

Imagining a **Future of Work** that Fosters Mobility for All

Webinar

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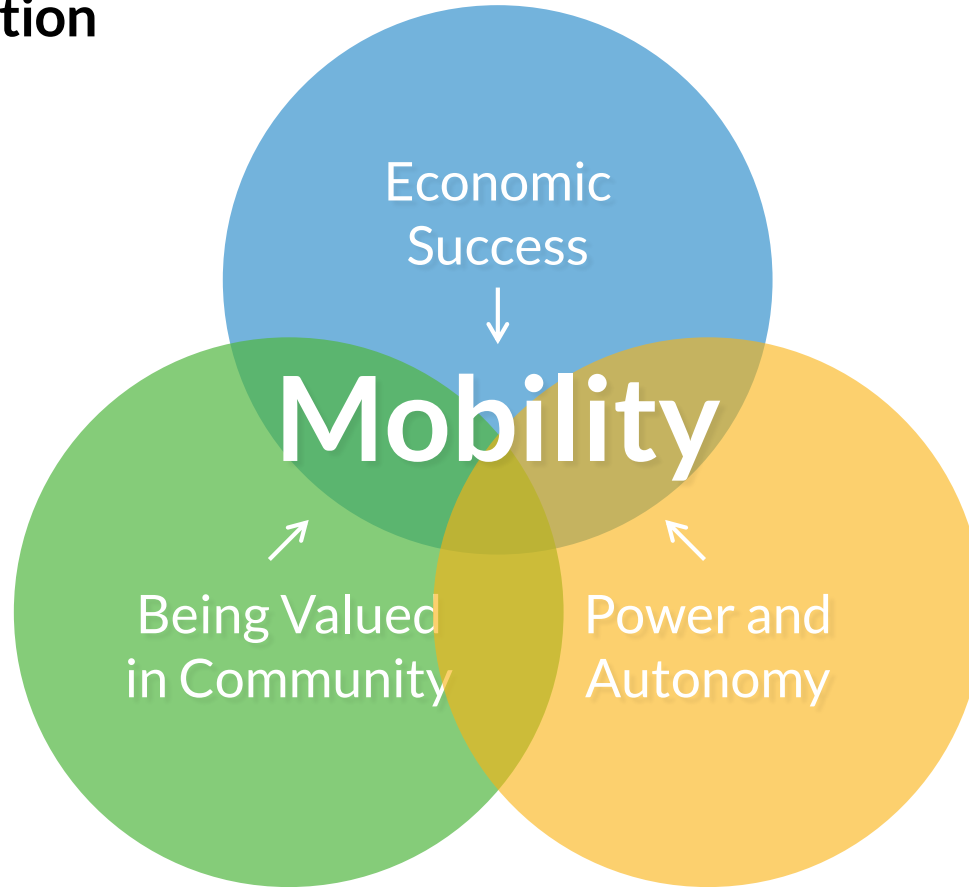
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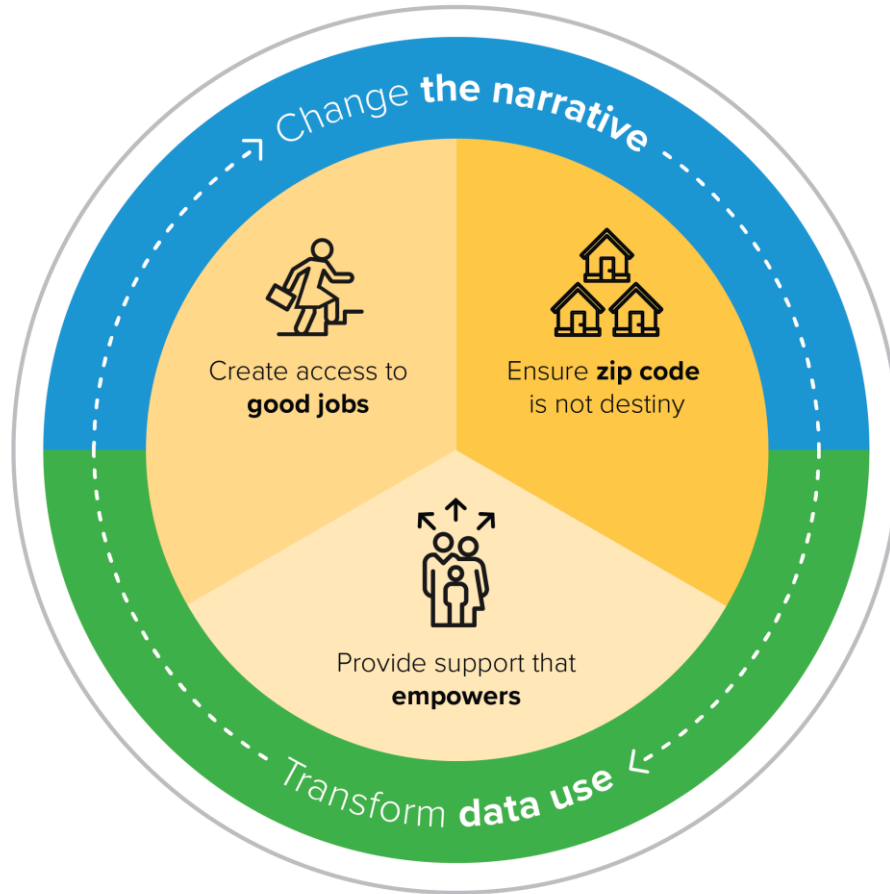
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Mobility Definition

