

the new JOB

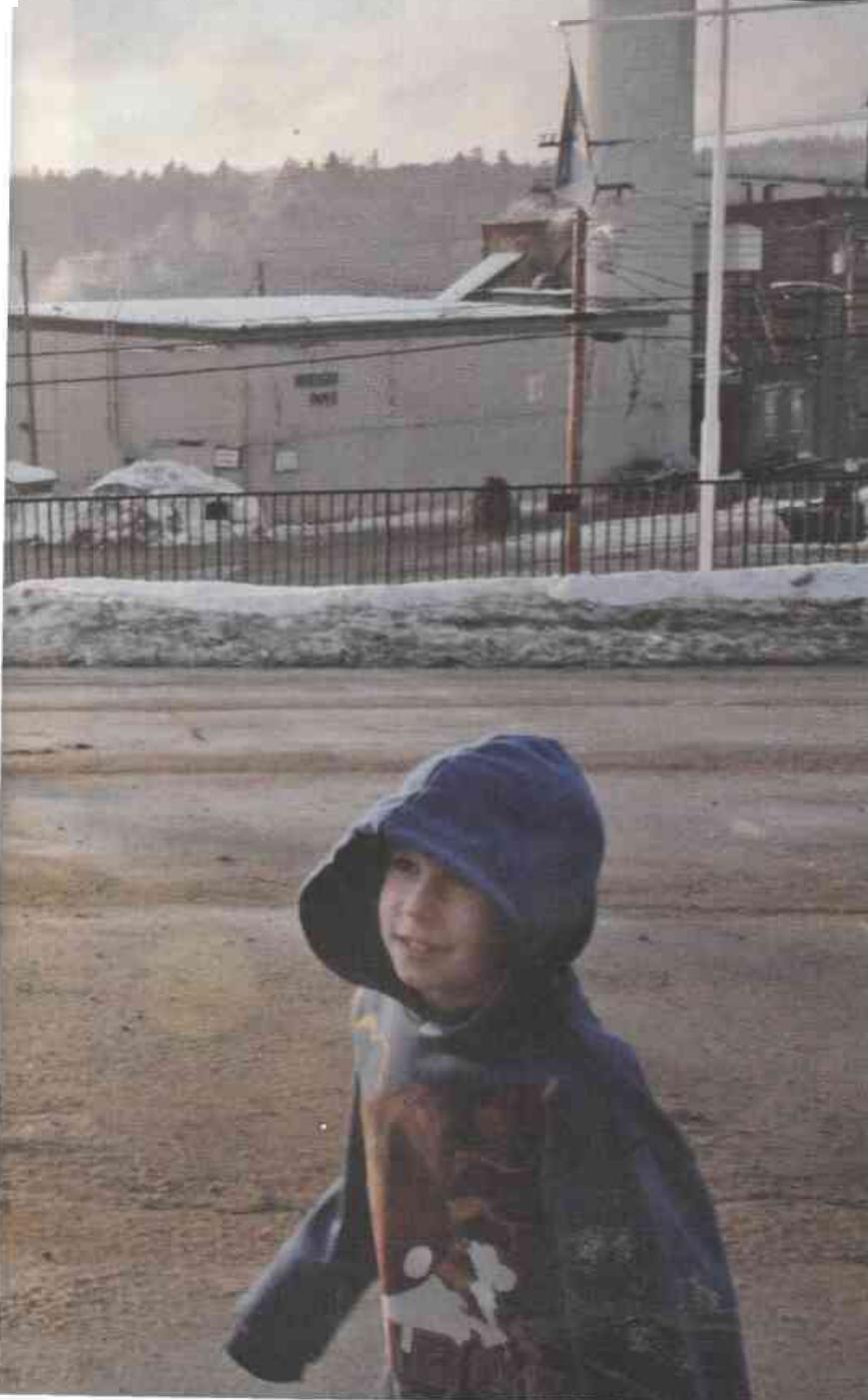
CORY CLAPSADOLE
WITH HIS SON DAMIEN,
7, NEAR THE MAINE
PAPER MILL WHERE
CLAPSADOLE WORKED
FOR A DECADE.
TO READ HIS STORY,
SEE PAGE 47.

LESS

COULD THIS BE YOU? THE RECESSION IS THROWING MILLIONS OUT OF WORK. WHAT THE NEW JOBLESS CLASS CAN TELL YOU ABOUT WHAT IT'S LIKE OUT THERE.

