



EPI BRIEFING PAPER

ECONOMIC POLICY INSTITUTE • NOVEMBER 12, 2009 • BRIEFING PAPER #250

GETTING GOOD JOBS TO AMERICA'S PEOPLE OF COLOR

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Everybody just wants to be able to get a job that supports a family.

—President Barack Obama
Elkhart, Indiana, February 9, 2009

The lack of “good” jobs is a serious problem for all Americans and an especially dire problem for America’s people of color. The current recession has highlighted overall job loss and the need for robust job creation; however, we must also look at the quality of those jobs. The United States has too few good jobs, and the share has been declining over time. A recovery that creates millions of low-wage, no-benefit jobs is not a real recovery at all.

This Briefing Paper uses a minimal definition of a “good” job. It defines a good job as one that pays a wage that can support a family and that provides health care and retirement benefits. Using this minimal standard, the paper shows that Hispanics are less than half as likely as whites to have good jobs, and African Americans are about two-thirds as likely. When comparing workers of the same educational level, whites are also more likely to have good jobs than Asian Americans. The large share of college graduates among Asian Americans, however, hides their disadvantage when one examines the group as a whole. Generally, people of color have less access than whites to quality jobs.

The lack of good jobs is a problem for all racial and ethnic groups. From 1979 to 2008, the share of good jobs declined 6.9 percentage points among all races. This is a surprising development when one considers that there has been a 76% increase in productivity over the same period.¹ Average Americans are working harder and smarter, but average workers of all racial and ethnic groups have not benefitted in pay and benefits from these improvements. Without the good jobs agenda outlined in this paper, we will likely continue to see reductions in their number.

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Without a doubt, the United States could do much better in this area. Many other developed nations pay higher wages than the United States. For example, if one examines the wages for manufacturing production workers only, workers in Australia, Austria, Belgium, Canada, Denmark, Finland, Germany, the Netherlands, Norway, and Sweden all earn more on average than U.S. workers (Mishel, Bernstein, and Shierholz 2009, 377).

America also has a comparatively large share of workers making less than two-thirds of the average wage (OECD 2007, 268). If the United States enjoyed a more equitable income distribution, Americans would have more good jobs for millions of Americans, including millions of people of color.

Even the advanced countries with a larger share of lower-wage workers than the United States ensure that their citizens have health care and also experience lower poverty rates. Because the United States does not have universal health care like other advanced countries, America has many fewer good jobs.² The United States needs to implement major policy reforms to ensure that a much larger share of American workers—including a much larger share of workers of color—have good jobs.

This report provides an overview of a policy agenda for increasing the numbers of people of color with good jobs. There are two different challenges to be addressed. First, the United States needs to greatly increase the number of good jobs for all. This increase should also lead to more good jobs for people of color. Second, the good-jobs racial gap needs to be eliminated. Even with a vast increase in the number of good jobs, it is likely that there will still be inequities. A good-jobs agenda for people of color requires a two-pronged strategy, one that is race-neutral to increase the number of good jobs and one that is race-targeted to eliminate the racial gap in access to good jobs.

In summary:

- America has too few good jobs for people of all races, but the problem is more severe for workers of color.
- The United States needs to develop a “good jobs” agenda at the federal, state, and local levels to dramatically increase the amount of. Ideally, all jobs should be good

jobs, but setting an intermediate target of 75% good jobs is an achievable goal over the next 10 years.

- Increasing the number of good jobs will require (1) having policymakers make enlarging the number of good jobs a priority; (2) implementing universal health insurance and universal retirement security; and (3) increasing the unionization rate of American workers.
- Reducing the racial good jobs gap with whites will require programs for addressing (1) racial discrimination in the labor market; (2) the need for better education and training for people of color; (3) the failure of the U.S. labor market to validate the foreign, non-European college degrees of immigrants; and (4) a dysfunctional criminal justice system.

What is a good job, and who has one?

There are several different ways that one could define a “good job.” For many people, *at minimum*, a good job is one that pays a wage that would support a family and provides health insurance and retirement benefits.³ There are many other job quality characteristics that could go into defining a good job (see Lower-Basch 2007; Schmitt 2005). But this definition should provide a broadly acceptable minimum standard that can be measured with readily available data.

This paper uses a wage that yields 60% of the median household income for a full-time worker as the wage level for a good job. In 2008, such a wage was \$14.51 an hour, which amounts to \$30,182 annually.⁴ This wage standard is sometimes used for cross-national poverty comparisons (Chen and Corak 2005, 7), and since it is a percentage of the median household income, it automatically tracks broad changes in living standards.

This good jobs wage standard is superior to using the official U.S. poverty-level wage since many poverty analysts view the U.S. poverty thresholds as inadequate. U.S. poverty thresholds have not been adjusted for changes in spending patterns and tax and transfer policies (Mishel et al. 2009: 298-301). The National Academy of Sciences (NAS) has developed alternative poverty measures (Garner and Short 2008). In 2008, the highest NAS

poverty threshold for a family of four was \$29,654 (Garner 2009). This alternative poverty threshold is almost the same as the wage standard used in this paper. Thus, the good jobs wage of 60% the median household income matches an international standard, and it is similar to a high-quality alternative poverty threshold for the United States.

Individuals' overall economic well-being depends on them being able to afford health care and have income when they are retired. An untreated or late-treated illness due to the lack of health insurance has the potential to impair one's ability to work and earn an income. Without health insurance, the risk that one will end up in bankruptcy because of an accident or illness greatly increases. Even individuals with very high earnings benefit from group or government-provided health insurance. Individually purchased health insurance is very expensive and may have lifetime limits on coverage. Individuals with certain pre-existing conditions may not be able to find any coverage at all. Thus, even for very high earners health insurance through an employer or

the government is a significant improvement to the individual's living standard.

