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

Webinar
February 15, 2018

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Mobility Definition

Economic Success

Mobility

Being Valued in Community

Power and Autonomy
Strategies

- **Change the narrative**
  - Create access to good jobs
  - Ensure zip code is not destiny
  - Provide support that empowers

- **Transform data use**
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
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

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

Alternative Employment Arrangements

Percent of Total Employed

- Workers Provided by Contract Firms
- Temporary Help Agency Workers
- On-Call Workers (excl. Day Laborers)
- Independent Contractors
- Total

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
Strategy 5
Invest in a Multifaceted Strategy to Improve Specific Growth Sectors, Such as Care
Strategy 6
Build Human Capital over a Lifetime
For further information

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