**BY JENNIFER REINGOLD WITH
JOAN CAPLIN AND BETH KOWITT**
PHOTOGRAPHS BY ANTONIN KRATOCHVIL

THE NUMBERS are staggering, especially because the tallies are being measured in human beings: Caterpillar (20,000 layoffs), Alcoa (15,000), Boeing (10,000), Pfizer (8,300), and tens of thousands more. The toll of jobs lost in the U.S. since the recession began is heading toward three million. Unlike previous downturns, this one is not confined to the tech or manufacturing sectors. It is the Equal Opportunity Recession, winding its way into every corner of the economy. To put faces on the numbers, *Fortune* interviewed dozens of jobless people across the U.S. We feature many of their stories on these pages. They are old and young, rich and poor, from rural Maine and urban California. They are your neighbor or your nephew. Or they are you. They may be from radically different backgrounds, but these job seekers have a few things in common: frustration, fear—and resilience. They want to work. They have treated unemployment as a full-time job in itself because they have learned that in the end, they have only themselves to rely on. Here are their stories.



WHERE THE PEOPLE FEEL LIKE SPARE PARTS

Annette Ison, 48, Barbara Philpot, 50, and Michele Scales, 52, of Dayton

In her final weeks as an assembly-line worker, Barbara Philpot spent an entire summer just sitting and waiting for her time to run out. "My last day was Aug. 31, 2007," recalls Philpot, a 22-year factory veteran, "but they had already closed down the facility. All we did was sit in an auditorium and sleep or play cards. It was depressing. They gave us a lunch our last day for everybody who was still there, a fried-chicken lunch. Who wants a piece of chicken when you know your demise is coming? I'd rather have had the \$5 it cost."

Philpot and her former co-workers Michele Scales and Annette Ison had collectively spent almost six grimy but gratifying decades in the factories of Dayton, where they worked for auto-parts maker Delphi (spun off from GM in 1999). Philpot ran a giant welding machine, Ison worked on the line, and Scales had just finished training to be a factory plumber. They never thought they'd be the last of their families to work at the plants, but GM's decline accelerated more quickly than anyone imagined. In 2005, Delphi filed for bankruptcy protection. By the fall of 2007 the three women were spare parts.

"Dayton has always been an automotive city," says Ison, "but it's becoming a dried-up town." In Moraine, the suburb where the three women worked, the community is ebbing as well. Thirty-year-old family restaurants are closing. Foreclosure signs are spreading like cracks in a sidewalk. The women still feel resentment from others who remember when Delphi was part of the GM gravy train. "I get so tired of people thinking that because you worked at GM, life is so great," says Philpot. "Life is a day-to-day struggle now. I used to love my job. I wish every day I wake up that I could punch my clock and do my eight hours. I never, ever dreamed it would end up like this."

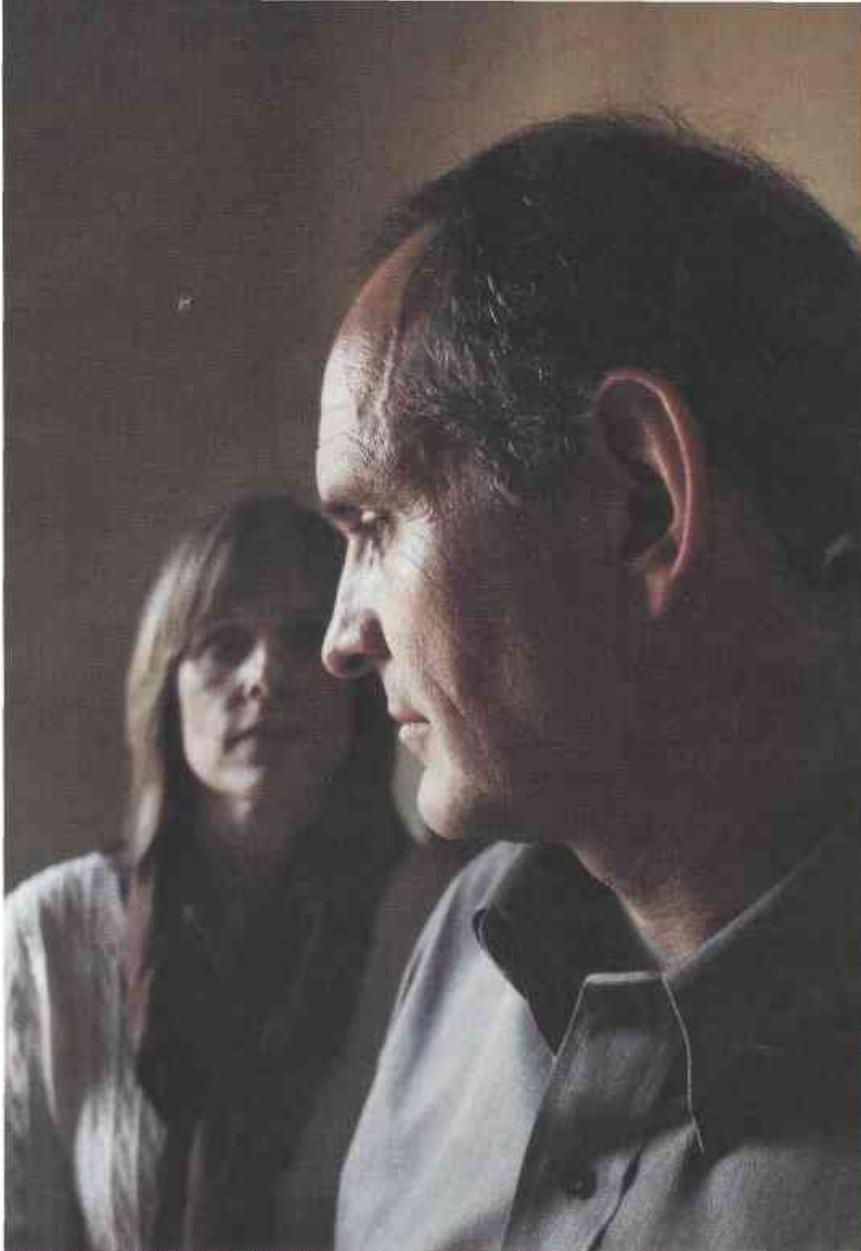
Former Delphi union employees do have some benefits. With unemployment and supplemental pay, they'll receive health care and about 70% of their hourly wages until 2010. They also get money to go to school. But there have been misunderstandings, particularly about the terms of the severance. All three women mistakenly thought they were entitled to more money. They didn't understand that they had to go to school to keep collecting unemployment, and didn't know there would be restrictions on what