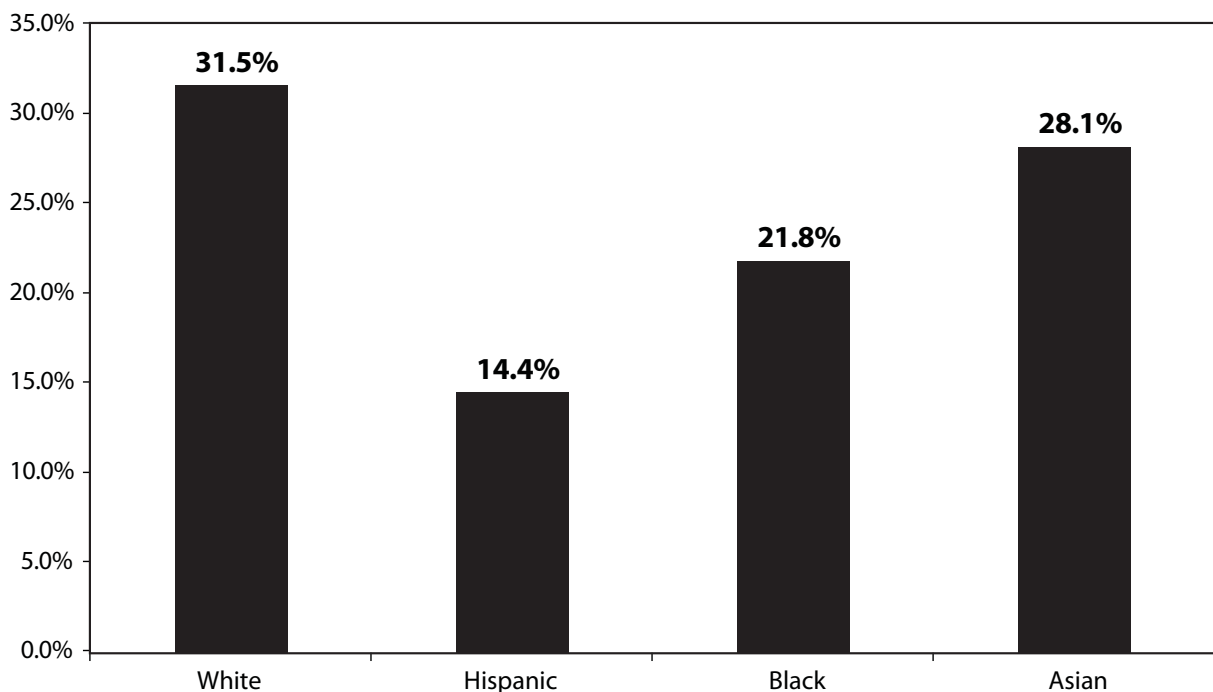
When one retires, one needs a source of income. Social Security only replaces about 45% of the average individual's pre-retirement earnings (Ghilarducci 2007). For individuals to have a comfortable standard of living in retirement, they need an additional source of income. EPI's Guaranteed Retirement Accounts plan replaces an additional 26% (Ghilarducci 2007), and an employer-based pension plan would help fill the remaining gap. Health insurance and a good retirement plan are therefore important pieces of what makes a job a good job.

By the definition of a good job as a job that pays at least \$14.51 an hour and provides health insurance and a pension plan, in 2008, only 27.6% of American workers had a good job (see later discussion of Figure C). Thus, less than three of every 10 American jobs meet these criteria. By this standard, America clearly needs more good jobs.

Such jobs are scarce, and they are not distributed evenly across racial groups. In 2008, the white good jobs

FIGURE A

Rate of employment in "good jobs" by race/ethnicity, 2008



SOURCE: Author's analysis of U.S. Bureau of Labor Statistics (2009a) data.

rate was 31.5%. With a good jobs rate of 14.4%, Hispanics were less than half as likely as whites to have good jobs, and they had the lowest good jobs rate. Blacks had a good jobs rate of 21.8%, a little above two-thirds of the white rate (Figure A).

The aggregate picture for Asian Americans is somewhat misleading. With an overall good jobs rate of 28.1%, Asian Americans seem to be faring nearly as well as whites (Figure A). The picture changes when one examines the good jobs rate by education level. Figure B shows that at all education levels, whites are more likely than Asians (and other nonwhite groups) to have good jobs. Asian American workers, however, are much more likely to have college degrees than whites (55% for Asian Americans compared to 35% for whites).⁵ Thus, the large number of college-educated Asian Americans pulls up the overall Asian-American good jobs rate since college-educated workers have the highest good jobs rate. If Asian Americans were equally likely as whites to obtain good jobs at each education

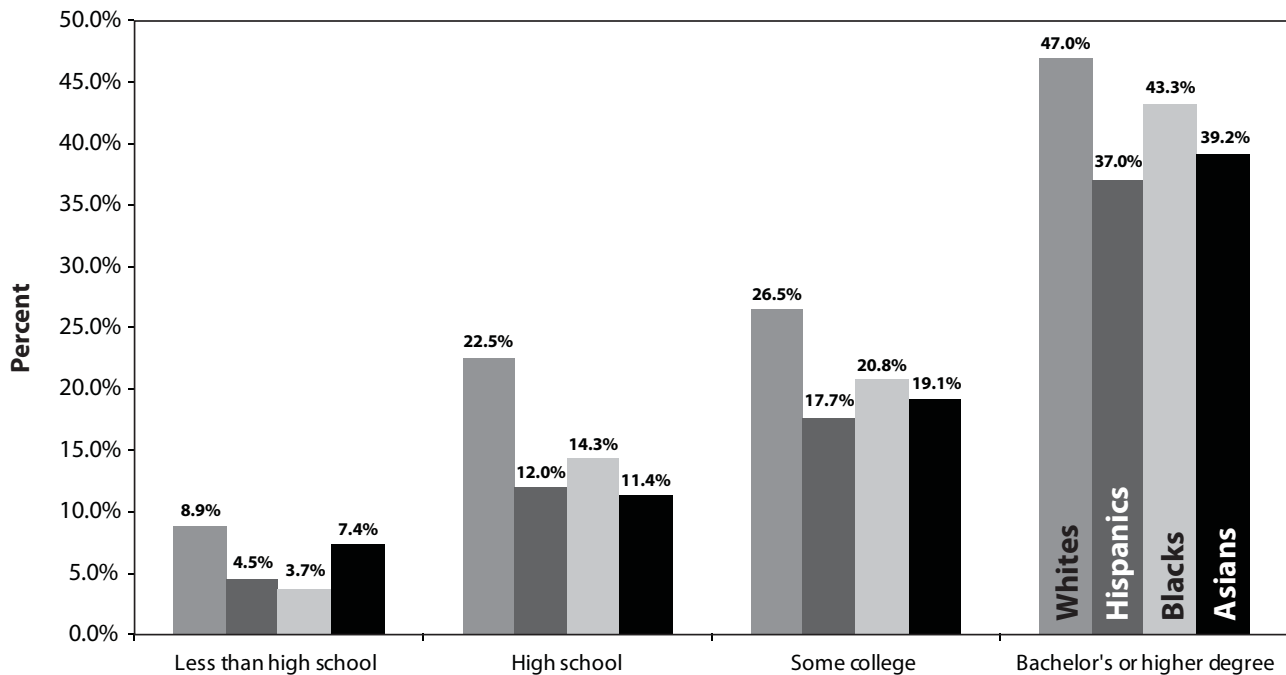
level, given the high Asian American education levels, Asian Americans would have a *higher* good jobs rate than whites.

If we wish for the household head of every family to have a decent chance at obtaining a good job, then we need to dramatically increase their number. If all individuals who are the head of household in a family had a good job, this would require good jobs for about 60% of the labor force.⁶ There are individuals who remain single and childless who obtain good jobs, and some people would like to have a good job as a pre-condition to starting a family. Considering all of these points, a good-jobs level of 75% should be an immediate and achievable target for the U.S. economy. By this standard, America falls far short in the number of good jobs in the economy. The situation is bad for whites, but worse for nonwhites.

