Getting a job used to be an exit from poverty, but not anymore

Using this Economic Analysis Toolkit (EAT)
You CAN figure out why jobs no longer get people out of poverty

National Learning Community on Poverty Trends

Jim Masters: CCAP, NCRT. jmasters@cencomfut.com
Allen Stansbury, Senior Associate. allen@stansbury.net
Center for Community Futures
Connecting National Trends with Local Data

Poverty Trends LCG
**Purpose**: To analyze Community Action strategies and identify effective, promising and innovative approaches that eliminate the causes of poverty.

BUILD OUR CAPACITY!
Subject Matter Experts

Jim Masters

Allen Stansbury
While unemployment rate today is 3.8%

The harsh reality facing most Americans.

• About 40 million live in poverty, 18.5 million in extreme poverty, and
• 5.3 million live in Third World conditions of absolute poverty.
• It has the highest youth poverty rate in the [industrialized world] and
the highest infant mortality rates. . . .
• Its citizens live shorter and sicker lives compared to those living in all other rich democracies, . . . and
• It has the world’s highest incarceration rate,
• One of the lowest levels of voter registrations among [OECD] countries and
• The highest obesity levels in the developed world.
• Bottom Line: the US has the highest rate of income inequality among Western countries.

http://undocs.org/A/HRC/38/33/ADD.1
The Likelihood of Experiencing Relative Poverty over the Life Course by Mark R. Rank (Professor at George Warren Brown School of Social Work, Washington University, St. Louis, Mo) and Thomas A. Hirschl (Professor at the Department of Development Sociology, Cornell University, Ithaca, NY) found that:

• Over a lifetime, most Americans will experience at least a year of relative poverty,

• Between the ages of 25 to 60, 61.8 percent of the population will experience a year below the 20th percentile, and

• 42.1 percent will experience a year below the 10th percentile.

http://journals.plos.org/plosone/article/file?id=10.1371/journal.pone.0133513&type=printable
Characteristics associated with experiencing these levels of poverty include those who are:

- Younger,
- Nonwhite,
- Female,
- Not married,
- With 12 years or less of education, or
- Who have a work disability.

http://journals.plos.org/plosone/article/file?id=10.1371/journal.pone.0133513&type=printable
What is the American Middle Class?

• There is no clear, agreed-upon definition of the working class, and the class in which individuals place themselves is often related to their education, income, and occupation.

• For the purposes of this presentation, “working class” is a term used to define members of the labor force with less than a four-year college degree.

• From the Center for American Progress: https://www.americanprogressaction.org/issues/economy/news/2018/07/06/170670/makes-working-class/
The industrial sector has never made up a majority of working-class employment, and its share is shrinking.

**Figure 1**
The vast majority of working-class Americans work in the service sector
Number of noncollege graduate workers employed in each sector, by year

Over time, the working class is growing more racially diverse.
Women make up nearly half of today’s working class
While service sector jobs outnumber industrial jobs, their pay and hours do not measure up

• These data show that working-class workers in goods-producing industries are generally more likely to work full time, year round and to earn more.

• Workers in the professional services and retail trade industries—the former of which includes workers at hospitals, personal care facilities, and schools—make up the largest shares of the working class but are among the lowest paid, with the median worker in each industry earning $25,000 and $17,400, respectively.

• Conversely, while only 0.7 percent of working-class Americans work in the mining industry, they earn the highest pay by far, with the median worker bringing home $60,000 annually.
The problem: as the middle class is shrinking the American Dream is slipping away

According to Pew Research:
“More households than ever before have fallen into the category of the “working poor” those whose incomes are in the bottom two quintiles earning less than $42,000 per year”

[Graph showing share of adults living in middle-income households]

pewsocialtrends.org/2015/12/09/the-american-middle-class-is-losing-ground/
According to Pew's analysis of government data: “From 2000 to 2014, the share of adults living in middle income households fell in 203 of 229 U.S. metropolitan areas.”

America’s Shrinking Middle Class: A Close Look at Changes Within Metropolitan Areas, Pew Research Center
The Big Economic Causes of The Shrinking Middle Class since 1972 – and into the Future

Job Loss and Wage Stagnation happen because of:

1. Business culture and policies
   - Thomas Piketty, Emmanuel Saez, Raz Chetty
   - Businesses give short term profits to managers and investors and not to worker pay and benefits.

