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Sunday Free Press

Sunday 9.4.2011

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9/11 TEN YEARS LATER

PUBLIC LOSSES, PRIVATE PAIN



MANDI WRIGHT/Detroit Free Press

Frances Douglas, left, Jean Neal and Vivian Mattic, with a photo of their sister Margaret Mattic, who was working on in the north tower of the World Trade Center on Sept. 11, 2001, when she was killed. **MICHIGAN'S OTHER 9/11 VICTIMS (FROM TOP LEFT):** Terence E. Adderley Jr., Bloomfield Hills; David Alger, Grosse Pointe; Eric Bennett, Flint; Frank Doyle, Bloomfield Hills; Barbara Edwards, Wyoming, Mich.; Brad Hoorn, Richland; Suzanne Kondratenko, Romeo; Darya Lin, Ann Arbor; Robert Ploger III, Owosso; David Prum, Muskegon; Josh Rosenthal, Livonia; Brock Safronoff, Traverse City; Kip Taylor, Marquette; Lisa Terry, Troy; Alicia Titus, Gregory, Mich.; Meredith Whalen, Canton.

Mich. families keep loved ones in their hearts

By MATT HELMS, ELISHA ANDERSON and ZLATI MEYER
FREE PRESS STAFF WRITERS

A Flint mother wears a ring with a gem made from the ashes of her globe-trotting son who worked in the World Trade Center.

The family of a Detroit native carries on her dream of becoming a playwright.

Parents in Gregory have become peace activists.

The emotional reverberations of the Sept. 11, 2001, terrorist attacks echo across Michigan a decade later.

The 17 people with significant Michi-

gan ties who were killed that day, when airliners crashed into the World Trade Center, the Pentagon and a field in western Pennsylvania, were Wall Street executives, managers and consultants, alongside an Army lieutenant colonel, an office receptionist, a teacher and a flight attendant.

Seven were still in their 20s.

Relatives and friends will mark the 10th anniversary of the attacks quietly next Sunday, at home, or in small-town observances. Some will travel to New

See **VICTIMS**, PAGE 4A

PEARL HARBOR'S QUIET 10-YEAR ANNIVERSARY. 12A

FREEP.COM

See more photos, videos, blogs and special coverage and share your Sept. 11 memories with our readers at freep.com/911.

WORK WANTED – DESPERATELY

Long-term unemployed face spiral downward

235,000 go jobless for half year plus in Michigan

By KATHERINE YUNG
FREE PRESS BUSINESS WRITER

Part 1 of 2

Almost 2½ years after losing his job as an inventory technician, all Mark Baerlin has to show for his lengthy job search are notebooks filled with information about the 343 jobs for which he applied.

So far this year, the Dearborn resident has gotten five interviews. None of them panned out.

In early July, Baerlin exhausted all 99 weeks of his unemployment benefits. He has been saving every penny he can, canceling doctor appointments and using as little water, lighting, air-conditioning and gasoline as possible. If the 51-year-old doesn't find a job soon, he could lose his house.

"I'm living on my savings, and that's not going to last very

Inside

Editorial: The federal government must get America back to work. Now. **19A**

At freep.com

Join a Web chat at noon Tuesday with local employment experts.



Coming Monday

Few resources to help jobless regain their footing.

long," he said.

Welcome to the world of the long-term unemployed, who face a 20% drop in earnings over the next two decades, loss of retirement savings, isolation, increased risk for depression and even reduced life expectancy.

Today, 27 months after the official end of the recession, long-term unemployment remains at crisis levels, with 6 million Americans out of

See **UNEMPLOYED**, PAGE 6A



REGINA H. BOONE/Detroit Free Press

Mark Baerlin, 51, of Dearborn has been unemployed for 2½ years and has applied for 343 jobs, but "I don't want you to feel sorry for me." He's had five interviews this year, but none panned out.

