

## UNEMPLOYED IN AMERICA

# Job hunters find anxiety

Many Central Florida companies aren't hiring. Laid-off workers in some fields fear that they will never get their old jobs back.

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SENTEINEL STAFF WRITERS

When Michael Dietz joined the ranks of the unemployed in April, he assumed that his 15 years as a software engineer at Siemens Information and Communications Networks in Lake Mary would help him sail into a challenging new job.

Five months later, his savings running low, Dietz is no longer sure.

"Everybody who's looking for work is having a hard time," said Dietz, who lives in Lake Mary. "It's just abysmal out there."

More than 8 million unemployed Americans are slogging through the longest-running slump in job growth since the Great Depression of the 1930s. The 2001 recession lasted just eight months. Yet even now, near-

ly two years after it came to an end, the economy still is not adding jobs.

Instead, almost 1.1 million jobs have disappeared since the economy officially turned the corner in November 2001. (Florida's job base has resumed growing, but at an anemic pace.) Some of those 1.1 million missing jobs are likely to return as businesses grow bolder, but others will never be back, victims of productivity gains, cheaper overseas labor and other structural changes in the economy.

Dietz, 43, regularly attends a local support group for out-of-work professionals and is taking a programming course to enhance his computer credentials.

## HEALTH CARE

The biotechnology and health-care fields could thrive as baby boomers near old age and demand quality medical care.

## TELECOMMUNICATIONS

The boom of the '90s appears to be over. Many technology and telecommunications workers have given up looking for work.

## MANUFACTURING

Output remains stable, but payrolls decline. Experts say many displaced workers may have to switch to service-sector jobs.

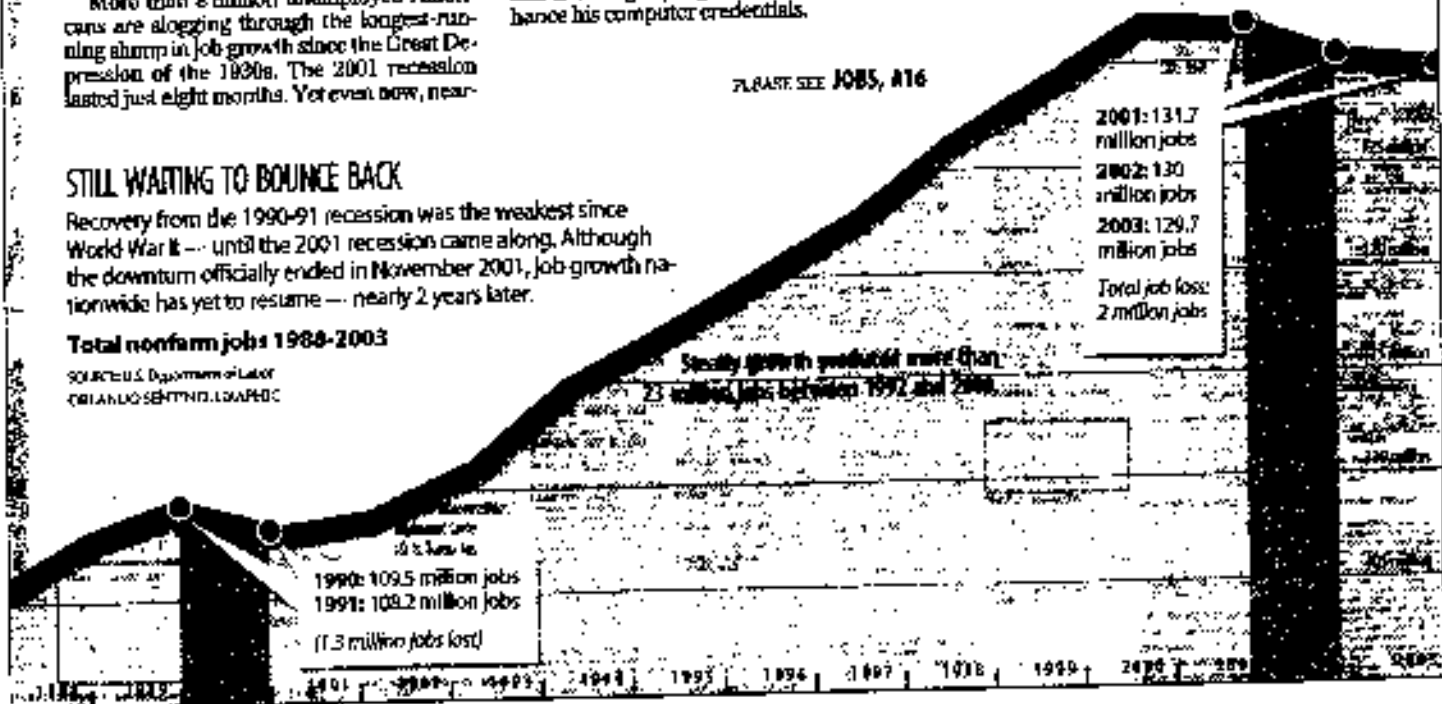
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## STILL WAITING TO BOUNCE BACK

