.

Respondents were considered to have found nonstandard work when they accepted part-time, temporary full-time, contract, or seasonal employment. Temporary full-time work is distinguished from steady work in the coding scheme by the expectations established at the beginning of the employment relationship. If the full-time job was expected to be a permanent position it was coded as steady employment – even if the respondent suffered a second job loss or period of underemployment. In contrast, if the position was full-time but with an established end-date, it was considered nonstandard.

Fifty-six (66.67%) of my respondents participated in nonstandard work at one point during their period of displacement, making this the most common coping strategy amongst respondents. This nonstandard labor, especially contract or temporary full-time jobs, was a way that respondents could temporarily stop, or at least slow, the hemorrhaging of personal wealth and to rebuild reserves. It is important to note that the majority of respondents engaging in nonstandard work were either ineligible for UI or
had stopped receiving UI prior to accepting the position. Several respondents, however, mentioned using nonstandard work strategically as a way to extend their period of UI benefits prior to the passage of the UI extensions.

I was continuing to do the unemployment [UI] and in 2010, I signed up to work the census and that was an eye-opener. I ended up working for them [full-time], it was originally supposed to [be] eight week… and after that, there was another seven week period of time where they laid you off each week and called you back if you were in the top of the group and I ended up getting through all of the [fifteen] weeks… [Interviewer: but you weren't… getting your unemployment though when you do that, right?] Right. But what they did do, I found out later, was that fifteen weeks [of work] extended my eligibility period [for UI] and then I would work for… the board of elections… as a voting location manager and that two hundred dollars replaced my unemployment for a week, so that bumped me two more. So, I ended up seventeen weeks into the future and that really made a difference for us… – Shirley, unemployed manager

So I got three months [work] there. That helped out a lot, moneywise. And that too is like, as you're working, you have to get enough time in to get more unemployment, because if you use up all your benefits, then there's no more to be had, you know, you have to work X amount of weeks to get that unemployment [UI]. So that was a stress. Now if I use up all my unemployment [UI], and I get these little tiny quick-hitters [short term jobs], it might take ten or twelve months to work up enough to maybe get a little bit of unemployment [UI]. So that was a big worry. – Wilson, unemployed construction worker

As can be seen, the value of a short-term job extends beyond the immediate paycheck. By accepting temporary jobs, respondents lengthen the period of time that they can draw from unemployment either by temporarily halting unemployment benefits while they are working or by working enough to reset their eligibility.

Finally, eleven (13.10%) of my respondents pursued some type of self-employment after their qualifying event. Respondents were coded as being self-employed when they attempted to start their own business either as an alternative or supplement to wage labor. While ostensibly "self-employed" contract jobs were categorized under
"nonstandard" labor due to the power dynamics of the employment relationship. "Alternative" self-employed are best compared to respondents who found steady replacement work, as these endeavors were seen as an alternative to a full-time job working for another person's company. In contrast, "supplemental" self-employed viewed their self-employment as supplemental income or a side job and are therefore most comparable to those engaging in nonstandard labor. None of the respondents who became self-employed as an alternative to steady employment, however, were very successful and most were pushed back into the labor market after a short period of time. At the time of their interviews, only two respondents continued to see their businesses as an alternative to regular employment.

While some may interpret the prevalence of employment as a survival strategy in a positive light, it is important to remember the vast majority of respondents accepted nonstandard work. This partly reflects the changing nature of work in the U.S. and the move away from traditional working arrangements (Kalleberg 2009; Kalleberg 2013). The fact that unemployed workers accepted nonstandard employment relations, however, should be worrisome to observers for several reasons. First, nonstandard work arrangements tend to pay less and offer fewer protections than steady employment relations. This is likely to significantly impact the broader economy by slowing wage growth and further shifting financial risks from large organizations onto the very individuals least able to support them (Hacker 2008). Second, due to the eligibility requirements of UI and the limited availability of private protections, many workers engaging in nonstandard work will likely be ineligible for unemployment protections if
they suffer a second displacement. Finally, the acceptance of nonstandard work reflects inefficiency in the labor market, where, in the face of limited public and private protections, workers are forced to accept work below or outside of their skill set.

*Personal Resources*

Wages were not the only material response my respondents had in the face of insufficient unemployment protections. Fifty-seven (67.86%) respondents relied on their personal resources during their period of financial hardship. Similar to depression-era families, the most popular personal resource used was the use of credit and debt in order to make up budget shortfalls. In all, thirty-nine (46.43%) respondents mentioned taking on additional debt after their initial qualifying event. The most common form of debt taken by respondents was credit card debt. Emily, an unemployed clerical worker, explains her financial situation below:

> Oh [its] completely stressful. But more stressful is that... [I only] earned three thousand [dollars] last year and eight thousand [dollars] this year... I've now compiled a debt of close to twenty grand… using my credit cards to pay my bills. And today you know I am thinking… that's one hundred dollars a month on one credit card alone – that is just interest… Until I get a job I can't do anything about paying those off. I mean no bank is going to give me a loan. I mean I got a car loan from my daughter, no problem umm but no I mean I am pretty tapped out as far as finances go, you know? Like literally just, you know, stealing from Peter to pay Paul.

Emily is not alone in her use of debt to make up for budget shortfalls while unemployed. Even respondents receiving aid from other sources often had to resort to taking on debt. Quinn, an unemployed manager, explains why he fell behind on his bills even though he was receiving UI:

> Unemployment [UI] pays four hundred dollars a week, which is…not enough to really live. Every week, I basically can pick a couple bills to pay or the mortgage
'cause my-I pay-rather than paying the mortgage, I pay half the mortgage, which is four hundred dollars. ...So that's one whole check. If I have a cable bill or the phone bill is due, I have to push that back to the next week. It becomes a constant thought process of what can I push back, you know? What's not gonna get shut off 'cause you still need everything. Like I was thinking maybe we get the cable shut off, but we have one of those bundles where I have to have the Internet so… I need to look for jobs and I have to have, you know, the phone for jobs. You know...and you have to have gas and electric apparently. So, it's a struggle. – Quinn, unemployed manager

As can be seen, Quinn's UI payments barely cover his mortgage, let alone other bills like gas and electric. In contrast to Emily, Quinn did not mention using credit cards in order to make up for this budget shortfall. Instead, he fell behind on his bills. In all, nine of my respondents fell behind on bills – typically rent or mortgage – during their period of displacement.

Looking at other types of debt, five respondents owed money to the government, usually because of a previous tax debt, and twelve respondents took on some other kind of debt. This other debt included a few respondents who took out student loans, a second mortgage, a car loan, medical debt, or an unspecified debt. All of these types of debt stand apart from the credit and debt available to those during the Great Depression.

During the Great Depression, getting credit often relied on personal relationships with the creditors. This meant that the primary creditors tended to be landlords and grocers. Today, this responsibility has been turned over to third-parties. While this means that those receiving credit have a greater amount of flexibility when spending their money (in terms of where and what money is spent on), workers no longer receive the protections of such personal relationships. Debt, however, was not the only personal resource respondents used in order to make ends meet.
Thirty-three respondents utilized their wealth in order to supplement their budget after their qualifying event. In almost every case this meant divesting savings and investments.

I mean, I don't know, because part of the way we're existing now is by pulling money out of our 401k you know… so that's shrinking… our retirement savings. But we don't have a lot of choice. I mean unemployment is… it's better than nothing. .. You get $460 a week...so that's what? Almost $1,800 a month, [but] I was pulling down closer to $10,000 a month. – Mark, unemployed manager

When comparing the primary investment of contemporary workers (i.e. retirement accounts) to the primary investment of their depression-era counterparts (i.e. industrial insurance), one sees that contemporary workers have much more liquidity with their investments. Workers are able to withdraw retirement savings (admittedly, often with a penalty) or take out loans against these savings. Nevertheless, doing so has the drawback of delaying or completely preventing retirement.

In addition to divesting, four respondents mentioned mobilizing their wealth to earn supplemental income. Mobilization often took the form of rental properties (either renting out a room in their current home or renting out another property). In the case of Kirk, however, mobilization took the form of growing and selling food from his garden.

A lot of people make fun of me because of this: I grow a big old garden, because I can. You never know, times get tough again, I go down to my thing and I've got what I need. It's funny because a lot of these guys… when they're hungry they're like, 'Hey, you got anything?' [I go] 'Take it. We all got to help each other out.'… [I've] got three quarters of an acre and I make, matter of fact, I sell hot pepper butter and stuff like that. I make all kinds of stuff, I mean, I can my own beans, tomato sauce, tomato soup, tomato juice, hot pepper butter, you know? Whatever I can because when it gets time to get hungry, you open it up and you go. It sounds kind of silly. I'm sure I sound, I feel like I'm on that, what is that show? Preppers? [laughs] I'm not like that, but I mean, seriously, if you can live through that [long period of unemployment]… especially when you got little kids, you
learn you do better what you got to do to make sure you're not so damn hungry…

Kirk, unemployed construction worker

Further along in the interview, Kirk mentions one of the problems of mobilizing wealth in order to make ends meet after displacement. Specifically, mobilization does not offer short-term help. At the beginning of the recession, Kirk was unemployed for nearly a year. It was during this time that he started his garden. Unfortunately, Kirk explains that his garden did not help much during this period because it took several months for his garden to produce. "I didn't have anything canned [at first] so I had to wait for everything to come through and stuff like that." Kirk's experience demonstrates one of the major shortcomings in mobilizing wealth in new ways as a response to financial hardship – there is a significant lag in the payoff. While his garden has made him more self-sufficient in the long run – as he can grow his own food and sell produce for extra income – it was largely ineffective when he needed it the most. Kirk's experience may shed further light onto why Bakke did not find a significant migration towards increasing domestic economies. Not only can start-up costs be prohibitive, but the potential payoff is too far into the future to justify the immediate investment.

Given that most Americans carry significant debt and have insufficient savings in the best of times, the types of personal resources utilized by respondents in the face of financial hardship caused by insufficient public and private protections are troublesome. While debt and divesting are obvious ways of smoothing consumption temporarily, they can prove especially harmful in the face of long-term unemployment. By divesting wealth or taking on additional debt, my respondents ensure that individual financial
recovery means more than finding a job that allows one to make up for lost income, it also means making up for lost wealth.

*Social Network Resources*

For many respondents, unemployment is not an individual experience. They are not alone when faced with financial hardship and tend to rely on their social network for both emotional and material support. In all, 75% of my respondents turned towards their social network for material support (as opposed to emotional support) at least once during their period of financial hardship. Of the sixty-three respondents who received material support from their social network, thirty-five (41.67%) relied on a spouse or significant other, thirty-two (38.10%) relied on non-spousal family, and thirteen (14.29%) relied on their friends. It is important to note that in contrast to depression-era families, the primary source of supplemental/complimentary earnings is now the spouse, not children. This highlights the changes in gender roles as well as the demographic changes in the workforce over the past century that were documented in the introduction.

