

# Long Term Unemployment

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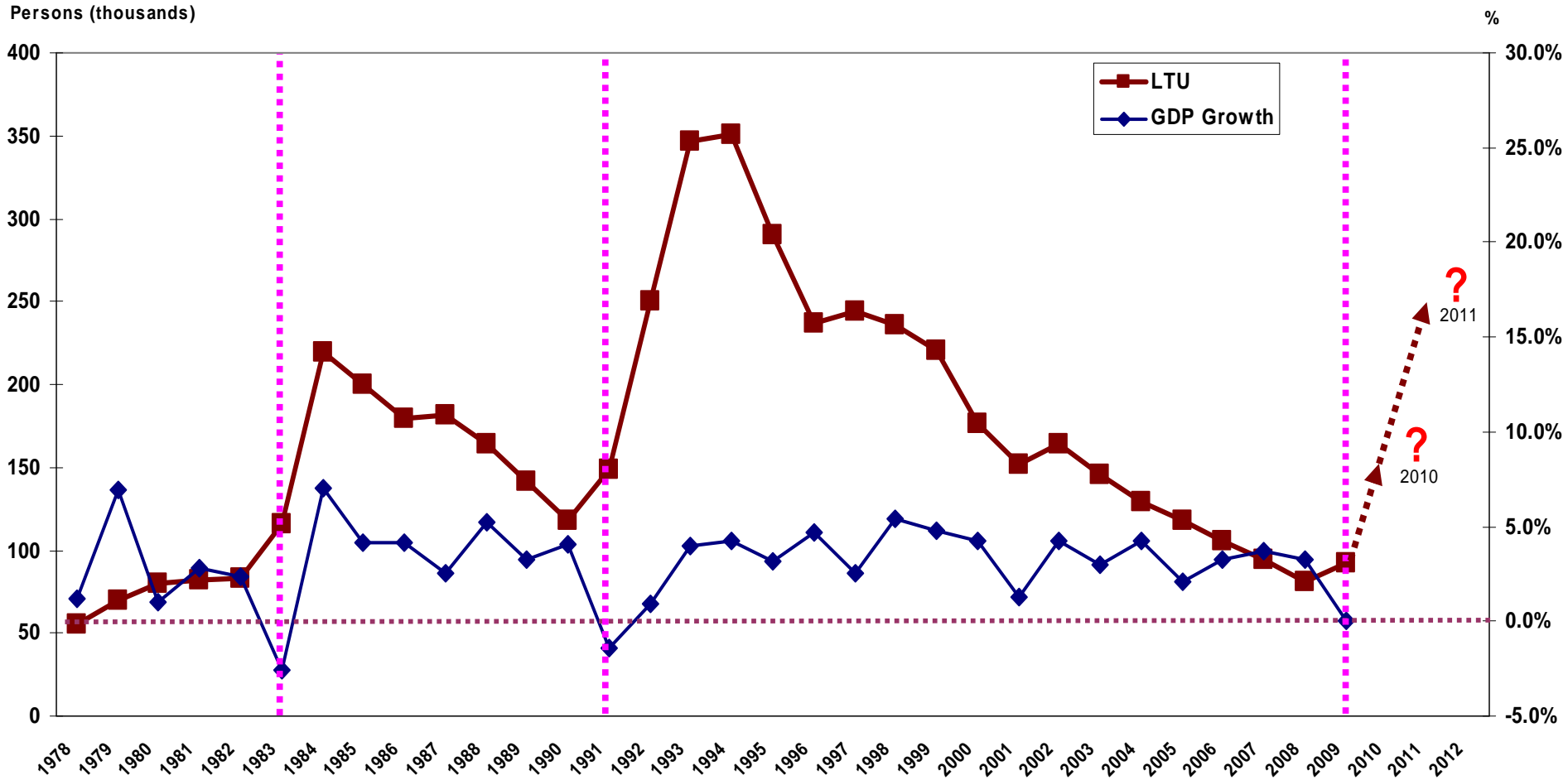
# Outline

- 1 What is LTU?
- 2 The Cause
- 3 The Data
- 3 Why Worry?
- 4 Towards some Solutions
- 5 Working Nation Lessons

# 1 The Cause

- In the beginning: recession
- Over time and recovery: LTU at the Back of the Queue

