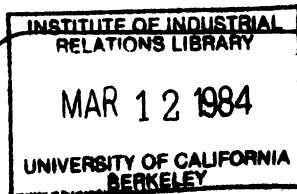


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THE OUTLOOK FOR THE CREATION OF GOOD JOBS

by Clair Browne

As the U.S. continues to suffer high unemployment, policy makers continue to search for a solution to the dilemma of too few jobs. Little attention has been paid to the impact that the changing job structure will have on the earnings structure. Given the projected growth of occupations in the coming years, this report looks at the expected changes in the distribution of earnings and concludes that an economic recovery program must include new legislation that facilitates the unionization of service and clerical work.

The Growing Occupations. As reported in LCR No. 97, the majority of new jobs between 1980 and 1990, will be in the service sector--nurses' aides and orderlies (508,000), nurses (437,000), janitors (479,000), fast-food workers (400,000); the clerical sector--secretaries (700,000); and retail trade--sales clerks and cashiers (931,000)--according to Department of Labor projections. In contrast, the five fastest growing "high-tech" jobs--data processing mechanics, computer operators, computer analysts, office machine servicers, and computer programmers--are expected to increase less than 500,000. Altogether, "high-tech" will account for seven to eight percent of the job growth over the coming decade.

In general, the jobs currently provided by the high-tech industries are nonunion and, if they are semi-skilled or unskilled, low wage. To avoid being unionized, high-tech industries will probably not want to locate in economically depressed states with a strong union tradition. As Robert Schrank, formerly with the Ford Foundations, said, "I think many 'high technology' companies would be very shy to go into Michican, for example, because of the union tradition. They're not going to hire a bunch of laid off members of the United Auto Workers at the minimum wage and then face a union election in six months." Therefore, the depressed areas cannot expect much job creation from the growth of the high-tech industries.

Fewer Good Jobs for Nonprofessionals. The trend in the growth of jobs that are lower paid if skilled (such as nurses and secretaries) or are unskilled (such as janitors and clerks) is a continuation of the changes in the job structure over the past decades. The result is that good jobs are of two types--unionized semi-skilled or skilled and nonunion professional and managerial. As the first category decreases in size and the second category increases, good jobs will become limited to those who have access to professional education. These jobs have long been dominated by white males, who usually have come from higher income families. A major channel to a better paying job and a higher standard of living for semi-skilled workers--a unionized job--is drying up. So far, we do not have an economic policy that allows creation of good jobs for nonprofessionals.

As the following table shows, the fastest growing occupations in the 1980s--clerical and service--are also the lowest paying occupations. Together, clerical and service represented one-third of the employed workforce in 1980, and their relative importance is growing. These two occupations are composed predominately of "female" jobs with 80% of all clerical workers and 59% of all service workers being women. Over one-half of all employed women work in clerical and service jobs.

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DISTRIBUTION OF OCCUPATIONS AND EARNINGS, 1980

	% of Employment	Weekly Amount	Median Full-time Earnings Index
Managers	11%	\$380	1.43
Professional	16	341	1.28
Craft	13	328	1.23
Sales	6	279	1.05
Operatives	14	240	.90
Laborers, nonfarm	5	220	.83
Clerical	19	215	.81
Service (exc. private household workers)	12	180	.68
Other	4	--	--
Total		\$266	1.00

As real full-time earnings fell 3% between 1970 and 1980, all occupations experienced a real decline in earnings. However, some occupations experienced a sharper decline in earnings than others. Professional earnings fell the most (over 10%), which reflects the growth of lower paid professional jobs. Managerial earnings fell 5%, and clerical earnings fell 7%. The decline in earnings of operatives between 1970 and 1980 was probably close to the 2% decline for crafts. Overall, crafts, sales, and operative workers improved their *relative* position in the earnings distribution; service workers maintained their position; and the position of all other occupations fell. The Index compares the median earnings of each occupation to the overall median weekly earnings of \$266 in 1980. So managers made 1.43 times the overall median, while service workers made .68 times the overall median earnings.

What do these shifts in the job and earnings structure imply for unemployed workers? If an unemployed operative finds work in the service sector, typically this will mean a decline in weekly full-time earnings of \$60, or \$3000 per year (in 1980 dollars), which is a 25% decline in earnings. For many unemployed workers, finding full-time work in a service job that pays the median \$9,000 is unlikely. Yet even if such a job becomes available, taking it means a substantial decline in the family's living standard.

New Legislation Needed. Since most of the jobs created in the coming decade will be in the service and clerical sectors, these jobs will not pay nearly so well as the old ones for comparable skills in manufacturing. This could change under an economic recovery program that includes legislation to facilitate the unionizing of workers in these rapidly growing sectors. The operative jobs in auto, metals, rubber, and other manufacturing industries did not pay decent wages until these industries were unionized following the Wagner Act of 1935. History teaches us that jobs for semi-skilled and unskilled workers will not pay decent wages and will not have decent working conditions without collective bargaining. And the legislation needed to facilitate the unionizing of new sectors will not come without a political struggle.

Examples of union efforts in California illuminate both the results of and the need for new legislation governing collective bargaining. The Myers-Milias-Brown Act of 1968 in California allowed collective bargaining for public sector workers. It paved the way for a massive organizing of public sector workers. The probable outcome will be improvement of earnings and working conditions for public sector workers. This follows a period of dramatic deterioration in their earnings as tax revenues declined sharply with the passage of Proposition 13 and the long recession. Examples of steady gains in unionization of public employees in California include hospital workers, teachers, city and county employees, and service workers in colleges and universities. However, major gains in organizing workers in the private sector require new legislation that swiftly punishes unfair labor practices, allows unions access to employees at the workplace, and covers workers that are not yet covered. The creation of more "good" jobs requires a combination of both economic growth and the unionization of traditionally nonunion industries.

-- Clair Brown

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