A 75% good jobs rate may seem high, given that the current white good jobs rate is only 31.5%, but it is not as big a reach as it seems. In 2008, 56.1% of workers earned a wage high enough for their job to qualify as good (see

FIGURE B

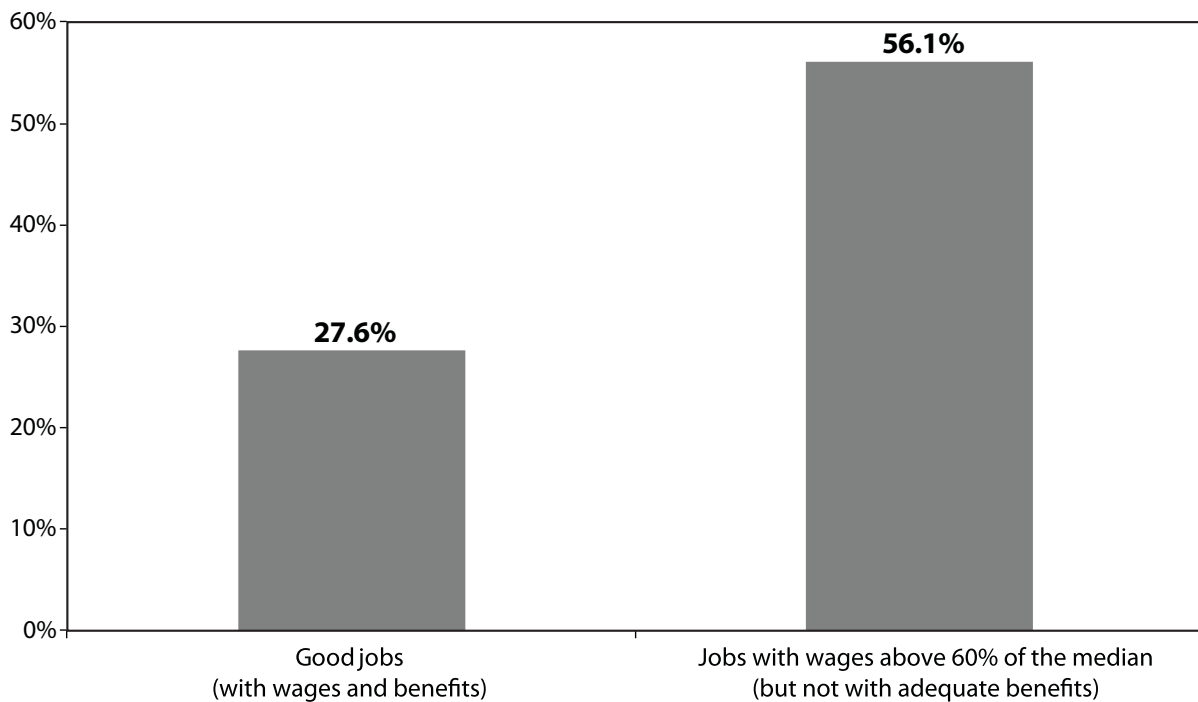
Rate of employment in good jobs by race and education level, 2008



SOURCE: Author's analysis of U.S. Bureau of Labor Statistics (2009a) data.

FIGURE C

Percent of all workers with good jobs and with wages above 60% of the median, 2008



SOURCE: Author's analysis of U.S. Bureau of Labor Statistics (2009a) data.

Figure C). If, as other advanced countries do, the United States had universal health care and a strong pension system, then 56.1% of workers would be in good jobs. Additionally, the United States has experienced greater wage inequality in the decades since the 1970s (Mishel et al. 2009). Without this growth in wage inequality, an even higher rate of workers would have a good jobs wage rate.

While 75% is a reasonable target level for good jobs, there should be 100% coverage of a number of benefits. *At minimum*, all Americans should have health insurance and retirement security through Social Security and the Economic Policy Institute's Guaranteed Retirement Accounts plan (see Ghilarducci 2007). If the United States had universal health insurance and universal retirement security today, 56.1% of all workers would have good jobs instead of 27.6% (see Figure C). The lack of universal health and adequate retirement benefits cuts in half the number of good jobs in the economy.

The fundamentals for increasing the number of good jobs

The first step in increasing the number of people of color in good jobs is to greatly increase the number of such jobs. Three key strategies for increasing the number of good jobs are (1) having policy makers make enlarging the number of good jobs a priority; (2) implementing universal health insurance and universal retirement security; and (3) increasing the union membership rate of American workers. Realizing these goals would substantially increase the amount of good jobs in the American economy and therefore increase the number of good jobs available for people of color.

Enlarging the number of good jobs

The solution to the lack of good jobs for workers of color cannot be to simply "take them" from whites. As things stand today, there are even too few good jobs for whites. Only by putting the lack of good jobs on the

national policy agenda will the United States increase the number of jobs that pay a decent wage and provide health insurance and retirement plans. Only when there is a general increase in the number will we be able to increase the number obtained by people of color.

Unfortunately, overall, the United States has seen a 6.9 percentage-point decline in the share of good jobs from 1979 to 2008 (see **Table 1**). The trends have differed significantly by group. The share of male workers in good jobs dropped by 15.2 percentage points. Female workers, however, saw a 3.1 percentage-point increase. There are also differences by race and ethnicity. The share of Hispanic males in good jobs fell the largest amount, 15.5 percentage points. The share of white males in good jobs showed the second largest decline of 12.8 percentage points. Nonetheless, white males still have the highest good jobs rate. Black males saw a 9.3 percentage-point decline.

Among females, white women saw the largest percentage-point increase in good jobs, 5.4 percentage

points. Hispanic females, in contrast, showed a 1.4 percentage-point decline in their share of good jobs. Black women had a decline of 0.6 percentage points. Thus, for Hispanics and blacks, both males and females are less likely now to have good jobs than in 1979.

These declines for men and weak growth for women in good jobs may seem surprising since there has been a 76% increase in productivity from 1979 to 2008.⁷ However, this trend is consistent with stagnating incomes for those earning at the median level or below. This situation will likely deteriorate significantly into 2010 as a result of the recession. A well-functioning, equitable economy would be able to produce more good jobs as the country becomes richer (Mishel et al. 2009). The United States is therefore generating far more mediocre and bad jobs than it should. Continuing with the status quo will not lead to a growth in good jobs.