they could study. Bad enough they'd been laid off. Now they had to take midterms?

"The last time I was in school I had ovaries," says Scales, who has undergone 21 surgeries in the past five years due to complications from a mastectomy and hysterectomy. Scales had just finished her training in May 2007 when she was told she'd have to help pack up the company's equipment. "I shipped my job to Mexico," she says. Scales' experience is in industrial, not residential, plumbing, and she says there are no industrial jobs out there. Now she's hoping to land a management position in plumbing by completing an associate's degree. Unable to get funding for that, Scales took out a student loan. "I'm in foreclosure. I don't know how long I can stay in my house. That's another thing that makes it hard to study. I feel like my life is depending on this."

ISON, SCALES,
AND PHILPOT
(FROM LEFT) WERE
SKILLED WORKERS
IN A DEVASTATED
AMERICAN INDUS-
TRY: AUTO PARTS.





DILLON, WITH HIS WIFE, KATHRYN, SAYS THE WORST THING ABOUT BEING UNEMPLOYED IS THE SENSE OF POWERLESSNESS.

A CAREER COUNSELOR TAKES HIS OWN ADVICE

Greg Dillon, 49, Marietta, Ga.

Even before times turned bad, Greg Dillon volunteered at career centers and his church to help people write resumes and strategize about jobs. It was a satisfying way to share his skills as a training and development specialist. So today he doesn't need to read the papers to see the impact of the recession on his Cobb County neighbors. "It's the worst I've ever seen," he says, noting that the last Cobb Job Seekers meeting he attended had 40 people instead of the usual 15 to 20; a local career group sponsored by the Society of Human Resources Management has also doubled in size.

Dillon is now in the odd position of having to take his own advice. Last Nov. 10, the day before his 49th birthday, he was laid off from Forum Co., the second time he'd lost a position in the previous 18 months. "Unfortunately for me, I know what to do in terms of being unemployed," he says. "It's kind of like the Hair Club for Men. Now I'm a user too."

For a long time Dillon's career had been all about stability. After working at the Randstad staffing agency as a national learning manager for seven years, he had decided to

try something different, so he took a position in August 2006 at an Atlanta-based diversity-training company. In retrospect, it wasn't the best time to make a move. Eleven months later, in July 2007, he was let go because of slowing business. "I had wanted to broaden myself a little more," he says. "But it wasn't anything like it is now." He soon found the job at Forum, where he worked for just over a year.

Dillon is anxious, but hopeful he will find something soon, ideally in academia. There is a promising job at a local university, but he can't be hired until the job has been posted—and it took several frustrating weeks for the listing to appear. He has had other good interviews, but everything seems to be on the slow track. "I'm in a strange kind of limbo state," he says. "I feel like I have stuff out there, but I'm not yet solidified enough to feel at peace."

The worst thing for Dillon is the sense of powerlessness, even as he knows that others are in the same situation. "It's a double-edged sword," he says. "You don't take it as personal because it's affecting everyone, but at the same time those other people are also competing against you for jobs." Ultimately he relies on his family and his church, the North River Church of Christ, for support. "I'm supposed to be learning something here about perseverance," he says.

Forum gave Dillon four weeks of severance. But it doesn't go very far with three daughters, one of whom just started college and would have had to move out of the dorms if it weren't for the generosity of relatives. His wife, Kathryn, has a drapery business, but customers are being more cautious about spending. And the transmission on the family's '93 Nissan Maxima just died. "I donated it to charity," he says. At least someone will benefit.