Breaking down non-spousal family further, one sees that twenty-five respondents (29.76%) received help from their parents and fourteen respondents (16.67%) received help from non-parental family (typically siblings or grandparents). It is important to note that forty-one of the respondents (48.81%) relied on only one type of network tie for aid, whereas twenty-two (26.19%) relied on multiple types of network ties. The network tie that the resource comes from, however, is only half the story. Unlike income from UI or wages, which can be spent on any item the respondent chooses, aid from one's non-spousal social network can take the form of in-kind assistance, earmarked aid, and non-
earmarked aid. In this way, the *form* that the aid takes is important, not just the source of the aid. Looking specifically at the thirty-eight respondents who received non-spousal support from their social network, twenty-three of them received *earmarked* cash, twenty-four received *in-kind* aid, and thirteen received *non-earmarked* financial assistance (twenty respondents received a combination of earmarked, non-earmarked, and in-kind assistance).

Table 4 breaks down the source of the non-spousal aid by the purpose for which it was given. As can be seen, housing assistance was the most common reason behind receiving support from one's social network. This assistance, however, was overwhelmingly in the form of in-kind aid – typically by a respondent moving in with a relative or friend. Surprisingly, this pattern of in-kind housing aid did not vary much by age. Only older workers (50 years old or older) were substantially less likely to receive this type of aid.

<table>
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<th>Network Tie</th>
<th>Food</th>
<th>Housing</th>
<th>Child</th>
<th>Transportation</th>
<th>Other</th>
<th>Non-Earmarked Cash</th>
<th>Total Receiving Aid from Source</th>
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<td>20</td>
<td>9</td>
<td>5</td>
<td>4</td>
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<td>6</td>
<td>5</td>
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<tr>
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<td>14</td>
</tr>
<tr>
<td>Totals</td>
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<td>24</td>
<td>9</td>
<td>9</td>
<td>5</td>
<td>13</td>
<td></td>
</tr>
</tbody>
</table>

Table 4: Breakdown of Network Aid

In contrast to housing assistance, aid intended for the children of a respondent was overwhelmingly in the form of earmarked cash. What is interesting about aid intended for
one's child, however, is that it came from only two types of network ties: the respondent's parents and the child's other parent. Earmarked cash for children was used in varying ways from educational costs, to Christmas presents, and to necessities specifically intended for the children like food and clothing.

Transportation was also a fairly common reason given for relying on one's social network. This type of assistance was evenly split between in-kind (either by loaning a vehicle or by carpooling) and earmarked cash (typically by for paying for repairs).

Finally, relatively few respondents received help from their social network specifically intended for food. In fact, only five respondents mentioned receiving such help, compared to thirteen respondents who mention receiving public food assistance and seven respondents receiving food assistance from social service agencies. This contrast may be explained in three different ways. First, it may be that respondents were more likely to turn towards public benefits or non-profit agencies for food assistance. Second, it may be that respondents received non-earmarked cash instead of food assistance from their social network. Finally, this finding may be the result of non-response bias. Receiving food assistance from one's social network may simply not be salient for many respondents. This could be especially true for younger respondents who may expect to receive such help from their parents under normal circumstances.

It is important to note that assistance from one's social network often came with some expectations of reciprocity or repayment. For instance, Ray, a now underemployed manual worker, states "My friend, one of my best friends… he let me borrow like five-hundred dollars; he said 'here man, I just want to help you with your car payment. Just
give it back whenever you can."" Loans with flexible repayment plans like this were fairly common among respondents, several of whom mentioned that their family and/or friends refused repayment. Framing this assistance as a loan, however, seems to protect the status of the respondents receiving aid from their friends and family. In other cases, respondents framed aid as a form of repayment for past services. Marcus, an unemployed clerical worker, explains:

I haven't paid my phone bill. I have a roommate, he's on a family plan with me, so – he, he's paid it the – shoo – he's paid like, the last three months – no, two months, 'cause before that, like I was spending money from income tax [returns]… [Has that affected you and your roommates' relationship at all?] Uhm, no, not really. Like he's been like real supportive, 'cause I guess I've – I've done like, the same for him [in] the past – which I don't count as like, I deserve it or anything, but – like every time I, I bring it up to him, like he, he told me like, I did the same for him in the past and he acts like everything is cool, but like, I know like – it is not – it is not cool.

In this instance, Marcus justifies having his roommate cover his phone bill because Marcus had helped his roommate in the past. Even though his roommate expresses a similar sentiment, Marcus still feels uncomfortable with the arrangement. The discomfort of receiving aid from one's social network was a common theme amongst many respondents. Matthias, an unemployed service work, explains:

My family helped me out financially, although that usually came at a pretty severe emotional or mental tax… They heap[ed] it on with shovels… I would have to ask for a specific amount in small increments and I was reminded frequently to the cent of how much I had already asked for.

In the end, Matthias stopped seeking financial help from his family due to these emotional costs. Although, this did not mean he stopped relying on his social network altogether. Instead, he simply turned towards his girlfriend to help him out financially. Nevertheless, the relationship strain identified by Matthias is a significant problem with
utilizing one's social network in the face of financial hardship, which limits the effectiveness of this resource as well.

The prevalence of relying on one's social network for assistance in the face of financial hardship suggests that unemployment and underemployment are not individual experiences. In the face of insufficient social protections, many individuals turn to their close relations in order to make ends meet; workers are not alone in their struggle for financial security. Assistance from friends and family takes a variety of forms: non-earmarked cash, earmarked cash, and in-kind aid. There is a fear, however, that financial security may be achieved at the expense of personal relationships. Many respondents directly observed, or at least worried about, their relationships becoming strained as they relied on friends and family to make ends meet.

**Social Service Agencies**

Finally, the least common material response to financial hardship among respondents was the use of social service agencies. Only twelve (14.29%) of my respondents discuss going to an agency for help. Of these twelve, seven utilized social service agencies for food assistance, seven received housing assistance, and two received some other form of assistance. Respondents received both in-kind assistance – typically from food banks – and earmarked assistance – typically in the form of gift cards – from these social service agencies. No respondent, however, mentioned receiving non-earmarked aid from these sources. The agencies themselves varied in form as well, ranging from non-profit community organizations to the respondent's home church. The fact that so few
respondents utilized social service agencies suggests that, in contrast to the long-term poor, these agencies are of little help to those facing financial hardship temporarily.

Changes in Consumption

Of course, my respondents did not merely utilize the above financial resources in order to make ends meet during the Great Recession. Instead, the utilization of any given resource was also supplemented by consumption changes. No respondent lived through their period of unemployment or underemployment without making some sacrifices. Fortunately, nearly two-thirds of my respondents were able to get by with only minor changes in their consumption. I categorized a respondent as making a "minor change" when the sacrifice was relatively small, did not have a large impact on their overall wellbeing, and did not inhibit their ability to function within the larger society.

By definition, these "minor changes" can only affect non-necessities. Therefore, these changes begin with respondents distinguishing between needs and wants. The quote below by Colleen best demonstrates this type of thinking.

I need a new pair – No, I don't need a new pair of boots. I have boots. I have shoes. I have all the clothing I need to stay warm in the wintertime and all the food I could possibly want. So I'm not hurting in that way and I recognize that we are in American culture so [we are] accustom to quick fixes and satisfying every whim and every desire. We're shoppers in this country a lot. And I think, you know, Europeans must come here and say, 'You have three closets! What are you doing with' – I mean, who needs that much stuff? I find that I wear a lot of the same things over and over and over again and I don't need as much stuff as I think that I do.

As can be seen, Colleen first starts to say that she needs a new pair of boots. However, she quickly corrects herself. She does not need a pair of boots, as her current boots are more than adequate. In fact, she recognizes that she has more clothes than she could
possibly need and believes that this is a uniquely American trend. Nevertheless, Colleen views this sacrifice as temporary. As she explains "...I have a reward in mind for when I do get a new job and it is a pair of boots that are kind of pricy [laughs]." In this way, many consumption changes are seen as short-term adjustments – or postponements – to spending patterns. The need to delay purchases of non-necessities will only continue until respondents once again find stable employment.

Not all purchases, however, can be – or need to be – postponed during periods of unemployment or underemployment. Instead of changing the timing of purchases, many respondents mentioned making changes to the location of purchases. As Allie explains:

[I go to] different places to shop. Like for cleaning supplies and stuff... you don't need a whole bunch of big stuff, you just need something that works... When, like, I go to get clothes, I don't automatically wanna go to Dots or something. I go through thrift stores and... stuff there is so cute and it's so cheap. Like they have seventy-five or fifty percent off every day. You shop around, you'll find something great for like two dollars.

Allie's quote demonstrates how many unemployed and underemployed individuals do not necessarily have to cease all purchases. Instead, they merely have to shop at different locations that offer better prices for the same or similar items. This is another example of a relatively "minor" consumption change made by my respondents.

While clothes shopping may seem like an obvious area to make a distinction between wants and needs, respondents were more likely to mention changes in an area where the distinction is harder to make. Specifically, the most common area that respondents mentioned changes in their consumption patterns was in regards to their food purchases. Unlike other types of purchases, buying food can only be postponed for a short period of time (often a matter of days). Therefore, few respondents mentioned
making cuts to when they purchase, instead, and similar to Allie's strategy with clothes, they tended to change where they made purchases. Several respondents mentioned switching from the more expensive food chains – like Whole Foods – to more affordable ones like Kroger or Aldi. For instance, Ben explains "…we tend to shop differently. Like, we go to Aldi's [a grocery chain] for groceries instead of, like, Giant Eagle…[Aldi's] is just cheaper I think." Purchasing groceries at a less expensive store is not a major consumption change. Ben is still able to purchase the same – or at least comparable – items at Aldi as he is at Giant Eagle. The primary difference is in the cost.

Yet, respondents who shopped at lower-cost stores prior to their spell of unemployment could not save money by switching stores. Therefore, they often saved money not by changing where they purchased, but by changing what they purchased. This often amounted to switching away from organic products to conventional products, from name brand to generic brand, or switching to items on sale. Wilson discusses some of these changes below:

We used to get name brand bacon—I'm not sure, Hickory Farms, or something like that, I don't know—and now we just get—we buy, actually, we do most of our grocery shopping at Kroger, and we actually end up buying a lot of Kroger-brand products. And it's actually not that bad. We don't get any name brand cereal, hardly. And you know, to fool the kids, instead of buying Fruit Loops, we get Fruity Loops. And what we would do was take clear Tupperware containers and instead of bringing home Fruit Loops in the box, she would start pouring it all in these containers. They look just like Fruit Loops and the kids don't know any different—they think it's great. We stopped buying Kraft macaroni and cheese and we started getting Kroger-brand macaroni and cheese.