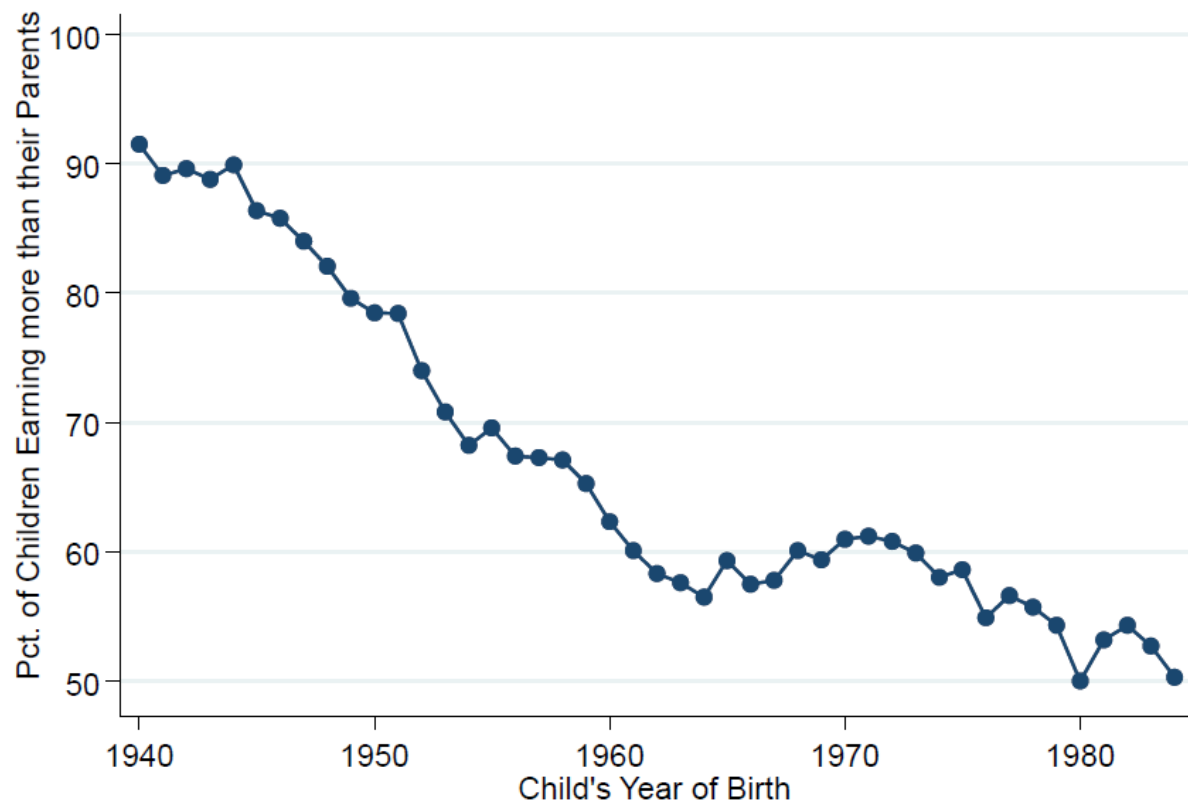


Strategies



The Fading American Dream

Percent of Children Earning More than Their Parents, by Year of Birth

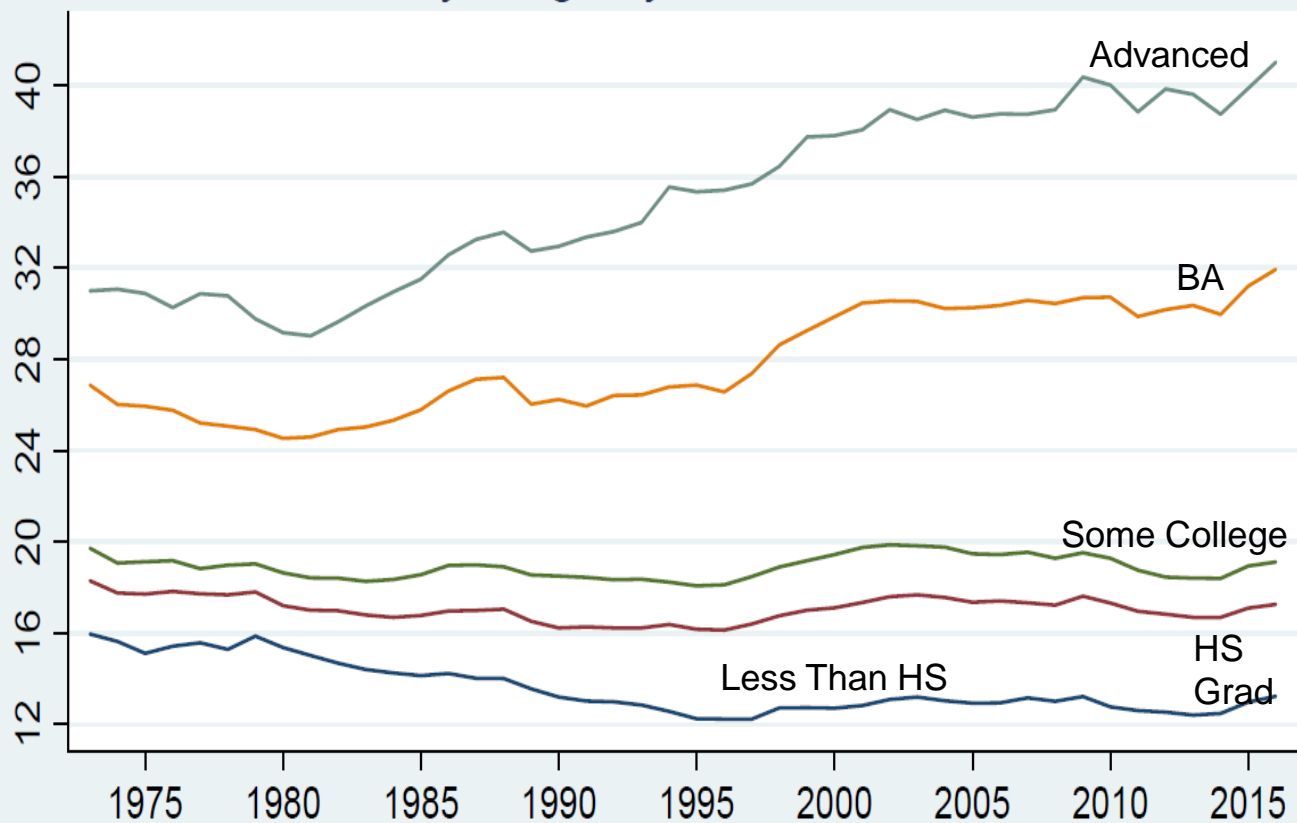


Source: Chetty, Grusky, Hell, Hendren, Manduca, Narang (Science 2017)

Fading “American Dream” linked to Labor Market Issues

- (1) Slow (almost stagnant) Median Real Wage Growth
- (2) Polarization of the Labor Market, Growing Education Divide and Rising Inequality in Labor Market, Rising Importance of “Soft” Skills and In-Person Services (Care Sector key example)
- (3) Fissuring of the Labor Market and Decline in Traditional Employment Relationships and Unions; Rising employer market power
- (4) Decline in prime age (25-54 year old) male LFPR especially for less educated; stagnation in female LFPR with rising care burden of aging society

