

UNITED STATES

In the Short-Term, Change Likely; In the Long-Term, Change Guaranteed

In January, the percentage of the 15 million unemployed people in the United States who have been unemployed for more than 27 weeks rose from 39 to 41 percent. This figure is up from 22 percent in January 2009 and has averaged below 20 percent for almost all of the last 60 years that the statistic has been kept.

Although it's not necessarily true, these long-term unemployed are often considered to be less desirable workers, older, less educated or less skilled. The unemployment rate for those 25-years-old and older without a college degree has exceeded 15 percent for the last two quarters, while unemployment for those with a bachelor's degree or higher last month retreated from 5 to 4.9 percent.

If nothing changes, the long-term unemployed are in for a lengthy fight back to steady work and the middle class.

Fortunately, everything always changes.

In January, the U.S. Senate found the votes to pass a jobs bill that waives 2010 Social Security taxes for employers hiring workers previously unemployed more than 60 days. While the incentive is small, just 6.2 percent, it would strike at the heart of the long-term unemployed population.

"Around the globe we are seeing governments working on initiatives to stimulate not just economic growth, but specifically job growth," notes Tony McKinnon, president of **MRINetwork**. "While for most workers there might not be a difference between the two, it is a very distinct shift in battle lines from a year ago when keeping the economy from literally imploding was the main challenge."

Beyond changes in government policy, an aging global population is still the biggest change on the horizon for both the job market and the economy on the whole. Around the world, countries are seeing the beginnings of the population shift as baby boomers work their way through the system.

"To be fair, these are issues that might not be important today, and might not even start to be important for another few years," says McKinnon. "But for HR professionals who have at least 10 to 15 years left in the business, this is going to be the main challenge for the rest of their careers."

According to the Congressional Budget Office, over most of the last fifty years, the size of the population over 65, as a percentage of those between 20 and 64-years-old, remained about the same. It rose from about 18 to 21 percent, even sliding back slightly over the last few years. However, in the next 15 years, that figure is going to skyrocket to 30 percent. While many such long-term statistics are just estimates, these figures are based on people who have already been born and can only be changed by massive shifts in mortality rates.



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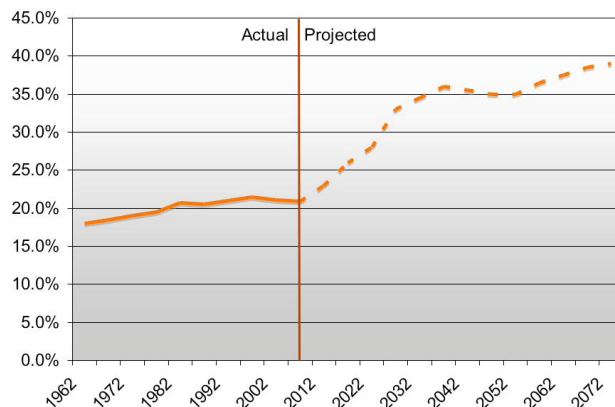
Are you ready...?

"The service sector grew for the 2nd straight month in February and shed jobs at a diminished pace, a sign the U.S. economic recovery is building momentum."

Source: The Wall Street Journal

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Population Ages 65 and Older as a Percentage of the Population Ages 20 to 64



While the population boom has slowly, naturally waned in the U.S., China is facing a more severe challenge as its one child per family policy has, according to Chinese officials, reduced its 1.3 billion person population by more than 250,000 in the last 30 years. While the policy excludes areas like Hong Kong, the city has still felt the effects and is one of the few places in the world that, despite the global recession, is experiencing talent shortages in a variety of industries.

"For younger workers, who today are entering what feels like a closed job market, the demographic shifts mean that careers which are off to a slow start will see faster acceleration in the future," notes McKinnon. "For employers that plan to be around for the next decade, as much as they may be consumed by the current economic crisis, creating talent management strategies that will sustain their business as labor availability tightens will be of increasing importance."