

EIC Podcast - Episode 13 - Unemployment

Michael Donovan: [00:00:00] On this episode of the Evidence to Impact Podcast, we'll be discussing unemployment during the COVID-19 pandemic from experiences here in Pennsylvania, as well as broader implications, as well as how the challenges are different for different populations.

Today, I'm joined by Dr. Sarah Damaske and Dr. Mark Price. Sarah serves as Associate Professor of Sociology and Labor and Employment Relations at Penn State University. She also serves as the Associate Director of the Population Research institute, also known as PRI also at Penn State.

She is the author of the recently released book titled *The Tolls of Uncertainty, How Privilege and The Guilt Gap Shape Unemployment in America*. Mark serves as the associate director of research at the Pennsylvania state education association. I love to start with some introductions. So Sarah, would you start us off?

Sarah Damaske: [00:00:49] Sure. Thanks, Michael. So I'm very pleased to be here today to talk about unemployment in America and talk about findings from my new book, *The Tolls of Uncertainty*, which is out now from Princeton University Press.

Michael Donovan: [00:01:07] Excellent. Thank you. And welcome to the show. Mark, could you introduce yourself and say a few words about PSEA?

Mark Price: [00:01:17] Sure. Hi Michael, thank you for having me on the show. My name is Mark Price. I am a labor economist and I'm with the Pennsylvania State Education Association. We're the state's largest union representing teachers and other education professionals in Pennsylvania. I've worked about 16 years in public policy in Harrisburg on various issues, ranging from unemployment to now education and state and tax policy. And of course, my views here are those mine alone. Not those of my employer.

Michael Donovan: [00:01:49] Understood. Thank you. And welcome to the show as well. First question I have is for Sarah. There's really no one face of unemployment. Why is experience with employment or being on unemployment insurance considered to be negative? And now is that different for different populations? Could you discuss some of the stigma associated with it?

Sarah Damaske: [00:02:16] Absolutely. I think it's a stigma that is, um, rooted historically in the U.S., actually we could trace it back as far as our relationship to England, to the poor laws. Right. And, uh, think about how, um, for centuries we have thought of people who are out of work as being lazy or not motivated to work.

And instead of kind of understanding that they have faced challenges such as a loss of job, the, um, lack of work in their area, that there has been this idea that there was something kind of morally lacking in their character. And we see that in writings for hundreds of years actually. And that, um, that is a theme that has been brought forward to present day.

And then we see a lot in politics today. And I've found in my research and I talk about in my book, how people internalize that. So even people who were on unemployment who were receiving government benefits, talked about how they didn't really need help, because they didn't want to admit that they needed help because they felt that stigma so badly,

Mark Price: [00:03:35] You know, and I just like a follow up on that and, you know, We're one of the nice features of nice timing features. I'm sure it wasn't intentional, um, of Sarah's book. And what we're going through now is she conducted much of her work from 2013 to 2015, and then some followup interviews a year after that. And in that period, unemployment in Pennsylvania is around 6%. So it's, it's coming down. It's not quite full employment, but it's a much healthier economy in the wake of the great recession. And she's observing actual unemployed workers sort of giving you back these sort of negative stereotypes and of course, flash forward to now, right.

And we're seeing it very clearly, right. It getting conversations about unemployment insurance and the pandemic. Again, the pandemic's no one's fault. At least no one here. And, and yet. The extension of unemployment benefits, it just carries such an incredibly negative sort of stereotype. You know, people are getting too much money. They don't want to work is really, I think it's a nice sort of contrast, um, that Sarah's book gives to us to make us understand it's it's not, it's something ingrained within us. It's not a function of very high unemployment rates. It is really something sort of cultural.

Michael Donovan: [00:04:59] And Sarah, one really core theme that, that you pull on throughout your book is the dynamic around gender and differences around unemployment, the experience of unemployment for, for men and women, um, especially kind of in the context of families. So I'd love to hear more about that and how some of the features are unique.

Sarah Damaske: [00:05:23] Thank you. I think, um, I think one of the things that the pandemic has shown us is how much, um, gender matters. Um, and how, and we have really seen, uh, differences in women's and men's experiences and unemployment. Um, but when I was starting to write this book, the picture of unemployment was really a men's job loss and men's experiences.

And that dates back, I think, to the great depression, right? That we have these incredibly vivid images of the great depression, um, that are done by Dorothea Lange that, I think, depict unemployment for many people to this day, a hundred years later and there of men losing their jobs and their wives and children left behind kind of facing the consequences.

Uh, and one of the things I was very much interested in, it was kind of, well, what's that look like today because it's not, that's certainly not who's losing jobs or who's being unemployed. And, um, and one of the things that I found was that men and women really do experience unemployment differently, and it also matters a lot, um, their class background. So, um, people who are middle-class men, um, versus working class men for example, have very different, um, job loss and unemployment experiences. Uh, and when I say middle-class, I mean, people who, for the most part have a college education and are getting professional level jobs. So who are teachers or accountants or, um, in some cases really high-flying executives for their companies.

