

U.S. Memo

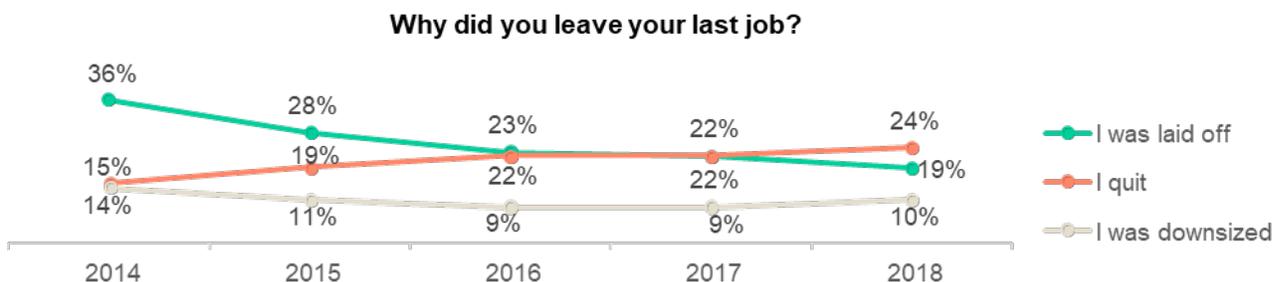
Date: May 17, 2018
 To: Express Employment Professionals
 From: The Harris Poll
 Subject: 2018 Survey of Unemployed Americans

This study was conducted online by The Harris Poll on behalf of Express Employment Professionals and included 1,510 U.S. adults aged 18 or older who are unemployed but capable of working (whether or not they receive unemployment compensation benefits). Excluded are those who are currently retired, choose to stay at home or are unable to work due to long-term disability. The survey was conducted between March 28 and April 10, 2018.

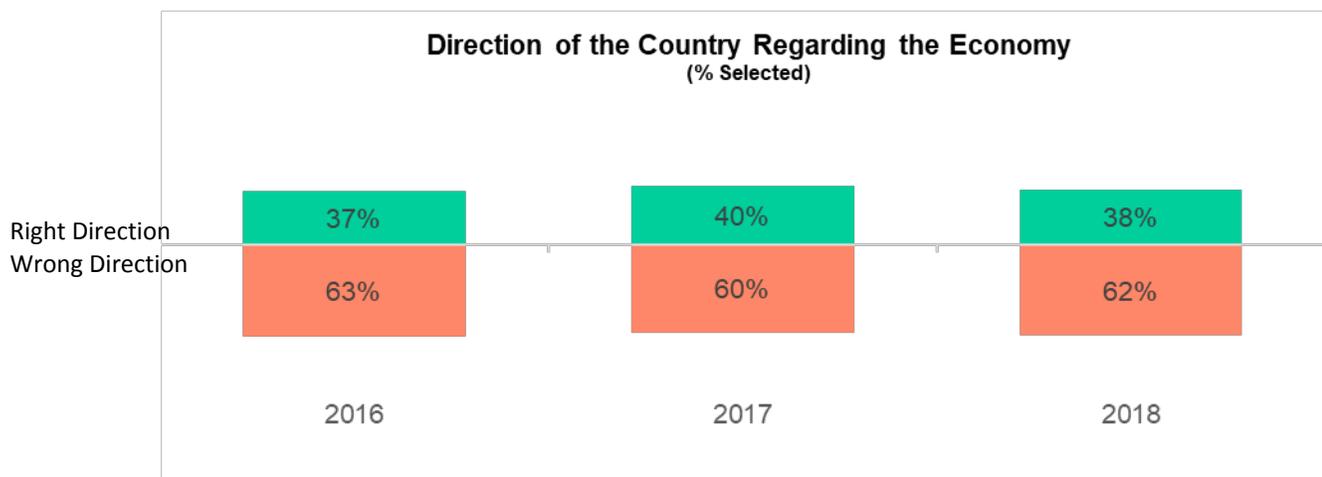
Results were weighted as needed for age by gender, education, race/ethnicity, region and household income. Propensity score weighting was also used to adjust for respondents' propensity to be online. Totals may not equal the sum of their individual components due to rounding. No estimates of theoretical sampling error can be calculated; a full methodology is available upon request.

Economic Factors and Their Impact on Job Seekers

The economy is seemingly on the right track with the stock market's rise over the last year and the unemployment rate being lower than it has been prior to the 2008 down turn (<https://data.bls.gov/timeseries/LNS14000000>). This is also reflected in how the unemployed report having lost their last job. Since the study's inception in 2014, layoffs have been on a declining trajectory, while those having left their last job on their own terms by quitting has been increasing, and there is still a relatively unchanged population of the unemployed who said they were downsized which has remained linear over the last five years.