2. Business practices in the name of “progress” reduce the number of jobs
   - Automation
   - Offshoring of jobs to lower labor costs, improve product quality
   - Cash held to avoid taxes, for M&A

3. Government failure to deal with the above.
Since 2007-09 Recession (WSJ graphics)

Inequality Has Grown
People at the bottom of the pay scale lost their jobs during the crisis. The government’s response to the crisis helped inflate the value of assets like stocks and real estate, which are more often owned by the wealthy.

Source: Federal Reserve Survey of Consumer Finances

Since 2007-09 Recession Uneven Recovery (WSJ graphics)

The Recovery Has Been Uneven

Employment has risen, but about a fifth of U.S. jobs are in occupations where the median income is below the federal poverty line. And median household income is barely above its 2008 level, adjusting for inflation.

Median household income is only up 5.3% since 2008.

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2016*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low-wage jobs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td>22.0%</td>
</tr>
<tr>
<td>2016*</td>
<td></td>
<td>23.3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment rate in December</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td>9.9%</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td>4.1%</td>
</tr>
</tbody>
</table>

* Latest data available for low-wage jobs
Sources: Census Bureau (median income); Prosperity Now Scorecard (low-wage jobs); Bureau of Labor Statistics (unemployment)

The six largest banks have paid at least $110 billion in penalties related to the crisis.

The Federal Reserve increased its ranks of bank field examiners by 39% since 2008 to 1,836 as of 2017.
But, Banks continue to get bigger (WSJ graphics)

The Biggest Banks Are Still Big
Analysts say the financial crisis highlighted the risk of concentration. But 10 years later the trend of larger firms is still intact.

Source: Ricardo T. Fernholz and Christoffer Koch, "Big Banks, Idiosyncratic Volatility, and Systemic Risk"

Next downturn may be due to high # student loans (WSJ graphics)

Bracing for a Student-Loan Problem

Some worry student debt, rising for years, could figure in the next credit downturn.

Since 2007-09 Recession Triple US Debt (WSJ graphics)

The Next Time May Be Different

A lasting legacy of the 2008 meltdown was the sharp rise in U.S. debt -- incurred to backstop the financial system as investors fled. While officials and investors largely agree that taking on this debt was the right course, authorities will have much less leeway to act aggressively the next time around.

U.S. public debt has nearly tripled, and the Fed has less room to cut interest rates.

<table>
<thead>
<tr>
<th></th>
<th>March 2007</th>
<th>March 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. public debt</td>
<td>$5T</td>
<td>$15.4 trillion</td>
</tr>
<tr>
<td>Fed funds target rate</td>
<td>5.25%</td>
<td>1.68%</td>
</tr>
</tbody>
</table>

Sources: TreasuryDirect (public debt); Federal Reserve (Fed funds rate)

What is the number and percent of people living in middle income households in your area?

Who is “middle income” and “upper income”?

Minimum 2014 household income needed to qualify for middle- and upper-income tiers, by household size:

<table>
<thead>
<tr>
<th></th>
<th>UPPER INCOME</th>
<th>MIDDLE INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$72,521</td>
<td>$24,173</td>
</tr>
<tr>
<td>2</td>
<td>102,560</td>
<td>34,186</td>
</tr>
<tr>
<td>3</td>
<td>125,609</td>
<td>41,869</td>
</tr>
<tr>
<td>4</td>
<td>145,041</td>
<td>48,347</td>
</tr>
<tr>
<td>5</td>
<td>162,161</td>
<td>54,053</td>
</tr>
</tbody>
</table>

Note: Middle-income Americans are adults whose annual size-adjusted household income is two-thirds to double the national median size-adjusted household income. Lower-income households have incomes less than two-thirds of the median and upper-income households have incomes that are more than double the median.