Um, they all lost jobs. I talked to people in all of those occupations, but then I also talked to people who we typically think of when we think of the unemployed. So I talked to people who had lost jobs on factory lines, who had been in, uh, coal mines. I had talked to steel workers, right? So traditional, very blue collar, Pennsylvania jobs that were lost.

Um, and those are the jobs that people lose in Pennsylvania, but they're not the majority of jobs that people lose in Pennsylvania anymore. And so I think it's really important for us to understand, um, kind of what, what the experience is like across the range of these different occupations. And, um, what I found, um, was that those middle class men that I was describing a minute ago, it's kind of high flyers as well, um, that they had a lot of advantages, um, before they lost their job.

And they brought some of those advantages in, um, and one of the, one of the things, um, that really surprised me as I was interviewing people was I had a question. That where I asked people how they felt after their job last. And all of the women are very many of the women and the most of the working class men were mad. They were upset. They described what one woman, one woman called the bitter feelings. They were pissed off. Someone told me, you know, they were really upset about their job last. But the middle-class men weren't, they were much less likely to describe these angry, upset feelings. And I was so interested to understand why, and it was because of these advantages.

So one, they were much more likely to have received a severance package from their employer. Um, they were so much more likely than anyone else I interviewed. And so they had, um, what I think we could think of as a parachute and everyone else got the boot of the door. And I think when you have a parachute out the door versus a boot, it's a lot easier to not feel quite as, as angry or as bitter.

And it also means that you're set up to have a better job search, because the next thing that I found out was that the differences extend to the unemployment insurance that you receive. And we know this right. We know that you receive half of what you were making on unemployment. Uh, when you receive unemployment insurance in Pennsylvania, Pennsylvania is about moderate compared to other states.

Some states are a little bit more generous. Some states are a lot less generous, so we're about middle of the road. Um, but when you're making, um, very little, um, you're barely making minimum wage, half of that puts you into destitution almost immediately. Whereas if you're a middle-class man and you have your severance, then you have half of what was a very good salary.

You are much better set to start your job search. And you also are more likely to have health insurance, um, either from your wife or to be able to afford it through, um, the, that severance that you have or through some of your savings. Um, which a lot of the women and the working class men didn't have. So we see this resource accumulation happened over the job.

Search process over the period of unemployment and this. Um, and as that happens, we see that some people are better able and better prepared to search for work and defined, uh, either jobs that were similar to what they had, or even better than what they had. Whereas some are not some find much, much worse work than they had had before.

Mark Price: [00:11:00] And, you know, really one of the really fascinating pieces of Sarah's book is you're reading these descriptions of the experience of these college educated, um, uh, professionals who have a spell of unemployment. They certainly deserve benefits. And you see that there, you know, some of them take time, right?

They, the unemployment experience is an opportunity for them to, to stop working right, and not look for a job. You see them. Choose not to take certain jobs, that to be picky. Right. And you, what you start to see is the pattern that we see in our political conversations, right? Where, you know, the complaint is people don't take the jobs that are available.

People are staying on unemployment, they don't want to work. And then you look at the other interviews that Sarah does with the workers who don't have a college education, um, who she defines as is working class and, and these litany of experiences where people are taking a job too soon, and they're taking the first terrible job they're given.

It's a bad fit. They're back on unemployment before, even the next day interview. And, and people basically doing what sort of the political conversation, right, is always that it sort of reverses. Cause it's often in the political conversation, it is the college educated white male, um, that is saying people aren't working hard enough. You're lazy. And I think, you know, in a way, you know, Sarah has given us a window into that psychology, right? They're sort of looking at the unemployment experience in the way that they might normally experience it, but not everyone does because not everyone carries into that experience, that sort of rich luggage of a severance package, health care, a spouse, who's going to pick up household duties, I think.

Again, that's another sort of wonderful thing to come out of Sarah's interviews, um, of these hundred Pennsylvania ones that women are picking up extra chores, right? They're doing more work and men, the middle-class men in particular are pulling back and not doing. And we've seen that pattern in the great recession as well.

And I think, you know, when you're thinking about how to change the world, the real, you know, gut of the challenge is getting people to understand that their individual experiences aren't necessarily what everyone else is, right? That there are people who have genuine needs that aren't being met by the unemployment insurance system and the sort of odd stereotypes that are based, not on reality, but really based on a personal experience that itself is sort of people don't recognize and see their advantages.

So I think there's a way to change the system and the hopefully the way is, you know, we get them to read Sarah's book, but, um, you know, people need to understand that, uh, you know, the unemployment experience is not sort of this, these odd, ugly stereotypes.

Sarah Damaske: [00:14:02] Thanks, mark. That is very generous of you. To extend on what you were saying, the other thing I would say about this middle-class men who take a little bit of time, you know, did a little fly fishing actually, before they start a startup, you know, we're here in central Pennsylvania.

We have some good fly fishing. I did interviews all over, but some people were well-positioned for that. and one of the things, that I think is really important to note here is that these, um, men who took this a little bit of time, then went back and found really good jobs for themselves and reentered the labor force at full participation levels and are now back paying their taxes like everybody else.

