

Career today, gone tomorrow



Steve Tirrell has moved on since being laid off in 2004 by Hoover Co. The former chemical engineer is a financial planner and has started a children's party service. He says he wished he'd done it sooner.

Hoover's exit from North Canton is just another example of uncertainty faced by middle-class workers in Ohio, nation

By David Giffels
Beacon Journal staff writer

He's looking for the safari pinata.

It's somewhere on these shelves in his basement, amid an ordered jumble of pink feather boas and papier-mache treasure chests, hula hoops and green-rimmed star-shaped sunglasses.

He's looking for a colorful example to explain what he's up to these days, a phrase in a question asked often in North Canton - *What are you up to these days?* - where a lot of midcareer professionals find themselves grasping for an answer.

Steve Tirrell has an answer. On this day, he's in the final details of leasing a storefront space near Chapel Hill Mall, to move his burgeoning kids party franchise - Andy's Parties - from his basement in a quiet suburban housing development to a more visible headquarters.

He's also busy preparing for World Laughter Day, which Stark County observed in early May with a kids event - face painting, balloon animals, a drum circle, Philbee the Clown - and where Tirrell, a chemical engineer with a substantial resume, directed kids crafts and hoped some of the parents would hire him to put on a birthday party.

Steve Tirrell can tell you how his life came to this, in the sense that he can relay the sequence of events, beginning with Sept. 1, 2004 - his 40th birthday, the same day he was laid off from the Hoover Co.

He can tell you that with three children in grade school, the thought of uprooting to continue his engineering career was not an option, and the prospects of continuing it here, despite a technical background in plastics in a region that calls itself "Polymer Valley," were unrealistic.

Please see Hoover, A4



Bosses join the unemployment line

Analysis finds management positions cut more than any other job group

By David Knox
Beacon Journal staff writer

Solemn-faced men and women uprooted from assembly lines, now standing in unemployment lines - that's the traditional portrait of laid-off workers.

It's no longer an accurate picture of the jobless in 21st-century Ohio and in the nation.

That's because the biggest losses aren't among production workers anymore.

Today more jobs of bosses - from chief executives to supervisors on the shop floor - have been wiped out than those of any other occupational group, according to a Beacon Journal analysis of U.S. Bureau of Labor Statistics data.

Consider the numbers:

- More than 163,000 management jobs of all types were eliminated in Ohio from 2000 through last year.
- The loss is a 27 percent decline - meaning more than one in four of all management positions in the state have disappeared in less than a decade.
- That total is nearly 40 percent of all jobs lost - by far the most for any occupational group. Production jobs - the next hardest-hit category - make up less than 30 percent of all jobs gone.



The promise of advanced-technology jobs failed to materialize: Employment in high-tech industries has declined substantially, both in Ohio and nationwide, since 2000.

The immediate impact of so many management jobs vanishing goes beyond the raw counts because these positions typically pay far better - the average pay is nearly \$67,000 a year - than most occupations.

Please see Management A6

TO FIND THE ENTIRE SERIES, GO TO OHIO.COM - <http://www.ohio.com/news/16959911.html>

Is the American dream dying? If so, what can we - ordinary citizens, business and community leaders, and public policymakers - do about it?

E-mail comments to middleclass@thebeaconjournal.com or mail them to Middle Class, Akron Beacon Journal, 44 E. Exchange St., Akron, OH 44308-1510. Responses must include a name, address and contact number.

Marriage for gays returning to political forefront

California court's ruling points out big differences among states, candidates

By Christine Vestal
Stateline.org

The California Supreme Court reignited a political wildfire with its ruling legalizing same-sex marriage in the most populous state in the union, but the issue already has been played out in more than half the other states.

More than four years ago, Massachusetts' first-in-the-nation decision legalizing gay marriage sparked a political backlash that resulted in voter-approved constitutional bans on same-sex weddings in 23 states. Four states already had such bans.

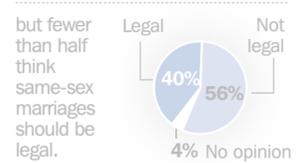
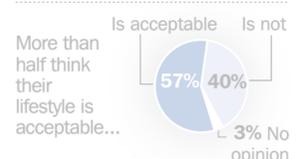
This year, voters in three more states - California, Arizona and Florida - could consider similar bans.