Metro

THE PRESIDENT'S LABOR DAY VISIT

Supporters hope Obama unveils bold new jobs plan

President Barack Obama is slated to speak in Detroit on Monday, three days before he unveils a new jobs plan to Congress. Supporters hope for bold speeches here and in Washington on solving the nation's jobless crisis. **8A**



Metro

ROCHELLE RILEY
Mr. President: Start rebuilding the nation right here in Detroit

America needs three things: jobs, change and rebuilding. What better place to start a national renaissance than here in Detroit, Rochelle Riley asks. **8A**



Business

AUTO CONTRACT TALKS
New UAW deal could be hard sell to rank and file

With the UAW contract expiring Sept. 14, many workers say they've made a big contribution to the Detroit Three's turn-arounds, and they're balking at giving up more. **1B**

Entertainment

BRINGING DOWN THE HOUSE
Your guide to metro area's 2011-12 theater season

The blockbuster "Wicked" visits Detroit again this season, as does the bawdy Yooper comedy, "Escanaba in da Moonlight." But there are some edgy surprises, too. **1F**

79 High 54 Low

Rats! More rain.
Less steamy, but stormy.
FORECAST, 2A

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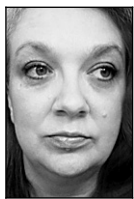
UNEMPLOYED: Finding a job a full-time job

FROM PAGE 1A

work for more than half a year, including 235,000 in Michigan. Economists worry the problem could persist for years, turning into a silent tragedy that slows the economy, reduces tax revenues, increases disability payments and causes other negative effects.

“Long-term unemployment is the distinguishing characteristic of this recession,” said George Wentworth, senior staff attorney at the National Employment Law Project, a research and advocacy organization focused on issues affecting low-wage and unemployed workers.

During the past three months, the Free Press interviewed a dozen Michiganders who have been looking for a job for more than two years. It found that the long-term unemployed are living on the edge, stuck in an existence filled with fear, uncertainty and self-doubt. Many quietly press on. Applying for jobs has turned into their job.



Nicole Champagne of Ypsilanti Township has drained her savings.

“I didn’t think this would happen,” said Nicole Champagne, a 43-year-old Ypsilanti Township resident who has drained her savings, sold many of her possessions and been borrowing cars because she can’t afford to fix the transmission on her SUV. “I’m hardworking. I’m highly educated.”

The former Realtor has not been able to find a full-time, permanent job since 2008 and was rejected for positions at a McDonald’s and a gas station because she was overqualified.



REGINA H. BOONE/Detroit Free Press

Mark Baerlin, 51, of Dearborn does odd jobs to make ends meet. He has been without a job since April 2009. He had worked for a brake testing firm.

Champagne and many other long-term unemployed workers find themselves caught in a downward spiral, their joblessness triggering other problems that can make finding work even harder. They face numerous obstacles.

Chief among them: ■ **Diminishing skills:** It’s no secret that being out of the work force for too long can erode a person’s skills, especially with

today’s rapid changes in technology.

“Companies are increasingly after candidates who have very specific job-related skills, and those go out of date very quickly,” said Peter Cappelli, a management professor and director of the Center for Human Resources at the University of Pennsylvania’s Wharton School.

Mary Colletti of Huntington

Woods fears losing her interior design skills after being laid off three years ago as a design project manager at a health care company.

Last December, she finally landed a design job at a furniture retailer, but was let go after 21 days. Colletti said the company told her she didn’t have the necessary skills.

The setback hasn’t stopped Colletti from looking for another

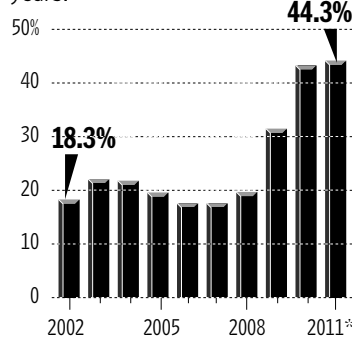


Mary Colletti of Huntington Woods was laid off three years ago and fears she will lose her interior design skills.

design position, but she worries about being out of the field for too long. Software programs that designers use get regular updates, but without a

The rise in long-term unemployment

The percentage of unemployed workers in the U.S. who have been searching for a job for 27 weeks or longer — the federal government’s definition of long-term unemployment — has increased dramatically in recent years.



*As of the second quarter of 2011.

Source: U.S. Bureau of Labor Statistics

Detroit Free Press

job, “I can’t afford to keep up,” Colletti said.

■ **Loss of financial security:** Long-term joblessness can deeply damage a family’s finances. Savings, including 401(k) retirement plans, get quickly depleted, and some people sink deeper into debt. Homes are lost. And many of those who eventually do get hired end up earning a lot less than they used to at their former jobs.