Pew Research Center
EAT Question 1. What is the number and percent of people living in middle income households in your area?

a. How many households in your state/area earn less than $42,000 a year (the bottom two quintiles of the population)

http://www.pewresearch.org/fact-tank/2016/05/11/are-you-in-the-american-middle-class/
http://www.nccp.org/tools/converter/

b. What is the 40 year trend?

c. What other definitions and/or measures do you use to define what constitutes middle class in your area?

https://project.wnyc.org/median-income-nation/#4/38.63/-95.89
Good Paying Jobs Are Declining

The Center for Economic and Policy Research:

• Good paying jobs (at least $18.50 an hour) declined overall between 1979 and 2010.
• While males held the majority of the jobs lost, female employment steadily increased.
• 40% of those good jobs requiring a degree held steady at about 42-45%
• Jobs with only a high school degree fell from 17% to about 5%

EAT Question 2. What is the percentage of good-paying jobs in your area?

a. What percent of the jobs in your area are “good paying,” i.e. earning more than $18.50 an hour?
   • http://cepr.net/documents/publications/good-jobs-2012-07.pdf
   • https://www.bls.gov/oes/2016/may/oes_nat.htm

b. What is the 20, 30 or 40 year trend?
   • An oldie but goodie
     https://www.census.gov/prod/2003pubs/02statab/labor.pdf
Improving community assessments:

• HOW-TO MATERIALS for community assessment from the Partnership, NASCSP and ANCRT describe CONDITIONS such as the poverty rate, unemployment rate, etc.

• Do not ask for DETAILS about how people actually earn money, (part-time, temp, wage rates, number who have dropped out of the labor force, etc.)

• Do not describe problems in the economy and in the opportunity structure that are the CAUSES of why people are unable to earn a living.

• Therefore do not lead to STRATEGIES that reduce the causes. (Most services just ameliorate conditions.)
The Solution: Use the Economic Analysis Toolkit

This Toolkit helps CAA’s go deeper into the structural causes of poverty today, to analyze:

• Automation – progress is a two-edged sword.
• Globalization – goods are cheaper but jobs are lost.
• Corporate culture and business practices squeeze employees, give the profits to the investors and managers. (All perfectly legal — well, mostly legal except for wage theft and union busting.)
• The failure of government to deal with the above trends for the past 40 years.
Economic Analysis Toolkit (EAT)

• The Economic Analysis Toolkit helps CAA’s find out how the national economic and workforce trends appear in their state, counties and cities. This information should be a section of the community assessment.,

• The EAT will help CAA’s select strategies to change the rules under which the economy operates. Many scholars, think tanks and practitioners have good ideas. We need more education and advocacy to get them adopted.
ECONOMIC ANALYSIS OVERVIEW

THE TOOLS START AT THE HIGHEST LEVELS OF ECONOMIC ANALYSIS (GDP), AND WORK DEDUCTIVELY DOWN TO THE CHARACTERISTICS OF J-O-B-S IN YOUR AREA.
Toolkit format on each topic

• Identify or define the problem/issue
• Indicators of the problem/issue.
  – National
  – Local
• EAT Questions for you to answer about your area
• And/or EAT survey questions for a group or individuals
• A map or mapping tool (if possible)
• Mitigation measures are listed in the White Paper
Toolkit Topic Areas

A. Economic Growth Rate >3% healthy, < 2% sick
B. Economic Regions operate between you and the global economy
C. How are profits divided? >50% to wage earners is healthy,
D. Formal/informal economy, self employment
E. Workforce Composition: characteristics of the people working
F. Characteristics of the jobs themselves
G. Compensation
H. Income volatility
I. Household wealth
J. What is to be done?
A. Growth Rate in GDP is about 2.2%

Change in Real GDP
Percent change at annual rate (seasonally adjusted)

- Fourth quarter 2008: Financial stabilization (TARP)

Source: Bureau of Economic Analysis.

http://www.cbpp.org/chartbook11-gdp-change-optpng
A. What is the economic growth rate in your area? Is it above 3%? Below 3%?

• The growth rate is key. If above 3%, the rising tide hopefully lifts all boats.
• If between 2% and 3%, your economy is just floating along.
• If growth is below 2%, in most areas you are adding to unemployment, wages are stagnant or declining
A. EAT Question 3. Economic Growth Rate

What is the growth rate in your state? Region? Area?