Several of the fastest growing and largest occupations in the American economy are bad jobs because they have

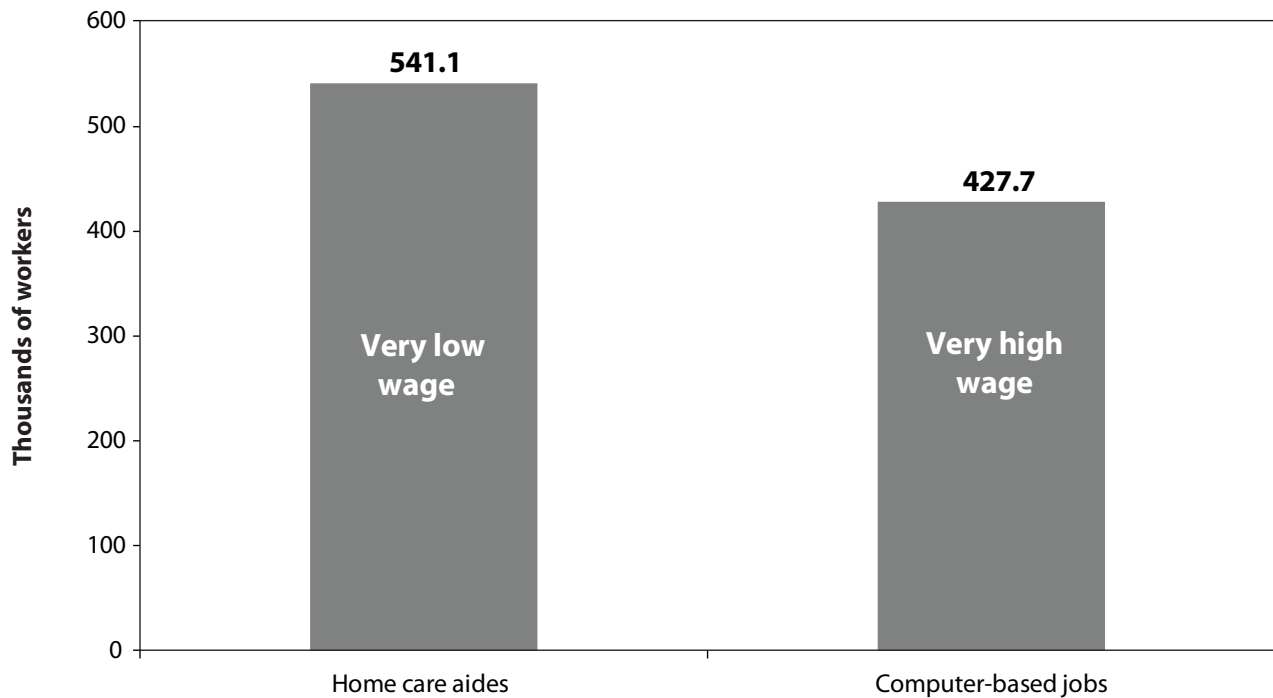
TABLE 1

Share of good jobs by race, 1979 and 2008

	1979	2008	Percentage-point change
<i>All</i>	34.5%	27.6%	-6.9
<i>Whites</i>	36.3	31.5	-4.7
<i>Hispanics</i>	24.1	14.4	-9.7
<i>Blacks</i>	26.9	21.8	-5.2
<i>Other</i>	29.0	26.8	-2.1
Males			
<i>All</i>	46.5%	31.3%	-15.2
<i>Whites</i>	49.3	36.5	-12.8
<i>Hispanics</i>	30.8	15.3	-15.5
<i>Blacks</i>	33.4	24.1	-9.3
<i>Other</i>	37.1	29.5	-7.6
Females			
<i>All</i>	20.6%	23.7%	3.1
<i>Whites</i>	21.0	26.4	5.4
<i>Hispanics</i>	14.6	13.2	-1.4
<i>Blacks</i>	20.4	19.8	-0.6
<i>Other</i>	20.3	24.0	3.7

NOTE: Asian American data for 1979 is not available.

SOURCE: Author's analysis of U.S. Bureau of Labor Statistics (2009a) data.

FIGURE D**Estimated growth in selected fast-growing occupations, 2009-16**

SOURCE: Author's calculations based on U.S. Bureau of Labor Statistics (2007).

low wages and few or no benefits. For example, in 2016 about 2.3 million people will work as home care aides.⁸ This amount is an increase of about 500,000 over today's number (**Figure D**).⁹ Home care aides currently earn a median wage of just \$8.89 per hour (U.S. Bureau of Labor Statistics 2008b), far below the good job wage of \$14.51 per hour.

There are also projections of strong growth in some good jobs. Computer-based occupations¹⁰ are expected to experience strong growth by 2016. About 2.2 million people are projected to be software designers, computer systems analysts, and network systems and data managers—an increase of about 400,000 positions (**Figure D**).¹¹ These jobs earn wages over \$30 per hour (U.S. Bureau of Labor Statistics 2008b) and most likely good benefits.

There is, however, a risk posed by globalization. It is possible that some of the good computer jobs will not actually exist as jobs in the United States in 2016. A lot of computer work can be done overseas, in India,

for example. On the other hand, it is not possible for someone to see to the day-to-day needs of an elderly person who lives in the United States from India. The projections for the low-wage jobs discussed are, thus, somewhat more likely to be actualized than for the high-wage jobs. (See Mishel et al. 2009 for more discussion of offshorable jobs.)

The only way the United States will produce more quality jobs is if a good jobs agenda is developed by policy makers at the federal, state, and local levels. Without a concerted effort, the United States will continue to grow bad jobs while outsourcing good ones.

As first steps, policy makers should support a relatively high minimum wage that retains its value over time. The Economic Policy Institute (EPI) recommends that the minimum wage be set to half the national average wage (EPI 2008, 57). Also, policy makers should link economic development incentives for private companies to the creation of good jobs. Too often businesses receive more in state and local incentive dollars for locating in a com-

munity than they produce for the communities (Weber and Santacrose 2007). Community benefits agreements are one way that local communities can work to guarantee that development is accompanied by the creation of good jobs and local hire provisions (Parks, Warren, and Waller 2008).

Universal health care and universal retirement security

As discussed above and illustrated in Figure C, universal health insurance and universal retirement security would automatically double the number of good jobs in the economy. EPI's Health Care for America shows how all Americans can be insured while reducing overall health care costs. Social Security along with EPI's Guaranteed Retirement Accounts would ensure that the typical retiree receives 70% of her pre-retirement income (EPI 2008).

Increasing union membership

Unionization historically has been essential to the transformation of bad jobs into good jobs. Manufacturing and construction were all-too-often bad jobs until unions