In addition, high courts in three states - Maryland (2007), New York (2006) and Washington (2006) - already have ruled against gay couples' claims that matrimony is a state constitutional right. Two other courts, New Jersey (2006) and Vermont (1999), ruled that same-sex couples have the right to the benefits of marriage, but not

Please see Gay, A10

Feelings about gays, lesbians

Results of a recent poll on U.S. attitudes towards homosexuals:



Source: Gallup Poll telephone interviews with 1,017 U.S. adults, May 8-11, 2008; margin of error: +/- 3 percentage points

McClatchy/Tribune

Some Chinese blame quality of buildings

Thousands of children killed when schools fell in quake; accusations fly

By Jim Yardley
New York Times

DUJIANGYAN, CHINA: The earthquake's destruction of Xinjian Primary School was swift and complete. Hundreds of children were crushed as the floors collapsed in a deluge of falling bricks and concrete. Days later, as curiosity seekers came with video cameras and as parents came to grieve, the four-story school was no more than rubble.

In contrast, none of the nearby buildings were badly damaged. A separate kindergarten less than 20 feet away survived with barely a crack. An adjacent 10-story hotel stood largely undisturbed. And another local primary school, Beijing, a "key" school catering to children of the elite, was in such good condition that local officials were using it as a refugee center.

"This is not a natural disaster," said Ren Yongchang, whose 9-year-old son died inside the destroyed school. He stood beside the rubble, shouting and weeping as he grabbed exposed steel from a broken concrete column. "This is not good steel. It doesn't meet standards. They stole our children."

Please see China, A12



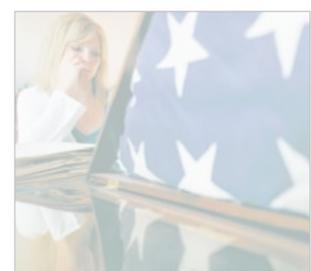
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SECTION F



LEE BEATS RANGERS TO END TRIBE'S SKID
SPORTS, C1



'SEX AND THE CITY' TAKES ON MANHATTAN AND BIG SCREEN.
PREMIER, E1



Woman's father died in Vietnam, but he is not forgotten.
LOCAL, B1

Today's Parade Magazine asks the question: Do you need this surgery? Millions of Americans are having elective procedures every year.



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Sheldon Ocker C9
Sports C1
Sudoku E7
Travel E8
Dennis Willard B1

Today's weather

Partly to mostly cloudy

78° High 55° Low
Forecast, Page B12

Government offices, schools and most banks will be closed Monday for Memorial Day. No mail will be delivered. There will be no trash pickup in Akron, Cuyahoga Falls and other areas, and service through the week will be delayed by one day.

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Summa HomeCare



Management losses may be permanent

Continued from Page A1

tions.

Jobs aren't returning

But the long-range effects may be even worse because losses in the manager ranks are probably permanent; they represent a radical change in the way businesses handle economic downturns – not just in Ohio, but across the United States.

The traditional response to recessions was to limit layoffs to production workers and other front-line staff, who would be brought back when good times returned.

"You never saw furloughs of management like you saw for line workers," said John A. Challenger, head of Challenger, Gray & Christmas Inc., the nation's oldest and largest outplacement consulting firm.

Challenger said more companies today consider economic slowdowns as opportunities "to delayer their organization – to cut the number of layers of management from top to bottom."

The national job numbers support Challenger's judgment: Since 2000, total management positions in the U.S. have fallen by 1.6 million – a nearly 12 percent decline, according to the Beacon Journal analysis.

Challenger argued that technology encourages the trend by providing ways for fewer managers to monitor more workers.

"There are so many more tools to measure output and productivity," he said. "Rather than have someone watch over employees to make sure they're on time and working, the company sets the goals and measures performance."

As a result, companies are squeezing out middle managers who are seen as no longer needed. Some employers hire companies like Challenger's to help find new jobs for displaced workers.

For many, it's the end of their careers in management.

"We're seeing large numbers of managers who become self-employed consultants of one kind or another," Challenger said. "When they don't find a job at another company – perhaps because of this delayering – more people become consultants today . . . either by working for one of the growing consulting firms or becoming self-employed."