DATA SOURCES:

• University Extension division
• Economic Development Agencies
• Local Workforce Innovation and Opportunity boards or commissions
• County Economic Development Departments
• State Department of Commerce
B. Economic Regions

• Wages in the same industry vary dramatically across the U.S. because of the characteristics of the ECONOMIC REGIONS in which they are located. How does your geographic area fit into the economic regions described by the USDA and the Department of Commerce Economic Development Administration?

• More importantly, the REGIONS are the links connecting your local economy to the global economy, and REGIONS are the conduits for the dynamics of the global economy back into your area. For example, all oil supply goes into one gigantic “world tank” and flows out of that “tank.” The price for oil flowing in our out varies according to worldwide aggregate supply/demand factors for a particular grade of oil, not because of what any one country or supplier tries to do. The world pricing systems come into your community.
B. Economic Regions

• When the marketplace for goods (including commodities, manufactured goods) or services (including labor costs) in an industry become globalized, values (prices) move toward the world average for that sector. Over time, wages in a given industry in low-wage countries go up, wages in that industry in a high-wage countries stagnate or go down.

• Harvard Professor Michael Porter explains the realities of regional economies and why there are such wide variations between them. Start here. If you make this through this paper you get an honorary MBA. http://clustermapping.us/sites/default/files/files/resource/The_Economic_Performance_of_Regions.pdf

• However you can bypass this paper and go straight to the sources (next slide).
B. EAT Question 4. Economic Regions – describe your regions and their characteristics

- Locate your region(s) and learn about economic trends affecting economic opportunity
- https://en.wikipedia.org/wiki/List_of_regions_of_the_United_States
- USDA https://www.ers.usda.gov/topics/rural-economy-population/rural-classifications
- EDA and Harvard University Business School http://www.clustermapping.us/cluster
- https://united-states.reaproject.org/
- https://www.ers.usda.gov/topics/rural-economy-population/rural-classifications
C. How productivity growth and profits are allocated.

• What happens to the benefits of growth in productivity – to the profits?
• What is the percent of corporate income going to workers
• Here is a surprise for you: since the 1970’s the profits produced by the rise in productivity have gone to the owners and managers, not to the wage earners.

The Great Prosperity: 1947–79

Pay Rose With Productivity ...

Wages and overall compensation, for production and non-supervisory workers (now about 82 percent of the private sector work force), tracked steadily upward alongside gains in productivity.

The rising value of goods and services per worker meant rising pay. But that relationship ended in the 1970s.

The Great Regression: 1980–Now

... And Then It Didn’t

PRODUCTIVITY

CHANGE, 1979-2009
+80%

AVG. HOURLY COMPENSATION

CHANGE, 1979-2009
+8%

AVG. HOURLY WAGE

CHANGE, 1979-2009
+7%
The gap between productivity and a typical worker’s compensation has increased dramatically since 1973
Productivity growth and hourly compensation growth, 1948–2015

<table>
<thead>
<tr>
<th>Year</th>
<th>Productivity Growth</th>
<th>Hourly Compensation Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973</td>
<td>96.7%</td>
<td>91.3%</td>
</tr>
<tr>
<td>2015</td>
<td>73.4%</td>
<td>11.1%</td>
</tr>
</tbody>
</table>

Cumulative percent change since 1948

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**Productivity–Pay Tracker**

Change 1973–2015:
- Productivity: +73.4%
- Hourly pay: +11.1%

Productivity has grown 6.6x more than pay

Updated August 2016

Note: Data are for average hourly compensation of production/nonsupervisory workers in the private sector and net productivity of the total economy. “Net productivity” is the growth of output of goods and services minus depreciation per hour worked.

Source: EPI analysis of data from the Bureau of Economic Analysis (BEA) and the Bureau of Labor Statistics (BLS) (see the technical appendix of Bivens and Mishel 2015 for more detailed information)

Economic Policy Institute

http://www.epi.org/productivity-pay-gap/
C. Decline in labor’s share of corporate income (2000-2017)

- The decline in labor’s share of corporate income since 2000 means $535 billion less for workers.
- Between 2000 and the second quarter of 2015, the share of income generated by corporations that went to workers’ wages (versus going to managers and investors) declined from 82.3 percent to 75.5 percent.
- This 6.8 percentage-point decline in labor’s share of corporate income means that if this amount was spread over the entire labor force (not just corporate sector employees) this would translate into a $3,770 raise for each worker.

https://fred.stlouisfed.org/series/PRS85006173#
C. EAT Question 5. What is labor’s share of income in your area?