Switching to cheaper stores and generic brands does not limit either Wilson's or Ben's ability to provide for themselves or their families. Instead, these can be considered fairly minor consumption changes, as they are not doing without.
The above discussion focuses on changes respondents made to grocery bills. However, many respondents also mentioned saving a significant amount of money on their food costs by reducing the frequency with which they ate out at restaurants. When asked if he made any changes to his consumption, Rambo explains:

No, not really. Well, I will say one thing, yeah we used to eat out a lot more so there was where our biggest waste of money went to and that was kind of experience too, but maybe a little too often, definitely a little too often and so there was something that we learned there is that you know what we can't eat out that much, but it's a luxury that I wish I would have, I guess if I was gonna waste money it's kind of fun to do that you know, but at the same time I've learned okay even if I get our income back up, we're not gonna eat out like three times a week or whatever, but really no I always liked, I never did really lose who I was.

Rambo sees eating out as a luxury. While he enjoys doing so, he believes it was his "biggest waste of money." Yet, Rambo does not say that he has completely stopped eating out. Instead, he has merely reduced the frequency of such purchases. It is also important to note that Rambo perceives this change in consumption to be long-term. In contrast to Colleen's discussion of her plans to buy a new pair of boots once she becomes reemployed, Rambo explicitly states that he does not plan on returning to his old habits.

One last area that many respondents mentioned cutting back on is with their leisure activities. During their period of unemployment, many respondents significantly reduced their spending on hobbies and social activities. Cutting back on leisure activities is not without its shortcomings as many respondents acknowledged that such cuts tend to be rather isolating. This isolation comes with an emotional toll. As Celia explains "I've cut back on when my friends wanna hang out or do something. I really won't do it if I can't afford to hangout or do something. Sometimes my friends pick up the tab, or sometimes we just don't go, or I don't go. So it's been very depressing." By not going out
with friends Celia has reduced her expenses. It should not be surprising, however, that this sacrifice has left her feeling depressed. After all, unemployed workers no longer even have the interactions they used to have with their co-workers. This means that some unemployed individuals may go for extended periods of time without interacting with other people. For instance, during his interview Joe states "there have been times that I may not talk to anybody for three or four days." Even with this isolation, Joe continues to avoid spending relatively modest amounts of money on social events.

I was invited to an outing back in October and I did not go to this outing… [because they wanted] me to bring a lawn chair and I don't own a lawn chair… I would have…[had to] purchase… a lawn chair, bring it over… and I was supposed to bring a dish to go along with the food [as well]… So I didn't come over.

Even the minor obstacles of being asked to bring a lawn chair and a dish to share seemed too daunting for Joe to overcome while unemployed. In another situation, Joe explains how he skipped an event simply because he could not justify the expenses of driving across town. Due to the isolating effects and associated emotional costs of reducing social expenses, I open myself up to criticism for classifying these as "minor" adjustments. I classify these as minor adjustments not to downplay such social hardships, but because the need for social interaction can be satisfied in other ways. For instance, several respondents mentioned how instead of participating in social activities that cost money they seek out free – or at least less expensive – alternatives. For Joe, he mentions how he continues to go to the movies (although he saves money by walking instead of driving) and attends church every Sunday.
It is important to note that respondents often need to make multiple minor changes during their period of unemployment. By stringing together a series of minor changes, respondents are able to make significant reductions in their spending. Frank's discussion of his consumption changes highlights this:

Well, I think we try to minimize that from the standpoint of it looking like we minimize, we cut back. We did things like we used to take vacations, and we haven't taken one in two years. In terms of eating, like you know, my wife, we'll have, we might have leftover for three days, where we used to one day and she'd have it just be in the refrigerator for snacks. Now it's a meal for three days, that kind of stuff. So we do things that, and you know my wife's a great cook so we kind of do things like, I think I'll have this again today. Or don't worry about cooking today, honey, because I'll just eat this. So we cut down on the expense that she has to spend for the household stuff. For me, I just absolutely don't use my charge cards anymore. I used to go to a hockey game or go to…you know, none of that stuff. You do that. So you just, you try to minimize it, but I don't try to make it a big deal as long as I can. Because most of the things that we have, they're already set, you know. The bill's gonna be the bill every month. I mean it's not…so we take out a lot of the extra stuff that we use.

As can be seen, Frank made multiple minor changes to his consumption: he cancelled vacations, stretched his meals, stopped using his credit cards, and stopped going to sporting events. Yet, Frank also recognizes that there are only so many areas he can cut. As he states "…most of the things that we have, they're already set… the bill's gonna be the bill every month." This last point highlights one of the obstacles to cutting back on non-necessities. Many bills – such as cable subscriptions, smart phone data-plans, etc. – are locked in for an extended period of time. This means that respondents lack the flexibility to make short-term adjustments to many of these expenses.

Temporarily postponing unnecessary purchases, shopping at less expensive stores, switching to generic brand items, and going out less often are all fairly minor sacrifices. In moderation these changes do not limit a respondent's ability to provide for necessities.
and do not inhibit their ability to function in society. In all, roughly two-thirds of my respondents only had made these kinds of minor changes to their consumption at the time of the interview. Yet this leaves one-third that was forced to make more drastic changes in order to make ends meet. Those who were unemployed or underemployed for longer periods of time (i.e. over a year) were more likely to make major adjustments to their consumption. Moreover, it was not uncommon for respondents who made major adjustments to have experienced another major life event – like a medical emergency or divorce – either prior to or during their period of unemployment. It is likely that such a combination of events is a major factor that forces individuals to make major adjustments.

For the most part, the difference between major adjustments and minor adjustments is typically not a difference in kind, but a difference in degree. For instance, while respondents making minor adjustments may reduce the frequency with which they eat out at restaurants, respondents making major adjustments stopped completely. Similarly, respondents making major adjustments continued to shop at low cost stores, buy used goods, and postpone whatever purchases they could – even some "necessary" purchases. Edna states, "… my daughter has a closet full of shoes, but they're not the best shoes. They're not the shoes that I would want her to have." Compare this statement with the comments made by Colleen above. In her comments, Colleen specifically states that while she wants a new pair of boots, she in no way needs a new pair. In contrast, Edna points out that her daughter's shoes are in real need of replacement, yet she has postponed this purchase due to her current financial situation.
These major adjustments often translate to significant hardships. Kirk's experiences perhaps best demonstrate the extent to which these hardships are felt by unemployed and underemployed workers. I should note that I have reordered some of Kirk's statements below in order to present the events in a logical order instead of the order in which he originally discussed them. Therefore, the ellipses in the quote present may present either a reordering of the quote or skipped words.

I had a job come up [out of state]… You're not even sure if you're gonna get the job [before you get there]… So I went up there and worked with a friend of mine…. I didn't have anything [when I went up]. He [my friend] called me on my ride up and said 'Where're you staying?' I said '[I'm] sleeping in my truck. I'm gonna sleep in it for a week. That's what I'm going to do.' He said 'No, come stay with [me]…' We worked things out… The room that I stayed in was [very small]… I had a kitchen, a really small bathroom, and a blowup mattress. All I had… You know, when I left to go up there I barely had enough gas to get up there. I didn't have any money for food. I didn't eat for the first week. I ate what I could – crackers, Ritz crackers, three fifty a box. That's what I had for breakfast, lunch, and dinner for a week. Then I got my first paycheck and was able to send some money home, and do that stuff…

While unemployed, Kirk was forced to travel out of state to look for temporary work – spending what little money he had left – not knowing whether his search would be successful. If not for the goodwill of one of his friends, he would have slept in his truck until he received his first paycheck. Unfortunately, being hired at this job did not mark the end of Kirk's hardship.

First and foremost, working out of state took Kirk away from his family. Kirk described this as the hardest part of traveling for work.

It was tough… It was hard on em [my children]. Probably one of the biggest, biggest breaking points I had was when… we were able to skype… I went to a McDonalds and was online with them and we were skyping back and forth, and they held up… a little card that they made me, and it said, 'We miss you and we love you, daddy.' And I, you know you take the picture, and I did, I was sitting in
McDonald's and I just broke down, man…my kids are everything to me. Everything. It was hard. It was real hard.

The emotional costs of working out of state are quite easy to see in Kirk's comments. He describes this event as his "biggest breaking point." To put this in perspective, it is worth discussing another experience Kirk had while working out of state. Specifically, while out of state Kirk developed an issue with one of his teeth.

I … got up early and went to go get the tooth pulled, they wouldn't… [pull] it cause I was an out of state patient [his insurance only covered in-state procedures]… [However] I couldn't afford to come home, so – honest to god – I grabbed a pair of Channellocks [pliers] and I ripped the tooth out. And that's, it sounds wretched, doesn't it? Then again you've got to look at-you're hurtin for money so bad it's just, 'Alright I'll rip it out and deal with the pain. I hope it goes away. When I get home, eventually I'll get it fixed'

Despite having dental insurance, Kirk literally had to pull his own tooth out of his mouth because he did not have the money available to travel back to Ohio to have the procedure done. However, even with this experience, Kirk still describes being away from his family as the most difficult part of working out of state. Unfortunately, working out of state is not the only stress Kirk sees his unemployment experience causing his family:

It takes more than just – more than just a toll on you financially. It takes a toll on you mentally, takes a toll on your mind, takes a toll on your body, that stress that comes along with it. That's a lot of the stuff that people don't realize. And it takes a toll on your kids, your family. They don't know any better. They just think that's just how it is, but they start to realize things when you go to the grocery store and you say 'Look, we've got fifty dollars to spend for the whole week and that's it. That's all we got.'… When you got three little kids and you've got to put food in their belly, it's tough… You go to the grocery store and they want certain things bought. Like, 'Nope, you buy the Kroger brand. We're not getting fruit loops; you're getting fruit-o's or fruit rings or whatever they're called. We're not getting that lunch meat; we're getting bologna.' 'Dad, I'm tired of eating bologna. Dad, I'm tired of eating cheese sandwiches. Dad, I'm-'… They don't really understand. The only thing they could think about was 'god, I wish I could just have a regular turkey sandwich rather than just bologna again.' You know, every now and then
you get a little treat for em. They're pretty easy to please. [It's] more stressful on a parent than it is on the children. We made do. Instead of going to a movie, you just, 'Hey, let's play a board game or let's go outside and get a kickball game going or something. I don't know.' Christmas was hard, you know. Because you want to buy certain things for your kids and you just can't afford it. You know, if it wasn't for my mom at the time, they wouldn't had much. They didn't have much, but...you know, again it's more stress on me than it was on them. So...don't want to go through it again.

Kirk's experience with unemployment took its toll mentally, emotionally, and physically. Yet it is the toll that his employment situation places on his family that was the most difficult to handle. While Kirk recognizes that his family never starved during his period of unemployment, this concern loomed in the back of his mind.

I discuss the hardships experienced by Kirk not because they are necessarily representative of the experiences of those forced to make major adjustments. Instead, I present them because of several important lessons that can be learned from them. First, prior to the Great Recession, Kirk was in a good financial position. He was in a highly skilled, in demand occupation and had prepared for the possibility of an extended period of unemployment. According to Kirk, he had roughly nine months of pay saved up prior to 2007. Yet, this proved inadequate when his unemployment and underemployment lasted multiple years. This shows one of the major flaws in the ideology of the Personal Accountability Crusade. Kirk had taken personal accountability. In fact, he had invested in himself and acquired more in savings than the vast majority of American workers. Nevertheless, despite these precautions, he was not able to weather an extended period of financial strain caused by a large-scale economic collapse.

