

Subj: **NVC 062112 Marketplace Morning Report**
 Date: 6/21/2012 2:18:07 P.M. Eastern Daylight Time
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NAEPDC
News, Views, and Clues
 June 21, 2012

Marketplace Morning Report

Marketplace Morning Report on NPR this morning included the interview below with Chris Ferrell their economics editor.

He provides some interesting insights into the economic factors impacting our states and students.

Note the yellow highlighted section regarding the way to avoid jobless recoveries in the future—invest in the “less educated”.

Source: <http://www.marketplace.org/topics/economy/economic-recovery-will-be-jobless-one>

Marketplace Morning Report for Thursday, June 21, 2012

Transcript

Jeremy Hobson: Well it's amazing, if you think about it, that five years -- almost --after the recession began, the Fed is still taking such extraordinary action to boost the economy. It's unlike any economic recovery in recent memory. But then again, the Great Recession has also been pretty unique.

Marketplace economics correspondent Chris Farrell joins us now to discuss. Good morning.

Chris Farrell: Good morning, Jeremy.

Hobson: Well Chris, what should we be comparing this recovery to?

Farrell: We should be comparing it to the jobless recoveries of the early 1990s and the early 2000s. You know, you map out, you graph this recovery that we're going through to those two previous recoveries -- they just look the same. Unlike the mid-'70s and the early '80s, where you had much more of a rebound in the job market.

Hobson: But this recession was much bigger than anything we've seen since even before the '80s, right?

Farrell: That's right. But this recession has just exposed a number of ongoing trends in this economy. So you know, businesses are really embracing productivity rather than hiring workers. 'Let's get more out of our people before we hire more.' And you've got the information technologies, and those have wiped out whole departments of low-level, white-collar workers. And then of course there's globalization. So Jeremy, if you look at a lot of these companies -- the S&P 500 companies, the ones that we talk about all the time -- they're hiring. They are hiring. But much of the hiring is going on overseas.

Hobson: So does that mean that every recovery we're going to see now going forward is going to be a jobless recovery in the United States?

Farrell: I think that needs to be our expectation. And here's the thing -- what that tells us is that during a recovery, during the good times -- OK, we can't exactly call what we're going through right now the good times, but let's assume that we do have good times -- we need to focus a lot more on training programs, on working with the less-skilled, the less-educated workers, because these are the ones that are really being hammered during this

period of time. And so, there's really a lesson for the recovery -- where do we invest our dollars? -- as opposed to a lesson from the downturn.

Hobson: How do we get out of a situation like this, Chris?

Farrell: You know, I wish I had some sort of optimistic tale to tell you Jeremy, but here's the lesson of World War II and the Great Depression, which is you had a lot of hardcore unemployed. And business didn't want to hire them. What changed that circumstance? World War II, when all of a sudden, business had to adjust and they would hire anybody that was willing to work.

Hobson: I think I'm probably not alone in hoping that that is not the way that we get out of this recession. Marketplace economics correspondent Chris Farrell, thank you so much.

Farrell: Thanks a lot, and I agree with you.



About the author

Chris Farrell is the economics editor of Marketplace Money.

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