Recovery from the 1990-91 recession was the weakest since World War II — until the 2001 recession came along. Although the downturn officially ended in November 2001, job growth nationwide has yet to resume — nearly 2 years later.

### Total nonfarm jobs 1988-2003

SOURCE: U.S. Department of Labor  
ORLANDO SENTINEL/LEAP/BOC



## JOB FROM A

"I understand what I need to do," Dietz said Friday during a meeting of ProNet, the support group. "I understand that a lot of what I've been through is the result of something that began happening in my industry three or four years ago. It just took till last spring to get to me."

Many other technology and telecommunications workers, who thrived when their industries — and the stock market — were booming in the late 1990s, have simply given up looking for work.

"The bubble burst, and many jobs simply went away," said Stan Geberer, an economist with Fishkind & Associates in Orlando.

Geberer and many other economists expect hiring to begin picking up soon, as businesses' inventories shrink and demand for products and services continues to grow. Earlier this month, for example, the National Association of Business Economists predicted that nonfarm payrolls would start growing again in the fourth quarter, at a 1.2 percent annual rate, followed by a 1.4 percent increase in jobs next year.

But weakness seems certain to continue in some sectors — technology, in particular. And in uncertain times, workers are finding it difficult to plan careers. For those such as Dietz, the path back to employment is filled with unknowns.

That may help explain the growth of ProNet, the support group that Dietz attends, which has expanded from an 11-member networking club formed in Tampa two years ago to a regional organization with about 3,000 participants.

### Technology castoffs

Many of the 50 job seekers who attended Friday morning's ProNet meeting in Casselberry are middle-aged castoffs of the technology industry. Peter Contardo, who

founded the organization, talked to the group about the need for personal change.

"What we're seeing here had been predicted for many years," he said. "We are seeing the demise of the midlevel, white-collar executive position."

He urged the attendees to be flexible and remain positive. But he acknowledged that even those who succeed in finding new work may not be completely satisfied.

"It's true the economy is starting to improve, but salaries are lower than they were," Contardo said.

Tightfisted budgeting reigns in the nation's boardrooms. Companies have cut payrolls while leaning on remaining workers to produce more. Longer workweeks and the introduction of labor-saving technology have helped push U.S. productivity to historic heights.

Most economists agree that rising productivity, driven by new technology in the workplace, and slow economic growth are key reasons for this so-called jobless recovery. The movement of manufacturing and services-industry jobs abroad — a phenomenon that began long before the 2001 recession — also is contributing to the jobs dilemma.

### Recession in disguise

For Americans in many industries, the current recovery looks suspiciously like a recession in disguise.

David Scott, an economist and professor of finance at the University of Central Florida, says very little separates this "sick economy" from a recession. Most of the credit, he says, goes to the country's historically low interest rates, which have stimulated home construction and allowed consumers to continue spending on goods and services.

"If it wasn't for that, we'd still be in that recession," Scott said.

The current jobless recovery has already lasted 21

months, compared with 14 months without job growth after the 1990-91 recession.

The U.S. economy needs a net increase of about 250,000 jobs every month to absorb the normal increase in the number of people who want to work, Scott said. At that rate, with the reported loss of 93,000 jobs nationwide in August, "I'd say we're about 350,000 jobs [a month] away from an economy that makes you happy — a fast-paced, healthy economy."