And so I think that the thing that people are most afraid of, even if people do it, which my research suggests that only a small fraction of the most privileged men do, they were the most likely to do it. Not the people that, that as mark points out, we've been afraid. We're doing it. Even if that, that, that the, that fraction then goes back and finds good work, right.

Which is what we want everyone to be doing, which is what we want then in employment, insurance compensation to do. And so I think that that is another key component that what we most fear is actually not coming true. It's not leading people to never go back to work because we live in a country in which people define themselves as workers.

They define themselves by their relationship to the workforce. For the most part, we are not going to create a system in which people do not return to work. And I think that's an important thing for us to keep in mind.

Mark Price: [00:15:40] You know, we'll probably talk more about this as we go, but, you know, in contrast to that experience, you know, that, you know, taking the time off, being selective about making sure there's a good match, those are all sensible things.

And they, they lead to happier people, and a more productive economy. Whereas in contrast you know, some of the women that, that Sarah interviewed yeah. Would provide health care for their family, but not for themselves. They try to save money by not covering themselves, or they would not get the medications they need.

Those are things that reduce their health and are going to have consequences for their wellbeing in the future. But I think what people miss is that a sicker worker. Yeah. Or someone that gets sick, they're making fewer contributions to the economy in the future. Right. They were all poor for enforcing really bad decisions on people.

Um, because you know, these sort of weird, um, stereotypes about how people behave when they lose a job.

Michael Donovan: [00:16:43] That really brings to mind, , around your discussion of a more productive economy, the potential for workers who have these cushions to, address their efforts into entrepreneurial activities that can really expand, be an engine of growth

so there's also that feature here that, there's a space for entrepreneurship to grow, and, and having the right fit as opposed to, addressing a need immediately is important. I do wonder if there are features of the pandemic induced recession that, are characteristically different from historical recessions.

And if you'd wanted to talk about that more on a macro level as well. I know that, from your work, Sarah, the particular timeframe for many of the interviews pre pandemic, but also post 2007, 2008, you discussed some of the historical features of our mental image of what, unemployment looks like.

But I wonder if you could just talk about what are some of the features of these recessions and these downturns that are unique and what can we learn from the current experiences?

Sarah Damaske: [00:17:51] Well, I think that the current recession obviously started in a different sector than we often see, and it spread differently than we often see it spread, although we did see it spread.

We also have seen the rebound happen, differently too. And it's happened differently in different states the states there is, um, been some good evidence out recently that suggests that some of the slower job growth is, related to differences in state reopening.

Right. The pandemic clearly shaped so much of what people were, were doing and wanted to do. And so another part of the recovery is, is that we may recover in different ways, right? Betsy Stevenson had a great op-ed in the New York Times this past week talking about, you know, we do things differently now.

Not as many people are going out to eat. Maybe not as many people will ever go back out to eat. It's just not clear what exactly how everything will recover. We do things differently. Now. I haven't stepped foot in a store and I don't know how long, right. Will I ever return or will I continue to online shop forever for my clothing? maybe, maybe not. So these changes in consumer patterns will have, an impact on how people return to work. And I think, we're talking about how the recession started. It was very clear, I think right away. I don't know if you felt like this mark, that it was very clear that it was.

To me that it was going to be women's jobs because so many of the sectors that were, being hit at first were ones in which women are more likely to be employed like hospitality. And so many of them were low wage work where women are overrepresented. And I felt like a little bit like chicken little, except I wasn't running around outside obviously.

Cause we were also stuck in our homes, but I was emailing reporters that I knew saying, I think this is going to be, you know, we called the Great Recession, a "Man-session." I kept saying, I think this is going to be all about women guys. And then I don't know, several months later, somebody ended up calling it as she session or something like that, which I think they deliberately called it because none of us could then say it. but it looked really different. But I think in, in some ways it has many of the characteristics of the great recession. Right. We see mass lay-offs see many people losing jobs all at once.

Um, which is different than how people lose jobs, not during recessions. And, so one of the things I would like to draw your attention to is the fact that when we are in a recessionary period with tend to think of, oh, unemployment matters a lot, and then it doesn't matter at all, but actually that's not really how people get laid off anymore.

And it's not how corporations think about lay-offs anymore. Corporations don't lay off people just when the economy is doing bad corporations, lay off people all the time, during good times and in bad times. And so it's really important for us to think about, our unemployment system as meaning our response to new corporate practices, not just during recessions, which is when all of our attention tends to focus on unemployment and on the unemployment system and we get all excited and we say, oh my gosh, we need to do something. And we put in these supplemental benefits, and we extend how long people are eligible and then the recession recedes, and we think we're done. And we go though, I'm washing my hands.

You can't see it on the radio. Um, and we're done with it. We don't care about these people anymore, but the problem is, is that lots of people keep losing jobs. Millions of people keep losing jobs about the same number of people lost jobs from the time the great recession ended to the time that the pandemic, recession started.

Right. But we didn't think at all about unemployment during that period. And so we need to really think about having a long term unemployment system solution, not just one, that it is a reaction, cause that's why we're in such a mess.