LOOKING FOR LIFE AFTER LEHMAN BROTHERS

Anthony Singh, 51, New York City

It's not easy going to a job interview when the first item people see listed in your "experience" column is a name synonymous with financial disaster. "One of the things I've discovered is that having Lehman on your resume is not a good thing," says Anthony Singh with a slight smile. Singh, who worked as a Lehman vice president in capital markets, was laid off in January 2008, eight months before the company's collapse. But that doesn't matter much to people who see the resume and ask, only partly joking, whether he caused the downfall of the free world.

When he arrived at Lehman in early 2007, Singh was excited to be landing at a blue-chip firm that was practically printing money, and remembers being pressured to decide whether to take the job. "They said, 'We need an answer right away. Are you with us? Are you onboard?'" Once on the job, however, he became frustrated with the lack of communication between units. When he was laid off after just nine months, he attributed it to a mismatch of personalities rather than a portent of doom. "There was no writing on the wall," he says.

Singh loves his work. He has an MBA from New York University as well as more than two decades of expertise in revenue and cost management for banks—figuring out which parts of a business are the most profitable when all costs are included. But embattled banks are consolidating and laying off tens of thousands of workers. They aren't spending a lot on the types of long-term analytics at which Singh excels, no matter how much they may need to. "There's not much hiring," he says. "But I think companies are being penny-wise and pound-foolish."

So for the past 12 months, Singh, who is single, has spent a lot of time in his Manhattan apartment, working out with weights and watching old movies like *Casablanca*. He

SINGH, NEAR HIS APARTMENT IN MANHATTAN, RECALLS HOW EAGER LEHMAN WAS TO GET HIM ONBOARD: "ARE YOU WITH US?"

has also finally had the time for hobbies like researching his family tree. A native of Guyana who arrived in the U.S. with his parents and seven siblings when he was 13 to escape political turmoil, he has discovered that he's part Indian, part Chinese, part Scottish, and part Irish. He had hoped to travel the globe doing research, but those kinds of expenditures will have to wait for now. While he's confident in his abilities, he freezes—just for a second—when asked whether banking may be changing so drastically that the opportunities for him are diminishing. "I hope not," he says, before wondering aloud whether, say, agricultural businesses might be able to use his skills. "I like Florida..."

SLEEPLESS NIGHTS AFTER THE MILL WINDS DOWN

Cory Clapsaddle, 37, Jay, Maine

While so many Americans were overreaching during the boom years, Cory Clapsaddle appreciated what was right in front of him. He wanted to follow in his dad's footsteps, working at the local paper mill and raising a family in the home he grew up in. "If it was good for my father, it was good for me," he says. Clapsaddle was patient, working construction and odd jobs for seven years. Finally, in 1998, he took his place among the 235 workers at the century-old mill owned by Wisconsin-based Wausau Paper. He had faith in its durability. "It seemed like a mill that could never die," he says. For ten years he thrived there, turning paper pulp into everything from masking tape to writing tablets.

Then the real world intervened. A few days before Labor Day last year, Wausau Paper announced it was shutting down one of the two giant papermaking machines in Jay and laying off about 150 people, citing "difficult market conditions." "It's going to devastate a lot of personal lives," town manager Ruth Marden told the local *Sun Journal*. Clapsaddle's was one of them. Since finishing that last 11 P.M. to 7 A.M. shift, Clapsaddle hasn't slept well at night. "It's always on my mind," he says, "the whole big picture. Looking for a new job, losing a job, bills. The whole picture."

