WHERE ARE ALL THE GOOD JOBS GOING?

Holzer, Lane, Rosenblum, Andersson
Russell Sage Foundation, 2011
Good Jobs and Good Workers

• Distinguishing Good Jobs from Good Workers
• Are the Good Jobs Disappearing in the US? If so, where and for whom?
• Implications for Displaced Workers and Metro Areas (Large and Small)
• Implications for Policy???
• Short-Term v. Long-Term View – Great Recession and Beyond
Measuring Good Jobs and Workers

- **Good Job:** Pays a Premium for Worker Above Their Market Wage – Firms!
- **Good Workers:** Earn High Wages Regardless of Jobs
- Firm and Person Effects – Calculated with Longitudinal Data on Each
Data Used Here

- LEHD Data – US Census Bureau
- Based on UI Earnings Data from Participating States – Linked to other Census Survey Data (LED program, QWI Data)
- Micro Data at Census Bureau – Follow Universe of Workers and Firms Over Time
- This Book: 12 States, 1992-2003 (3 Subperiods)
Findings

• Where are the Good Jobs and Who are the Good Workers – Top Quintiles of Each

• Good Jobs Not Disappearing! Top Quintile Growing Rapidly

• Changing Distributions of Top Jobs across Industries: Manufacturing Declining; Replaced by Construction, RT, Finance, Professional Services, Administration, Health Care
Findings (Cont’d)

• Persons by Industry: Declining Mfg. Employment for Lowest-Skilled Workers
• Where are the Good Jobs for Them? Retail Trade, Administrative
• Health Care: 2\textsuperscript{nd} and 3\textsuperscript{rd} Quintiles
• Construction Also
• Matching of Workers to Firms…
Punch Line on Jobs

• Good Jobs Not Disappearing Overall…
• But in Different Industries and for Different Workers
• Previous Generations: Good Jobs Substituted for Good Skills
• Today: Good Skills are Complements and Preconditions for Good Jobs
• Implication: Rising Inequality Unless Skill Levels Rise!
Other Findings

• Dislocated Workers: Largest Long-Term Losses are When Good Jobs Lost and Not Replaced by One – Older, Less-Educated Men!

• Metro Areas, Large v. Smaller – Latter Suffer Most from Industrial Restructuring – Difficulties Replacing Good Jobs

• Many Good Jobs Created and Destroyed in US – Dynamics! Esp. in Large Firms and Establishments
Policy Implications

• Creating Good Workers to Fill Good Jobs, esp. among Non-College Grads
• Creating More Good Jobs for Them
• Help for Those Whose Skills and Jobs Cannot be Improve
What about the Great Recession? Short v. Long Run

- Job Quantity v. Quality and Fit with Workers
- Even Now: Hints of a Structural Unemployment Problem – Rising vacancies, long-term unemployment
- Time to start building a better workforce system
- Caveats: Resources, Lack of Demand Now
Good Workers for Good Jobs

• Young Workers in US: Too Few with Post-Secondary Credentials (Attendance v. Completion), esp. in High-Paying Sectors
• Middle-Skill as well as High-Skill!
• Links between Education Institutions, Workforce Development System and Employers
Good Workers (Contd.)

- High-Quality CTE as well as College
- Colleges: Supports for Disadvantaged Youth or Adults; Information (Career Counseling) and Incentives
- Workforce System: Sectoral Approaches, Career Pathways linked to Trends in Labor Demand (WIA)
- Too Narrow??? General Skills, Incumbent Training
- Dislocated Adults Also
More Good Jobs

- Grants, Tax Credits and Technical Assistance for Firms Creating Good Jobs
- Links to Broader Economic Development Strategy (WRTP and COWS in WI)
Supports for Low-Skill Workers

• Health Insurance, Wage Insurance
• EITC Expanded