Mark Price: [00:22:13] And, again, to sort of promote Sarah's book one of the underlying themes that comes out of that is that what the unemployment experience, it's not just, you know, Joe with his lunch pail gets a layoff notice and he goes home and wait, six months to come back. That world is no longer with us. It is very much an experience that tends to really enhance the inequality that we see in the rest of our society. Right. That, that the inequality is

with us every day. It makes it worse or makes people more miserable. So, you know, just as we were talking earlier in the podcast about, you know, the differential experience between sort of, uh, college educated, white men and women and work other working-class men, uh, you know, their experiences as they enter unemployment, you know, women potentially are less healthy, right?

At the end, uh, women go without food, or their families go without food. You know, the economic stressors are greater for them. They have housing instability. The reasons so that we have to tackle the unemployment challenge beyond when a recession happens is that unemployment is sort of part and parcel of a way in which that our economy is not working for everyone that it's actually grinding up a lot of people in a way that's counterproductive, obviously for them, but it's counterproductive for all of us. Right? Cause nobody wins. If, uh, someone who might have otherwise been healthy and on the job, passes away, God forbid, or get sick and can't work. Right. You know, in this society that values and cares about work because work is its wealth. Right. And that is absolutely true. If you ignore the fact that we're killing the planet, but it's still vaguely true that, you know, we need more stuff to have more wealth and you need more people working and very much the way our system in part, because it's got caught up in these odd politics, it, you know, it designed these systems to not work very well. All right. The unemployment insurance system should be clear and transparent to everyone, you know, and, and Sarah, you know, one of her recommendations is that when she interviewed people here in Pennsylvania, they were unclear about. How much their benefits were, how long they were going to get benefits for. And those that lack of clarity have consequences, right? We all got bills to pay. I think about what's coming in, I think about what I have on my bank account. And if I'm wrong about what's coming in I'm in a worse off position, right? And unemployment insurance systems, because, you know, they've, there is this inevitable back and forth where these bureaucratic rules create layer upon layer whose sole purpose is essentially to limit participation, right? Because again, the worst possible outcome in this crude stereotype is that, you know, we want to encourage people to work more working better economy. But when we layer on these rules, it actually leads to behavioral changes, right. That make the economy worse off than it would otherwise be, right.

Sarah Damaske: [00:25:25] I think the other thing to think about is that it's not just that the workers and the unemployed are worst off in that short term or in the immediate follow-up, but that we could imagine that there could be long-term consequences because of some of the choices that they're having to make.

And that some of the things that the women that I met were doing, for example, it was one of the things that I was very shocked by. It was that some women were not using their inhalers. They had stopped getting their inhaler prescriptions, and this is because without insurance, inhaler, prescriptions can be upwards of five, \$600 a month.

So it was very prohibitively expensive and, and they would borrow neighbors if they had a, an attack. And I just couldn't imagine not being able to breathe and having to call a neighbor or run to a neighbor's house to, to get the inhaler that would give you the ability to breathe again. And so the women who were doing this, they were giving up inhalers.

They were not taking their cholesterol medicine. They were not taking their blood pressure medicine. Um, one of the women ended up hospitalized in between the first time I interviewed her and the second time, because she was trying to ignore a problem, trying to ignore a problem. And then it turns out she shouldn't have ignored that problem. Right? And so these are things that can have short-term and long-term consequences for women's health and for our economy, right? If we then have to care for these workers health as they age, and they are aging in poor health, because they have had periods of time when they couldn't care for themselves.

Michael Donovan: [00:27:05] Right, so we have these long-term health effects, which then are incredibly deleterious to our economy down the road but are very hard to measure as well. We've, to this point, discussed multiple industries, multiple sectors. Would like to zoom in a little bit to a population that is near and dear to your work, Mark, particularly educators in Pennsylvania, the membership of PSEA. I'd love to hear from your perspective, some of the pandemic induced changes that are being felt and that you're forecasting.

Mark Price: [00:27:40] Sure. You know, I think, uh, earlier when we were talking about the nature of recessions and, you know, as social scientists every recession, like our children is special and, um, you know, they do though, at least when they're close by, they build on each other.

So I think in the case of educators here in Pennsylvania, um, one of the unfortunate side effects of the previous recession, the great recession. Which up to the pandemic was the worst we've experienced since the great depression in the ugly politics that followed. And that wasn't just unique to Pennsylvania, but it was really a nationwide phenomenon. You know, teachers took a beating, and the field lost, uh, I would say a fair amount of prestige, um, from a political environment that was pretty angry and that had an effect coming out of that great recession of really, it's not the only, but it dampens, uh, enrollment of new students in teacher training program.

So Pennsylvania institutions of higher education, which train our members. Um, they're turning out fewer certificates, in the last several years. ed fuller at Penn State is, has done some very good work illustrating the way in which the teacher pipeline really, you know, there's, there's fewer people flowing into the field and that has a little bit to do with sort of that loss of prestige sort of making teachers the enemy. Um, and remember, there's also a gender component here. You know, teachers tend to be women. And, and it has a lot to do, you know, how dare we pay teachers more money. And, you know, those are just women tending children. And you know, that Sarah was talking about earlier that that sort of stereotype lives in our society and it pops up every once in awhile.