Second, in the face of all of these hardships, Kirk did not give up. Instead, he faced his hardships with a fair amount of flexibility and innovation. According to Kirk:
You learn real quick how to coupon. I'm probably a lot more extreme than what the other guys are. You know, I just know what's gonna work and what's not. I learned how to take coupons from the Sunday paper, to go spend two dollars on a Sunday paper. I learned how on Mondays to stop in there first thing in the morning to take the ads out of the Sunday papers because they were gonna be sent back or trashed anyway. And I would, literally, go to the grocery store-If I had a hundred dollars, I could afford to buy two hundred and fifty to three hundred dollars worth of food, and only pay a hundred bucks for it. If you use it smart. I learned how to go on the Internet and go to sites to figure out what I could get. I mean, there's ways to survive and I still do it now. That's one thing that I learned. I'm sure this whole thing makes me sound like I'm very extreme, but I'm not. I just think that…we got to be smart with our money. So that's probably something I learned there too…

Kirk learned how to extend his money to a level typically unseen outside of Extreme Couponing. While he is beginning to rebound from the Great Recession he points out that many of the adjustments he made while unemployed are long-term. He is putting himself in a position to withstand another period of extended unemployment or underemployment. While this may seem pessimistic, Kirk learned his lessons from the school of hard knocks. Nevertheless, this brings us to the last important lesson learned from Kirk's experiences. Specifically, despite all of these hardships Kirk displayed a certain level of resiliency and optimism. "This is the worst thing that's going to happen; I'll get through [anything that comes my way]."

Discussion

As can be seen, the responses of unemployed and underemployed workers during the Great Recession bear a striking similarity with the responses of unemployed workers during the Great Depression. During both periods, workers relied on some combination of wages, social assistance, and personal, familial, and social resources. In addition to these material responses, workers during both periods also had to pair such responses
with consumption adjustments in order to make ends meet. Nevertheless, it is worthwhile
highlighting some of the important differences between the responses of workers during
these two periods in more detail, especially given that the nature of some of these
resources have changed significantly over the past eighty years.

Perhaps the most obvious difference between these two periods lies in the area of
social assistance. As mentioned, in the early years of the Great Depression social
assistance programs geared towards helping workers involuntarily without work were
virtually non-existent. As the problem of unemployment worsened, however, such
programs were implemented at the federal level. During the Great Depression the federal
government experimented with various assistance programs trying to find the best way to
aid unemployed workers. Soon after the election of Roosevelt, the federal government
began offering direct, needs-tested, relief. While this program proved invaluable to many
families, only about a quarter of Bakke's respondents sought this type of relief during the
early 1930s. Largely due to the drop in status from accepting direct relief, families waited
until all other possibilities were exhausted. By the mid-1930s, the federal government
began transitioning towards work relief. While this type of relief was less threatening to
the status of displaced workers – at least for unskilled workers working on socially
meaningful projects – it was not without its shortcomings. Importantly and in contrast to
direct relief, this form of assistance was not needs-based, meaning a worker supporting a
family of eight was compensated just as much as a worker supporting only himself. Work
relief ultimately proved too inefficient in providing the necessary assistance to displaced

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workers. Therefore, in the final years of the Great Depression the federal government rolled out UI, which remains available to contemporary displaced workers.

As with work relief, UI is not needs-based so it typically offers inadequate benefits. While benefits have been improved since the Great Depression, the major shortcomings of the program identified by Bakke – particularly in terms of access, duration, and generosity – are as relevant today as they were eighty years ago. Moreover, like direct relief and work relief, this type of assistance continues to threaten the status of contemporary displaced workers. The justifications that contemporary workers use to rationalize their acceptance of UI are almost identical to those used by depression-era workers. Specifically, during both periods workers defended their utilization of such programs by highlighting their previous tax contributions and emphasizing their reluctance to accept it.

In addition to these differences in the realm of public social assistance, private social assistance was also much more prevalent during the Great Recession. While it is true that workers were able to purchase private industrial insurance policies that could help during periods of displacement, I have found no references to employer-based severance like benefits during the Great Depression. Though some employers did implement work-sharing and other programs aimed at reducing unemployment, this was hardly the norm. In contrast, roughly one-fifth of contemporary displaced workers receive private unemployment assistance from their former employers. These benefits range in generosity, but typically offer one of more of the following: financial assistance,
insurance benefits, and job search support. For those receiving them, these benefits are invaluable to their stability.

Similar differences arise when we look at the details of the personal, familial, and social resources available to the displaced workers of both eras. For instance, while credit was a popular method that displaced workers and their families used to purchase items during both periods, during the Great Depression this credit tended to come directly from the owner of the store and was based on personal relationships. Credit coming from these sources meant that displaced workers had limited ability to shop around for cheaper prices at other stores – as they had not developed the necessary personal relationships with the owners at other stores – and it also is possible that the creditors limited purchases to certain items (e.g. may be willing to credit them necessities, but not luxuries). In contrast, during the Great Recession this credit tended to be less personal in nature, coming from either large banks, credit card companies, or utility companies. While this type of credit gave displaced workers during the Great Recession more flexibility to shop around for the best prices and more say in purchases, it was also often associated with high interest rates which may hinder the ability of displaced workers to recover in the long-run.

It also appears that workers during the Great Recession had an easier time mobilizing their primary investments (retirement savings) to help them through periods of unemployment compared to workers during the Great Depression (whose primary investments tended to be industrial insurance). Nevertheless, the use of these retirement benefits once again has the potential to have long-term repercussions for displaced
workers during the Great Recession. Specifically, if contemporary workers are unable to replenish these investments they may be forced to delay retirement indefinitely.

The final set of differences worth discussing in terms of personal, familial, and social resources deal with the contributions of other earners in the household. When the wages of the primary breadwinner during the Great Depression proved inadequate, it was common for existing supplemental workers to contribute more towards the family finances and for families to send out other potential supplemental workers to find employment and do the same. A similar strategy was also used by workers during the Great Recession. Yet there is a difference in who were considered to be supplemental earners. Specifically, during the Great Depression non-adult children represented the vast majority of supplemental workers. In contrast, during the Great Recession these "supplemental workers" tended to be significant others, grandparents, siblings, or adult children.

In addition to these within-type resource differences, it is worthwhile to explore the changes in consumption that workers in both periods made. In both periods, the most common areas for displaced workers to economize were clothing, food, and recreational activities. Similar to the differences that existed within the material resources, however, there are several important differences within these consumption categories in terms of how cuts were made. I highlight these differences by contrasting how workers economized on food during both of these periods. Great Depression families economized on food in several ways. They ate fewer meals, substituted certain foods for cheaper –
and often less healthy – alternatives, tended to have one primary staple throughout the week, and socialized at meals less often.

While Great Recession workers rarely mentioned eating fewer meals or resorting to one primary staple throughout the week, they did tend to substitute foods and socialize at meals less often. Substitution of foods for Great Recession workers, however, often meant switching from organic to conventional versions of the same products or from name brand to generic brand goods. In other words, during the Great Recession, workers substituted like for like. In contrast to this apples-to-apples approach, Great Depression families tended to substitute across products. For instance, meat was substituted with eggs, and butter was substituted with drippings. Similarly, when Great Depression families cut back on socializing at meals, this meant no longer hosting guests, while Great Recession workers typically did this by no longer eating at restaurants with friends.

At the end of the day, the differences I highlighted in this discussion are actually fairly minor. In light of the tremendous societal change that has occurred since the Great Depression, one would think to see major differences in the experiences and responses of contemporary workers and their counterparts eighty years ago. While it is true that some of the specifics have changed, the general strategies and experiences of workers and their families have not. In fact, the primary program in place to assist displaced workers during the Great Recession was the same program utilized in the final years of the Great Depression. Several important shortcomings of this program were identified by scholars nearly eighty years ago, yet these problems continue to exist; UI remains unavailable to the majority of displaced workers, offers meager benefits, and runs out too soon.
Admittedly there has been progress in many areas; however, this slow progression has not been enough to protect some of the most vulnerable in our society. During both of these periods, many families faced severe economic hardship—hardship that could largely be avoided with a more generous system of social assistance for displaced workers.

Summary

Previous research on the material responses of those facing financial hardship has tended to focus on the plight of the long-term poor (see Edin and Lein 1997). While this research is important, it tends to overlook the experiences of individuals facing temporary financial hardship like those who are temporarily unemployed or underemployed. The question of how these workers respond to financial hardship is especially important in light of the 2007 economic collapse.

It is expected that workers in the U.S. will utilize the public-private safety net when they are faced with temporary financial hardship. For unemployed workers, this largely amounts to utilizing UI and private severance packages offered by their former employers. Relying on interviews with eighty-four workers who faced long-term unemployment or underemployment during the Great Recession, I argue that this system of public-private benefits was largely insufficient for workers navigating extreme financial hardship. This insufficiency reflects several shortcomings with this system.

First, relatively few workers actually have access to public or private benefits. In fact, only about one-third of displaced workers have access to UI and only about one-fifth of private sector workers receive severance packages (Vroman 2002; Bishow and Parsons 2004; Bureau of Labor Statistics 2003). Second, even those receiving benefits found them
to be largely inadequate. UI is only designed to be a partial substitution for lost wages. While this partial relief was necessary for many workers, it was never sufficient. Similarly, while private severance packages proved to be one of the most effective means at making ends meet for several respondents, they were also insufficient alone. In the end, no respondent was able to solely rely on public or private benefits. Even workers who had access to both public and private benefits had to mobilize at least one more resource during their period of displacement. In the end, respondents highlighted six resources from which they could rely: (1) the public social safety net, (2) the private social safety net, (3) wages, (4) personal resources, (5) social network resources, and (6) social service agencies. By using these resources, nearly two-thirds of my respondents were able to make ends meet with only minor adjustments to their consumption. Nevertheless, this means that one-third were forced to make major adjustments to their consumption, which often meant significant hardship. This should not be underplayed as such life events can have lasting effects (Elder Jr. 1974).

When comparing these responses to the responses of depression-era families, one notices more similarities than differences. Wages continue to play a major role in the survival of unemployed workers and their families. These workers continue to rely on debt and deplete any savings they may have, which threatens their long-term well-being. Moreover, even though it has been over eighty years since the federal government adopted an active role in providing for the well-being of unemployed workers, these workers still struggle in the face of financial hardship. The protections the U.S. welfare
regime provides for displaced workers and their families remain insufficient.

Nevertheless, what little protections it offers are irreplaceable for many workers.
Chapter 6: Unequal Unemployment during the Great Recession

Throughout the previous chapter I explored the material responses of unemployed and underemployed workers during the Great Recession. I argued that these workers utilized multiple resources in order to make ends meet: the public social safety net, the private social safety net, employment activities, personal resources, network resources, and social service agencies. Moreover, I found that even when mobilizing multiple resources, workers still had to make minor and major changes to their consumption patterns. I then ended this discussion by comparing the experiences of displaced workers during the Great Recession to the experiences of their Great Depression counterparts. As a whole I found that, while the details of some of the responses have changed, the overarching categories have not.