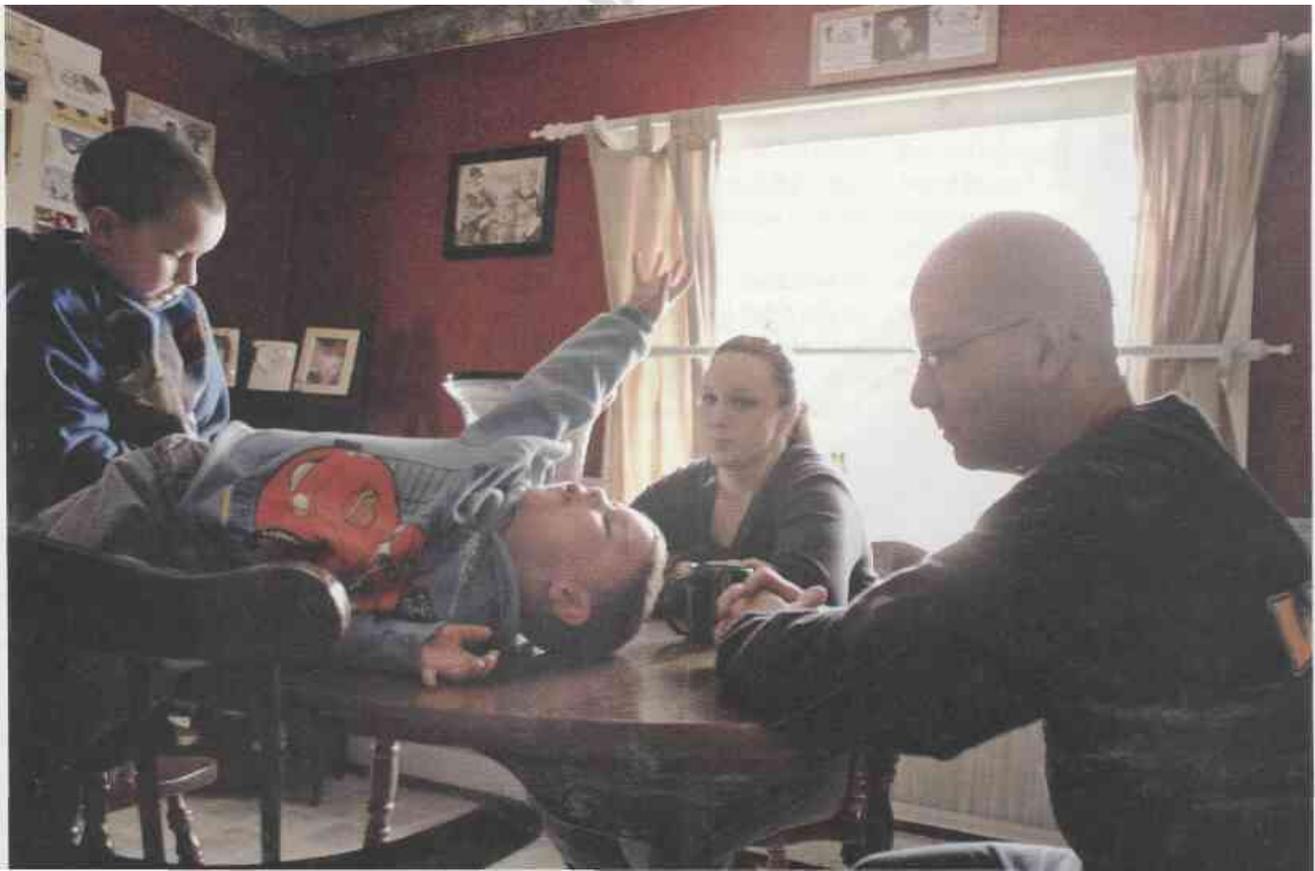
Clapsaddle doesn't have a cushion beyond his severance package of \$10,000. Two years ago he and his wife, Amanda, bought his childhood home in nearby Livermore Falls to make room for their two boys, ages 4 and 7—and their mortgage quadrupled to almost \$1,000 a month. He gets \$344 a week in unemployment benefits. They've cut costs by reducing cellphone minutes and using their wood-burning stove instead of heating oil.

Clapsaddle is only gradually adjusting to the idea that the mill is no longer part of the family's future. He still has the wooden basket his dad used to carry his meal to work every day. "It hurts," he says, staring out the window at his sons playing in the snow. "You drive by and know you'll probably never drive in again, and that someday it won't be there at all." But leaving central Maine will be the family's

CLAPSADDLE, WITH HIS WIFE, AMANDA, AND THEIR SONS DAMIEN AND KORBYN (ON TABLE), COLLECTS JUST \$344 A WEEK IN BENEFITS.

last resort. Jay (pop. 5,000) is the kind of place where an out-of-state license plate turns heads. It's far enough north that locals consider a few inches of snow a dusting. The Clapsaddles don't yearn for the Sunbelt.

What now? Clapsaddle has thought about going back into construction. He'd like to be a full-time firefighter, but he doesn't think he can compete with the younger folks coming out of school. He didn't make the cut on the law-enforcement test, but he might retake it. In the meantime he has enrolled in a heating and air-conditioning course in Scarborough, an hour and a half away. A federal program will pay for his tuition, books, and travel. At this point he just knows he has to make a move. "It's coming down to the wire," he says. "I need to do something."



AN ODYSSEY OF DOWNWARD MOBILITY

Diana Mackey, 62, Sparks, Nev.

If you'd told Diana Mackey a few years back that she'd be working the night shift as a temporary sorter in an Amazon.com warehouse, she probably would have laughed out loud. With a long career in human resources for the likes of Ernst & Young and Cambridge Technology Partners, Mackey, 62, had been able to raise two children on her own, buy herself a few homes, travel, and save for retirement. But she lost even the Amazon job after just four days, let go for not being fast enough on her feet. A stream of corporate rationalizations, mergers, and plain old bad luck has left her jobless, frustrated, and open to anything that will help her and her boyfriend pay the mortgage on his condo in suburban Reno. "It's hard to believe that no one wants you now," she says. "It's hard to deal with that. But we're survivors."