And so the teacher pipeline has, has, you know, there's less throughput and then the pandemic hit. And certainly, you know, we have seen some anecdotal evidence that, um, you know, teachers who were in a good position to retire. I mean, teachers like anyone else, you know, the retirement decision is not an easy one. And so those are complicated decisions, not easy ones, but there's certainly some teachers, you know, took that opportunity to step away from the field at a time when they being older, maybe even having some illnesses that were likely to lead to death, right, as a result of COVID-19 infection.

And so you have retirement, which again, you got to replace them with a, a much smaller pipeline of, of educators. And so that really, I think is the, the main effect beyond just the thing we all felt right. Which was just, it's a scary time to have a pandemic. And suddenly teachers are trying to run a classroom over zoom.

Um, you know, and, and those are all traumatic experiences in and of themselves. But I think, you know, thinking about the policy issues that are involved, sort of the aftermath of the great recession and combined with the pandemic really has exacerbated this problem of, you know, recruiting teachers is, is a little harder.

Um, on average, across the country, uh, you know, a woman who takes a job in teaching will earn about 20% less than her counterparts in, in, in non-teaching fields. Right. And that's, that is a long-term trend. And, and it's a pattern that also tends to depress entry into the field. And you layer on top of that, that if you go to college these days, you're going to rack up a big student loan debt.

And so it's not surprising that the profession doesn't, attract as many folks as it used to just because, you know, you, you're making a choice. I got a big student loan payment. You're going to pay me what, um, where I can go get a job in the private sector and earn a bit more than that. So it makes it a tougher proposition.

So I think it's hard to describe the sort of global nature of the impacts of the pandemic. And I think that's probably the biggest policy challenge that we face.

Sarah Damaske: [00:31:52] Yeah, I think Mark has so well summarize some of the political challenges that educators have faced in the last decade. I wanted to add on two points, one that one of the things that we have seen as we've seen the recovery that we're seeing, the recovery happens slower for teachers, both in schools and in childcares that it's been some of the slowest recovery in those, in those two areas.

And I think that's important to note one that the slowness in schools, states and local areas have a smaller tax base because we've just been through a massive recession. So they've been laying teachers off and they haven't picked

that back up yet. And the second is an for childcare they have had all these new rules and they have much smaller number of children that they're allowed to have in the classrooms now because of spacing. And so even though they're reopened, they're reopened in different ways and they haven't rehired everyone. So there are two areas where it employs a lot of women where we really are not seeing anywhere close to replacement, to bleeding back where we used to be. I realized that it would be important to point out that the politics also affected how generous we were with our unemployment insurance, that after the great recession, you would think we would see this total devastation that was, as mark said, the worst since the great depression and think, oh, we should help people out more, but that's not what we did. What we did was we actually, in many states slashed unemployment. Before the great recession, all states gave 26 weeks of unemployment insurance . And as of 2020, there were some states that give us as few as 12 weeks. So we actually did exactly what we did to teachers with our unemployment insurance. We became less generous with it.

Mark Price: [00:34:00] Well, maybe link up with some of the threads earlier in the conversation, you know, when you're thinking about the differences in this pandemic recession from the previous, um, it was bigger. Um, absolutely. Uh, you know, we have unemployment rates approaching 20% in, in March, April when basically you have a combination of people scared. And so when you're scared, you don't go out, you know, I'm going to sit in a restaurant you don't purchase, you know, or if you do purchase, you know, you're getting the ups guy to bring the stuff to you. Right. Um, but you also have government restrictions on, you know, restaurants can't be open workplaces, need to follow certain rules and all those things combined make this a sort of a very deep, radically, worse, recession, but in a shorter window, it was unemployment rates have now fallen quite a bit as the economy recovered. And we're starting to see a faster pickup as more and more restrictions that remained again that have sort of a gender component to them just because. You know, it's, uh, probably Sarah's next book, right? Why is it that all of these occupations caring for children, teaching children, food service, a laundry service at a hotel, these are all female occupations, right? And the pandemic just happened to hit this sort of sweet spot where there's all this social interaction that suddenly has to stop because it might kill us. Um, you know, that's a coincidence, but it's a coincidence interacts with the way in which our society is organized. And that in itself, I think is very interesting.

Michael Donovan: [00:35:38] I'd like to turn our attention to the conversation around minimum wage and wage stagnation. Mark, do you want to start us off here?

Mark Price: [00:35:53] Well, you know, I think you can think of the changes that really we're talking about. You know, they're all, you know, like social scientists, they're all interrelated, right? When you think about the failings of the unemployment insurance system, you know, it's quite clear in, in Sarah's work and, and, and in others that, that childcare is a huge problem. If you're, if you expect a worker to go and find another job and they have children, they need childcare and childcare is prohibitively expensive, right? Because we do not have a system of publicly providing childcare. And when you think about the healthcare challenges, right, we don't have a system of publicly providing healthcare.

