Job Quality Over Quantity

Mike Collins

"If we turn our backs now and depend on just the post-industrial service economy for the future, we will end up a nation of lawyers, consultants, and temporary workers looking for someone to invoice." **-Mike Collins**

Every week, there's more information in the newspaper about economists predicting the number of new jobs that have been created in your state economy, or how some local politician created X number of jobs in his or her district. They always talk about quantity, but what about quality? The bigger question that the economists and politicians don’t answer is, what kinds of jobs are being created in this new post-industrial economy? More specifically, will the new economy generate family wage jobs with benefits that will improve living standards for the middle class?

The U.S. Department of Labor does a good job of keeping up with the types of jobs being created in the economy. In fact, they publish a list titled, “Occupations With The Largest Job Growth,” projecting out ten years. This is a very good service provided by the government, because it explains which types of jobs will be created

over a ten-year period, and the average annual wages of each job category. I dug into this database to see what would be available to our future workers.

According to statistics found in the Monthly Labor Review, U.S. Dept. Of Labor Washington DC, 2006, the occupations with the largest job growth covered in the 2006 to 2016 list will be 70 percent low or very low wage jobs. Occupational Employment Statistics Survey annual wage data is presented in the following categories: very high ($46,360 or more), high ($30,630 to $46,300), low ($21,260 to $30,560), and very low (up to $21,220).

If this 10-year prediction of the occupations with the highest job growth is even relatively accurate, then it appears the average American worker is going to have trouble finding a family wage job and living standards will probably continue to decline.

There are 4 key issues you can glean from these tables.

1. The table confirms that we are indeed transitioning to a service economy where most of the job growth (if not all) is in service jobs.

2. 70 percent of these high growth jobs are classified as low or very low pay. These aren't the family wage jobs we need.

3. The so-called "high pay" jobs are only $30,000 to $46,000 per year. These jobs are teachers, maintenance workers, and carpenters that either require a Bachelor's degree or long term training. I would argue that with today's rising energy, food, and housing prices, these high paid jobs are not family wage jobs unless both spouses work.

4. The very high paid jobs above $46,000 per year all require college degrees and extensive training and are only 18 percent of the total jobs. These statistics do not support the notion that the transition to the postindustrial economy is going to be a good thing for at least 82 percent of all the future workers and their families. The issue is not about just finding another job in the service economy— it's finding a family wage job with benefits.

The other big question is what will this trend towards more service jobs do to the middle class living standards? Statistics from the Congressional Budget Office show that 60 percent of the middle class worker's after tax income has been declining since 1977. There is no economic evidence to prove that this trend will be reversed, but there is a lot of evidence to support the notion that the middle class living standards could worsen with the decline of manufacturing.

The answer is, we need a strong industrial base. It is the author's contention that transitioning to a "post-industrial" service economy that will somehow sustain us without affecting living standards is a myth. We are already faced with declining living standards and it could get worse. We should not give in to the idea of de-industrialization or accept the idea that the post-industrial economy will generate

enough family wage jobs to maintain our standard of living.

One answer is to place more emphasis (politically and practically) on saving or reducing the decline of America's manufacturing base. The manufacturing base is going to need to replace 10 million skilled jobs by year 2020 because of the retirement of the baby boomers. This is an opportunity for jobs that average $52,000 per year plus benefits. These are the kinds of jobs that we need— not the service jobs projected by the Labor Department.

Manufacturing and the middle class are inextricably linked. I am convinced that if we make revitalization of the manufacturing base one of our shared national goals, we can survive and grow in the new economy and solve part of the family wage job problem.

This would require an enormous commitment to training and educating 10 million new skilled workers. The education and training required would have to focus on three different areas:

1. **Remedial education:** It's not enough to rely solely on the school system to graduate well-rounded students. Companies are going to have to get some workers up to speed in terms of reading, writing, and mathematics by co-sponsoring mandatory, remedial education classes.
2. **Skills training:** The second big training issue is to design and invest in enough skill training programs that will teach workers how to operate machine tools and maintain the complex manufacturing systems.
3. **Advanced training:** For people who really want a career with advancement, we need to get back to the old apprentice type training that makes a worker highly skilled and able to work all over the factory. There are some excellent programs already designed to do this such as the NIMS curriculum for metal workers.

I do not know what it will take to get the policy makers and politicians more interested in this problem, but I am convinced that we can solve this problem and create at least 10 million good, family wage jobs. If we turn our backs now and depend on just the post-industrial service economy for the future, we will end up a nation of lawyers, consultants, and temporary workers looking for someone to invoice.

Mike Collins is the author of Saving American Manufacturing, a comprehensive step-by-step strategy that demonstrates how to ultimately become an organization that will continually find new opportunities in today's fast-changing global economy.

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