Nevertheless, this analysis of the experiences of contemporary workers is limited by the fact that I made little distinction in the differences between types of workers. After all, and as mentioned previously, the U.S. workforce is currently characterized by a significant amount of stratification. Given this, it is likely that the experiences of contemporary displaced workers are not as homogenous as originally implied. Even Bakke, in his study of the unemployed during the Great Depression highlighted several important differences between the unemployment experiences of skilled and unskilled workers. Bakke's research, however, fails to offer a systematic comparison between these
groups, as the differences between skilled and unskilled workers are typically highlighted in passing. Therefore, in the current chapter I begin to explore the differences – or more specifically, the inequalities – that exist between contemporary workers in how they utilize their material resources.²¹

In this endeavor, I update the occupational typology utilized by Bakke in order to better reflect the characteristics of the contemporary workforce. As I discussed in more detail in Chapter 2, since the 1930s the U.S. economy has seen a significant decrease in the proportion of workers in traditional working-class occupations (e.g. blue-collar occupations) and a corresponding increase in the proportion of workers in new working-class occupations (e.g. clerical and service occupations). Moreover, due to the rise of professionals, there has also been a significant increase in the proportion of workers in middle-class occupations (e.g. managers and professionals). Traditionally the middle-class has largely been protected by their employers during economic downturns. Due to this, previous scholars have had little reason or opportunity to compare the unemployment experiences of middle-class workers to the experiences of their working-class counterparts. Nevertheless, this has changed as job insecurity spread across the U.S. economy. Therefore, in the current analysis I explore the inequality that exists in the unemployment experiences of the middle-class and working-class.

As will be seen, these differences are not necessarily in the prevalence of any given resource, but in the form that the resource takes. While it appears that the resources utilized by middle-class workers tend to be better suited for weathering financial

²¹ Un fortunately my data do not allow for a systematic comparison of the consumption changes between working-class respondents and middle-class respondents.
hardship, the strain of financial hardship is great for both groups. In the face of inadequate income caused by unemployment or underemployment, long-term economic security is difficult to achieve, regardless of access to other resources. This suggests the experiences of working-class and middle-class workers facing unemployment and underemployment cannot simply be measured in terms of length or likelihood. Instead, scholars must adopt a more general conceptualization of economic security if they truly wish to understand the inequality that exists in financial stability.

Unequal Resources

During data analysis it became evident that the resources which our respondents utilized in order to achieve economic security varied considerably by their occupational background. Specifically, there seems to be substantial differences between respondents in "working-class" occupations – like manual, service, and clerical occupations – and respondents in "middle-class" occupations – like managers and professionals. Below I discuss the resources utilized by forty-six working-class respondents and thirty-three middle-class respondents.22

Public Social Safety Net

As can be seen in Table 5, the majority of both working-class and middle-class respondents relied on the public social safety net at least once during their period of financial hardship. The public safety net acted as an equalizing force for my respondents as it ensured a minimum level of financial assistance for those who accessed it. While working-class respondents were slightly more likely to use the public programs, this is

22 I dropped the five respondents whose previous occupation had been "student." Therefore, the sample size of the currently chapter is slightly smaller than the sample size of the previous chapter.
largely because they were more likely to be eligible for programs geared towards the poor (e.g. Medicaid, food stamps, Section 8, etc.).
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Table 5: Material Responses of Unemployed Working-Class and Middle-Class Workers during the Great Recession
When looking specifically at programs geared towards the unemployed, one sees many similarities between working-class and middle-class respondents. Interestingly, working-class and middle-class respondents tended to describe their experiences with UI in the same way. Specifically, both groups described UI as an important, although insufficient, resource on which they depended. Statements from Dan and Leah highlight these similarities. Dan, a working-class respondent, states, "Of course, I had unemployment [UI] initially... I got that and it barely pays bills, but it pays it." Similarly Leah, a middle-class respondent, states "...the maximum you get for unemployment [UI] isn't enough to live on... Basically it pays the mortgage for the month. That's all it does, so I mean certainly I appreciate that [but it's not enough]..." In both of these cases the respondents consider UI an important resource. They are quick, however, to point out the insufficient nature of the aid. In both of their experiences, UI only covered a few of their expenses, primarily bills or housing, but does not allow them to sustain their previous standard of living. As discussed previously, the insufficient nature of UI is part of its design, as it only covers a maximum of 50% of previous earnings.

Despite the fact that both working-class and middle-class respondents considered UI to be an important resource, both groups of workers tended to express their dissatisfaction with needing to depend on public aid. Importantly, it seems that the stigma associated with public aid creates a large psychological cost for both working-class and middle-class respondents. Nevertheless, working-class and middle-class respondents tended to describe their dissatisfaction in different ways. Middle-class respondents tended
to use terms like "humiliating" and "undesirable" when referring to their experiences signing up. For instance:

And one of the really hard things for me is somebody said, 'So, you've worked for a long time and you've never taken unemployment' because that was kind of a failure and you never wanted to admit that and I signed up for unemployment because I thought, 'Okay, I need to do this' and that was humiliating as well. – Shirley, Middle-Class

That was the first time because I was laid off. That was the first time I ever had to go on unemployment and that was something I never wanted to do because I always felt like that meant that I was you know undesirable. – Rambo, Middle-Class

In contrast, when working-class respondents described the psychological toll of relying on UI, they did so indirectly. Instead of using terms like "humiliating," they tended to emphasize their desire to work and their past contributions to the UI fund. In this way they distinguished themselves from those that may be perceived as "moochers."

I knew I was probably going to be sitting [unemployed] for a while. So, you know you go through your normal things. You know, contact unemployment, which is not something I like to do, but it's there, we pay into it especially [for] times like that... [But] I can't lay around on unemployment too long because it doesn't pay the bills. I can survive on it a little while, but I'm a worker. I get stir-crazy sitting at the house anyway, I like to work. That's when I feel happiest. – Wilson, Working-class

Not working is driving me crazy. I can't just sit there. People that are just on unemployment say, 'well you know, I'll just live on what I'm making.' [I can't do that] I've got to work. I started working and earning income when I was thirteen... you never got anything free in our house... that's the way I've been and that's the way I was raised... – Andrew, Working-Class

These rationalizations from working-class respondents bear a striking similarity with the rationalizations observed by Bakke's respondents receiving direct relief. Recall, Bakke's quote from a displaced painter:
For years I have been paying taxes. They give businessmen and everyone what they need from that money, don't they? If what they need is streets, or sewers or celebrations to bring business to town they get it. If what I need is bread, why shouldn't I get it? I've paid taxes since I was twenty-one; comes close to being $3,000 in all. (Bakke 1940a, p. 317)

While Bakke's respondent identified his previous tax payments as justification for accessing relief, modern working-class respondents narrowly focus on their contributions to UI. This difference is likely because there was not a separate "relief" tax in existence during the Great Depression. Nevertheless, the fact that workers must continue to rationalize their receipt of "earned" benefits such as UI suggests that the stigma associated with public aid is sufficient in motivating displaced workers to find work; purposefully designing UI to offer insufficient benefits in order to motivate workers to find work is unnecessary and excessive, as the motivation already exists.

UI forms the core of the social safety net for displaced workers. Overall, both the middle-class and working-class respondents had very similar experiences utilizing UI during their displacement. Both groups viewed UI as an important, although insufficient, resource on which they relied during their displacement. Moreover, both groups felt the negative effects of the stigma associated with utilizing public benefits. It is important to note, however, that UI is not the only program available to displaced workers. In fact, many workers also received supplementary benefits from their former employers in the form of severance packages.

*Private Social Safety Net*

As mentioned in the previous chapter, private unemployment benefits, especially when combined with public benefits, prove to be one of the most effective means of avoiding
financial hardship. Within my sample, about 36.36% of middle-class respondents mentioned receiving a severance compared to roughly 17.39% of working-class respondents. The fact that middle-class respondents in my sample were more likely to receive a severance is not at all surprising considering employers often use these severances as a way to attract, and keep, highly valued workers. What is more interesting than comparisons of prevalence across class, however, is the fact that there were substantial differences in the forms of these severance packages across class. As the previous chapter highlighted, severance packages can range in generosity. When analyzing the differences in severance, three main characteristics stand out above others: length of severance, availability of supplemental benefits, and access to employment services.

The most substantial differences between the severance packages received by working-class respondents and middle-class respondents were in terms of length of the severance. Instead of measuring "length of severance" by how many weeks a respondent received severance payments, I operationalize it as how many weeks of income the severance covered. I do so because several respondents received their severance in the form of a lump-sum payment, instead of weekly payments over a period of time. Defined as such, severances within my sample covered between 1-54 weeks of pay, with substantial differences across class.

\[ A \text{ total of } 24.05\% \text{ of all respondents receiving a severance. This is slightly higher than the national average, as only about } 20\% \text{ of private sector workers receive a severance (Bishow and Parsons 2004; Bureau of Labor Statistics 2003).} \]
Looking specifically at working-class respondents, one sees that their severances covered between 1-24 weeks of income, while the severances of middle-class respondents covered between 10-54 weeks of income. The range of working-class severances, however, is a bit misleading considering only two working-class respondents – Bridget and Winston – received a severance lasting longer than 12 weeks. Moreover, Bridget and Winston were both given unique opportunities to increase the length of their severance. For instance, Bridget only received such a long severance due to an incentive program to keep a skeleton crew of employees on after layoffs were announced. As Bridget explains:

I knew I was going to be laid off eventually so I took the severance. It was a severance and also they had [an incentive] for every person that stayed [longer]… [If] you stayed after they announced their mass lay off, you got two weeks’ pay for every month you stayed. So when I actually I took a voluntary lay off…it was a pretty healthy sum… It was close to ten thousand dollars with the initiative.

Bridget goes on to explain that without the incentive program, she would have received closer to 15 weeks of pay from her base severance. Similarly, Winston, who used to work for the state, explains why his severance was so long:

Cause you pay... you pay into it, it's up to you. And it was probably one of the smartest things I did... It's a severance [where]... they match what you put [in], so I probably, with all the overtime and stuff I was working and things like that, I was probably putting... I'd say at least roughly two hundred dollars every other week.

Both Winston and Bridget were outliers for working-class respondents receiving a severance. In both of these cases, the respondents were given an opportunity to earn longer severance packages – either by working additional weeks or by a severance savings program. In contrast, middle-class respondents did not mention having the ability
to earn extra severance. Nevertheless, middle-class respondents typically received longer severances than working-class respondents. This suggests that there is substantial inequality between middle-class and working-class respondents receiving severance packages. In fact, the average length of a middle-class respondent's severance was roughly equal to the most generous working-class severance.

