



**COMMENTS ON “WHERE ARE ALL
THE GOOD JOBS GOING” AND
“MODERN RETAIL AS THE NEW
MANUFACTURING”**

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COMMON AND MUTUALLY SUPPORTIVE FINDINGS FROM TWO PRESENTATIONS

- Prior to the Great Recession, the U.S. economy still generated high quality job opportunities where skills are rewarded and with room for internal advancement.
- Firms that pay premiums above and beyond the workers skill levels tend to employ the high skilled, contributing to earnings inequality.
- Job quality and skill levels have become more tightly aligned in recent years.
 - Decline in the importance of jobs in durable manufacturing where high unionization rates compress the earnings distribution around a relatively high average.
 - Increasing employment in retail establishments with greater wage variance and a higher return to skills among the relatively less educated.



WHAT ADVICE SHOULD I GIVE TO MY KIDS? COMMENTS ON HOLZER, LANE, ROSENBLUM AND ANDERSON

- Low-skilled workers are basically shut out of the highest quality firms
 - What is the role of contracting out and temporary help?
- The “Good Jobs” vs. “Good Workers” debate
 - Holzer et. al. find evidence for both arguments. What is their relative importance for explaining variation in earnings?
 - Average earnings by firm quintile within person quintile.
- Earnings growth associated with mobility?
 - Prior research has shown much of lifetime earnings growth occurring early in one’s career and driven mainly by inter-firm mobility? Is this still true?



SOME SUGGESTIONS FOR FURTHER RESEARCH WITH THESE DATA

- Who has better access to high quality jobs?
 - Match workers with similar skills from different groups – e.g., African-Americans men to white men, men to women.
 - Compare distributions across firm quality quintile for whole matched population as well as subsets of the matched population – e.g., all African-American men to matched sample of white men as well a separate comparison within broad educational categories (high school grad, some college, college grad etc).
 - Do commonly observed pay disparities exist in skill-matched samples? Do differences in average firm quality explain much of these differentials?



ARE RETAIL JOBS REALLY THAT BAD?

COMMENTS ON CARDIFF, LAFONTAINE, AND SHAW

- Employment at mid-size retail firms is growing while employment in durable and non-durable manufacturing has continued to decline.
 - These relative employment trends are likely to continue and reflects the U.S. comparative advantage in skill and capital intensive goods and services (observed in the Holzer et. al. data as well).
- Skill is rewarded at retail firms
 - Many managerial positions that pay considerably higher salaries than those of front line retail workers.
- Geographic location of modern retail positively associated with wealth concentration both contemporaneously and with a lag.



IS MODERN RETAIL REALLY THE NEW MANUFACTURING?

- **Wage levels and variance:** Very large pay disparities and greater variance among the least skilled.
- **As a pathway to the American Dream:** Holzer et. al. find relatively small proportion of top quintile firms in retail. Those on upward trajectory are likely passing through retail trade on the way up.
- **As an economic anchor for local communities:** positive association between retail location and wealth likely reflects causation from the latter to the former.



THE GREAT RECESSION

- Where were employment contractions the greatest?
- Workers skill and job loss.
- Modern retail and access to cheap capital.