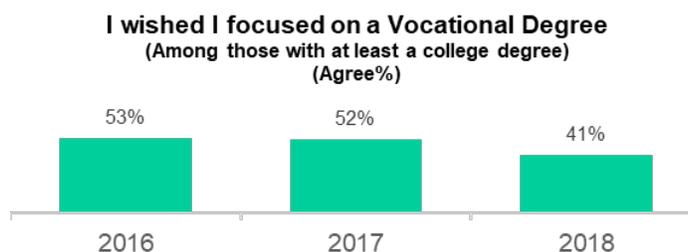
However, when the unemployed are asked their opinion about the current economic outlook, they report being uneasy about the direction of the country - with the majority saying that they feel the country's economy is headed in the wrong direction (62%) – which is virtually unchanged since the tail end of President Obama's administration through the beginning of President Trump's.



Demographics of the unemployed

On average, the age of unemployed Americans is roughly 40 years old, yet nearly half (46%) are Millennials (36 years old or younger) and a third (31%) are Generation Xers (ages: 37-53). Moreover, the unemployed continue to skew male (58% men vs. 42% women). Additionally, approximately 2 in 5 (39%) of the unemployed's highest level of education is high school graduate or less, with just under 2 in 10 stating that they never completed high school (16%) which is significantly up than in 2017 (7%). Of those with at least a college degree, the most likely undergraduate degree area was liberal arts (30%), followed by a business degree (23%) similar to last year.

Among the unemployed that have at least a college degree, forty-one percent continue to agree with the statement "I wish I focused on a vocational career (e.g., automotive technology, electrician, plumber, HVAC specialist, dental assistant, medical assisting, etc.) rather than getting my college degree" – which remains fairly high but trending down from the 2016 baseline.



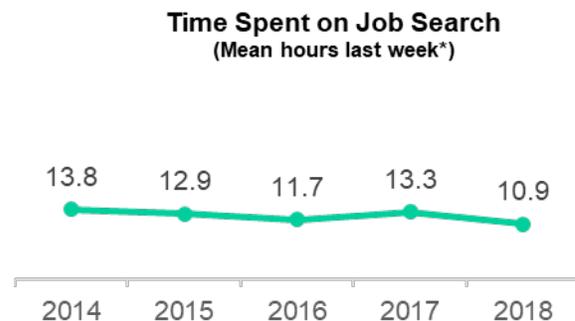
In addition, of the very small population that has received job training after high school (4% of unemployed Americans), the majority says they received a Vocational Certificate (59%).

The population of the long term unemployed is slowly increasing, with nearly 1 in 10 more Americans saying they have been out of work for more than two years than in 2017 (42% in 2018 vs. 34% in 2017) and fewer unemployed Americans saying they have been out of work for less than 3 months, (23% in 2018 vs. 30% in 2017).

Attitudes of the unemployed

A consistent trend among unemployed Americans remains the push and pull of anxiety and stress with not holding a job while trying to remain hopeful that their state of unemployment will end soon. Both stress and hopefulness remain evident in 2018 yet hope has eroded slightly since last year. In addition, there appears to be a growing trend among the unemployed towards feelings of confidence, perhaps over-confidence, which is revealing itself through certain attitudes about their job search, making them appear more selective than desperate, such as:

- Two-thirds saying they will only accept a job if it would allow them to use their education and skills (65% up from 61% in 2017).
- Two-in-five agreeing that they would only do a job that they really wanted to do versus accepting a job that would help them pay the bills (43% vs. 35% in 2017).
- Two-thirds not applying to minimum wage jobs because they're not enough to pay their bills (68% vs. 67% in 2017).
- The vast majority indicating that they need to earn a specific amount of money in their next job so that they can pay their bills, particularly those who have been out of work for one year or less (85% total vs. 90% 1 year or less – new item in 2018).
 - With that said, the average yearly income expectation among the American unemployed is roughly \$60k per year – highest among the most recently unemployed (3 months or less: \$76k) which is well above the national average.
 - In 2016 the Census Bureau stated that the average American household income was \$57,000.[^]
- Moreover, while eight in ten unemployed Americans say there is no activity more important than finding a job (81%), their last week's job seeking efforts* do not match this sentiment as the unemployed put in just over ONE full work DAY looking for a job in the last week* (10.9 hours), down nearly 1 and a half hours from last year and reinstating the downward trend that skipped over 2017.



**At the time of interviewing*

As seen in prior years, the unemployed continue to exhibit diametrically opposed emotions regarding their unemployment. While most express varying levels of hope, those feelings are often offset by feelings of stress, anxiety, and desperation.