The effects can be long-lasting. Till von Wachter, an associate economics professor at Columbia University, told a congressional committee last year that people who lost their jobs during the early 1980s recession saw their earnings drop by 20%, a decline that lasted 15-20 years.

Often, long-term unemployed people are one step away from financial disaster. That’s the case for Kenneth Paied of Redford Township, who worries that he and his

SEE NEXT PAGE

When luck runs out

Some find a job only to soon be jobless again

By KATHERINE YUNG
FREE PRESS BUSINESS WRITER

After interviewing for a sales position at a tool company shortly before Memorial Day, David Kmiotek received a phone call offering him the job.

The St. Clair Shores resident started shaking. “It floored me. I hadn’t heard those words in nearly three years,” he said.

Unemployed since July 2008, the 38-year-old salesman had run out of unemployment benefits in March and was living at his parents’ house. “When you are working, everybody wants you,” he said. “When you are not working, nobody wants you.”

But just two months later, Kmiotek was let go. Though he had signed up several new customers, “no matter what I did there, it wasn’t the right way. I couldn’t win,” he said.

For many long-term unemployed workers, their travails in the job market often don’t end even when they finally do get hired. In some cases, their new jobs don’t work out, putting them right back where they started.

After his recent layoff, Kmiotek didn’t qualify for un-

employment benefits because he had not earned enough money. He’s living off the small amount he had made but will have to start drawing down his savings if he doesn’t find work soon.

Though selling is what he knows how to do, Kmiotek tried to switch careers, enrolling at the New Horizons Computer Learning Center in Troy to get into the information technology field. But he couldn’t pass the second part of a certification exam.

“I really enjoy computers, but this was much harder than I anticipated,” he said.

Early this year, Kmiotek completed a basic, three-month class at Macomb Community College to be a computer-controlled machine tool operator. He liked the course and applied for a few entry-level operator positions. But without any on-the-job experience, his chances of getting hired are slim.

Despite these hurdles, Kmiotek is not giving up. As a salesman, he’s used to constant rejection. But after submitting his résumé for hundreds of jobs over the last three years, he wonders, “How long is this going to last?”



August photo by WILLIAM ARCHIE/Detroit Free Press

David Kmiotek, 38, of St. Clair Shores plays basketball. Kmiotek lost a job in 2008. He finally got a job earlier this year but was recently let go.

A grandma raising her granddaughter

Her job wasn’t the only thing she lost

Hail of bullets leaves unemployed woman rearing a little girl

By KATHERINE YUNG
FREE PRESS BUSINESS WRITER

Life doesn’t stop just because you lose your job. Just ask Tina Moreland.

In February 2009, Citizens Bank laid off the Flint resident as part of a downsizing of its mortgage department. Fourteen months later, Moreland’s pregnant, 22-year-old daughter was killed when gunshots were fired into a crowd of people.

Moreland suddenly found herself raising her 7-year-old granddaughter, Amina Smith. At 52, she is trying to switch careers, taking medical billing and coding classes part-time at Baker College of Flint while she looks for a job.

“I was scared stiff,” Moreland said of going back to school. “It surprised me that I still have brain cells that



SUSAN TUSA/Detroit Free Press

Tina Moreland, 52, and her granddaughter, Amina Smith, 7, at their Flint home. Moreland is raising her after Amina’s mom was killed last year.

work.”

With housing, construction and other industries expected to remain depressed for years, many long-term unemployed workers have discovered that the jobs they

used to do have either disappeared or are in short supply. Many are forced to learn new skills, but the transition is often bumpy and the future uncertain.

Until 2009, Moreland had

never been unemployed, having spent 25 years working in mortgage banking. After losing her job, the divorced mother of two used her 401(k) retirement savings and income tax refunds to pay off the small mortgage she had. Michigan’s No Worker Left Behind program is paying for her medical billing classes.

In late July, Moreland’s unemployment benefits ran out. She has a Bridge Card to help pay for food, but making her car payments is a struggle. She is hoping to get a part-time job doing laundry at a nursing home.

“Something’s going to come. It’s got to,” she said. “And being a Christian, you always know the Lord has the final say. I hold onto that.”

Like other long-term unemployed workers, Moreland no longer sees retirement in her future. “It’s scary living off so little,” she said. “I have to show my granddaughter that working for yourself is the only way.”