Mackey, a native of Columbus, spent many years shuttling between New York and Ohio, recruiting new hires for Ernst & Young and rising to the position of senior manager. She moved to Claremont Technology Group, which went public and netted her enough cash to finance a move to San Francisco and a job with Cambridge in 1997. From that point she suffered a long decline in earning power. She joined two dot-corn startups, both of which went under. Looking for a fresh start, she moved to Sparks with her boyfriend, John Corbin, in 2002 and landed a job in HR for a telecom company, working her way up to \$90,000. But the company was bought by Sprint, her job functions were relocated to Sacramento, and she was laid off. She landed a \$70,000 job recruiting for Round Table Pizza that lasted 16 months, until management merged two regions. She knew what would come next. "The assistant manager wanted to meet me for breakfast on the last day of the month," Mackey says. "I said, 'You're going to let me go.'"

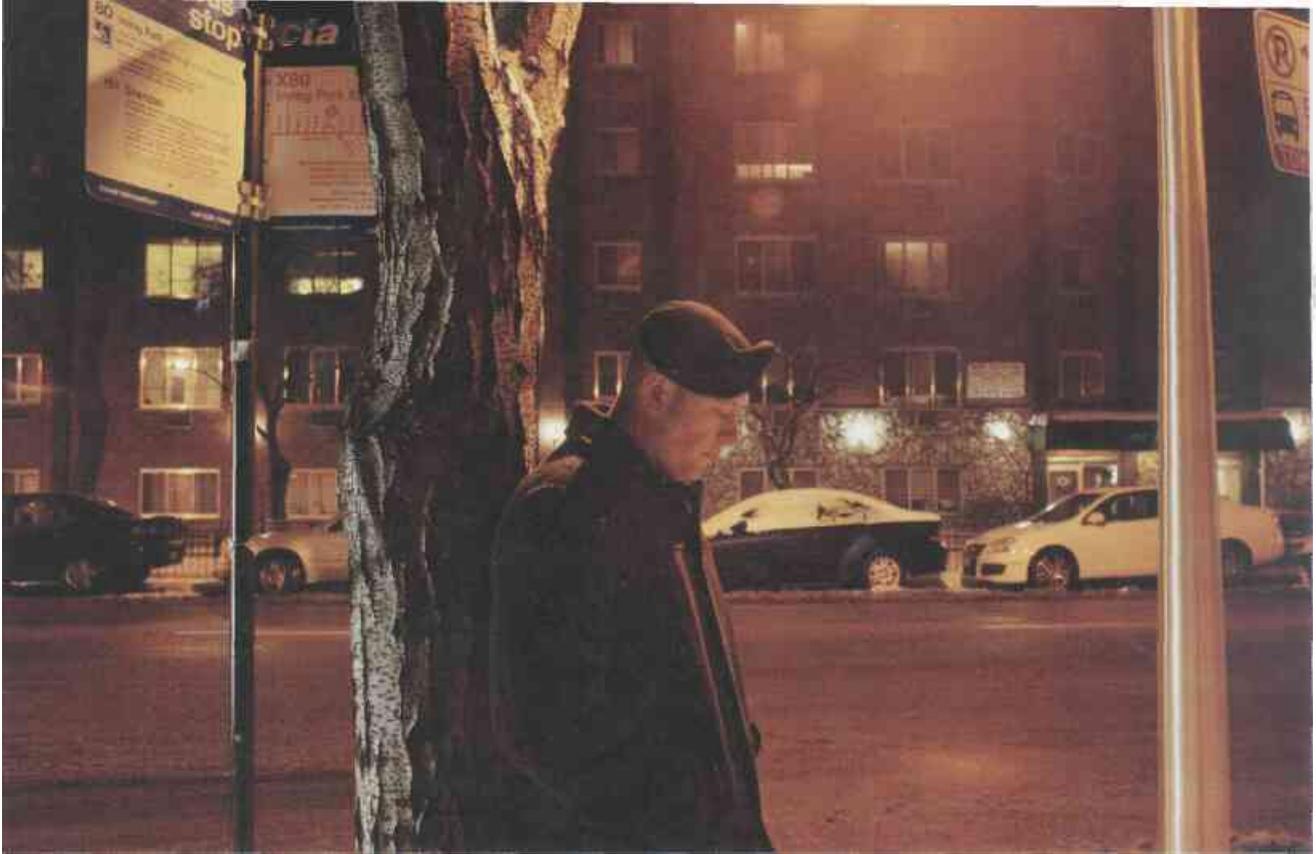
Since then Mackey has been caught up in a job search that she says is even more difficult in a place like Reno, with a lot of transplants and few large companies. Career-counseling sessions, she says, are "like 100 unemployed Go-year-old people in a room looking at each other." She recently endured a series of nine interviews with a medical company, only to be told that it had decided not to fill the position. Mackey volun-

MACKEY AND HER BOYFRIEND, JOHN CORBIN, LASTED ONLY FOUR NIGHTS IN THEIR TEMP JOB WORKING FOR AMAZON.COM.

teered for the Obama campaign; then, out of money, she and Corbin decided to take temp jobs at Amazon. They lasted only four grueling nights.