"Inevitably, they've stopped managing."

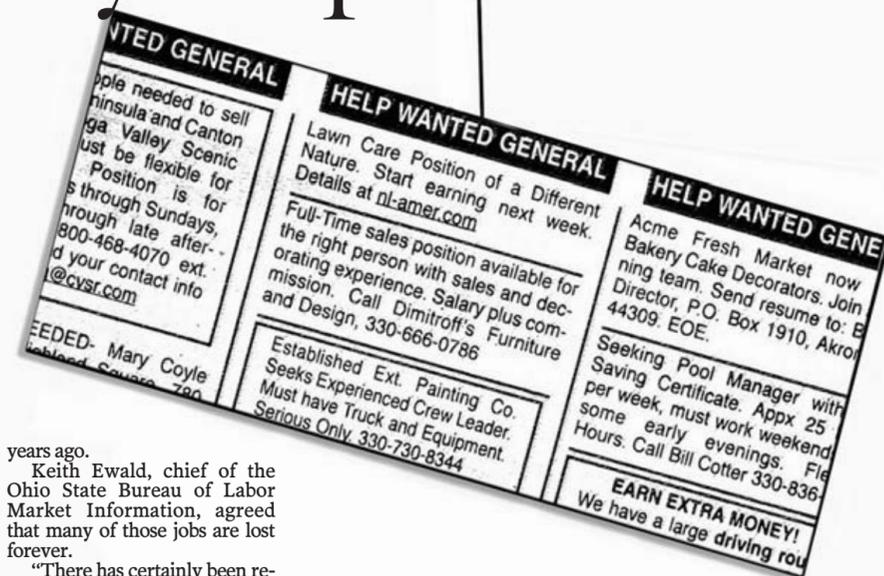
'Jobless' recovery

The permanent loss of so many management jobs may help explain why the recovery from the last recession, in 2001, generated so few jobs compared to earlier boom cycles.

From 2000 through last year, the number of jobs nationwide increased only about 4 percent, averaging under a million new jobs annually. In the 1990s, the average annual increase was double that, resulting in an overall 20 percent increase in employment.

Ohio's Rust Belt economy did worse, but the pattern was the same. The state saw strong job growth after the recessions in the early 1980s and 1990s, but never recovered the jobs lost in the 2001 recession.

Today, Ohio has 200,000 fewer jobs than it did eight



years ago.

Keith Ewald, chief of the Ohio State Bureau of Labor Market Information, agreed that many of those jobs are lost forever.

"There has certainly been restructuring in Ohio where jobs are just permanently gone across the totality of the organizations," said Ewald, whose bureau works with the U.S. Bureau of Labor Statistics to collect data tracking the economy. "I think there is generally a policy – whether you call it delayering or more of a leveling of the classifications in an organization."

The fact that many of the eliminated management jobs paid so well also might explain another economic trend that has puzzled one local economist: Why family incomes are declining in many of the most affluent Ohio communities.

George Zeller, who specializes in analyzing economic data for Cuyahoga County and other local government policymakers in Northeast Ohio, has used Ohio income tax data to track household incomes at the school-district level since the mid-1980s.

Of the 612 school districts in the state, only 52 show an increase in median income, adjusted for inflation, between 2000 and 2006, the latest year with data available.

Incomes in all but two of the 62 school districts in the five-county Akron-Canton area declined. The exceptions were Revere in Summit County and Highland in Medina County.

Zeller said the downward trend was unusual, because during the recoveries of the 1980s and 1990s "there was income growth all over the place."

After the 2001 recession, he said, "it didn't surprise anybody when the incomes were down in Cleveland or Youngstown, but they went down in Hudson and a lot of other high-income areas."

"That's very much an anomaly," Zeller said. "We never saw that before."

Because many workers with high-paying management jobs live in more affluent communities, Zeller said, the loss of those jobs "certainly would be a contributing factor" explaining why incomes are down in those areas.

Where are new jobs?

Some economists contend businesses should shed outmoded jobs, arguing leaner and more efficient is always better.