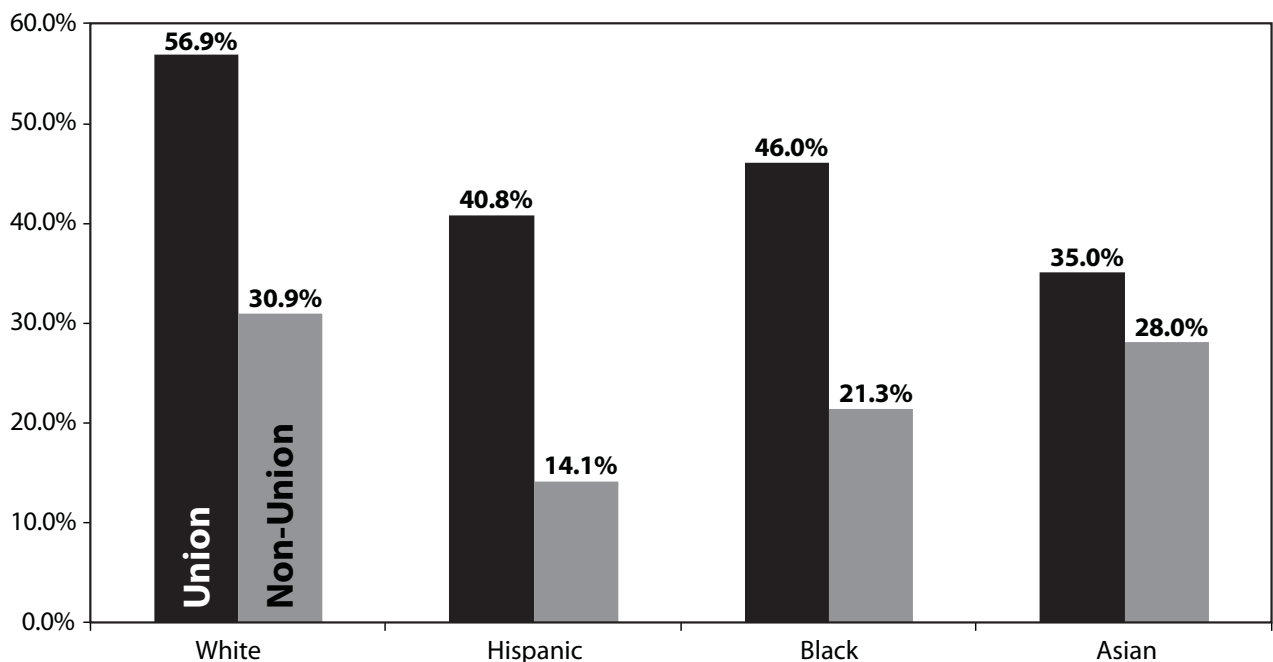
improved working conditions (Pitts 2008). For most racial groups, the rate of employment in good jobs is about 20 to 30 percentage points higher among unionized workers than among non-unionized workers (**Figure E**). The decline in unionization has been a factor in the lack of growth in good jobs. A strong union movement would actively work to produce more good jobs by campaigning for higher wages and increased benefits for American workers.

Unionization benefits all workers, but workers of color see disproportionate benefits since they are over-represented in bad jobs. Hispanic union workers earn 22% more than similar non-unionized Hispanic workers. The union wage premium for African Americans is 18% and for Asian Americans 17%. These union wage premiums are larger than the 12% wage premium for whites (Mishel et al. 2009, 201).

Unions also significantly increase the likelihood that workers of color obtain health insurance and pensions. For Hispanics, unions increase health insurance rates by 26 percentage points and pension coverage by 27 percentage points (Schmitt 2008b). For blacks, there is a 16

FIGURE E

Percent of workers with good jobs, by race and unionization, 2008



SOURCE: Author's analysis of U.S. Bureau of Labor Statistics (2009a) data.

percentage-point increase in health insurance coverage and a 19 percentage-point increase in pension coverage (Schmitt 2008a). Thus, unions are essential to providing good jobs for workers of color.¹²

In general, policy makers should support legislation that strengthens and expands the union movement. The Employee Free Choice Act is one such piece of legislation that can assist in growing unions and therefore assist in creating good jobs.

Steps for reducing the good-jobs gap between whites and people of color

After increasing the number of good jobs in the economy, we need to assure that they are equitably distributed. Currently, whites have an advantage in obtaining good jobs over nonwhites. This good jobs advantage among whites is not solely due to educational attainment differences. At every educational level, whites have a significant advantage in obtaining good jobs over all nonwhites (see Figure B). It is likely that even if there were a significant increase in the number of good jobs, whites would continue to have a disproportionate share of good jobs.

Reducing the racial gap in obtaining good jobs will require addressing (1) racial discrimination in the labor market; (2) the need for better education and training for people of color; (3) the failure of the U.S. labor market to validate the foreign, non-European college degrees of immigrants; and (4) a dysfunctional criminal justice system.

Addressing labor market discrimination

For some, the election of Barack Obama signifies that America has finally overcome the issue of race. But a close examination of the evidence shows that although the country has made great strides, we still have a long way to go (see Turner and Herbig 2007). Even the campaign of Barack Obama can serve as an example. Prior to the election, journalists had no trouble finding voters who stated that they would not vote for him because of his race (see Dewan 2008; Nagourney 2008; Nossiter 2008; Steinhauer 2008; This American Life 2008), and Obama canvassers had to develop techniques for sidestepping voters' racial biases by claiming things like "[Obama's] views are more white than black really" (quoted in Steinhauer

2008). While many Americans had no problem voting for a black man for president, it is clear that some did.

Systematic surveys also show significant racial bias in the labor market. In the 1990s, *employers* in America's major cities estimated that about 20% of employers were racially prejudiced (Moss and Tilly 2001, 94). Studies from the 2000s find that Hispanics and blacks experience a significant disadvantage in finding employment relative to whites (Pager 2003; Bertrand and Mullainathan 2004; Pager and Western 2005; Morris, Sumner, and Borja 2008; Restaurant Opportunities Center of New York 2009). Survey data also suggests that Asian Americans experience discrimination in the labor market (U.S. Equal Employment Opportunity Commission 2005).

A 2004 audit study of New York City employers shows one reason why Hispanics and blacks may end up with lower wages than comparable whites. When Hispanic and black young men applied for work, they were sometimes offered a lower-paying position than the one they were initially interested in. There were some applicants who were offered a higher-paying position than the one they applied for, but this dynamic happened *only with white applicants*. The audit study was explicitly designed so that the white, Hispanic, and black men all presented equivalent qualifications in a similar way. There are no skill differences to explain this racially disparate result (Pager and Western 2005).

Social networks that lead to jobs are not often thought of as mechanisms of racial discrimination, but they do create racial disparities in two ways. First, they keep employment information within a group of people that are often of the same racial or ethnic background. Second, they often channel less-educated nonwhite workers into bad jobs, and therefore contribute to the under-representation of these workers in good jobs.

The Restaurant Opportunities Center of New York (ROC-NY) (2009) found the discriminatory dynamics of social-network hiring at play in the New York City fine-dining restaurant industry. They state:

The typical consequence of a relationship-based hiring approach is that the workers being asked to contact their networks are most likely to bring

in a contact of the same race or ethnicity. This effect is intensified when an employer asks servers to reach out to their networks to fill a waitstaff vacancy and bussers to reach out to their networks to fill a busser vacancy. Both servers and bussers would most likely bring in a friend or family member of the same race and ethnicity, and the likelihood is that the server is a white male and the busser a worker of color. Thus, this informal network-based recruitment strategy helps to reinforce race, ethnic, and gender-based workplace segregation. Although the use of social networks has some advantages for both workers and employers, the effect is often perpetuation of the exclusion of workers of color and women from the industry's highest-paid positions. (ROC-NY 2009, 36)

Additionally, ROC-NY (2009) observes that “exclusive social networks, often between management and higher-level front-of-the-house workers, produce inequitable access to management and other important means of leveraging more favorable working conditions” (ROC-NY 2009, 35). Front-of-the-house workers are able to use their relationships with management to improve or maintain their job quality. Other workers, “particularly immigrants and women” are “most likely to be ‘outside’ those important social networks that provide access to improved working conditions” (ROC-NY 2009, 35).