Employers can be picky

Competition for few jobs out there is fierce

By KATHERINE YUNG
FREE PRESS BUSINESS WRITER

In late July, Mark Baerlin sat in a meeting room in Plymouth with 24 other people, all eager to land a warehouse job at Comcast. They were the lucky ones. The telecom giant had received hundreds of applications for the position, narrowing it down to these 25 candidates.

That number was quickly reduced to 13 after the company weeded out people with outstanding tickets or other legal issues. For nearly two hours, Comcast human resources employees went around the room, interview-

ing everyone. But the process wasn’t over. That evening, Baerlin logged onto his computer and took a basic skills test provided by the company.

With a 13-to-1 chance of getting hired, Baerlin didn’t beat the odds. The Dearborn resident has been looking for work since April 2009.

On the front lines of the most brutal job market in decades, long-term unemployed workers such as Baerlin are waging an uphill battle with dwindling resources.

The former inventory technician for a brake-testing company has applied for

more than 343 jobs, including positions at Home Depot, Lowe’s and Target.

“I don’t know if I’m over-qualified or if they are just looking for young people,” said the 51-year-old, who has earned a little cash by doing small jobs, such as mowing lawns and taking a woman who can’t drive to her doctor appointments.

Earlier this year, Baerlin landed an interview at an auto parts retailer in southwest Detroit. When he arrived, the company told him they wanted to talk to him about a manager’s position, not the sales job that he had come for.

However, the person Baerlin needed to see was on vacation, so the store planned to call him the following week. He is still trying to get the interview.

If Baerlin doesn’t get a job soon, he could lose his house. The Ferris State University graduate would like to marry his girlfriend but refuses to do so until he has a steady paycheck.

Not everything has been negative. One evening, Baerlin arrived home and discovered that someone had left him an envelope stuffed with cash. He still doesn’t know who helped him.

Tough job market made tougher

What to do when no one wants you?

By KATHERINE YUNG
FREE PRESS BUSINESS WRITER

As if searching for a job wasn't hard enough, long-term unemployed people are running into another obstacle: Some employers don't want to hire them.

The National Employment Law Project and other groups have raised concerns about companies that are posting online job ads that require applicants to be currently employed.

Though these kinds of ads do not appear frequently, the situation has caught the attention of the Equal Employment Opportunity Commission. New Jersey has already banned the practice, and law-

makers in Washington and Lansing have introduced bills that would do the same.

"The EEOC is concerned that excluding unemployed persons may exclude qualified job seekers and some minority groups, and therefore may be discriminatory under civil rights law," Justine Lissner, an EEOC senior attorney, said in a statement.

During a four-week period this spring, NELP, a research and advocacy organization for unemployed workers, found more than 150 online job ads nationwide that required applicants to be currently employed. Half of these job postings came from staffing firms.

However, the U.S. Cham-

ber of Commerce, which represents more than 3 million businesses, said there is no evidence that any significant number of employers are refusing to consider unemployed people for jobs.

Michael Eastman, the group's executive director of labor policy, said that "any employer having a policy of not hiring long-term unemployed people would have a very hard time meeting" the requirements of the 1964 Civil Rights Act.

In late August, the Free Press scoured 550 job ads for the Detroit area on CareerBuilder.com but could not find any postings that excluded unemployed workers.

ONE ORGANIZATION FOUND ONLINE JOB ADS FROM STAFFING FIRMS REQUIRED APPLICANTS TO ALREADY HAVE A JOB.