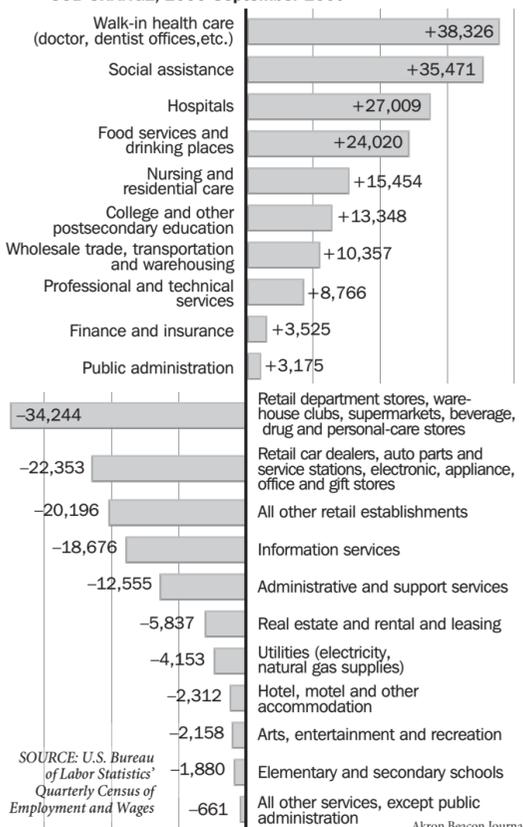
But where are the jobs to replace those lost?

The most common answer offered by business and govern-

Mixed picture for Ohio service sector

Retail sales outlets reported the biggest declines – nearly 77,000 jobs gone. But those losses were more than made up for by hospitals, nursing homes and other health facilities, which added nearly 81,000 jobs. Overall, Ohio's service-sector businesses posted a net gain of about 54,400 jobs.

JOB CHANGE, 2000-September 2007



SOURCE: U.S. Bureau of Labor Statistics' Quarterly Census of Employment and Wages

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ment officials is high-technology industries and services.

That's certainly the hope showcased on the Ohio Department of Job and Family Services Web site featuring "high-demand, high-wage and high-technology industries in Ohio."

The problem is that less than a quarter of the 197 industries listed as "high-wage" – defined as those paying more than a modest \$30,000 in 2006 – are among those in "high-demand."

Most of the 40 high-tech industries listed on the site are high paying. But few were hiring.

In fact, most got rid of workers.

A Beacon Journal tabulation

found Ohio had a net loss of more than 71,000 jobs in those high-tech industries from 2000 through 2006 – a 13 percent decline.

The loss of high-tech jobs isn't limited to Rust Belt states like Ohio. Nationwide over the same years, more than 700,000 jobs disappeared – a 6 percent drop – in sectors identified by the U.S. Bureau of Labor Statistics and the National Science Foundation as "high-technology industries."

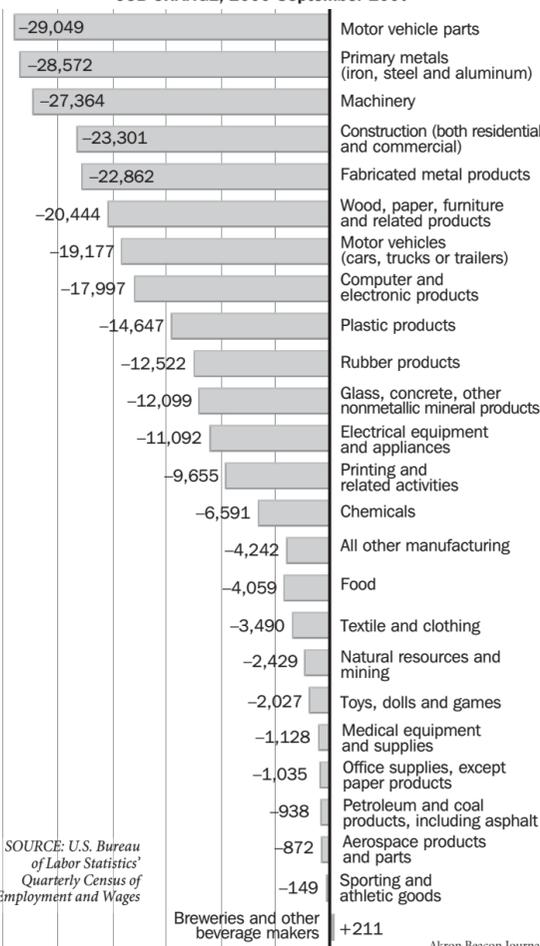
The decline doesn't come as a surprise to Norman Matloff, a professor of computer science at the University of California, Davis.