• Can you find his for a state or city?

• Data and information sources:
  ✓ Department of Labor (BLS)
  ✓ State employment statistics
  ✓ Local workforce council
  ✓ University extension service
  ✓ University department of economics
  ✓ Chamber of Commerce
  ✓ Local workforce innovation and opportunity board/council
Cash held by U.S. corporations

- $2.1 Trillion Bank and Non-bank deposits stashed in off-shore banks
- 20% of profits held off-shore
- Instead of investing, corporations have been paying more money out to Wall Street by issuing dividends and repurchasing shares.
- “A significant part” of the shortfall in corporate investment is due to the fact that fewer and fewer corporations control more and more of the American market.

Source: SEC filings for fiscal 2014

Swimming in money
According to Moody's Investors Service, non-financial companies in the United States are sitting on $1.3 trillion in cash on their balance sheets. Here are five technology companies with big piles of cash.

Source: Center for Community Futures

D. The formal and informal economy

• The formal economy operates on paper. (OK it may be digital, too.) Paychecks, contracts, credit card charges and bank statements. There is a written record. Most activity in the formal economy is taxed.

• The informal economy is cash or barter. There is no written record. Almost none of it is taxed.

• The informal economy is as much as 50% in some Latin countries

• It is estimated to be about 10% in the U.S. i.e. 1.8 trillion in value. Only about 60 billion is illegal (drugs, prostitution, theft). Most activity would be legal if declared, i.e. barter where you fix my car and I’ll fix your roof. I’ll paint your house for $2,000.

• Most micro-businesses start in the informal sector. A person has something to sell and they start making money.
Are you doing enough to promote microbusinesses? How many people are working from home?
D. EAT Survey questions 6. The informal economy

• How easy is it to earn money “off the books.”
• Is your area permissive or hostile to activity in the informal economy?
• In which sectors do you see informal economic activity?
• Are food trucks and street vendors allowed to exist? Yard sales?
• Can you let a flea market operate on your parking lot on weekends?
• How much household income comes from the informal economy?
E. Workforce in relationship to the population.
E. The Labor Participation Rate is Declining

Despite new jobs created in the last 10 years, the participation rate has dropped from 67% (2007) to today’s 62.5%.

* Each 1% drop is 1.5 million people.

• Therefore the current “low” unemployment rate is not the whole story.

• 4 causes of declining participation:
  1. Stagnant wages
  2. Aging workforce
  3. Skills mismatch
  4. Men dropping out

http://data.bls.gov/timeseries/LNS113000000
E. Labor Force participation. The percentage of adults working

- Look at the variation state-by-state, from a low of 52.8% in West Virginia to a high of 71.6% in North Dakota.

- Here’s an overview of the employment situation from the DOL/BLS. Note the tables at the bottom of the narrative.

- Understanding DOL’s approach to labor statistics requires some – understanding.
E. EAT Example. Labor force participation by industry

• EXAMPLE:

• Workforce participation rate
  Wyandotte County, Kansas
  Source: Towncharts.com

E. EAT Example. Workforce participation rate for Wyandotte County, Kansas
E. EAT Question 7. What percent of adults are working your state and counties?

• As we have seen, this can be further refined to look at industry area, gender, income levels, etc.
• But the percent of adults the 25 to 55 year-old age group is an important barometer of the economic health of your population.
• What is the 20 year trend?
• Go to your state Department of Labor
• DOL/BLS
• Local workforce innovation and opportunity board
E. Understanding the Real Economy

• Many national trends are significant whether or not we have yet figured out a way to measures them locally.

• These include offshoring.

• These include robotics and automation

Where most American job losses are occurring
E. Automation kills jobs examples

• What are the number of people over the past 40 years employed in:
• Steelmaking. In 1970, 521,000 were employed, now 180,000 produce the same amount of steel.
• Coal mining. In 1920, 784,000 were employed, now 76,000 produce more coal.
• Manufacturing. Then 22% of the workforce, now 12% producing the same $ value of stuff
• Truck driving. 3 million now. What will self-driving trucks do to them?
E. EAT examples for automation

• Nationally, store clerks are about 16 million people, predicted to drop by 5 million in the next few years. Gas station attendants. Bank tellers. Remember those?