A second major difference between the severances of working-class respondents and middle-class respondents is whether respondents received additional benefits like health insurance. About half of the middle-class respondents who received severance packages mentioned receiving healthcare benefits for a period of time after their displacement as part of their severance (though not necessarily for the entire length of their severance). In contrast, only two working-class respondents mentioned receiving health insurance as part of their severance. Colleen, a displaced middle-class professional discusses her severance package below.

I have health insurance until then [mid-April] and I'm trying to take care of all my things before that time comes. I don't know…I hope I don't have to worry about what happens after that. So what am I doing? I'm worrying about what if I don't have a job by mid-April.

The generosity of Colleen's severance highlights two interrelated benefits of receiving health insurance after displacement. First is the immediate financial support derived from such having health insurance. Colleen mentions how she is going out of her way to use her insurance she has while she has it. For the time being, Colleen is protected from one of the major costs in any family's budget. This financial protection in turn provides psychological comfort. Colleen mentions how she is not currently worried about paying for medical bills. Nevertheless, the "what if" is what worries her. What if she is
unemployed for longer than six months? While she hopes that she can find a job before then, she worries about what will happen when both her and her husband lose the insurance currently provided through her severance. This worry for the future, however, is one that most respondents, especially those in the working-class, feel immediately upon displacement.

The final major difference between working-class and middle-class severance packages is the availability of employment services. While this particular benefit was fairly rare amongst middle-class respondents, it was completely unavailable to all of my working-class respondents. Colleen, who we heard from before, explains the nature of these services:

Well I should explain first that when I was laid off I was connected with a displacement...is that what they call them...a displacement company? They're sort of career coaching types of people. My contract with them was [for] three months – which is now expired – but I am and I was going seminars and different events through them as well as a weekly three-hour meeting with what they would call a job search team. There would be fifteen to twenty of us and with a very rigid agenda and it would talk about not just how are you positioning yourself but have you created a marketing plan and some interview tips. But there was an element of group therapy and I'm still going to those. So those three-hour meetings every week are still happening.

One of the lessons Colleen learned from this displacement service was the importance of networking:

I have had more coffee with more strangers in the past three months than [laughs] I ever thought possible because apparently it is all, all, all about networking. You can apply for a job but if you don't know anyone within that organization it's kind of useless to try because they're going to look at the resumes of people that 'oh my co-worker... said this person is great!' I mean it's those extra personal introductions that really do help get your foot in the door...at least get you in front of someone to have that interview or something like that. So I spend a lot of time having coffee with strangers and lunch...occasionally dinner. When I'm not
having that coffee I'm arranging my schedule for next week or the week after to schedule those coffee dates with strangers.

In the end, the benefits of Colleen's severance package extended far beyond the immediate financial support. Her company offered her six months of health insurance and three months of job search services, which helped position her for the job market.

In sum, private unemployment benefits ranged in generosity. As a whole, middle-class respondents received far superior severance packages compared to working-class respondents. Not only did their period of financial assistance tend to last longer, they often received additional benefits as well. For instance, Colleen received six months of financial assistance, six months of health insurance benefits, and three months of displacement services. The generosity of her severance package provided her with substantial financial support, psychological support, and emotional support during her displacement. In contrast, while a few working-class respondents received similar financial support, this support typically lasted less than fifteen weeks. Moreover, only two working-class respondents mentioned receiving health insurance as part of their severance and none of them mentioned receiving employment services. This suggests that there are substantial inequalities in the forms of severance packages received by working-class and middle-class workers. While public benefits like UI may serve as an equalizer for displaced workers, it appears that private unemployment benefits tend to increase inequality.

Wages

Considering that both middle-class and working-class respondents were eager to find employment, it should not be surprising that the vast majority of respondents in both
classes engaged in work activities after their initial qualifying event. Both working-class and middle-class respondents proved to be fairly flexible in accepting different types of employment relationships after displacement. As discussed in more detail in the previous chapter, I was able to break down work related activities into three separate categories of employment relationships: steady employment, non-standard employment, and self-employment (see Table 5).

Looking at Table 5 one notices that there is not much difference between the types of employment relationships accepted by working-class and middle-class respondents. The only substantial difference is found within self-employment. While relatively few respondents engaged in this type of work activity, one sees that working-class respondents were more likely to engage in supplemental self-employment while middle-class respondents were more likely to engage in self-employment as an alternative to regular employment.

Although there may not be substantial differences in terms of prevalence of certain employment relationships, there was a difference that arose when discussing the types of jobs they were looking for, specifically in terms of wages. Typically in interviews with both working-class and middle-class respondents, our respondents expressed an obvious reluctance to become permanently and substantially downwardly mobile. This meant that the reservations wages would typically be in the ballpark of their previous wages. Quinn, a middle-class respondent discusses this below.

I'm not looking to kick it up a notch. I'm looking to find a situation that I was in, you know, between forty-five and fifty thousand dollars a year is my lowest range. Forty-five if perks are good or if there's a lot of advancement opportunity, or if it's just a cool job. I'd like to work for someplace I'd like to work for. Uh,
and that's, you know, what I'm looking to downgrade myself to now, but at the same time is, as the economy is loosening up a little bit and the jobs are coming around, I'm getting a few...callbacks from my initial area of interest, you know? Some decent jobs.

A few working-class respondents, however, tied their reservation wages not to their previous incomes but to their current incomes on UI – something middle-class respondents never did. For instance, Wilson, a working-class respondent, states:

[My wife and I] talked about what if I went to work at a pizza place or something to deliver pizzas and I didn't tell the union hall about that, but what I would try to explain to her is you know, if I go to work for Pizza Hut, and I'm delivering pizzas for six dollars an hour, my unemployment goes away. And I was making more on unemployment than I would at a part-time or full-time job at the local restaurant or the local department store, so I couldn't find relief there either.

Similarly, recall Hilary's comments from the previous chapter on why she turned down a job offer.

I did actually apply at like... [a] gas station cause I was startin to get really- cause it was- I was like, 'This is crazy, I need to be working somewhere.' And unfortunately, I mean, they offered me a position as a cashier, but it was- it would eventually have been working forty hours a week making less than my unemployment [benefits]. And we [her and her partner] talked about it... and he said, you know, 'That really probably isn't the direction you want to go,' He said, 'Even if you got a raise in three to six months, you're still gonna be making less than you are right now [on UI] and that's gonna be more detrimental to us than... if you're not working.' So, I understood that, and so I thought, 'Well, I've gotta stop doin that cause I don't wanna waste their time and I don't wanna waste my time,' but, um, you know I keep my eyes open...

In both of these cases, working-class respondents specifically mention the possibility of entering low-wage service occupations as a result of their unemployment. Both of them, however, reject the idea of accepting work that pays less than they are currently receiving from UI. Considering that UI typically pays less than 50% of previous income, this is more indicative of the problem with low-wage, dead-end work than of the generosity of
public assistance. This is reinforced by the fact that many workers did accept low-wage non-standard work, but saw it as a temporary job, not a replacement for their previous careers.

*Personal Resources*

When respondents were unable to make ends meet through accessing the social safety net or through work, they often turned towards their personal resources. While this was the case for both middle-class and working-class respondents, it became clear during interviews that middle-class and working-class respondents tended to utilize different types of personal resources. Looking at Table 5 one notices that middle-class respondents were more likely to use their wealth during the Great Recession, while working-class respondents were more likely to rely on debt. Considering the distribution of wealth in the U.S., this finding is likely due to the fact that middle-class respondents were more likely to have wealth than working-class respondents. It is important to note, however, that utilizing wealth overwhelmingly took the form of divesting, which, in the long run, can be just as detrimental as debt. For instance, Egwene, a middle-class respondent, explains "I had to cash in my retirement... it's close [to gone]... I mean at this point... I can't imagine myself retiring... because, you know, with this loss of retirement [money], it's gonna take me forever to rebuild that over." While Egwene may have been able to rely on her retirement savings to make ends meet while unemployed, she sacrificed any hope of retiring in the future. This suggests that while divesting may help relieve financial stress in the short-run, it can severely alter career trajectories in the long run.
In contrast to *divesting* wealth, relatively few respondents *mobilized* their wealth in order to generate income during displacement. Interestingly, the types of mobilization were quite limited. In fact, three of the four respondents who mentioned mobilizing their wealth did so through rental properties (as discussed in the previous chapter, the fourth began growing food in their garden for consumption and sale). While mobilization has advantages over divesting in the fact that it does not decrease total wealth, it suffers from two major flaws: (1) it is often a long-term solution that does little to satisfy short-term needs and (2) it involves some risk. Moreover, most of the respondents who mobilized their wealth began the process prior to their displacement. As Shirley, a middle-class respondent explains:

> We [her and her husband] realized that we would need to do something with… [our] money because the interest rates were… starting to drop. So, we couldn't earn money in the… [market] and we started to see the foreclosures and we thought, 'Well, you know, I did a rehab when I was nineteen. We've always done this. So, why don't we see if we can pick up another house…?' This was in 2007 and so… we bought a foreclosure. It was in a good neighborhood that was the worst house on the block and we started renovating it. Now, I realize this is the height of insanity. We got one rental, a house, a kid in high school, two in college, and my husband is [working] in New York…. It was just from a time perspective. You know, trying to get through different things, but we bought that. It took us eighteen months to renovate it, working little, by little, by little… I would work hard and when he [my husband] came home, he would work on it and… we just did it paycheck by paycheck. We also… both had full-time jobs at that point.

In Shirley's case, her and her husband purchased a rental property prior to her displacement. She then spent the next year and a half renovating the property. This type of mobilization takes foresight and planning. Moreover, during renovation, Shirley still had a paycheck that she was able to devote to the project. If Shirley had become unemployed prior to purchasing this property, mobilizing her wealth in this way would
likely not have been possible. This is very similar to the limitations documented by Bakke (1940a). Due to the financial and time limitations of mobilizing wealth, it is not surprising that so few respondents utilized their wealth in this way during their period of financial stress.

For many respondents, utilizing wealth was not possible during their period of displacement. This was often simply because they lacked the necessary wealth reserves to do so. When wealth reserves were unavailable or insufficient, respondents turned to credit and debt. As a whole, working-class respondents in my sample were more likely to rely on debt than middle-class respondents. There is, however, substantial variation in the types of debt taken on by respondents. As can be seen in Table 5, middle-class respondents in my sample were more likely than working-class respondents to rely on credit card debt during their period of financial hardship. In fact, it seems that middle-class respondents were more likely to even possess a credit card than working-class respondents. In contrast, working-class respondents were more likely to fall behind on bills while unemployed.

Using debt may be effective in relieving financial stress in the short-term, but it tends to compound financial worries in the long term. For instance, Emily, a working-class respondent, mentions, "I've now compiled a debt of close to twenty grand… using my credit card to pay my bills. And today, you know, I'm thinking… that's one hundred dollars a month on one credit card alone – that is just interest… Until I get a job I can't do anything about paying those off." Emily identifies one of the biggest downfalls of using debt as a way of making ends meet – it ends up costing the individual in the long run.
While she was able to use a credit card in the short-run, this now means that she owes one hundred dollars a month in interest payments alone. For those who miss payments, the costs of using a credit card can be astronomical. April, a working-class respondent, mentions how when she missed one credit card payment her interest rate went up to 29%. Falling behind on bills, however, is not much better due to the late fees that respondents accrue.

