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# There's an under-the-radar job crisis hurting millions of Americans

Arne Kalleberg and David Howell, Opinion Contributor 2 hours ago



Right now the bar for what qualifies as a job is low. Robert Galbraith/Reuters

## Opinion

- The US is creating jobs, but the quality of those jobs is worsening.
- The government should pass pro-labor reforms to help improve the lives of workers and reverse the job-quality decline.

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For presidential administrations of both parties, there is one common denominator: the tendency to treat new jobs as the holy grail of economic success or failure.

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That tendency was on full display in [President Donald Trump's reaction to the October jobs report](#) that the Bureau of Labor Statistics released, which showed the US unemployment rate at an almost 50-year low of 3.6%.

But a focus on the *number* of jobs can distract us from the crisis of job *quality* in America that long predates Trump's presidency: US workers have endured four consecutive decades of declining job quality.

## **A 40-year decline in job quality**

Any way you slice it, the data on the types of jobs being created is clear: More Americans are working in jobs that pay less.

Since 1980, average market income for the bottom 50% of working-age adults fell by 6.2%, which in dollar terms translates into a loss of nearly \$2,000, from \$18,049 in 1980 to \$16,136 in 2014.

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The share of jobs that pay a wage high enough for a single full-time worker living alone has declined. Instead, there has been an explosion of low-wage jobs in manufacturing as well as service industries, especially for workers without a college degree, who still constitute a majority of the labor force.

Even young, college-educated workers — male and female — experienced large increases in poverty-wage jobs. Many recent studies have shown that workers in low-wage primary jobs increasingly find it necessary to take a second or third part-time job, often for gig-economy businesses such as Uber and Lyft.

## **The job-quality crisis is hitting young, less educated workers**

In "Declining Job Quality in the United States," published in The Russell-Sage Journal of the Social Sciences, we document the job-quality crisis with new data and insights into whom it is affecting the most.

For example, the share of employed young (18-34) workers with poverty-wage jobs (the threshold was \$13.33 per hour in 2017) increased from 31.5% in 1979 to 42.8% at the end of 2017. But it was far worse for young male workers without a college degree. The percentage of that group making poverty wages rose from 26.6% in 1979 to 50.9% in 2017 — a doubling in just 38 years.

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The incidence of poverty-wage jobs for young female workers without a college degree has been much higher but has grown more slowly, from 51.8% to 66.4% (mainly since the early 2000s).

Numbers on income and poverty released by the Census Bureau underscore the consequences of collapsing job quality. Twenty years of economic growth has generated virtually no gain in inflation-adjusted median income for men and only a modest (\$258 per year) increase for women.

The bureau's report also showed that the number of Americans without health insurance increased last year to about 27.5 million people, or 8.5% of the population, up from 7.9% the year before. This was the first increase in the uninsured rate [since 2008](#).

While declines in Medicaid coverage explained most of the decline, it is still worrisome that the low unemployment rate did not translate into health-insurance coverage, which has historically been provided by employers.

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## Fighting the job quality crisis

To combat the decline in American job quality, we must focus on two main areas: resetting corporate norms and legislating at the state and federal level to give workers more power at work.

Current corporate practices have eviscerated longstanding protective labor institutions. Action from Congress to raise the minimum wage and protect workers against new methods of cutting labor costs like the increasing reliance on temp jobs, outside

contractors, automation, offshoring, non-compete contracts, and no-poaching agreements among firms, along with outright wage theft is essential.

These are not partisan issues, but for too long corporations have hidden behind the moniker of "job creators," with no accountability for the fine print.

Right now the bar for what qualifies as a job is low. For example, ride-hailing companies have created a system in which all the risk is on independent contractors. The driver hustles for work, the driver owns the car, the driver pays the insurance, and the driver buys gas. The company takes a cut of the profits.

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While flexibility and nontraditional jobs are not going away, changes in the nature of work arrangements have made the American system of employer-provided benefits no longer reliable or viable.

These protections should not be conditional on the generosity of particular employers. Social-welfare protections and labor laws must recognize that full-time, full-year employment for a particular employer has become less the norm as more people are working as independent contractors, temporary workers, and employees of contractor companies.

Changes to labor law can make it easier for contingent workers — childcare providers, home health aides, and temp workers — to form a union. Federal rules on who is considered to be an employee need to be updated in view of the spread of the gig economy and independent contractors.

Enacting and implementing policies at the state and federal level that will address the job-quality crisis requires the revitalization of the labor movement and political pressures to provide basic universal protections for workers and their families.

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## **Going beyond labor law to support workers**

Beyond direct efforts to put more power back into the hands of workers and increase the base federal wage, a critical need is to provide minimal basic social and economic protections, such as housing, healthcare, education, and child support — for low-wage workers and their families.

Some of these broader policies that could be a huge help to workers include:

- enhanced access to education through tuition support
- paid parental leave across the US
- expanded health-insurance coverage
- greater availability of, and access to, publicly provided or subsidized education and training, including retraining and lifelong learning

These changes are all essential to helping people navigate the uncertainty and insecurity that will certainly continue to characterize labor markets.

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American economic growth has not been shared in a meaningful way, and that's producing a polarized society characterized by profound income and wealth inequality, with rising disparities in access to high-quality education, healthcare, and housing.

In today's economy, new job-growth numbers may make headlines, but it's the creeping crisis of deteriorating job quality in the US that's most troubling trend in need of attention.

*This is an opinion column. The thoughts expressed are those of the author(s).*

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