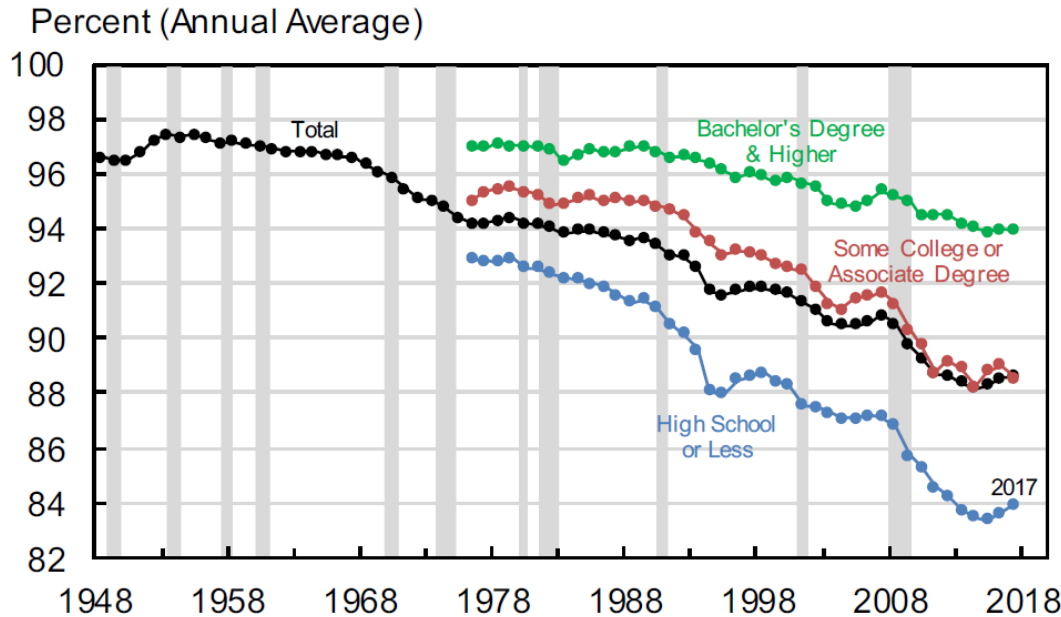
Real Hourly Wage by Education, 1973-2016



Source: CPS ORG Hourly Wages from Economic Policy Institute 2017

Declining Employment Concentrated Among Non-College Men

**Figure 5: Labor Force Participation Rate for Men
Ages 25-54 by Educational Attainment**



Note: Annual averages of monthly data from the Current Population Survey. 2017 represents the average of data from January through May. Shading denotes recession.

Source: Bureau of Labor Statistics; National Bureau of Economic Research; author's calculations.

Males, 25 to 54 Years Old, 1973 to 2017
Share Not Employed or Earning Below-Poverty Level Wage



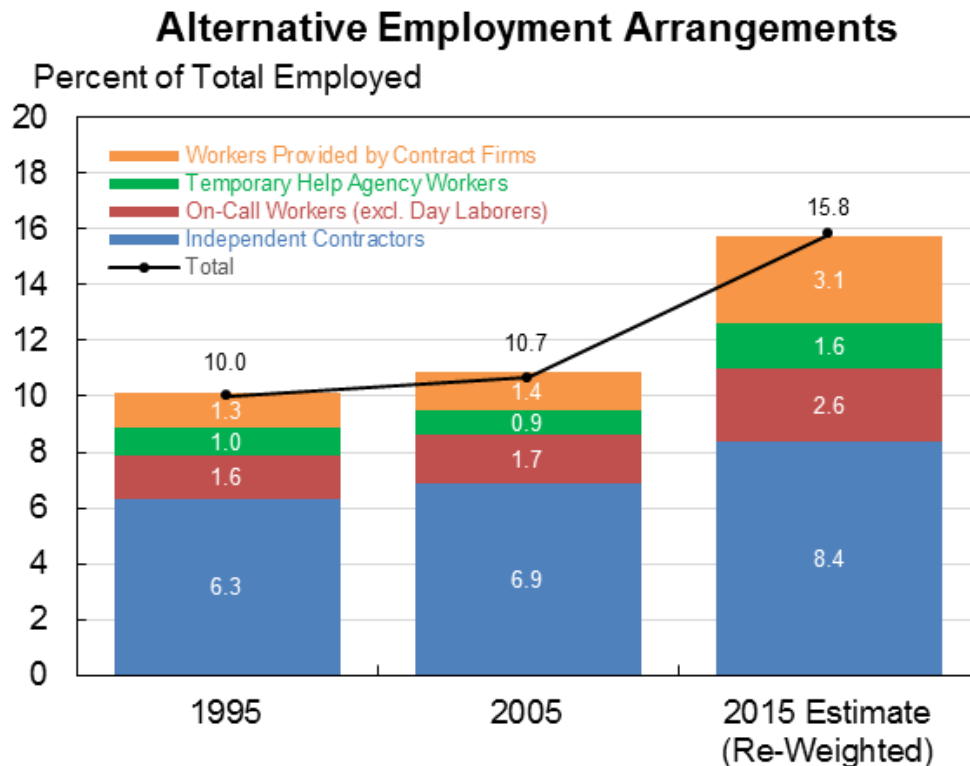
Fissuring of the U.S. Workplace

(1) Decline in traditional employment relationships and rapid growth in share of U.S. workforce in **alternative work arrangements** (independent contractors and freelancers, contracted out workers, temporary help agency workers, and on-call workers)

(2) **Increasing segregation of U.S. workforce** across employers by wages and education with a rising correlation of worker and firm wage effects

These two patterns represent a “**fissuring**” of the U.S. **workforce** and are closely related to rising inequality

Growth in Alternative Work Arrangements Accelerated Over the Last Decade



Note: Alternative weights were estimated for 2015 data to match the share of self-employed workers in the October 2015 Current Population Survey.