The fact that unemployed and underemployed respondents rely on their personal resources in the face of financial hardship may not be particularly troublesome to some; however, readers should worry about the types of personal resources being used. The overreliance on divesting wealth and accruing debt during periods of financial hardship tends to increase the financial hardship of unemployed and underemployed workers in the long run. Not only do these workers need to find work that pays enough to cover their current living expenses, they now also need to earn an income large enough to make up for the ground they lost during their displacement or underemployment. This suggests that the insufficient nature of the social safety net, combined with the 2007 financial collapse, will increase the wealth inequality in our society for years to come.

Network Resources

For the vast majority of respondents, unemployment and underemployment were not merely individual experiences. Instead, both working-class and middle-class respondents tended to rely on their social networks for financial (and emotional) support. It should not be surprising that the network tie that was relied on most often was one's spouse. While Table 5 shows that a larger proportion of middle-class respondents relied on their spouses
than working-class respondents, this is due to the fact that middle-class respondents were more likely to be married than working-class respondents in my sample. In fact, all but five married working-class respondents received financial support from their spouse, compared to all but three married middle-class respondents. Therefore, there is not a substantial difference between working-class respondents and middle-class respondents in terms of relying on their spouses for financial support. There are, however, differences in terms of relying on other network ties.

As a whole, working-class respondents were far more likely than middle-class respondents to rely on non-spousal network ties. In all, twenty-eight working-class respondents relied on their non-spousal network, compared to only eight middle-class respondents. Moreover, ten of the working-class respondents actually relied on multiple non-spousal network ties, while none of the middle-class respondents relied on more than one. For both working-class and middle-class respondents, the most common network tie that they relied on was their parents, while respondents were slightly less likely to rely on other family members or friends. Due to the fact that so few middle-class respondents relied on their non-spousal network for aid, class comparisons about the form the took aid (in-kind assistance vs. earmarked cash vs. non-earmarked cash) and what the aid was used for (housing, transportation, food, childcare, etc.) is not possible.24

Social Service Agencies

Few working-class and middle-class respondents relied on social service agencies in the face of financial hardship. In fact, only nine working-class respondents and three middle-

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24 For a more detailed discussion on form and purpose of aid, see previous chapter.
class respondents did so. Seven of the nine working-class respondents received food assistance, four received housing assistance and two mentioned receiving some other type of assistance. In contrast, all three middle-class respondents who used social service agencies received housing assistance. Aid from social service agencies tended to come either in the form of in-kind assistance (e.g. food from food banks) or earmarked cash (typically in the form of gift cards). No respondent, however, mentioned receiving non-earmarked cash from these sources. The agencies themselves varied considerably as well, ranging from non-profit community organizations to the respondent's home church. The fact that so few respondents utilized social service agencies limits our ability to make class comparisons between working-class and middle-class respondents. However, this does suggest that in contrast to the long-term poor, these agencies are of little help to both working-class and middle-class respondents who are temporarily facing financial hardship.

**Summary**

In light of the well documented increase in economic inequality and job insecurity over the past four decades, understanding the inequality that exists in terms of general economic security is an important task for sociologists. The current paper attempts to expand our current understanding of economic security by exploring the experiences of unemployed and underemployed workers during the Great Recession. Special attention was paid to what types of resources these workers utilized and differences in utilization patterns across social class.
Due primarily to the sampling strategy utilized in the study, the vast majority of both working-class and middle-class respondents accessed the public social safety net when faced with financial hardship. This resource tended to have an equalizing effect on the experiences of working-class and middle-class workers as it ensured a minimal level of financial support based on previous income. For both working-class and middle-class respondents, however, this resource proved insufficient by itself. This forced respondents to rely on other resources that did not have the same equalizing affects. Among these resources, the most substantial differences were found in regards to the private social safety net, personal resources, and network resources.

While relatively few respondents had access to the private social safety net, it often proved to be one of the most effective means at fighting off financial hardship. All severances, however, are not equal. In fact, when breaking down the benefits received, it appears that middle-class respondents typically received severance payments for longer periods of time and were more likely to receive supplemental benefits like health insurance and employment services. Middle-class respondents were similarly benefited in terms of relying on personal resources, as they were more likely to have wealth they could rely on, whereas working-class respondents typically had to utilize debt. Finally, middle-class respondents were less likely to rely on non-spousal network ties for financial assistance during their period of hardship.

These findings suggest that there is substantial inequality between the economic security of middle-class and working-class individuals. While this research focused on the economic security of unemployed and underemployed workers, future research
should analyze patterns of economic security more generally. This becomes especially important in light of the increasing job insecurity and income instability in the U.S. economic system, which is likely to force many more Americans to rely on non-wage economic resources in order to make ends meet.
Chapter 7: Conclusion

The Great Depression and the Great Recession are the two most salient economic downturns in U.S. history. The economic declines in both of these periods began with crises in our core financial institutions that quickly spread to the rest of the global economy. These crises resulted in substantial drops in stock-market values and corresponding increases in the unemployment rates. No country, sector, industry or worker was fully protected from the aftershocks of these collapses. Yet the macro-level economic indicators traditionally used when discussing these two periods provide little insight into the similarities and differences in the lived experiences of workers as they attempted to survive these two different economic downturns.

This manuscript attempts to fill this gap in the literature by focusing on how workers and their families responded to financial hardship during the Great Depression and the Great Recession. The central question that is asked throughout this piece is, in the face of prolonged periods of unemployment and underemployment, how do workers and their families make ends meet. In light of the technological, industrial and institutional changes that have occurred in the U.S., one would expect there to be major differences in the material responses of workers between these two eras. This, however, was far from the truth. In fact, while the historical contexts differed significantly, the responses themselves did not. This finding is especially troublesome as it is evidence of a failure in
the U.S. welfare regime. In the face of the Great Depression, the federal government accepted a more direct role in protecting the welfare of displaced workers. Nevertheless, many of the public and private programs that have arisen over the past eighty years are specifically designed to provide benefits only to "deserving" workers. They achieve this through disqualifying the majority of those in need. Moreover, even amongst those who receive benefits, there appears to be significant class-based inequalities. This failure means that workers in both periods were forced to rely on other means to survive. Resources like divesting wealth and taking on debt can smooth consumption in the short-term, but these resources inevitably run out. Moreover, one can only use these resources by sacrificing long-term financial wellbeing.

True to their given names, most macro-level economic indicators suggest that the Great Depression was much more severe than the Great Recession. This manuscript, however, finds substantial similarities of workers during both of these periods. These similarities lead me to conclude that these economic periods are not as distinct as their names suggest. Perhaps Krugman is right in referring to the recent decline as the "Lesser Depression" (Krugman 2011), instead of the Great Recession.

Summary of Chapters

In Chapter 4, by relying on data collected through an impressive research program conducted by E. Wight Bakke and his team in New Haven, Connecticut during the 1930s, I was able to provide details about how families made ends meet in the face of prolonged unemployment and underemployment during the Great Depression. This research highlights how the most important financial resource to these unemployed families
continued to be the wages of the primary breadwinner and supplemental earners. These wages, however, often proved insufficient. Therefore, families turned to their familial and social resources, the most important of which was credit. In contrast to modern day credit, this credit primarily came from those owed, like landlords and grocers, not a third-party. On top of credit, families drew on whatever savings and wealth they possessed. Unfortunately, most families had only nominal amounts. Contrary to popular modern narratives, families rarely increased their domestic production in order to provide the goods they normally purchased on the market. True, the families that had engaged in these activities prior to their layoff continued to do so, but few families migrated towards these activities. The major obstacles in these domestic activities were the startup costs which proved prohibitive to displaced workers and their families. Overall, wages and other resources could only serve a family for a relatively short period of time. When wages, familial resources, and social resources inevitably proved insufficient, families were forced to turn to public social assistance programs for help.

There was a substantial amount of geographic and temporal variation in the availability of assistance programs during the Great Depression (in fact, at the beginning of the Great Depression most social assistance programs were only geared towards helping the poor, not the temporarily unemployed). Therefore a detailed account of these programs was beyond the scope of the current manuscript. Nevertheless, using Bakke's data I was able to discuss the experiences of workers and their families as they utilized the three most common types of programs that were available: direct relief, work relief, and UI.
Direct relief was the first program available to displaced families during the Great Depression. This relief provided vital financial resources to displaced families based on family need. While this was one of the most efficient programs available, families were hesitant to access it. This reluctance primarily came down to the fact that admitting dependence was in direct opposition to the prevailing ideology of rugged individualism. Moreover, families were often required to drain all other resources prior to receiving this type of aid. This depletion was assured by an invasive investigation of families who received aid. Despite these limitations, direct relief was an irreplaceable resource to the worst off families.

In contrast to direct relief, work relief was often less of a threat to the status of workers. Many recipients viewed this assistance as work, not relief – at least when laboring on socially meaningful projects. Skilled workers, however, fared less well than unskilled workers. This difference is primarily attributed to the fact that it was more difficult for skilled-workers to find meaningful work. Since work relief projects were prohibited from competing with private sector projects, the specific skills possessed by skilled-workers were often not needed. Therefore, skilled-workers regularly had to face a skills-mismatch when accepting direct relief. This mismatch could, in some cases, limit their ability to find future work in their chosen profession. Moreover, work relief had an added drawback that was non-existent in direct relief. Specifically, compensation did not take into account the number of dependents workers provided for. This meant that large families may receive less aid from work relief than direct relief. Near the end of the Great
Depression, work relief projects were abandoned, as they proved too expensive and too inefficient in providing for the needs of displaced families.

The last form of relief available to workers during the Great Depression was UI. This type of relief, however, was only implemented in the final years. Due to its late implementation, it proved of little help to workers and their families during the Great Depression. Moreover, Bakke critiques this type of relief for three other reasons that are more applicable to the contemporary program. First, Bakke argues that tying social assistance benefits to previous wages is irrational. Workers only need assistance because of failures of the market (what he calls "business economics"). Why then, base social benefits on market value? Basing benefit amounts on market value, instead of familial need, results in inadequate assistance being given to many families. Bakke's second critique is that the eligibility requirements of the program disqualified the majority of workers during the Great Depression. What good is a social assistance program that limits benefits to only a small group of those in need? Bakke's final critique was that the duration of benefits was too short. At the time, those workers who were fortunate enough to receive aid could only do so for a maximum of sixteen weeks – which proved insufficient as periods of unemployment regularly exceeded this time. Unfortunately, UI continues to suffer from these three issues. UI continues to only offer a partial substitution of previous wages, the majority of displaced workers continue to be excluded from benefits, and the duration of benefits has only been increased to 26 weeks (though this normal duration was extended during the Great Recession).
Chapter 5 offers a similar analysis of the survival strategies workers utilize in order to achieve economic security. This chapter, however, focuses on the experiences of contemporary workers as they lived through the Great Recession. While economic security is often equated with job security, the findings from Chapter 5 suggest that this monolithic conceptualization is too simplistic. Notably, it misses much of the variation in economic security that exists in modern society. This variation is important to recognize as there has been a substantial decline in job security within the U.S. economy over the past several decades. Therefore, building off Edin and Lein's (1997) four-category typology, I argue that economic security can be achieved through six categories of resources: (1) the public social safety net, (2) the private social safety net, (3) wages, (4) personal resources, (5) social network resources, and (6) social service agencies. Moreover, my research highlights how successfully achieving economic security often requires that workers and their families mobilize more than one of these strategies. In the end, however, economic security is difficult to achieve in the absence of steady wages.