The nation's gross domestic product, which measures the value of all finished goods and services produced in the United States, rose at an annualized rate of 3.3 percent in the April-through-June quarter. That was up substantially from the 2.4 percent growth rate originally estimated for the quarter in July and from two previous quarters of lackluster growth.

But that still isn't good enough for Scott and other economists.

"I think it's going to take three to four quarters of real GDP growth in the 4 percent range or better before businesses feel confident enough to add full-time jobs," Scott said. The National Association of Business Economists' latest forecast calls for just that: The group's panel of experts now expects the GDP to grow at a 4.5 percent rate in the current quarter, 4 percent in the fourth quarter and 4 percent next year.

### Rising demand for temps

As the recovery gains momentum, companies will eventually have to add workers to meet growing production demands. A growing demand for temporary workers and outside contractors at some companies offers early signs that businesses may not have adequate staffs to fill rising orders.

Convergys Corp., which provides customer phone support and corporate-billing services from offices in Seminole

County, offers companies a quicker and cheaper way to increase or reduce their head count. Convergys says demand for its services has increased markedly in the past year.

"We help companies be more efficient so they can focus on their core business," said Michael Wellman, senior director of human resources.

That also means Convergys customers can ramp up their customer-contact operations without the expense of hiring full-time workers who might have to be laid off in short period of time.

That may be good for business, but not for the nation's middle class, whose standard of living depends on steady jobs with solid benefits. Workers in hard-hit industries have been forced to examine their career objectives and to make changes.

Matt Cichocki of Oviedo is among them. After six years with Delta Air Lines as a Boeing 737 captain based in Orlando, the 38-year-old Cichocki has started a new career as a commercial real-estate broker.

Unlike the many colleagues who were laid off last year as Delta and other airlines dealt with the post-Sept. 11 slump in travel, Cichocki didn't lose his job. He could still be flying. But for now he's out on disability, recovering from a chronic back condition. And if he wanted eventually to return to Delta, it would be at the lower rank of co-pilot, at about half his prior pay, and he would be working out of Atlanta, not Orlando.

Such terms didn't appeal to Cichocki, married and the father of two. He and his family want to stay in the Orlando area. So the real-estate career is looking more and more appealing.

"It's not easy, by any means," he said. "It takes you

three or four years to get established. And you're on commission from the get-go. But I've got a five-year plan. I'm hoping that, in five years, I can make as much, if not more, than I could make at Delta."

The airline industry has been hit hard by recession and terrorism. The nation's large, unionized carriers, already struggling to compete with newer companies, have been filing for bankruptcy reorganization and starting discount subsidiaries as they fight over fewer travelers. Like other troubled industries, the trajectory of recovery is far from clear.

### Experts: Changes healthy

While the unemployed — many of whom lost well-paying jobs — bemoan the sluggish growth, some economists say their pain is a consequence of a healthy realignment, as economic globalization shifts some jobs overseas while creating new ones here.

As employment falls among U.S. manufacturers — even as output remains relatively stable — displaced workers will have to switch to service-sector jobs.

"People spend more and more of their money on services," said Daniel T. Griswold, an economist and associate director of the Center for Trade Policy Studies at the Cato Institute, a conservative think tank in Washington, D.C.

"It's painful for certain people in certain industries in the short run," Griswold said. "But it's healthy and necessary for our medium- and long-term prosperity."

The optimists see new industries gradually assuming the role of economic engine that technology and telecommunications filled in the 1990s. Biotechnology and health services are often mentioned as candidates, as the baby-boom generation advances toward old age and new medical treatments emerge from recent breakthroughs in genetic science.

But the sanguine forecasts do little to comfort those caught in the here and now.

Jorge Peña, who graduated in May from the University of Central Florida with a degree in information technology, can't find work. He says the few jobs available in the field go to those with workplace experience.

"I have a couple friends who graduated a year ago and found jobs with no problem," Peña said. "But not now. When I started in computer science in 1998, it looked like the perfect field to be in. Now it's just depressing."

Peña, 23, is living with his parents while he looks for work.

"I keep applying for jobs every single day," he said. "It just seems that companies are being really cautious. I've applied for over 70 jobs, and it's beginning to feel pretty much hopeless."