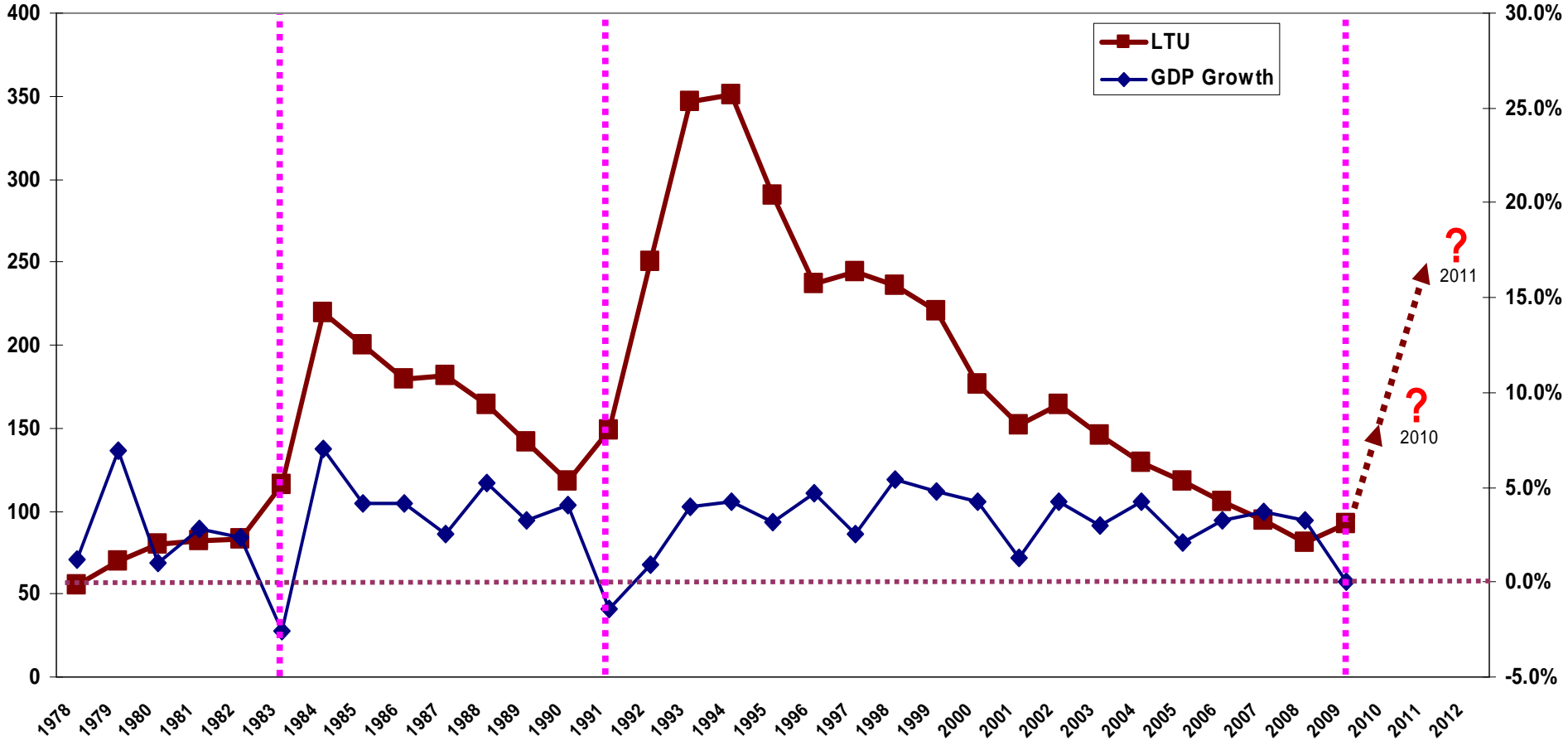
# 2 The Data: Growth and LTU



# Growth and LTU

Persons (thousands)

%



# 3 Why Worry?

- Inequity and disadvantage:
  - Inequities of recession and recovery
  - The characteristics of the LTU
  - Long run disadvantage: employment chances, income losses

## Macroeconomic Inefficiencies:

- . Lost taxes
- . Higher benefits
- . NAIRU costs

# 4 Towards some Responses

- Growth is fundamental
- Costs of doing nothing in addition
- Potential benefits of early intervention
- Targeted programs have to be considered
- Different types of approaches are necessary

# 5 Working Nation Lessons

- Acceptance of the above
- Use of different targeted approaches desirable
- We waited too long
- Case management too quick
- **NOW:**
- There are data available
- Training inhibitions still around
- More focus on demand side – eg ICL for community projects