And so we built these awkward systems. We tried to sort of fix them and we in these moments of opportunity. So, you know, the affordable care act we have, thanks in part to the great recession, right? It had the effect of sweeping out a previous, you know, uh, dominant Congress and president and putting in a new group and they pass new laws and, and those led to, of course the reaction we're still sort of dealing with. The minimum wage is, is part and parcel of that discussion. You know, as the, as the unemployment insurance system, uh, the unemployment insurance system used to be more generous in most states. Um, it is only over time that legislators in various states, including here in Pennsylvania, have layered on more and more rules that limit participation.

And we're going through another round of that. Um, and, and particularly, you know, we're going to face, you know, discussions of, you know, unemployment insurance funds. Do they trust funds that they have enough money in them? Maybe we should cut benefits again. Right. And so that's a, it's a downward trajectory.

Minimum wages is the same part of that story. Um, you know, the minimum wage in 1969 at its peak. Got you just about half of the wage of a full-time full year worker. So really it it's about half of a middle-class lifestyle. Um, and today. The minimum wage gets you about a third of a middle-class workers wage, right?

And that decline isn't a function of technology, a function of nature. It is a function of Congress and the President agreeing less often. So the periods between minimum wage increases have stretched out. And when they do finally agree. So maybe you have a Democratic president and a Democratic Congress.

The minimum wage increase that gets passed is, is much more modest than what used to get passed, which helped get us to the high peak in 1969. And all those things sort of have combined right to make life a little more miserable for a lot of people. And we would argue, um, you know, in, in a contradictory way, right?

It, it, it serves no one to have wages that are so low that you can't afford rent food, health care. Because you know, again, the basics of life mean healthy person, right. And a healthy person is a productive person and, and they're going to make contributions to the economy. And if they don't have enough, if they don't earn enough and if they lose a job and they don't get unemployment insurance, they get half their poverty wage.

That's not a sensible policy. So I think when you thinking about wage stagnation, when you're thinking about the shortfalls in the safety net, whether it's childcare or health care, they're all part and parcel of a broader sort of societal trend. And that is that we have struggled in the United States to come up with rational policy that, that understands that, you know, people have lives that include children and that include children's development includes, needs different types of interventions.

And we just have struggled to get there. We get the little steps, you know, children's health insurance, CHIP, you know, we get the Affordable Care Act. We, we take little steps, but there is sort of a broader sweep of a campaign to try to fix some plug as many of those holes as we can. And it's a big menu of changes.

Sarah Damaske: [00:40:11] Exactly on, on point in describing kind of the, this transition where we kind of a elongate time through which bills don't get passed and the minimum wage, the value of the minimum wage, just declines. Uh, I would add that I think the other, um, the other thing to think about is that the CARES ct that we passed last summer gives us an opportunity to think about what it could be like when we are more generous and, and the evidence that's coming out is that it's actually really great, um, that it was really good for the economy.

They've kind of bolstered the economy at a time when the economy really needed it. And it was very good for workers as well, that the unemployed workers who are getting supplemental benefits reported being much less financially distressed than the unemployed workers who weren't getting it. Right. So it did its job. It did exactly what we'd want it to do. And I think that it, um, it gave us a chance to be more generous with each other. And I really. Want us to be able to hold onto that. Like, I think that there is, um, this polarization that we have in politics today, um, where we move away from that generosity too quickly. And, um, and when I, when I talked to, um, the people that I met, they were from all walks of life as I've described their occupation, but they're also from all walks of life in terms of their political affiliation. Um, and, and I think that, um, one of the things talking to them taught me is that they would like to be more generous with each other and they would like someone to be more generous to them, they would like someone to reach out to, to be able to, to extend a hand of generosity. And I think they don't know how to do that anymore. And I think that we need to think about how to have a conversation about where this generosity starts, how we start to have conversations about thinking about the cares act as a spark of generosity that we had with each other, that we have now shown did many wonderful things for people and how do we continue that conversation?

Michael Donovan: [00:42:31] I really see as a really valuable contribution to frame, generosity in our safety nets as really investments for a future return versus a stigmatized handout. I think that's really an important way to reframe the conversation. the challenge of course, for social scientists, practitioners, in this space is to try to measure that, that ROI, how to really, understand the returns on that. That kind of draws me into my next thought: Sarah, you

representing the academic community and, and Mark, you representing our kind of non-governmental, practitioner, domain as a representative of, our Commonwealth's, education workforce. How can these two sectors that sometimes speak different languages, have different, incentive structures, trajectories, and training. How can they all work together more effectively and more efficiently to, to improve this environment? Any number of these challenges that we've discussed today? This is kind of a, an ongoing question that we, we try to pose to our guests, who represent different sectors. I'll open that up to anyone thinking about how do we better improve data, on different populations, that can then inform some of these, preventative interventions or understand how to be more generous. Any thoughts?

