Job Growth and the Quality of Jobs in the U.S. Economy

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Abstract

During the 1980’s employment grew rapidly in the United States, prompting many analysts to label the U.S. economy the great American job machine. But while aggregate employment increased rapidly during the 1980’s, many did not benefit from the expansion. Among less educated prime-age males, unemployment rates rose and labor force participation rates declined sharply. Moreover, although job growth was high, many argued that the quality of American jobs as measured by wages, benefits, and job security deteriorated. The decline of jobs in the high-paying manufacturing sector and the growth of jobs in the low-paying services sector, the growth in part-time and temporary employment, and the general decline in real wages among less-educated, less-skilled workers have been presented as evidence of an erosion in job quality. The issue of job growth and job quality in the American economy has sparked extensive debate among policymakers and academics over the last decade. The aim of this paper is to critically examine the evidence on job growth and on wages and other indicators of job quality in the U.S. economy during the 1980’s and 1990’s. To place the American experience in perspective, selected comparisons are made to the experiences in other industrialized countries.

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are unable to meet their dietary energy requirements. The principal cause of food insecurity is household incomes that are too low to ensure adequate access to food. Food security is causally linked to economic growth and employment, and the two-way linkages are mutually reinforcing. Rural employment and incomes are vitally important yet have not so far featured in G20 work on growth and employment. Nearly eight out of ten working poor at the US$1.25 level live in rural areas, where many are engaged in vulnerable employment, in particular in agriculture. Why the US is making an example out of China’s Huawei. When seeing is no longer believing: inside the Pentagon’s race against deepfake videos. Why Brexit uncertainty means companies plan for the worst. The continued pace of job growth is unusual at this point in an economic recovery, and shows that there are still enough workers coming off the sidelines as opportunities improve to supply at least a portion of businesses’ labor needs. The civilian labor force participation rate for workers between ages 25 and 54, which measures the percentage of the population that is working or looking for work, jumped to its highest level since May 2010. Most of the net new jobs came from health care, construction, and manufacturing, which has added 296,000 jobs over the past year.