

Opportunity at Work: Improving Job Quality

Executive Summary

by Elizabeth Lower-Basch

The American Dream promises that if you are willing to work hard, you will be able to achieve a better life for yourself and your family. But too many people are stuck in bad jobs—jobs that pay poverty-level wages and offer no benefits, jobs with little opportunity for advancement, jobs in which workers don't know from week to week if they'll get enough hours to pay their bills, jobs that workers can lose for staying home with a sick child. Even workers with good jobs worry about what would happen if they lost that job, and they wonder whether their children will ever be able to achieve the same quality of life.

It doesn't have to be this way.

Despite globalization and competitive pressures, some employers have continued to

About the Author

Elizabeth Lower-Basch is a Senior Policy Analyst at CLASP. Contact her at elowerbasch@clasp.org.

provide high-quality jobs. In fact, some of the best places to work are high-performing, well-managed companies in highly competitive industries. In many cases, these “high road” employers achieve economic success *because of* their strong employment practices and investments in their workers, not in spite of them. Other companies have chosen a different path—paying workers as little as possible, investing minimally in training, and accepting high turnover as inevitable.

Government should not be neutral between these choices. Low-quality jobs impose substantial costs on workers, families, government programs, and society. We no longer allow companies to reduce costs by polluting the air and water. Likewise, we should not allow them to do so by providing substandard jobs and leaving it to workers, families, and communities to pay the price.

In this paper, the Center for Law and Social Policy (CLASP) describes the state of job quality

in the U.S. today and makes the case that improving job quality is a critical part of the agenda for reducing poverty, supporting families, rewarding effort, and expanding opportunity for all. This new focus complements CLASP's existing work on skill upgrading and supporting work through public benefits. Investment in education and skills is essential for individual advancement and for the success of our economy. But the benefits of increased productivity have not been shared fairly among all parts of society—a smaller share of the U.S. gross domestic product is paid out as wages than at any time on record. Today's turbulent economy requires the existing safety net programs to be strengthened and expanded. But after-the-fact protections cannot fix all the problems caused by bad jobs.

Bad jobs are often equated with *low-wage* jobs, and wages certainly are an essential part of job quality. But higher wages are not enough to achieve even

the limited public policy goal of increasing income if the conditions of work make it hard for people to stay employed consistently. Job quality affects almost every aspect of life, from health and family well-being to economic security. Along with wages and earnings, CLASP's working definition of job quality considers benefits, job security, advancement opportunities, work schedule, health and safety, and fairness and worker voice. While this list does not directly translate into a scheme for rating jobs, it does provide a framework for thinking about the elements that make some jobs better than others—and about what incentives public policy should create.

While job quality is an issue that affects all workers, it is a particular problem for low-wage workers. At the low end of the labor market, undesirable job conditions combine in ways that make all of the problems worse. Low-wage workers are both the least likely to get paid sick days and the least able to get by without a day's pay. They are less likely to have health insurance. Often, low-income workers are mis-classified as “independent contractors,” which in one fell swoop denies them job security, benefits, wage and hour guarantees, within-firm advancement opportunities, and health and safety protections. Far too often, workers are caught in situations in which any setback is a crisis and no matter how hard they work, they can't get ahead.

A quick survey of the labor market reveals that good jobs—especially good jobs that are accessible to workers without advanced educational credentials—are more prevalent in certain industries and occupations than others. Thus, it is often useful to target economic development incentives, job training, and placement activities to these sectors. However, given the realities of our modern economy and the pressures of global trade, it is implausible that manufacturing will soon be the dominant part of the American job market that it once was. So, it is important to recognize that there is no inherent reason that building a car has to be a better job than taking care of a child. Seventy years ago, most manufacturing jobs were low pay, unstable, and dangerous. Regulation and unionization transformed them into the building blocks for the tremendous growth of the middle class.

A minimum set of standards creates a more level playing field, so that companies that try to do the right thing are not always undercut by those that take the most brutal, cost-cutting approach. In some cases, new laws or regulations are needed to set these standards, but in many cases existing laws simply need to be more consistently enforced. Existing high-road employers stand as proof that such improved labor standards are consistent with healthy companies and economic growth. Government should be prepared to offer support—in the form of information shar-

ing, training, and technical assistance—to help companies make the needed transition to high-road practices.

While it may take time to develop a political consensus around these standards, there are other policies to promote job quality that can be adopted now, at all levels of government. Whenever public money supports business—whether through direct subsidies or “tax expenditures”—it is appropriate to consider the impacts on job quality and to selectively support employers who provide high-quality jobs. Tools that can be used for this range from living wage laws to community benefit agreements to the targeting of workforce development services. Government can also offer job quality-focused training and technical assistance and promote sectoral networks.

Talking about job quality helps focus attention on the choices that employers make that shape the nature of work—and on how our public policies and programs affect these choices. This framework also helps unify the many individuals and organizations who are already working on various aspects of job quality—passing living-wage ordinances, enforcing existing labor standards, developing sectoral strategies, promoting family-friendly workplaces. Job quality is a way to talk about and link the concerns of all types of workers at all levels of employment and to build broader political support for action.