Mark Price: [00:43:58] I'll do one for Sarah actually. Um, you know, her research project really is grounded in state data, right. She worked with a state agency to get permission, to contact unemployed workers and, and do some interviews, which are incredibly useful, right. Because you know, the way we can sort of have these conversations and it's, it's a gloomy thing, right? It's oh my God, we don't have childcare healthcare. The world's coming to an end. Everything is terrible, you know, 15 years ago in a totally different world. Um, marriage equality, right? Wasn't, wasn't a thing. It was, it was a highly polarized, difficult issue, and even through to the Obama administration, people forget that and now, as divided as we are in the many different ways we are, that is a settled issue. Right? And, and, and I believe in my heart of hearts, one of the reasons it's a settled issue is because majority of Americans suddenly discovered, oh my God, these are people. These are my neighbors, my kids, my cousins, my friends, and that links back to Sarah's research because that's the more beautiful aspects of, of what she's done, you know, economists and sociologists will do these, you know, very aggressive, empirical work, looking at databases, checking as many boxes as they can.

They can't possibly provide the rich detail that, that, that Sarah's analysis does. Right. And in the ways in which she peels apart, how one life experience. Unemployment experience is very different than another. And, you know, she is able to capture that, you know, those middle-class men bring into the experience, a set of, a luggage of opportunity that other folks don't have. And that is sort of a way of making people understand, right. Turning the lights on as soon as they discover, oh my God, these are people, right? These are, these are my neighbors, my friends, these are people I like, not people I'm scared of. Um, or, you know, that just are different talk funny, right? All that stuff. It really comes down to getting academics, you know, access to the information and the data. They need to do their research and then putting it out. And, you know, I think Sarah is a wonderful example of, of doing that work. All we have to do is get, you know, 300 million people to read the book or listen to this podcast.

Sarah Damaske: [00:46:32] Thank you. This is very kind. I think it's a tough, really tough question. And I'm glad Mark took it first cause it's one that I struggle with because we do, we spend all this time working and I hope writing a book that is meant for a public audience, right. That we, that we want to translate our research to a wider audience, but then how do we get it to impact? How do we get it to, um, to influence policy is I think a hard question and, as you both know, Mark, actually, made the introductions that I needed to start the research to get the ball rolling on this project. And so I am forever grateful for that. And I think that kind of, for me, one of the things I did, I've written some reports for them on, kind of the, the book's findings, but I think it needs to go further than that.

And I think that is one of the ways in which I feel, a bit stymied to be very, very honest about it. And I think one of the things I'm working on some op-eds and there is some nice coverage of the book in the New York times and on CNN and the BBC. So there. In some ways in which the book is making, um, a bit of an impact, but I think kind of, kind of how to have that consistent dialogue I think is harder. And so I think that figuring out how to have that consistent dialogue is a really important thing for, for researchers, because we don't want to just be doing our research, especially when we do research, that is about, important policies. We don't want to just be sitting in an ivory tower. Well, you at home, can't see me, but I sit in my office basement that has a window. Um, but it's not much, there's no ivory tower for me, but we don't want to stay there. We want to be able to reach out. We want to affect change. And I think this is such an important question for us to ask and to continue to ask.

Mark Price: [00:48:29] You know, and I might, I might add that, um, academics are too hard on themselves. Don't tell the other academics I said that. Um, uh, policy change is difficult work and it's not work that's done. Well, it, it is in a way, you know, when you get a power shift, right. And, you know, you got a new president and a new Congress, then the lights are on and we're go. And the question is, when we're go, right, did we come armed with the right policy? And I think we, this moment, when this pandemic hit and we were go, I think a lot of important changes were made, and those changes, inevitably, it can be traced back to the academic work that gets done to defend policy, right when you're having a debate about whether unemployment benefits should be more generous, you do have to sort of interact with the research literature. Some of it is terrible, but you got to point out why it's terrible. And so I guess I would say the relationship between academia and government and good change it's, it's healthy. I would say in, in the sense that when people are fighting over these changes, we are fighting with the research that gets done. And, and so, and Sarah's research is helpful in sort of contextualizing the experience in a way that, you know, a simple economists paper on whether unemployment leads to longer search just can't capture. And, and it just looks terrible in contrast, but they're both helpful and, and they help push us so that when the go moment comes, change happens. I think when you're thinking about getting government to work better with academics, I think my feeling is much, same way about the change in marriage equality, uh, in views about that government has sort of slowly come to the realization that data's important and, and testing policy change is important and useful. And so I think there is more of a spirit than when I started my career of, of trying to find ways to help academics do their work and, you know, not get anyone in trouble in a particular institution. So I hope that's a positive sense that I think that academics do a good job. It is just that policy change involves politics and social conflict that is sometimes very difficult to unwind. And, you know, we need paid family leave in this country, and we don't have it. And it's like a 40 year campaign to get it. That's depressing in a way, but it takes time to sort of convince people that this policy is a good thing, and it helps that the state of Washington now has a paid family leave program. And guess what? Academics are digging into that data to sort of see what what's happened. So I actually have a very rosy sentence again, don't tell the other academics who listened to this podcast, but I think you're doing a good job,

Michael Donovan: [00:51:34] Much appreciated, Mark. Part of that also is about, maintaining and establishing durable relationships, across the sectors, which, which I think is a social scientist. I think you can see the value of relationships and behavior, right? It's a vital thing. I think that, , what, you, uh, have, have done, I think is, uh, is a testament to that.