The Rise of Automation. The Fall of Workers?

47%  45%

47% of U.S. jobs could be replaced by robots and automated technology within 20 years¹

45% of activities individuals are paid to perform can be automated by adapting currently demonstrated technologies², representing about $2 trillion in annual wages in the U.S.³

60%

60% of all occupations could see 30% or more of activities automated with technologies available today²

E. More Resources on Automation


- http://www.pewinternet.org/2017/05/03/the-future-of-jobs-and-jobs-training/
E. EAT Question 8. Automation

- For the jobs most likely to be automated out of existence, how many people in your area work in the top five? See those areas at:
  - See the charts on pages 14, 16 and 24
  - [https://obamawhitehouse.archives.gov/sites/default/files/whitehouse_files/microsites/ostp/NSTC/preparing_for_the_future_of_ai.pdf](https://obamawhitehouse.archives.gov/sites/default/files/whitehouse_files/microsites/ostp/NSTC/preparing_for_the_future_of_ai.pdf)
E. EAT Questions 9. Automation

a. Number of jobs lost to automation
b. Number of jobs created by automation
c. Identify the numbers employed then and now in the largest occupational categories in your area.
Global Economy: Trade Exports and Imports

13.3 million jobs, accounting for $649 billion in personal income and more than $3.15 trillion in marine cargo-related spending (Martin Associates, Lancaster PA, 2008);
Jobs dependent on export & imports

How dependent counties are on trade: Exports as a proportion of the local economy

- Less than 8%
- 8-15%
- 16-50%

300 to more than 500,000 jobs directly related to export activity in 2015

The historic core of America’s auto industry around Detroit still contains many counties with vehicle plants and high concentrations of export potential.

Florida tourism dwarfs trade-related businesses and jobs. But even in the shadow of attractions such as Disney World, advanced manufacturing is growing.

Los Angeles and the nation’s biggest metro areas have the largest direct ties to exports: 3.8 million jobs and $1.2 trillion in goods and services, but those connections make up a below-average share of the cities’ giant economies.

https://www.washingtonpost.com/graphics/business/trade-exposure/
Areas in the US most dependent on exports

Here are the top products shipped from the areas that are **most dependent** on exports. Most American products are exported to Mexico, Canada and China.

https://www.washingtonpost.com/graphics/business/trade-exposure/
Exports in Metro Areas as a % of GDP

<table>
<thead>
<tr>
<th>EXPORTS AS PERCENT OF GDP</th>
<th>METRO AREA</th>
</tr>
</thead>
<tbody>
<tr>
<td>50.6%</td>
<td>Columbus, Ind.</td>
</tr>
<tr>
<td>40</td>
<td>Beaumont, Tex.</td>
</tr>
<tr>
<td>36.9</td>
<td>Lake Charles, La.</td>
</tr>
<tr>
<td>34.5</td>
<td>Elkhart, Ind.</td>
</tr>
<tr>
<td>34.1</td>
<td>Kokomo, Ind.</td>
</tr>
<tr>
<td>30.9</td>
<td>Lafayette, Ind.</td>
</tr>
<tr>
<td>29.1</td>
<td>Decatur, Ala.</td>
</tr>
<tr>
<td>25.1</td>
<td>Fond du Lac, Wis.</td>
</tr>
<tr>
<td>24.3</td>
<td>Baton Rouge, La.</td>
</tr>
<tr>
<td>24.1</td>
<td>Spartanburg, S.C.</td>
</tr>
</tbody>
</table>

https://www.washingtonpost.com/graphics/business/trade-exposure/
States dependent on steel and aluminum imports

Figure 1

State exposure to new tariffs on steel and aluminum imports
Percentage share of steel and aluminum in state total imports, 2017

Source: Brookings analysis of Census Bureau data
In Summary

According to the Brookings Institute:

• Nearly 6 million U.S. jobs are directly tied to exports.
• Another 6 million are indirectly tied to trade (i.e. transportation)
• At least $1 out of every $20 generated in the local economy coming from exports
• Michigan relies on NAFTA for more than 70 percent of its steel and aluminum products.
• These imports support the state’s automotive and metalworking clusters, which together employ 230,000 workers.
E. EAT Questions 10. How many jobs are moving in and out?

a. Number of jobs moved out of your state or county area -- elsewhere in the U.S. (State sources?

b. Number of jobs dependent on trade?

c. Number of jobs moved overseas


E. Job creation trends 2008-2017

Change in Payroll Jobs per Month (ex-Census hiring)

http://www.calculatedriskblog.com/
E. Labor force turnover and job growth

• About 5 million people leave their jobs EACH MONTH.
• About 5 million people get jobs EACH MONTH.
• You will be JOLTED by these data.
• https://www.bls.gov/jlt/
E. Calculate the change in the number of people working

• This number is the difference between separations and new hires on the previous slide

• On an nationwide basis, it takes about 145,000 NEW jobs to be created EACH MONTH to keep up with normal population growth.
E. Calculate the change in the number of new jobs

- Nationally, if FEWER than 145,000 net new jobs are created, then the total number of people who are seeking work but unable to find it is increasing. Unemployment is going up. (Assuming the 5 million remains steady)

- If MORE than 145,000 net new jobs are created, then the total number of unemployed people is decreasing.
E. EAT. Example on job growth

Size of workforce in our area (people ages between 25 and 55 seeking work) in thousands

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
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<tr>
<td></td>
<td>22</td>
<td>23</td>
<td>24</td>
<td>25</td>
</tr>
</tbody>
</table>

Net new jobs in our area (in hundreds)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>12</td>
<td>9</td>
<td>6</td>
<td>3</td>
</tr>
</tbody>
</table>

Your workforce is expanding 1,000 per year but the increase in employment opportunities is not keeping up
E. EAT Questions 11. Labor Force Turnover

• What are these numbers in your area?
• Is the population increasing or decreasing?
• Is the number of new jobs increasing or decreasing?
• Is job growth keeping up with population growth?
• What is the multi-year trend?
E. EAT Questions 12. Change in the net number of people working

a. Is the difference between separations and new hires in your area: Increasing? Decreasing? Staying the same?

If there are more new hires and the growth in working-age population, that unemployment is going down. If there are fewer new jobs than the growth in the population, then unemployment is increasing. If the number of new hires and population growth are the same, then unemployment rate remains constant.
F. Number of people working by industry area
F. Jobs by industry area
Note: Most of the growth is in health care, principally driven by aging baby boomers.
F. Example. Kansas City Kansas Area Year to Year Employment Changes


F. EAT Question 13. Determine the number of jobs by types of occupation

• In the previous section you estimated job growth relative to the increase in population.
• In this section we are looking at job grown or shrinkage by job type or occupational category. What is happening?
F. Labor Trends and Economic Data Sources

Bureau of Labor Statistics Employment Situation Summary

- Income and earnings: https://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t#acsST
- Pay & Benefits: https://www.bls.gov/data/#wages
- Employed persons by class of worker and part-time status: https://www.bls.gov/news.release/empsit.t08.htm

Other data sources:

- Workforce Innovation and Opportunity Act Local Area Plan (http://workforcepartnership.com/_uploads/library/file_137.pdf)
Example. A close look at Coal Mining
### The coal industry’s small economic footprint

Number of employees in 2014

<table>
<thead>
<tr>
<th>Industry</th>
<th>Employees</th>
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<tbody>
<tr>
<td>Car washes</td>
<td>150,019</td>
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<tr>
<td>Theme parks</td>
<td>143,894</td>
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<tr>
<td>Used car dealers</td>
<td>138,058</td>
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<tr>
<td>Casinos</td>
<td>99,952</td>
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<td>Travel agencies</td>
<td>99,888</td>
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<tr>
<td>Radio</td>
<td>94,584</td>
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<tr>
<td>Museums</td>
<td>91,966</td>
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<tr>
<td>Breweries and wineries</td>
<td>82,342</td>
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<tr>
<td><strong>Coal mining</strong></td>
<td><strong>76,572</strong></td>
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<tr>
<td>Skiing</td>
<td>75,036</td>
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<td>Bowling</td>
<td>69,088</td>
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<td>Nail salons</td>
<td>68,428</td>
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<td>Florists</td>
<td>61,170</td>
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</table>