Source: BLS CPS CWS Feb 1995 & Feb 2005; 2015 Katz and Krueger Rand-Princeton Contingent Worker Survey (RPCWS).

Fissuring of the Workplace and Rising Wage Inequality

Contributions to Rising Wage Inequality from
1980 to 2013:

Person Effects: 73% (rising education and skill
returns)

Sorting: 34% (rising correlation of person
& firm effects)

Firm Effects: -7%

Source: Song et al., “Firming Up Inequality” (2016)

Jobs: The challenge



DECLINES

Employment that provides
good wages, benefits, &
protections

Unionization

Likelihood of working for a
single long-term employer



INCREASES

Alternative work
arrangements

People working for multiple
employers in "gig economy"
jobs

Fissuring of workforce across
employers by wages
& education



SHIFTS

In ways people get jobs

Displacement
of jobs by automation
& artificial intelligence



Strategy 1

Facilitate Access to Work That Pays Well

State and Local Wage,
Scheduling, and Leave
Initiatives

Proposals to Enhance the
Federal Earned Income Tax
Credit

Employer Codes of
Conduct

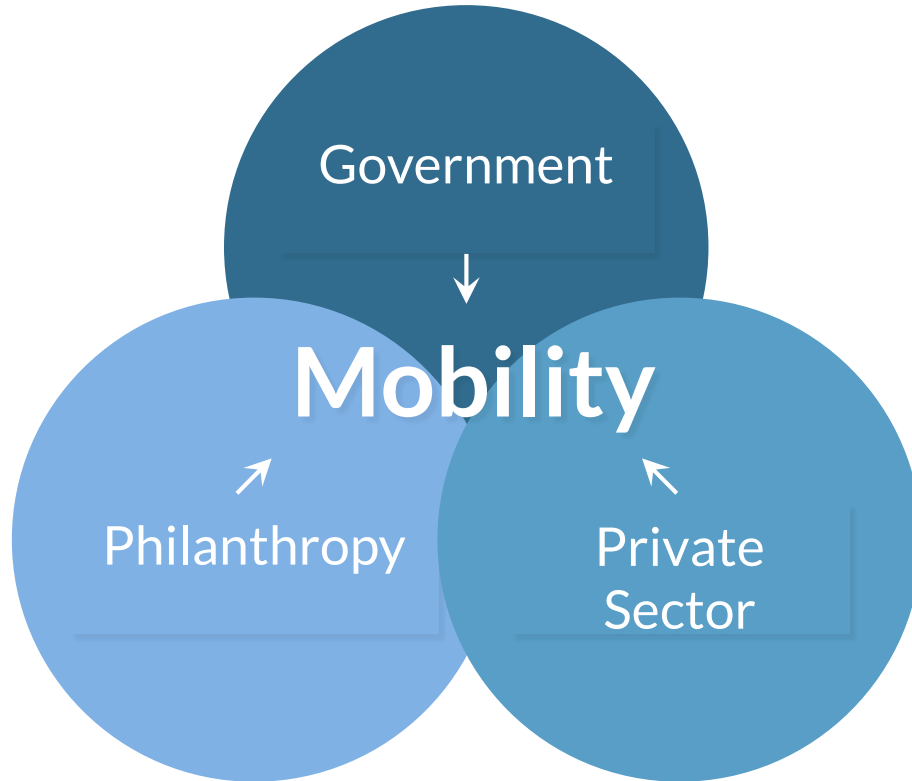
Strategy 2

Create Portable Benefits for Workers in Alternative Employment Arrangements




Strategy 3

Strengthen Workers' Roles in Shaping Their Future



Strategy 4

Leverage Wage Subsidies and Job Guarantees for America's Most Vulnerable Workers



Wage
Subsidies

Job
Guarantees



Strategy 5

Invest in a Multifaceted Strategy to Improve Specific Growth Sectors, Such as Care

Strategy 6

Build Human Capital over a Lifetime



Q&A



For further information



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