Today Mackey is getting \$362 a week in unemployment and has reluctantly decided to start collecting Social Security (for less than she would have had she waited until 65). The couple feels trapped, unable to sell the condo because of the glut of foreclosures in their neighborhood. So Mackey has started selling off possessions on eBay and living an unfamiliar lifestyle. "I used to go to Costco and load up on steaks and chops," she says with a hint of self-deprecation. "Now we go to Wal-Mart. I got 75 boxes of Hamburger Helper on sale." She keeps a careful spreadsheet of every grocery item she buys and which store has it at the best price. It saves money—and, she says with a weary wink, keeps those technical skills fresh.





BACK FROM WAR BUT FIGHTING FOR A JOB

Adam Schulz, 28, Chicago

Adam Schulz's online-networking profile says it all: "Combat veteran searching for job in Chicago. Strong background in leadership under pressure in hostile environments." It's a good thing Schulz has this kind of experience, because the streets of the Windy City are feeling almost as mean as those of Baghdad—at least when it comes to finding a project management job in technology or defense.

A 2002 West Point graduate with a 3.47 GPA in information-systems engineering, Schulz, 28, stood out at school and on the battlefield. He did two Iraq tours, one in 2003 and one in 2007, as a platoon leader and an executive officer, respectively. In between he was selected for specialized leadership training and was an aide-de-camp for a one-star general in Germany. In Iraq he helped reduce attacks in his area by some 90% on his first tour and trained a local police battalion in his second.

It was during that tour that one of his best friends from West Point was killed by a sniper. Schulz took a one-month leave and eventually decided to exit the Army in March 2008. Since then his civilian job search has been a nonstop losing battle. "I've gone to multiple interviews where I felt like the next step was going to be an offer; they call and say they love you. And in about a month or two they come back and say they really wanted you, 'but because of current economic situations ...' It's happened about six times now," Schulz says.

A Louisville native who likes snowboarding and watching ultimate fighting, Schulz has connected with search firms that specialize in placing military veterans, like the Lucas Group, and says he has applied for more than 200 jobs on CareerBuilder and Monster in the past year—with, he says, "absolutely no response." Believing that he'd land something quickly with so much real-world experience, he bought an apartment last May. Now struggling to pay the mortgage, he's doing some bartending and temp work and has joined the National Guard. He's also considering going back to school for a joint MBA and master's in engineering management.

SCHULZ DID TWO TOURS IN IRAQ AND HAS A DEGREE IN INFORMATION SYSTEMS, BUT HE'S STRUGGLING TO PAY HIS MORTGAGE.

Schulz is confused and frustrated by the fact that his accomplishments in Iraq haven't found him a home in the business world. Some companies, like APP Pharmaceuticals, have focused on his lack of industry experience, but he thinks leading a platoon in war gives him a kind of outlook on life that most employees will never know.

"The greatest aspect that leaders bring to the table is the ability to be adaptable," he argues. "You're just given a bunch of people to be in charge of and told to figure it out. That's what I try to express to companies." Most perplexing of all is that Schulz thought he'd done all the right things. "When you're at West Point, everybody tells you that if you do decide to leave, you'll have so many possibilities you won't know what to do with them," he says. They didn't count on an economy like this one.



A PIG FARMER'S LAST TRUCKLOAD

Norlin Gutz, 56, Storm Lake, Iowa

Out in Storm Lake, Iowa (pop. 10,076), pigs outnumber humans by about 18 to one. For 36 years Norlin Gutz raised 50,000 piglets annually on a farm first settled in the 19th century by his great-grandfather. Gutz was one of the few remaining independent pig farmers in an increasingly corporate industry. But on Jan. 11, Gutz loaded his last 1,500 pigs onto a truck. Norlin Gutz is bankrupt.

"What caused it is the feed costs," he explains, "and what started that was the unleashing of the ethanol industry. If there had been some type of a gradual phasing in, maybe we could have adjusted. But it was *bam!* It's just been devastating for the industries that use the corn." While the price of corn has dropped over the past few months, in 2007-2008 the cost per bushel rose from \$2 to \$7. At the same time, a glut of pigs led to lower prices per head. Gutz says that at the bottom of the market, he got \$10 for a ten-pound baby pig that cost him \$30 to raise.

In March 2008 the bank Gutz had done business with for almost seven years asked him and his wife, Becky, to come in for a conversation. "We were nervous," Gutz recalls. "We knew we had trouble paying bills. We just prayed that we would accept whatever happened." The loan officer confirmed their worst fears—that there would be no more financing—and Gutz began the process of liquidation. He slowly let go his dozen employees, sold his farm equipment, and fattened his baby pigs to a 260-pound marketable weight, selling them for whatever he could get. He became a statistic, one of the 900 pork farms that the USDA estimates have disappeared since 2006.