Hispanic immigrant workers in ethnic enclaves in the United States are often stuck in low-wage, dead-end jobs with no benefits (Hum 2000; Bernhardt, McGrath, DeFilippis 2007; Dickerson and Spriggs 2009), and placement in these bad jobs likely rely a good deal on immigrant social networks. A 1994 study of the Los Angeles Hispanic ethnic economy found that, in addition to lower wages (Hum 2000, 294), only 45% of Latinos in the ethnic enclave economy had benefits compared to 72% in the mainstream, primary economy.

To counteract racial and ethnic discrimination in the labor market, workers of color need a strong commitment by all branches of the government to enforce antidiscrimination policies. The Citizen's Commission on Civil Rights concluded that “the Bush administration has cut back

radically on its enforcement efforts” of antidiscrimination policies in the workplace (Taylor et al. 2007, 30). The authors of the report added, “It is vital that the Department of Justice become more vigorous and outspoken in the effort to reduce if not eradicate employment discrimination” (Taylor et al. 2007, 30). A broad commitment to antidiscrimination is necessary to ensure that people of color have access to good jobs.

Affirmative action policies in the workplace are an important part of protecting people of color from discrimination. Without them, it is always possible for employers to concoct excuses for not hiring and promoting qualified nonwhite candidates. The track record of affirmative action programs is quite positive (Crosby 2004, 95-130).

To address the problem of discriminatory job networks, it would be important to increase transparency. All job openings needing a high school diploma or less must be required to be placed on the relevant state job bank Web site, and, where applicable, the relevant municipal job Web site. Additionally, all low-income minority communities should have dedicated public computers for searching these Web sites. These computers should be housed in employment centers with trained career-counseling staff. These proposals would make it possible for all job candidates without a college diploma to be aware of all jobs that they are qualified for.¹³

Providing improved education and job training

Good jobs should be available to workers at all educational levels. Many of the service sector jobs in the American economy do not require a high level of education. A good-jobs agenda cannot leave the large number of workers in this big and growing sector of the economy behind.

Nonetheless, Hispanics and African Americans should be better represented among the higher-paying and more prestigious good jobs—many of which require college or other advanced degrees. For example, in 2008, only 12.4% of Hispanics and 20.4% of African Americans, 25 to 29 years old, had obtained a bachelor's degree or higher. For whites, the rate was 37.1% (National Center for Education Statistics 2008). Thus, even if all groups had equal access to good jobs, Hispanics and blacks would be under-represented among those that require a college

degree or higher. Asian Americans have a higher rate of obtaining college degrees than whites (National Commission on Asian American and Pacific Islander Research in Education 2008, 20), so after addressing racial discrimination, their representation in the higher-paying and more prestigious good jobs should not be an issue.

The discussion below will primarily address the needs for educational upgrading of Hispanic and African-American youth. More of these minority students who might dropout of high school should be transformed into on-time, high school graduates. More of these students with high school diplomas who might not go to or complete college should be developed into college graduates. And, more of these students with college diplomas should be moved up in to the category of Americans with advanced degrees. Achieving this upgrading—along with effective antidiscrimination policies—would reduce not only the good jobs gap with whites, but also the income gap. Several different types of educational reforms are necessary for the educational upgrading of Hispanics and African Americans.

Improving the educational attainment of Hispanics and African Americans: The majority of Hispanic and African American students still attend separate and inferior public schools (Orfield 2009; White, Presley, and DeAngelis 2008, 19; Lee and Burkam 2002, 84). Improving the quality of education minority students receive would help to reduce educational attainment disparities and thereby help to reduce the disparities in access to the higher-paying and more prestigious good jobs.

Along with teachers unions, policy makers should develop policies and programs to increase the quality of teachers in majority nonwhite schools, provide high-quality pre-kindergarten to Hispanic and black students, and reduce these students' class sizes. Smaller class sizes have been shown to benefit minority and low-income students (Mishel and Rothstein 2002, 92). Minority students also need better information and advising in choosing a college. Students should be encouraged to attend the college that has the highest graduation rate for students matching their background (Roderick and Nagaoka 2008). These reforms will do a great deal to improve the educational outcomes of children of color. Hispanics and blacks will not be able to significantly improve their representation in good jobs

that require high levels of education without major, national, and effective educational reforms.

It should also be noted that a good jobs agenda for people of color will likely have positive impacts on Hispanic and black academic achievement and college attendance. Many studies have found substantial positive effects to increased family income on Hispanic and black student achievement (Dahl and Lochner 2008, Table 6; Taylor, Dearling, and McCartney 2004; Duncan and Magnuson 2005). Family income also has been increasingly important in determining college attendance (Belley and Lochner 2007). An effective good jobs agenda for people of color will raise Hispanic and black family incomes and also improve the educational outcomes of children of color.

Pre-apprenticeship and apprenticeship programs: Registered apprenticeship programs are an important pathway to good jobs. Graduates of registered apprenticeship programs earn good-job wages (Advisory Committee on Apprenticeships 2008). For example, an evaluation of the Washington state apprenticeship system found that graduates from apprenticeship programs earned higher wages than regular high school and community college graduates (**Figure F**). Nonwhite participation in registered apprenticeship programs should be greatly expanded, especially in sectors of the economy experiencing strong growth in quality jobs.

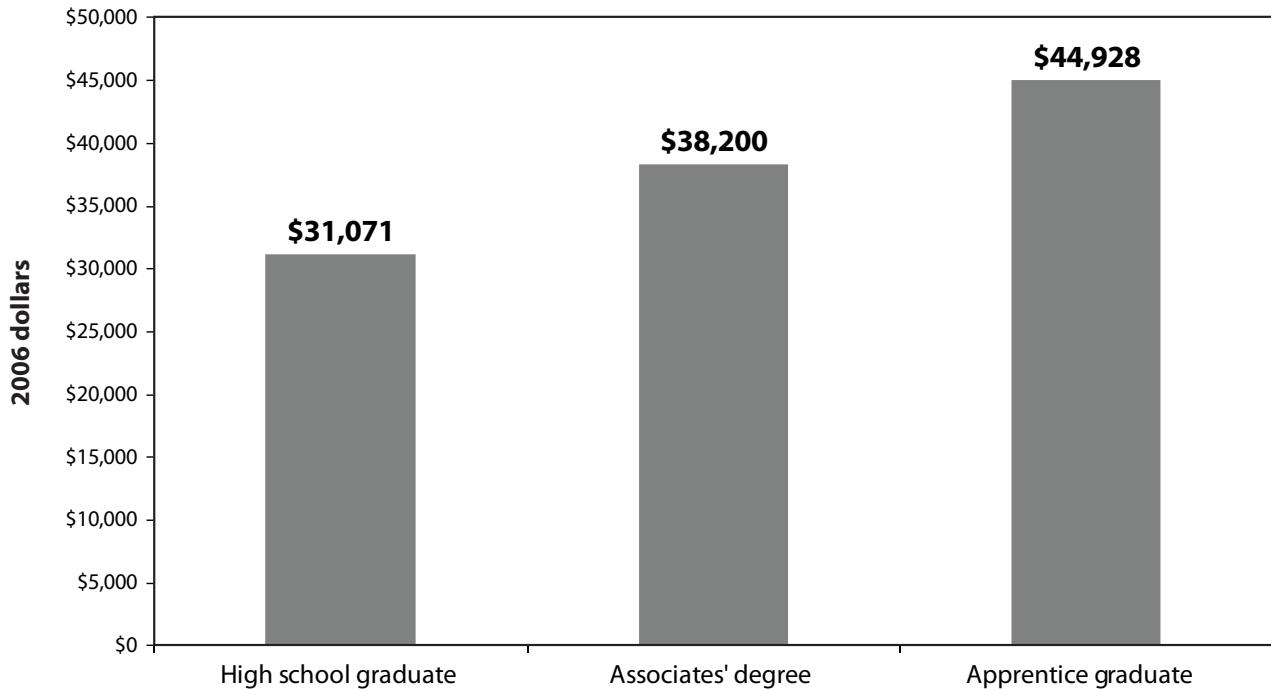
Given the low levels of education of some Hispanic and African American youth, there is also a need for pre-apprenticeship programs tied to the entry requirements of registered apprenticeship programs. Pre-apprenticeship programs would offer these youth or adults another chance at obtaining a good job.