Mark Price: [00:51:56] No, thank you. And I think you're absolutely right. It is really about, you know, researchers listening to what advocates need or, or even what policymakers think they need. Sometimes advocates are nuts. Sometimes policy makers are nuts. Sometimes academics are not, you just have to accept everyone in the room is sometimes nuts and you find ways to work together.

Michael Donovan: [00:52:20] I do want to give each of you the opportunity for any closing thoughts.

Sarah Damaske: [00:52:25] I really enjoyed being here so such a delight to chat with mark and, and with you too, Michael, thank you so much. I think that one of the things that we didn't get a chance to talk about that I do talk a little bit about in the book is that I think that how race matters and it's not something we've touched on here. But it is a very important component of the pandemic unemployment situation that we know women of color have been some of the hardest hit.

And one of the things that I found, um, and I had a really small sample. I talked to not a ton of people, but more than one of the women of color that I met reported, um, having been fired under discriminatory circumstances. And this is something that, that we see a lot actually, that there is good evidence for in the national level of data. And, and so , it's an important topic that we didn't cover. And so I thought that I would return to it because I think that thinking about how to , how to solve the unemployment crisis also, is tied to, I think, thinking about how to solve, some of our racial injustice issues, because I think that that is partly where we get stuck when we, when it comes to being generous. And, and I think that until we think about that and, really, Figure out how, how to move forward, that,

that it , will be hard to fully solve both problems. So I think that's an important, important thing to make sure we, we discuss.

Mark Price: [00:54:04] And that actually gives me an opportunity to say something which, you know, I think it's hopefully useful. You know, we were talking earlier about that go moment when you know, the stars align and policymakers are in the position to make a decision and do they make the good decision and thinking about this pandemic? Um, one of the things that sort of merged in this broader trend of, you know, making unemployment insurance, less generous, you know, decreasing the purchasing power of the minimum wage.

If we would get an increase in the social safety net, it would be designed in a way to be exclusive. So a good example is the Child Tax Credit. And, you know, I think a lot of times some of the folks on the team let's expand the social safety net thought, oh, well, Hey, this is a chance for me to hang out with Orrin Hatch.

And we can say we did something good together. And I think one of the more positive things that came out of the last sort of two and a half years is there was a realization that those policies were crafted with the explicit intent often of excluding minorities. Right? So when you're thinking about the issue of race, when we got to the goal moment of we're going to do a child tax credit, and boy, we're going to blow the doors off, we blew the doors off in the right way.

And specifically the old system. If you're a child and there's another family across the street, but that family has a working income, they get the tax credit. Your same child across the street, your parents don't have any, working income. They don't get the tax credit. I mean, just thinking about that for a moment, right? Juxtaposing two children, essentially the same, except, you know, the circumstances of their parents is slightly different. One gets a broad sort of source. That's going to lead to better nutrition, better outcomes in life. And another just doesn't because their parents didn't have any working income.

And that, that was the way in which policy went for, you know, several decades. But when the go moment came, folks had worked hard to make it very clear. This has racial implications that are unsustainable and untenable and you just can't do it. And we didn't do it. So I take that as one of the positive things about the nature of race. It doesn't deal with the larger problem that we have a society that has some racist in it but you know, the realization that a lot of policies have been designed with a racial intent helps us improve those policies in a way that ultimately list people's welfare.

Sarah Damaske: [00:56:43] And the same as to, for unemployment insurance, right? There's an economist at Rand who, came out with some research last year that showed that the more prevalent, people of color were in a state population, the less generous the unemployment insurance was in that state. And so I think it's, it's very clear that this is how some policies are designed and it needs to be central to how to how we address them, the systemic racism in our institutions

Mark Price: [00:57:14] And for people listening at home, that's Kathryn Edwards at Rand. Great economist..

Michael Donovan: [00:57:23] And that is a very good point, Mark. Thank you. We will be including in our show notes, detailed information on some of the topics we've covered and sources, as well as of course, a link to Sarah's new book. Well with that, I do want to thank you all, , for covering quite a lot of ground today on a very complex set of issues, really, really appreciate your time and your expertise.

I'm leaving this conversation hopeful. I hope that you are as well. just to remind our listeners, as we conclude today, I'm joined by Dr. Sarah Damaske and Dr. Mark Price. Sarah is a Associate Professor of Sociology and Labor and Employment Relations at Penn State, as well as Associate Director of the Population Research Institute. She also is the author of the recently released book, *The Tolls of Uncertainty: How Privilege and Guilt Gap Shape Unemployment in America*. Mark serves as the Assistant Director of Research at the Pennsylvania State Education Association, PSEA. Thank you both so much for your time today. , very much appreciate your expertise and wisdom.

Sarah Damaske: [00:58:30] Thank you, Michael. Thanks Mark.

Mark Price: [00:58:33] Oh, thank you, Sarah, for writing the book and congratulations, and thank you, Michael, for having me on it. It was a great experience.

Sarah Damaske: [00:58:38] Agreed.