He also started suffering from severe headaches. "The doctor asked me if I was angry. I was surprised. I said, 'I may be disappointed in myself, but I'm not angry.'" Eventually the headaches stopped. But the second-guessing has not. "I was trying to find a niche by using an older facility at low cost," Gutz says. "But it wasn't a very efficient facility. The bank doesn't even want it."

On Dec. 2, Gutz declared bankruptcy; 18 months ago he had a net worth of \$1.3 mil-

GUTZ, WITH HIS WIFE, BECKY, AND SON RYAN, WENT FROM A NET WORTH OF \$1.3 MILLION TO BANKRUPTCY IN JUST 18 MONTHS.

lion. To make ends meet, the farmer has been taking care of pigs for other people. In November, Becky hit the books so that she could renew the nurse's license she hasn't used in 30 years while raising five children and helping out on the farm. Successfully recertified, she accepted a job in a nursing home in January. "Once you've had your heart tore out," says Gutz of his wife, "it's hard to get enthused and go back into it. She's looking forward to something new."

Whether he will also try something new remains to be seen. "I grew up in this business," says Gutz, who was once recognized by the state as a Master Pork Producer. "I don't have anything else I can do. You feel like you've let your wife down, your family, your parents, you know? And you feel like other people are talking about you. It's embarrassing. This was my whole world."

FROM YAHOO TO LAYOFF IN INTERNET TIME

Melissa Daniels, 24, San Jose

At her age, Melissa Daniels can't conceive of life without the Internet. One of her most vivid childhood memories is of agonizing about choosing her AOL screen name, at the age of 8 (she settled on mndkid, using her initials). So when a manager at Yahoo offered her a position as a community manager in May 2008, Daniels leaped at the chance. Little matter that the company was already in turmoil, having just rejected a takeover bid from Microsoft. It was the kind of job you don't turn down, the modern-day equivalent of one at 1960s General Electric. "It's always an honor to be asked to work for a company like that," she says. "It definitely sweetened the deal."

Thrilled with her team and her role as a liaison between Yahoo users and its product teams, Daniels didn't focus much on the day-to-day struggles at the company. But when the layoffs came in December only seven months in, she was less shocked than disappointed. "It wasn't something new, like a black cloud of smoke descended," she says. "I was never angry. But I was more sad than I thought I would be, because I loved my job and everyone I worked with. You cry about puppies and family members, not over jobs."

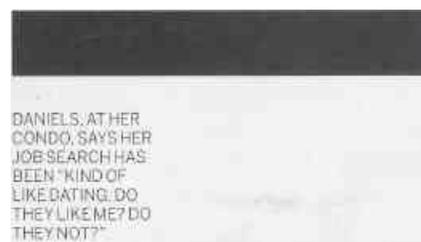
For Daniels, this is an unwanted pause in a life that has been on fast-forward. At 22, she earned a master's degree in communications management from the University of Southern California, writing her thesis on user-generated content and viral media. At 23, when she

took the Yahoo job, she bought a condo in San Jose with some help from her mom. By 24, she had already been downsized. "I didn't really know what you do in a layoff," she says. "Logistically I didn't even know how it worked."

Now the self-proclaimed "digital native" is using the tools of her generation to find her next job. She networks through LinkedIn, posts on Twitter, and keeps a blog (new2oldmedia.wordpress.com) where she comments on happenings in her industry. And now she looks at every company with a more skeptical eye. "The big thing for me is stability," she says. "I just don't want to be laid off again." Daniels has had almost a dozen in-person interviews, several with the same potential employer. Nothing has panned out yet. "It's kind of like dating. Do they like me? Do they not?"

Perhaps because of her youth, Daniels remains highly confident. She says she won't take a pay cut unless it's for the perfect job. Daniels also knows instinctively what so many older people have experienced: that being young—and relatively inexpensive—gives her an edge. In the meantime, she lives cheaply. Besides her mortgage, her only bills are her utilities and a manageable student loan. And while she once loved to buy clothes, she's learned to window-shop. "It's okay to hang out at someone's house and watch *Lost*," she says. The hardest thing, given what she calls her go-go-go personality, is the downtime. "I hate sitting idly by," she says. "I can't stand it. Sometimes weekends were too long for me. So a month and a half with no work is, like, are you kidding?"

It helps, too, that she still feels passionate about her field. "I wanted to do something that really interested me," she says, "because I thought it's always better to do something that you love as opposed to just doing something that pays the bills." It would be nice, though, to have both.



DANIELS, AT HER CONDO, SAYS HER JOB SEARCH HAS BEEN "KIND OF LIKE DATING: DO THEY LIKE ME? DO THEY NOT?"