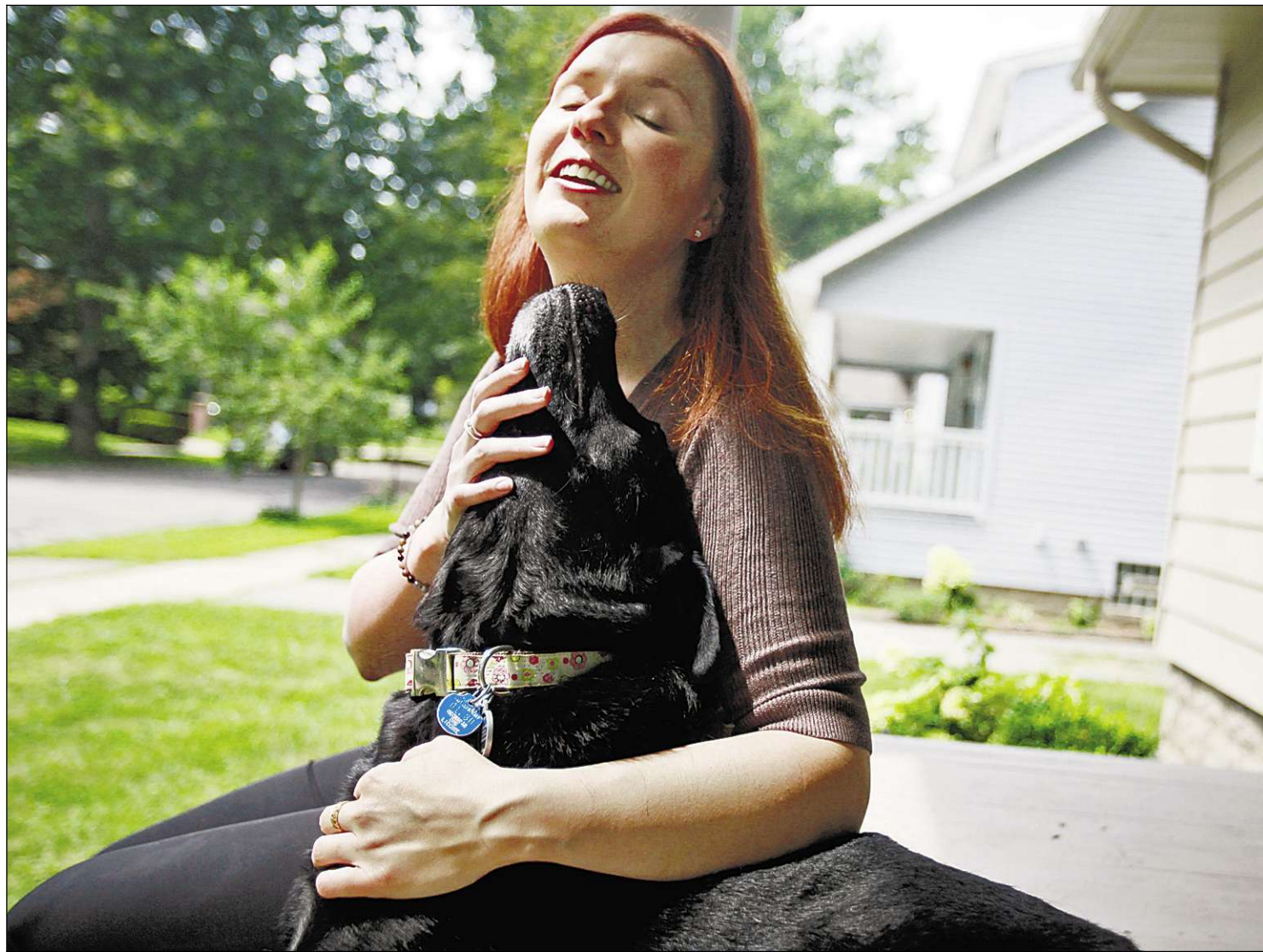
Of the 150 ads that NELP found, three were for positions in Michigan — two for restaurant managers and one for a medical sales representative. Eric Egeland, owner of Snelling Search in Grand Rapids, would not reveal the name of the regional restaurant chain that was hiring for one of these positions. The two other recruiting firms did not return telephone calls seeking comment.

Troy-based Kelly Services, one of the largest temporary agencies, said the company will not post any job ads stating that candidates must be currently employed. Jim Guerrero, president of SC Novi, a Novi-based recruiting firm focused on the automotive and industrial sectors, said his company has not encountered employers who want to exclude unemployed people. "A lot of good people

are out of work," he noted.

The Mackinac Center for Public Policy, a free-market think tank in Midland, does not believe any new laws are needed. Michael LaFaive, the center's fiscal policy expert, said employers are overburdened with regulations. "What's next? Should the state prohibit employers from using bachelor's degrees as a job-candidate sifting mechanism?" he asked.

But LaFaive said that excluding unemployed people from hiring decisions is not a smart business decision because of "the premium employers will need to pay to lure talent away from an existing job."



REGINA H. BOONE/Detroit Free Press

Janet O'Brien, 32, of Ferndale, seen her with her dog Ashling, has been unemployed since March 2008. She had a contract job with an auto supplier earlier in the year but was let go in late June. "You just focus on the day," she said. "It is just getting through one day after another."