"It's certainly consistent

Ohio manufacturing jobs decline across the board

So far this decade, only one type of Ohio manufacturer – beverage makers, primarily breweries – has seen growth in employment. Every other category of production and construction business shed workers, with auto parts, iron and steel foundries and other heavy industries reporting biggest losses.

JOB CHANGE, 2000-September 2007



SOURCE: U.S. Bureau of Labor Statistics' Quarterly Census of Employment and Wages

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A NOTE ON THE NUMBERS

News stories about the loss of middle-management jobs are common, but numbers to document the trend are harder to find.

That's largely because of the way the government keeps count of workers.

Job numbers most often cited by public officials, economists and business people come from a monthly report, Current Employment Statistics, compiled by the Bureau of Labor Statistics from a survey of more than 150,000 businesses and government agencies.

A second source, the Quarterly Census of Employment and Wages, provides more accurate but less timely data.

As its name implies, the census is an exact count of workers and their pay, based on reports businesses must file with states for all those covered by unemployment insurance.

The problem is that both the survey and census classify employees according to where they work – not by what they do. As a result, management workers ar-

en't counted as a group; they're spread out among the myriad of industry sectors.

For example, a personnel director for an auto-parts maker is counted among manufacturing employees, while a hospital personnel director is classified in the health-care sector.

The government does have a survey, Occupational Employment Statistics, that groups people by the work they do. But that survey has existed in its current form for less than a decade. More important, it's updated only once a year and isn't designed to allow easy comparisons to earlier years.

"Our focus is on producing wages and employment for one given point in time," said George Stamas, chief of the Occupational Employment Statistics program.

It was the occupational employment data that the Beacon Journal analyzed for this report.

-David Knox

with what I've seen," said Matloff, an outspoken critic of the federal H-1B program, which allows businesses to hire foreign guest workers in high-tech fields if there aren't enough U.S. citizens able to do the work.

Matloff said what is in short supply is jobs, not workers.

"The industry continues to claim it has a shortage of engineers, and yet the starting salaries have been flat or falling, once you count for inflation," he said. "There's just no spinning that."

Matloff disputed the idea that technology has allowed businesses to thin their managerial ranks.

"I think that's an excuse," he said. "There are tools like that, but they are of very limited use."

Matloff argued that the decline in management jobs was part of a more general drive by businesses to hold down labor costs by cutting employees overall and finding cheaper workers, either through the H-1B program or overseas.

"I think they're just making people work harder," he said.

'Losing proposition'

But cutting payrolls is the wrong way to compete in the global economy, according to Alan Tonelson, a researcher with the United States Business & Industry Council, a Washington-based advocacy group representing medium and small manufacturers.

"It's ultimately a losing proposition," he said.

Tonelson argues in his book, *Race to the Bottom*, that no amount of labor-saving technology can offset the low wages, huge pools of workers and lower overall capital costs in China, India and other Third World nations.

"We will never be able to compete with them simply by cost-cutting," he said.

Tonelson said his research shows that in the past decade, imports have gained a larger share of the U.S. home market, even in high-tech and capital-intensive industries such as computers, aircraft and large-machinery manufacturing, where the United States is supposed to have an advantage.

All but five of 114 industries Tonelson studied saw increases in "import penetration," as measured in the dollar value of products purchased in the United States but made overseas. Overall market share captured by imports in these industries increased by more than half, from 21 percent in 1997 to nearly 34 percent in 2006.

Free trade agreements, beginning with NAFTA in 1994, have fueled the surge in imports, Tonelson said, by "sending jobs, production and, increasingly, research and development overseas."

Tonelson acknowledged that some U.S. manufacturers, such as Caterpillar, the Illinois maker of earthmoving equipment, "have managed to keep their employment levels pretty high by cutting wages."