Feelings of hope towards finding employment remain high although down compared to 2017. More than three-quarters of American unemployed are:

[^]2016 Census Bureau Household Income <https://www.census.gov/content/dam/Census/library/publications/2017/acs/acsbr16-02.pdf>

- Hopeful that they'll find a job they really want in the next six months (86% vs. 92% in 2017)
- Confident everything will turn out fine (88% vs. 92% in 2017)
- Confident they'll find a job in a reasonable amount of time (78% vs. 83% in 2017)

However, feelings of despondency and anxiety also remain evident and similar to last year roughly 7 in 10 or more say:

- They find being unemployed really stressful (80% vs. 86% in 2014-2017)
- The longer they're unemployed, the harder they're finding it to keep working hard to find a job (73% in 2018 but down from the historical high of 83% in 2014)
- They feel like they don't know what they're doing with their life as a result of being out of work (72% similar to 73% in 2017)
- They feel like people are judging them because they're still out of work (74% vs. 72% in 2016 and 2017) with nearly 1 in 4 saying they completely agree with this statement (24% vs. 22% in 2017)
- They are becoming insecure about their ability to find a job the longer they're out of work (71% vs. 70% in 2017)
- They are becoming more discouraged the longer they are unemployed (73% but down from the historical high of 82% in 2014)
- They are angry about being out of work (68% vs. 69% in 2017)
- That being out of work makes them feel desperate (69% in 2018 and 2017)

In addition, four in ten (42%) say they have completely given up looking for a job, up from 33% in 2017 - this is particularly true for those out of a job for more than 2 years (57%).

Steps towards employment

Obtaining interviews remains elusive for most unemployed Americans with more than half (57%) not having had an interview in the last month* and among those who have not had an interview in the last month, fewer than 1 in 10 (9%) have not had an interview in the 2018 calendar year.*

**At the time of interviewing*

When asked about the difficulty of their job search, most unemployed say it has been difficult in one respect or another, with just over one-third saying that their job search has been more difficult than they originally thought (37%), one-quarter saying it has been as difficult as they thought (23%), and another 2 in 10 say they thought it would be easy and it has, in fact, been difficult.

Outside of the job search, willingness to move far remains a barrier among the unemployed as:

- More than one-third of unemployed Americans would not move out of state for a job; an obstacle that has existed since the study's inception in 2014 (36% in 2018 vs. 38% in 2014, 35% in 2015, 35% in 2016 and 36% in 2017)
- However, moving to a new city or town is less objectionable as half would consider relocating (50%) for a new job – similar to prior years.

The Trump Administration

As President Trump's first term as president has moved into its second year, views of his presidency have often been portrayed as polarizing in the media. In 2017 and 2018, it was observed that the result of November's election did not match the popular vote, as unemployed Americans were more likely to cast their vote for Hillary Clinton (35% vs. 33% in 2017) than Donald Trump (25% vs. 24% in 2017).

However, when given a chance to reflect on their vote from 2016 and given the opportunity to change that vote, the vast majority of unemployed Americans who voted would have cast the same vote (88%).

Moreover, exactly the same as in 2017, three in ten say that President Trump's administration has made it harder to find a job, while slightly fewer say that his administration has made it easier (12% vs. 18% in 2017). The perceptions of Trump administration's impact on job creation is fragmented – with roughly one-third of unemployed Americans saying that the administration has had a positive impact on creating jobs, (down slightly from 2017 (32% vs. 39% in 2017)), while another third states that it has had a negative impact (35%), and the final third stating it has had no impact at all (33%).

When asked about the new tax reform bill's impact on their chance of finding a new job, which also had polarizing press, nearly 2 in 3 unemployed Americans say that it will have no impact on their finding a new job, while 1 in 5 think it will either help or hurt their chances (18%).

Unemployment Hope Index

The **Unemployment Hope Index** was created to quantify the emotional well-being that impacts the job search of the U.S. unemployed population over time – as an extension of the annual Study of the Unemployed.

The Index measures 22 different indicators of unemployed workers' hope that they'll find another job (in a reasonable amount of time) – where five attitudes were determined to be primary contributors:

- Whether or not they are confident that they will find a job in a reasonable amount of time
- Whether or not they are hopeful that they'll find a job they really want in the next 6 months
- Whether or not they agree that there is no activity that is more important than finding a job
- Whether or not they expected to find a job more quickly
- Whether or not they will only accept a job that allows them to use their education and skills

Three other areas were also identified as secondary contributors to how hopeful prospective employees are – which include:

- Whether or not they agreed that they have completely given up on looking for a job
- Whether or not they find being unemployed really stressful
- And the number of hours they spent in the last week (at the time of interviewing) looking for a job

The aggregate score of all included metrics reflects the overall hope of the unemployed population. On the scale of 0-100, less than 50 signals feelings towards hopelessness and greater than 50 indicates feelings towards hopefulness.

*In 2017, (the first year the index was formulated) the Index score was 52.0 indicating that the unemployed in the U.S. were showing signs of hope as they looked for employment opportunities. This year, the **Index score of 48.4** indicates there is less hope in the job search than one year ago and is trending toward hopelessness.*

By the Numbers: Length of Unemployment

By length of unemployment, as seen in 2017, those out of work for 1-2 months display the most signs of hope regarding their job search, while those out of work for more than 2 years are showing signs of hopelessness.