What may be surprising for many is that this analysis highlights how little the material responses of workers have changed over the past eighty years. True, the U.S. welfare regime now serves as a social safety net, instead of simply the floor, but it remains insufficient in the face of a systemic financial crisis. Similar to workers during the Great Depression relying on direct relief and work relief, contemporary workers remain threatened by the stigma of dependency and must rely on other resources in order to survive. In contrast to depression-era families, the private social safety net plays a more active role in the provision of benefits of unemployed workers today than it did
eighty years ago. Unfortunately, these public and private benefits are limited to relatively few workers.

In addition to highlighting differences between depression-era and contemporary workers, this chapter also highlights how the survival strategies of displaced workers are distinct from the survival strategies of the long-term poor. Specifically, unemployed workers are more likely to receive vital private benefits that are unavailable to poor workers. Moreover, unemployed workers have more personal resources that can be utilized in the short-term. These resources, however, can only be relied on for so long before being depleted.

Chapter 6 explores the inequalities that exist within these six material responses. The question of inequality is especially important considering the dramatic increase in income and wealth inequality within the U.S. since the 1970s. In fact, we have returned to levels of inequality not seen since the beginning of the Great Depression (Picketty and Saez 2003). When looking at the material responses of my respondents, it became clear that there were substantial differences between respondents in working-class occupations and respondents in middle-class occupations. Due to my sampling strategy, both groups of workers had roughly equal access to the public social safety net. There were, however, more substantial differences in terms of the private social safety net. Specifically, middle-class respondents often received private benefits far longer than working-class respondents. For instance, middle-class respondents received benefits equal to ten to fifty-four weeks' worth of income, while working-class respondents only received between one and twenty-four weeks' worth of benefits. In all, the average length of
benefits for middle-class respondents was roughly equal to the most generous working-class severance. Moreover, the cases of generous working-class severances seem to be unique. The only two working-class respondents that received benefits longer than twelve weeks were given specific opportunities to increase the length of their severance benefits. In addition to the differences in length of benefits, middle-class respondents were more likely to receive supplemental services like access to healthcare coverage and employment search services as part of their severance packages.

When looking at differences in wage resources, it appears that there are few differences in the type of work relationships accepted by working-class and middle-class respondents. For obvious reasons, neither group wanted to become permanently downwardly mobile, therefore the wages of possible jobs were much more important than the specific work relationship. Working-class respondents, however, were more likely to tie their reservation wages to the benefits received from UI. Nevertheless, one should not misconstrue this as evidence of overly generous UI benefits extending periods of unemployment. As stated before, UI is only a partial substitution of previous wages that only replaces up to 50% of an individual's previous earnings. Therefore, this is evidence of inadequate wages offered in low-wage, dead-end jobs.

In contrast to wages, there were more substantial differences when it came to utilizing personal resources and social network resources. Specifically, middle-class respondents were more likely to utilize their wealth in order to make ends meet – typically in the form of divesting. In contrast, working-class respondents were more likely to utilize debt, as they had limited access to wealth. On top of differences in
prevalence, however, there were important differences in the types of debt taken on by working-class and middle-class respondents. For instance, middle-class respondents were more likely to utilize credit card debt, while working-class respondents were more likely to fall behind on bills.

In terms of social network resources, it appears that middle-class respondents are more likely to rely on a spouse in order to make ends meet. Although this finding is presumably a statistical artifact, as middle-class respondents in my sample were more likely to be married in the first place. In contrast, working-class respondents were more likely to rely on non-spousal network ties.

Finally, relatively few working-class and middle-class respondents sought help from social service agencies. Therefore, it is difficult to make comparisons between these groups. Nevertheless, crude comparisons suggest that the primary reason middle-class respondents seek aid from social service agencies is for housing. In contrast, working-class respondents sought help for housing, food, and other services.

Limitations and Future Research

It is important to recognize the limitations of the current analysis. As is the issue with historical research, it is impossible to collect new primary data. Therefore, I had to rely on secondary sources when piecing together the experiences of workers during the Great Depression. Fortunately, this was an important period in U.S. history so many sources exist. Many histories, studies, and narratives have documented the experiences of families as they struggled through this time period. Of these, I rely primarily on Bakke's research, as it proved well suited for the purposes of the current manuscript. Bakke
offered both qualitative and quantitative accounts of how families made ends meet during the Great Depression. His data collection spanned nearly the entire recessionary period, which enabled him to explore important temporal differences (e.g. the introduction of different assistance programs). Moreover, he paid special attention to longitudinal changes in the material responses of workers as their period of displacement lengthened. Finally, and in contrast to many of the narratives in existence, Bakke collected this data during the 1930s, so his accounts are less threatened by recall bias.

The second limitation worth revisiting is in the non-random sample of workers in the Great Recession. As mentioned, this non-random data collection can lead to questions of generalizability (Lucas 2012). Following Rojas (2013a; 2013b; 2013c), Perrin (2013) and Whipple (2013), however, I argue that this critique does not negate the importance of the current study. Importantly, this non-random sample allows for the creation of a provisional typology of the strategies used to achieve economic security. While descriptive statistics were used in the analysis, these statistics were used to highlight differences within my sample, not to generalize outside of my sample.

Nevertheless, future research should attempt to address this question of generalizability by collecting a random sample of displaced workers. This would allow researchers to calculate more accurate estimates of the propensity of any given material response. Importantly, this future research should not limit itself to the experiences of workers with stable work histories prior to displacement, as these workers represent a "best case" in terms of access to the public and private safety net. As I mention in my analysis, I oversampled workers who were eligible for unemployment benefits.
Therefore, my current study provides little insight into the majority of workers who are excluded from such benefits.

Additionally, future research should be conducted longitudinally, in order to gain a better understanding of how the material responses of displaced workers change over time. This could be accomplished with a methodology similar to the one Bakke employed by having respondents track their budgets over a period of time. Having access to detailed budgets are important as they are less susceptible to recall bias than interview data. Contemporary researchers can take advantage of a variety of recent technological advances in this matter as well. For example, they could have respondents use online money management programs like Mint. These budgets would shed light not only on the propensity of any given response, but also on the importance of each response. Moreover, these budgets could also be used to track changes in consumption.

Finally, future research should also address the experiences of other types of workers living through recessionary periods. As discussed, the current study was limited to analyzing the experiences of unemployed and underemployed workers. One must realize, however, that even workers who were stably employed during economic crises are not completely protected from financial hardship. It is important to understand how these employed workers experience periods of financial collapse. After all, during both the Great Depression and Great Recession they represented the vast majority of workers. Data on these experiences could shed light on the similarities and differences between employed and unemployed workers during financial crises. It is possible that their experiences do not differ as dramatically as one may think, as simply having wages does
not necessarily stave off financial hardship. It is likely that even stably employed workers must mobilize multiple resources in order to make ends meet. Additionally, many of these stably employed workers may have the added responsibility of being the "go to" network tie when friends and family members lose their job and seek financial help.

Policy Implications

The findings of the current analysis raise serious concerns about the current state of the U.S. welfare regime. As was shown, the contemporary welfare regime provides inadequate protections to displaced workers. This forces workers to rely on other resources, the mobilization of which may result in long-term financial repercussions. Unfortunately, this inadequacy is well known and actually part of the regime's design. Over eighty years ago, Bakke critiqued the regime's core program, UI, for its strict eligibility requirements, short duration, and meager benefits. Yet little progress has been made to correct these issues in the following years. In fact, there remains a perception that the federal government does too much in the provision of aid to unemployed workers. Nevertheless, it should be obvious by now that the market has failed to provide the protections necessary for a well-functioning society.

It took a global financial collapse for the federal government to accept this fact last time. In the heart of the Great Depression, despite protests from many conservative pundits and policy makers, liberal policy makers realized that the market cannot or will not right itself. Something had to be done. To be clear, this failure of the market is not simply because of its callousness, it is because of its irrationality. Using Bakke's terms, these policy makers realized this and came to the conclusion that they must use the logic
of social economics when fixing the problems caused by the logic of business economics (Bakke 1940a).

In more recent years, many Americans seem to have forgotten the important lessons of the Great Depression. Since the 1970s, the ideology of the "Personal Responsibility Crusade" has taken hold. This ideology was used to rationalize the transference of risks away from large institutions and onto the backs of individual Americans (Hacker 2008). Unfortunately, as was first realized in the Great Depression, most individuals are ill equipped to handle these risks. It was not until the 2007 economic collapse that these perceptions weakened. As the economy worsened the federal government lost faith in the market and took direct action to stabilize the economy. Part of this stabilization was a partial reversal of the risk shift, by adding additional protections to at-risk individuals.

Nevertheless, the distinction between deserving and undeserving individuals continues to have a strong foothold in the popular opinions of the time. This distinction explains why the political opportunity to reverse the "Great Risk Shift" has stalled (Hacker 2008). Even though there is much evidence to the contrary, the fear that overly generous social benefits disencourages work remains present (Farber and Valletta 2013; Bradbury 2014). What little progress was made in the first years of the Great Recession is continually threatened to be undone. In fact, even though unemployment rates have yet to return to pre-recession levels, the federal government has ended UI extensions.

The findings from this paper suggest that this was an ill-advised decision. The federal government does not need to threaten workers with financial destitution in order
to motivate them to find employment. On the contrary, the stigma associated with job
loss and receiving UI is enough. The same holds true for the logic behind the relatively
meager benefits. While some workers did hesitate to accept low-wage work because it
offered lower compensation than UI, this is evidence of the inadequacies of the minimum
wage, not of the generosity of UI. As was shown, UI proved insufficient in protecting
displaced workers. Workers and their families were forced to drain whatever financial
assets they possessed and take on large sums of debt in order to make ends meet. These
decisions will have long-term repercussions for our society.

These findings suggest that policy makers must reconsider the logic of
unemployment benefits. Much as they stood nearly eighty years ago, benefits are
available to too few workers, offer inadequate assistance, and end too soon (Bakke
1940a). I urge contemporary policy makers to accept what their depression-era
predecessors did: the logic of social economics is needed when addressing the
irrationalities of business economics.
References