"They're introducing two-tier wage systems – a lot of workers are making \$10 to \$14 an hour" at jobs that had paid double that or more.

But he argued that in the longer run, those shrinking blue-collar paychecks carry a cost that can't be measured in dollars.

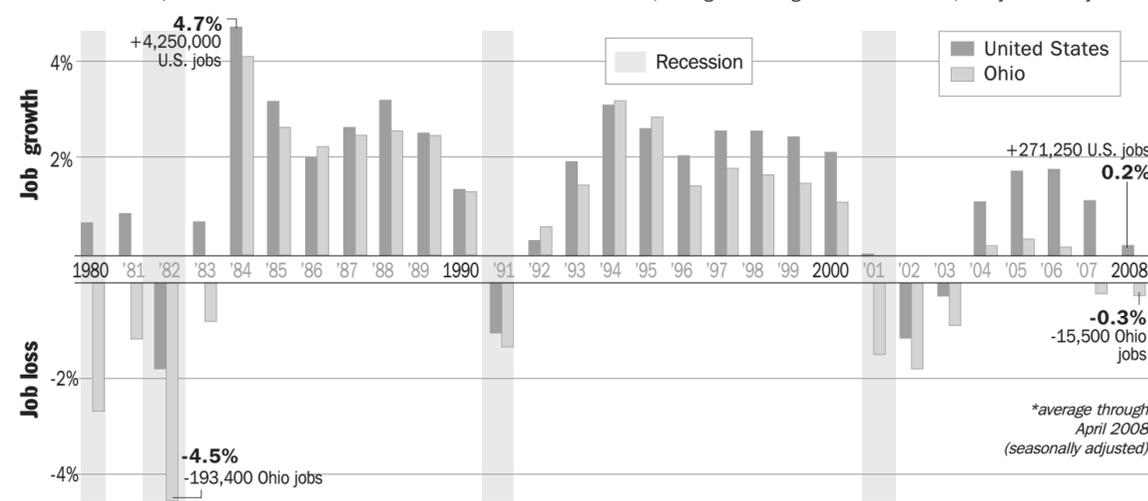
"The middle class will be gutted," he said. "The division of the country into a relatively small number of high-income earners and a much larger pool of working poor will greatly accelerate."

"In other words, the social profile of the United States will start to resemble that of Third World countries."

David Knox can be reached at 330-996-3532 or dknox@thebeaconjournal.com

New century brings fewer jobs to Ohio

Job growth nationwide has slowed since 2000, averaging less than a million new jobs a year. In the previous two decades, employment grew an average of 2 million jobs annually. Ohio struggled to keep up with the nation's job growth following the recessions in the early 1980s and 1990s, but has fallen far behind since the last downturn in 2001, losing an average of more than 28,000 jobs each year.



SOURCE: U.S. Bureau of Labor Statistics' Current Employment Statistics

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THE SERIES

Today's story about jobs is the third installment this year in the Akron Beacon Journal's look at the pressures on the middle class.

Previous installments are available on the newspaper's Projects Web site, <http://www.ohio.com/news/16959911.html>.

Others will appear throughout the year.

This project is an outgrowth of a study by David Knox, the Beacon Journal's specialist in computer research. In the first half of 2007, he participated in a Kiplinger Fellowship at Ohio State University, where he used university computers to analyze 51 million records spanning five decades of Census Bureau data, prepared by the University of Minnesota's Population Center.

In September 2007, the Beacon Journal published his findings, showing that successive generations of Americans are earning less than their parents.

After publication of that project, the Beacon Journal invited readers to participate in focus groups to discuss how they related to the trends in Knox's finding.

The seven sessions were facilitated by

Alice Rodgers of Jemez Pueblo, N.M. Formerly a resident of Stark County, she has facilitated many discussions for the newspaper over 25 years.

Out of those focus groups arose several topics that will be examined before the 2008 presidential election.

Knox and Beacon Journal columnist David Giffels are the reporters on this project.

Photographer Ed Suba Jr. and artist Deborah Kauffman Barry prepared the photos, illustrations and graphics for today's installment; copy editor Scott Babbo edited the series; and executive news editor Mark Turner designed the presentation.

Next month: We provide tips on how to survive these tough economic times.

- The editors