

IDEAS ECONOMY

Undoing the Stigma of Unemployment



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BY **OFER SHARONE** JANUARY 26, 2024 7:00 AM EST**IDEAS**

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anxious despite a low unemployment rate, declining inflation, and other positive economic indicators. My research on American workers points to one of the root causes of this anxiety. It focuses on the kind of workers we might expect to have little to worry about—experienced, college-educated, white-collar professionals—including some with advanced degrees from elite universities like Harvard and MIT. Focusing on this group reveals that in the contemporary United States the careers of even the most privileged workers are anxiety-filled and precarious.

Regardless of prestigious degrees and impressive work experience, the careers of almost all American workers are made unpredictable by routine layoffs. It was not always like this. In the post-World War II era white-collar workers at large companies could reasonably expect to stay at one company for decades. But since the 1980s job security has crumbled, and currently about **3 out of 4 American** workers become unemployed at some point in their career.

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ret, economic anxiety extends beyond mere layoffs. It is foremost rooted in the fear of not being able to bounce back *after* a layoff, and getting trapped in long-term unemployment or low-wage work. This fear is well-founded, even for experienced college-educated professionals. A 2013 [study](#) by the Economic Policy Institute reveals that if a college-educated worker becomes unemployed they are as likely as any other worker—of whatever level of education—to get trapped in long-term unemployment. Even after a prolonged search, many get stuck in low-wage jobs. Downward mobility does not show up in unemployment statistics, but it shatters lives.

American workers are anxious because *anyone* can fall. There are no reliable shields against an invisible but powerful force which can rapidly erase past educational and professional achievements: stigma. Once a worker becomes unemployed they are stigmatized in the eyes of potential employers. This can be clearly seen in [studies](#) where researchers send fake resumes to companies with real job openings. These resumes are identical in terms of skills and qualifications and differ only in whether or not the applicant has a current employment gap. From these studies, we know that employers are far less likely to invite unemployed applicants for job interviews.

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I interviewed recruiters to gain a better understanding of the unemployment stigma. After assuring them that they will remain anonymous, the recruiters openly discussed the widely shared assumptions of employers about unemployed applicants. One recruiter explained: “A company could lay off people for a wide variety of reasons. But there is that perception that very often those folks who have been laid off or out of work for any length of time are not going to be the top people out there.” In practice, this perception often translates to an employer preference for “passive jobseekers,” referring to workers currently working and not actively looking for work; or in other words, workers who are not unemployed. Here is how one recruiter succinctly summed

When reflecting on it, this recruiter acknowledged that “this logic is crap,” recalling his own experience: “I was a top-performer and the whole group was laid off.” But, nonetheless, even this recruiter who recognized employers’ flawed logic, felt compelled to follow the preference of his employer clients for passive jobseekers.

It is not only employers who stigmatize. As the unemployed workers I’ve interviewed in the course of my research repeatedly emphasized, they experienced the unemployment stigma in *every* realm of their life, including when trying to network with former colleagues, or even when turning to their spouses or close friends for support.

The stigma of unemployment is everywhere because most of us want to believe in the myth of meritocracy—the false assumption that one’s position reflects one’s merit. The pull of this myth is evident whenever I share stories from my research. Take for example the story of Ron, one of the people I interviewed. Ron is a Harvard graduate who worked in finance for over three decades, most recently at a large and prestigious bank. After a layoff he spent three years unsuccessfully trying to get another job in banking. Today, Ron earns poverty-level wages at a department store.

When I share Ron’s story, I am inevitably asked for more details about his particular situation. A story like Ron’s is terrifying to all who hear it because if his career can go off a cliff, so can anyone’s. The thread connecting the various questions is the search for something faulty about Ron, which would reduce the anxiety of the person asking the questions about whether the same fate may await them. I am almost never asked about the hiring process or employer stigmas that may underlie Ron’s difficulties.

The questions’ focus on finding something faulty about Ron show how tenaciously we want to hold on to the belief in meritocratic predictability, that if you do the “right” things, study hard, go to a good college, and get a good job, you’ll do okay. But the dark flipside of this belief is the stigmatization of those

unemployment, and hence we lead with skeptical questions—which mirror those of employers—about the talent or motivation of anyone who is out of work or has experienced downward mobility.

Ironically, while we cling to the myth of a predictable meritocracy as a way of coping with our anxiety, the myth leaves in place institutions and employer practices that guarantee our perpetual anxiety. The myth of meritocracy means that we judge and stigmatize each other, even our friends and loved ones, instead of providing empathetic support. It means that we blame individuals for what are societal shortcomings, and these shortcomings remain untouched. And ultimately, it means we remain trapped in an economic system in which we are all one layoff away from potential disaster.

The way out of this trap is to confront it head on and shine a bright light on the assumption that unemployment necessarily reflects *anything* about the unemployed person as opposed to the economy, employers, and the hiring system. Until we do so, we will continue to experience perpetual economic anxiety, regardless of topline economic indicators.

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