Adult English-language instruction: Currently, majorities of the Hispanic and Asian American labor force are foreign-born (Austin and Mora 2008; Kim and Austin 2009). Many of these individuals are limited-English-proficient workers who would have greatly improved good job opportunities if they could improve their English skills. The ideal programs would be based at work or structured like apprenticeship programs so that the time taking to learn English is considered part of the workday.

Labor market education: America's youth have access to different amounts of information about obtaining

FIGURE F

Annual earnings of WA apprenticeship graduates relative to non-apprentices, 2006



SOURCE: Advisory Committee on Apprenticeships (2008).

different jobs. Some youth have access to adults with information and personal networks to assist them on the path to good jobs. Other youth have access to adults who lead them to bad jobs. And some youth are simply on their own to figure out how the American labor market works.

People are beginning to recognize the importance of providing youth in high school with a basic financial education. Additionally, youth should be taught the basics about how to obtain a range of different types of jobs. This education should provide both general information about classes of jobs and specific information about certain occupations. Students should learn how to obtain jobs with high, medium, and average earnings. They should learn what hard and soft skills employers value in different types of occupations, the average earnings for different types of work, and which occupations are expected to show strong job growth. With this type of education early on, students can make more informed and directed decisions about pursuing a career. This education will

also help many students see the connection between their formal education and their future earnings.

Creating immigrant career ladders

It is a waste for an African immigrant who is trained as a mechanical engineer to work as a cab driver both for the individual and for the U.S. economy. The Migration Policy Institute states:

More than 1.3 million college-educated immigrants are unemployed or working in unskilled jobs such as dishwashers, security guards, and taxi drivers—representing one of every five highly skilled immigrants in the U.S. labor force. Their work in these jobs constitutes a serious waste of human capital. (Batalova and Fix 2008, 1)

Policies that allow immigrants to continue careers that they began before entering the United States will increase the

numbers of good jobs they obtain, and it will strengthen the U.S. economy.

Many immigrants end up in low-skill occupations because they are not proficient in English, because of racial discrimination, and because their foreign degrees are not validated by employers in the United States. In our current economy, low-skill occupations are more often than not bad jobs.

Figure G illustrates that among immigrants with foreign college degrees who have been in the United States for at least 11 years, European immigrants have the lowest representation in low-skill work. For non-European immigrants, a foreign degree seems to be an obstacle to high-skill employment, but not for European immigrants. European immigrants are more likely to be white than non-European immigrants, so the European advantage may be a white advantage. This finding suggests that nonwhite groups experience discrimination in the

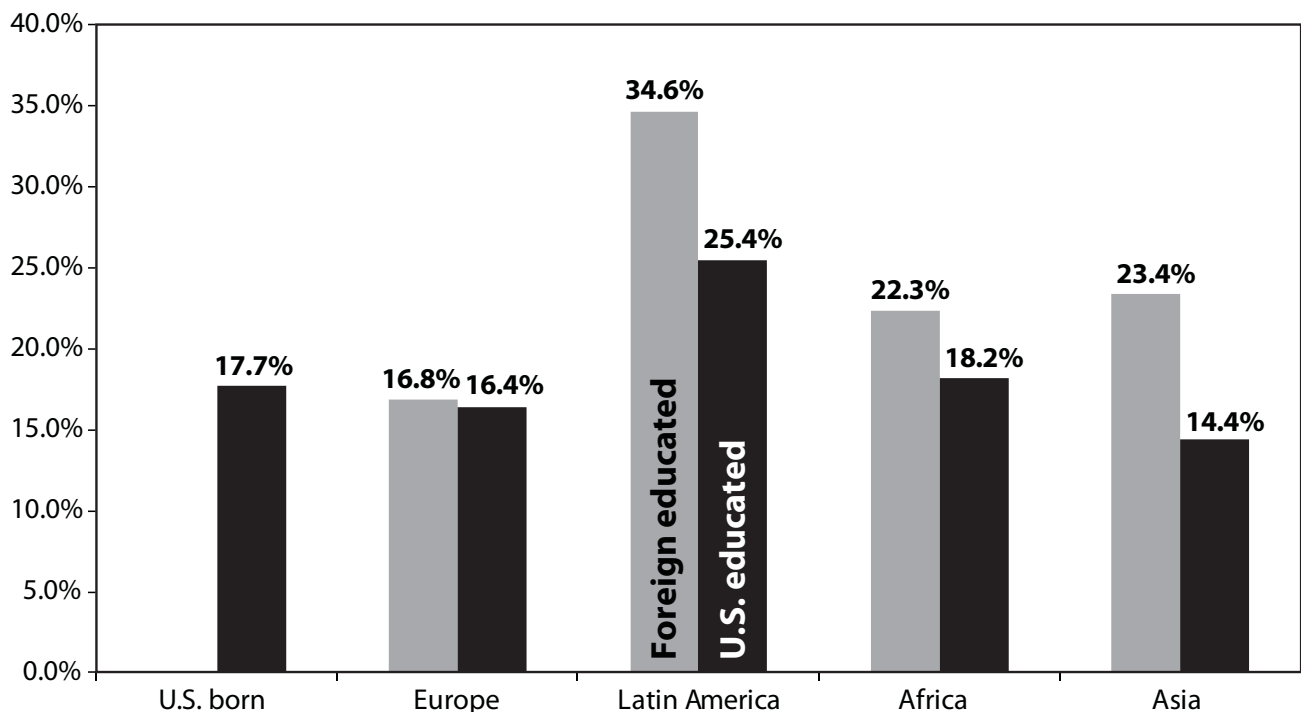
labor market that limits their movement into higher-skill occupations.¹⁴

Non-European, college-educated immigrants with U.S. degrees are more successful at obtaining good jobs than those with foreign degrees. One suspects that while English proficiency may play some role in the U.S. degree advantage, other factors may be more important. College-educated immigrants who have been in the United States for more than a decade are likely to have adequate to good English proficiency.