FROM PREVIOUS PAGE

wife could lose their house. The 58-year-old, who has worked in grounds maintenance, parts delivery and other jobs, has been looking for employment for seven years.

His wife's income has kept the couple afloat. But she may lose her job at a food service company at the end of this month. "I don't know what we are going to do," Paled said.



Kenneth Paled of Redford Township

Health and emotional problems: In some ways, long-term unemployment is akin to having a serious disease. In 2006, economists at the Federal Reserve Bank of Chicago discovered that losing work can increase death rates by 15% and reduce life expectancy by 18 months.

Emotional problems also increase dramatically, according to a July 2010 Pew Research Center report based on a survey of almost 3,000 adults. It found that people unemployed for six months or longer are twice as likely as those jobless for less than six months to have sought professional help for depression and other emotional issues.

"It's very hard to keep going after you have been rejected so many times," said Ofer Sharone, an assistant professor of work and employment research at the Massachusetts Institute of Technology's Sloan School of Management. "It's devastating."

Like other long-term unem-

THE LONGER PEOPLE STAY UNEMPLOYED, THE MORE THEIR SKILLS ERODE AND THEIR FINANCIAL SECURITY WORSENS.

ployed workers, Janet O'Brien of Ferndale has stopped thinking about the future. "You just focus on the day," said the 32-year-old, who has been searching for work for more than three years. "It is just getting through one day after another."

Throughout its history, the U.S. has always had some workers who have been unemployed for long periods of time. But for decades, the American economy has been such a dynamic job-creation machine that this problem affected a relatively small number of workers.

Not anymore.

In August, 4% of the labor force had been hunting for a job for 27 weeks or longer, the government's definition of long-term unemployment. That's up significantly from 2.1% at the end of the early 1980s recession and 0.8% after the 1973-75 downturn, according to a Congressional Research Service report.

The problem has become so severe that last year, the National Employment Law Project estimated that nearly 4 million people nationwide had exhausted their unemployment benefits, a number that is likely to rise significantly when new estimates come out later this year.

In Michigan, where unemployment benefits currently

last an unprecedented 99 weeks, half a million residents are expected to exhaust these benefits between June 2011 and June 2012, according to the state's Unemployment Insurance Agency. That's on top of the nearly 174,000 who ran out of these benefits from 2008 through the end of May.

"This is like nothing we've seen since the Great Depression — by far," said Heidi Shierholz, a labor economist at the Economic Policy Institute, a Washington, D.C., think tank focused on issues important to low- and middle-income workers.

She noted that in the early '80s, the long-term jobless made up 26% of all unemployed workers. Today, they account for more than 40%.

Not surprisingly, the problem affects older workers — those age 50 and up — more than others. But the Congressional Research Service found that very long-term unemployment, which is defined as searching for a job for more than 99 weeks, afflicts men and women equally. And having a college degree does not mean you are less likely to experience this predicament.

"The demographic profile of the long-term unemployed looks like the shorter-term unemployed with one exception — they tend to be older," Shierholz said. "It's not like they are

a different group."

Shierholz and many other economists blame the long and deep recession for the rise in long-term unemployment. They say the economy is suffering from a shortfall of jobs, with 11.2 million new positions needed in order for the unemployment rate to return to its normal level of 5%. In August, the U.S. jobless rate stood at 9.1%.

Since February, job openings have stayed relatively flat, at 3.1 million new positions each month, below the 4.4 million seen at the start of the recession in December 2007, according to the U.S. Bureau of Labor Statistics.

"This is not a problem of skills," said the Wharton School's Cappelli. "It's not like if everyone had a PhD, everyone would hire them."

But other labor market experts say structural changes in the economy — such as shifts toward new kinds of work — are also contributing to the problem.

