WE ARE WORRIED
DUMB JOBS, DUMBED DOWN BY TECHNOLOGY
WHO BENEFITS
Chances that Today's Youth Will Have a Better Life than Their Parents

Gallup, CBS News, NYTimes
I WILL

Say a few words about overall job market trends

Turn to the main topic: job quality and how you can help improve it
WHAT ARE THE WORRIES? WHAT DO PEOPLE THINK IS GOING ON?

The employment contract is changing yes

The low wage sector is large and persistent yes

We are becoming a gig or freelance economy no

Skill demands are bifurcating into very high and very low and most good jobs will be out of the reach of most people No
THE EMPLOYMENT CONTRACT

Think

In Search of Excellence

Reengineering the Corporation
Attachment and mutual commitment is declining
outsourcing/sub-contracting
increased willingness to lay people off
though job tenure data are less clear

Employee voice is diminished

Organizations are flatter, hence fewer promotion opportunities

Paradoxically, the demand for skill is up (but modestly, as we will see)
WE ARE NOT BECOMING A FREE-AGENT NATION. THIS IS NOT A GIG ECONOMY
SELF-EMPLOYMENT TRENDS

https://hbr.org/2014/02/where-are-all-the-self-employed-workers/
# Temporary Help Trends

Table 1. Percent of US workforce placed by employment services providers

<table>
<thead>
<tr>
<th></th>
<th>1990</th>
<th>2000</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment services industry</td>
<td>1.4</td>
<td>2.9</td>
<td>2.5</td>
</tr>
<tr>
<td>Temporary help agencies</td>
<td>1.1</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Professional employer organizations (PEOs)</td>
<td>0.1</td>
<td>0.6</td>
<td>0.3</td>
</tr>
<tr>
<td>Employment placement agencies &amp; executive search services</td>
<td>0.2</td>
<td>0.3</td>
<td>0.2</td>
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Cite as: Bernhardt, Annette. 2014 "Labor Standards and the Reorganization of Work: Gaps in Data and Research". IRLE Working Paper No. 100-44.
SKILLS

We are not becoming a nation of rocket scientists or hamburger flippers
  --retirements will generate big demand for middle skills
  --there are many jobs out there that require community college level skills

An example: production jobs in manufacturing:
  75,000 net new jobs by 2022
  1,800,000 openings by 2022 due to retirements

Evidence on skills:
  Surveys of employers that are concrete, not just asking vague opinions
JOB QUALITY

The most common indicator is wages and we have a large and persistent low wage job market.
PERCENT OF **ADULTS** WHOSE HOURLY WAGE PUTS THEM BELOW THE POVERTY LINE

2001:  29.6%

2007:  20.1%

2013:  30.8%

And, for adults, mobility out of low wage jobs is difficult
WHY DO WE CARE?

Obvious reasons: low earnings means poorer quality of life

Subtle issues: for example time to attend parent/teacher meetings

But also: it kills you......
Relationship Between Household Income and Fair or Poor Health Status

STRATEGIES FOR IMPROVING JOB QUALITY

Make “bad” jobs good

Build pathways into good jobs

Create more good jobs
MAKING BAD JOBS GOOD

Employment Standards
  minimum wages
  living wages
  misclassification

Employee voice

But all of this, while important, is not part of today’s discussion
PATHWAYS INTO GOOD JOBS

Intermediaries
Sectoral Programs

Dual client focus
Rapid remediation  (fix CC)
Supports
Real, not quick and dirty, training
CREATING GOOD JOBS

This is what you are about
WHAT IS A GOOD JOB?

Certainly wages are important.

But there are other characteristics

--Is the job a rung on a ladder within an organization?

--Does the job offer training in skills that enable mobility across organizations?

BUT NOT: just simple job experience

But the point is that even if a job pays poorly it may be a ”good” job if it has other attributes
WITH THIS IN MIND BE THOUGHTFUL ABOUT WHAT INDUSTRIES TO TARGET

Ask

Ladders
shape of the industry

Skills
opportunities to learn skill that are transferable

Quality
percentage of decently paying jobs
LADDERS: THE “SHAPE” OF THE INDUSTRY

To illustrate the point

Hospitals versus Hotels
TRANSFERABLE SKILLS

The distinction between specific and general skills

Offer training: It is easy to skimp is a mistake

Among low wage workers longitudinal research—Holzer, Andersson, and Lane—found that about 76% of those who escaped the low wage labor market did so by changing employers
WAGES VARY RADICALLY BY INDUSTRY

Percent of jobs which are low wage:

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>retail</td>
<td>49%</td>
</tr>
<tr>
<td>food/drinking</td>
<td>72%</td>
</tr>
<tr>
<td>health care</td>
<td>29%</td>
</tr>
<tr>
<td>manufacturing</td>
<td>26%</td>
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</tbody>
</table>
BUT EVEN “BAD JOB GENERATORS” CAN BEAT THE RAP

Examples of high road practices in low wage industries

research on retail: better jobs leads to better customer service, better inventory management, better and more accurate stocking on shelves via: reduced turnover, more training, increased commitment

BUT: this means that if you generate jobs in “low wage industries” you need to be even more focused to assure that you follow the high road.

You need to carefully pay attention to the competitive strategy and to management and human resource practices
MORE ON CREATING GOOD JOBS

Build alliances

with labor market intermediaries

with community colleges

These can help lift the weight off of firms for training and also be a source of labor supply

I suspect you and these institutions often operate in two worlds, in silos, but breaking these barriers down will help you.
CHALLENGES FOR THE GOOD JOBS STRATEGY

From Firm’s perspective: the excuses

Time and resources are scarce and margins are tight
so training is hard to justify unless it is fast and specific

May seem as if there is a trade-off between job quality and profitability: and hence a temptation to squeeze

Partners—community colleges and intermediaries—can be time consuming and frustrating
YOUR LOCATION BASED JOB CREATION IS THE RIGHT STRATEGY

There is growing evidence that the chances for upward mobility across generations varies a great deal in different parts of the country and that one factor driving this is the extent of economic inequality in the area.

Just one illustration: The probability that a child reaches the top quintile of the national income distribution starting from a family in the bottom quintile is 4.4% in Charlotte but 12.9% in San Jose

Source: Chetty, Hendren, Kline, Saez, 2014
IN THE END

If you consider the past decade we have learned that “any job” is not acceptable.

People cannot live a decent healthy life on “any job”

Our social fabric is stretched by the divide between a nation of few good and many bad jobs

We need to be a nation that creates good jobs.

This can mean
  good wages and/or
  advancement chances and/or
  worthwhile and transferable training (not just “experience”).

But creating good jobs must be our focus.
THANK YOU!