The data suggest that, for non-Europeans, U.S. degrees are more accepted by employers or that a U.S. degree provides better access to good jobs networks. With a U.S. degree, Asian and African immigrants do as well or better at obtaining high-skill work as U.S.-born college graduates. For Hispanics, employment in low-skill jobs declines with a U.S. degree, but it remains significantly above the rate for the U.S.-born. European immigrants

FIGURE G

Percent of long-term* college-educated immigrant workers in low-skill occupations, 2005-06



* NOTE: "Long-term immigrants" have been in the United States for at least 11 years.

SOURCE: Batalova and Fix (2008).

with and without a foreign college degree do equally well, and their low-skill employment rates are comparable to the U.S. born (Figure G).

At the state and local level, immigrants need organizations and programs that will enable them to continue on career paths begun outside of the United States. These programs would provide information, training, and job placement. Immigrants need to be informed of how to obtain the necessary U.S. credentials, licenses, etc. to allow them to continue on their career path. In some cases, apprenticeship-like programs should be developed with the goal of keeping immigrants within the same or a similar career field as their ultimate career goal.

Providing transitional jobs for the formerly incarcerated

African American and Hispanic men with a criminal record face significant obstacles to finding work (Pager 2003; Pager and Western 2005). If they do find work, they tend to earn less than if they did not have a criminal record (Western 2007). A good jobs agenda for people of color requires a “smart-on-crime” approach to criminal justice and programs to reintegrate the formerly incarcerated into the labor force.

Since the 1970s, the United States has chosen to pursue “tough-on-crime” policies. These policies have dramatically increased the incarceration rate in the United States, particularly for black and Hispanic males. Prior to the 1970s, the United States had an incarceration rate of about 100 per 100,000 people (Mauer 2006). In 2007, the incarceration rate was 762 per 100,000 people (Sabol and Couture 2008, 6), more than seven times the rate prior to America’s shift to the “tough-on-crime” philosophy. The United States has rather little to show for the massive and costly increase in incarceration. The crime rate in the United States is about average for Western developed nations (Mauer 2006, 25), which means that many countries have similar or significantly lower crime rates without “tough-on-crime” policies or extremely high rates of incarceration. A “smart-on-crime” approach that emphasizes preventing the start of criminal offending and rehabilitating criminals would increase the likelihood that blacks and Hispanics find good jobs by reducing the rate of criminal involvement for these groups.

Many of the formerly incarcerated have low levels of formal education and little work experience. They need transitional jobs programs to allow them to develop their hard and soft skills and increase their work experience. A good work record in their transitional job can also be used to convince traditional employers of their value as workers (Wallace and Wycoff 2008).

Conclusion

For an advanced country, the United States has far too many “bad jobs”. We will not increase the share of good jobs in the country unless we put the good jobs agenda outlined in this report into action. Worse, without action, there is a good chance that we will see an increase in the share of bad jobs in the American economy. We need policies that will increase the number of good jobs overall, and we need policies that will undo the discrimination and neglect that produces racial disparities in obtaining good jobs.

This Briefing Paper makes several policy recommendations. For increasing the number of good jobs generally, there should be:

- an immediate goal of having 75% of all jobs be “good” jobs;
- a commitment by policy makers at the federal, state, and local level to make creating good jobs a priority;
- universal health care and universal Guaranteed Retirement Accounts;
- a high minimum wage that is sustained over time;
- a linking of the creation of good jobs to tax breaks and incentives to businesses;
- community benefits agreements at the local level;
- support for the Employee Free Choice Act; and
- support for policies that grow the union movement.

Additionally, the racial gap in access to good jobs needs to be addressed. There should be:

- strong enforcement of antidiscrimination legislation;
- affirmative action;

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- the recording of all job openings requiring less than a college degree in the appropriate state and municipal jobs bank Web sites;
 - career centers with career counselors and access to state and municipal jobs bank Web sites in low-income, minority communities;
 - improvements in the quality of teachers in majority nonwhite schools;
 - high-quality pre-kindergarten for Hispanic and black students;
 - small class sizes for Hispanic and black students;
 - improved college advising for Hispanic and black students so that they are encouraged to select colleges with the highest graduation rate for students matching their background;
 - more pre-apprenticeship and registered apprenticeship programs for nonwhites;
 - more adult English-instruction programs;
 - labor market education courses for high school students;
 - programs for the more effective integration of highly educated non-European immigrants into the labor force;
 - a shift toward “smart-on-crime” policies that focus on preventing criminal careers from ever beginning and on rehabilitating offenders; and
 - more transitional jobs for the formerly incarcerated.

The policies and goals presented in this paper are ambitious, but we should have high ambitions for the quality of life of Americans. Fulfilling the outlined good jobs agenda would radically transform the country. We would slash poverty rates and greatly improve the economic, social, and physical well-being of millions of Americans.

Endnotes

1. Author's calculations based on non-farm business productivity data from the Bureau of Labor Statistics.
2. Other advanced countries have a more progressive safety net to see that heads of households who do not have good jobs are able to keep their families out of poverty (Mishel et al. 2009: 350, 384).
3. This definition is taken from Schmitt (2005).
4. The median household income in 2008 was \$50,303 (U.S. Census Bureau 2009b), and 60% of this income was \$30,182. An hourly wage of \$14.51 times 2,080 hours yields \$30,181. A penny is lost due to rounding to the cent on the hourly wage.
5. Author's analysis of data from the U.S. Bureau of Labor Statistics (2008a).
6. The number of family households in 2008 was about 78 million (U.S. Census Bureau 2009a). The 2007 labor force was about 135 million workers. It should be noted, however, that not all family households contain children under 18.
7. Author's calculations based on non-farm business productivity data from the Bureau of Labor Statistics.
8. "Home care aides" combines two occupational categories: (1) personal and home care aides, and (2) home health aides. These two categories require little training and earn low wages (U.S. Bureau of Labor Statistics 2007).
9. Projections are based on U.S. Bureau of Labor Statistics (2007) estimates and the assumption of an even increase in jobs over each year.
10. The computer-based occupations are computer software engineers, computer systems analysts, network systems and data, and computer software engineers—systems (U.S. Bureau of Labor Statistics 2007).
11. Projections are based on U.S. Bureau of Labor Statistics (2007) estimates and the assumption of an even increase in jobs over each year.
12. Data on Asian Americans are not available.
13. These ideas are derived from recommendations from William Spriggs of Howard University and Niki Dickerson of Rutgers University.
14. Hersch's (2008) finding of a wage penalty for dark-skinned immigrants would support this conclusion.

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