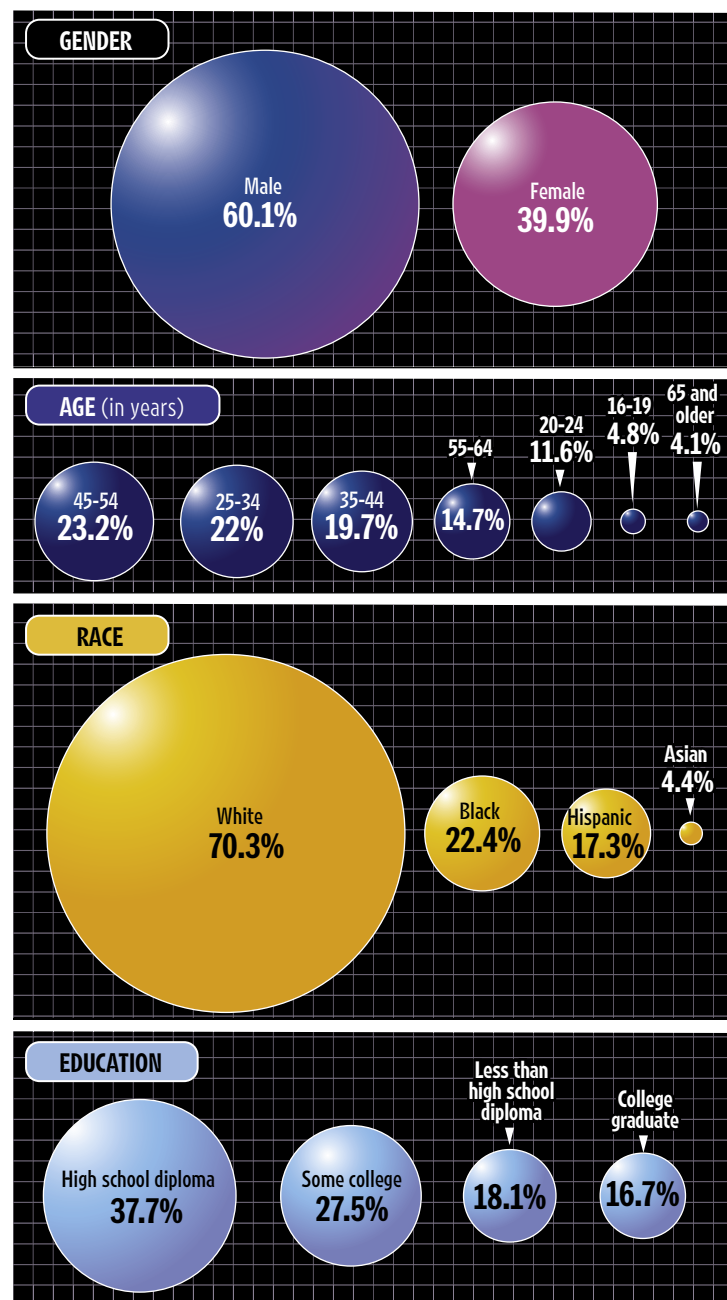
A recent report from the McKinsey Global Institute, the business and economics research arm for the McKinsey consulting firm, warned that fierce global competition is forcing many companies to operate with fewer employees.

Susan Lund, the institute's research director, points out that the U.S. economy has been experiencing increasingly lengthy jobless recoveries. "Something is different about the way in which we create new jobs coming out of a recession," she said.

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Who are the long-term unemployed?

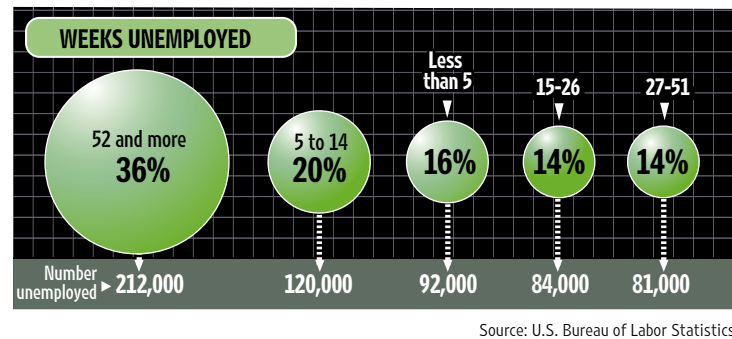
Long-term joblessness affects all kinds of people in the U.S. Here's a look at who has been searching for a job for a year or longer:



Note: 2010 annual averages are based on data from the U.S. Bureau of Labor Statistics. Some totals may not add up to 100% because of rounding or because respondents identified with more than one ethnicity or racial background.

Long-term unemployment in Michigan

Last year, 36% of Michigan's 589,000 unemployed workers were jobless for 52 weeks or more, the third-highest rate in the country. Here's a breakdown of how long Michiganders were unemployed, using the most recent data from 2010:

**Michigan's unemployment rate**

The jobless rate in Michigan remains in the double digits more than two years after the recession officially ended. It has been going up since May.