Source: Census Business Patterns
### F. More Workers in Solar Than Fossil Fuel Power Generation

<table>
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<tbody>
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<td>Solar</td>
<td>373,807</td>
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<td>Natural Gas</td>
<td>12,840</td>
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<td>Oil &amp; Petroleum</td>
<td>187,117</td>
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<tr>
<td>Coal</td>
<td>86,035</td>
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<tr>
<td>Advanced Gas</td>
<td>36,117</td>
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<td>Wind</td>
<td>101,738</td>
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<tr>
<td>Nuclear</td>
<td>68,176</td>
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</tbody>
</table>

Source: U.S. Department of Energy

F. Examples of # of employees in large companies

- Whole Foods (72,650)
- Arby's (close to 80,000)
- Dollar General (105,000)
- J.C. Penney (114,000)
- Walmart (2.2 million)
- Coal, (50,300) employees as of February 2017.

https://fred.stlouisfed.org/series/CES1021210001
F. The above from the Washington Post

- https://www.washingtonpost.com/news/wonk/wp/2017/03/31/8-surprisingly-small-industries-that-employ-more-people-than-coal/?utm_term=.5bba5d80e3d1&wpisrc=nl_wonk&wpcm=1
F. EAT Question 14. What is the number of coal miners in your state?


- Notice that Kentucky employs almost 12,000 people in coal mining.

- Has the trade-off become the entire U.S. role in climate change vs. 12,000 coal-mining jobs in Kentucky?
F. The 30-year trend for women and men being in the workforce?
F. Pew Research found that nationally, the trend in labor participation for both has been declining (1)

Findings from their January 2017 Research Report:

• The drop has been widespread.
• The steady growth in women’s labor force representation slowed in the 1990s as women’s participation peaked.
• Labor force participation declined for both men and women between 2000 and 2015, so the growth rates of the male and female labor force are now quite similar on average: 0.8% per year for women between 2000 and 2010, compared with 0.7% for men.
• The participation rate of women ages 25 to 54 has fallen since 2000.

http://www.pewresearch.org/fact-tank/2017/01/31/women-may-never-make-up-half-of-the-u-s-workforce/
F. Pew Research found that nationally, the trend in labor participation for both has been declining (2)

- Mothers with children younger than 18 are less likely to participate in the labor force now than they were in 2000, particularly less-educated mothers.
- Some researchers have suggested this may be due in part to changing gender role attitudes.
- Women without children under 18 and single women are also less likely to participate than they were in the 1990s.
- The withdrawal of single women from the labor force in part reflects that more of them are going to school.
E. Labor Force Participation Rate by Gender

- Males
  - [link](https://jobmarketmonitor.com/2016/06/26/the-decline-in-prime-age-male-labor-force-participation-in-us-a-white-house-report/)
  - The full paper of long term decline of male labor force participation. [link](https://obamawhitehouse.archives.gov/sites/default/files/page/files/20160620_cea_primeage_male_lfp.pdf)
- Males and Females
  - [link](http://mjperry.blogspot.com/2012/05/decline-in-labor-force-participation.html) The moral of the story that the man should be the primary breadwinner is: old myths die hard.
EAT Question 15. Jobs by gender

• Create a chart showing trends by gender.
E. Persons Not in the Labor Force

http://www.economicpopulist.org/content/april-unemployment-rate-lowest-may-2007-6186
F. Unemployment Numbers

- See the several charts in the drop-down menu on this DOL/BLS page

E. Not in the labor force.

DISCOURAGED WORKERS: WANT JOB NOW, NOT IN LABOR FORCE AND PART-TIME EMPLOYED, ‘000

Source: http://www.bls.gov/cps/lfcharacteristics.htm
EAT Question 16.

- Identify the number/% of “discouraged workers” in your state/area.
F. Unemployment numbers

• Nationwide there is “full employment” yet millions of people are not in workforce and not making a living. And the more you drill down into smaller communities the higher the numbers go.

• “The challenges for workers in minority communities are even greater. The average unemployment rate across all census tracts where minorities made up a majority of the population averaged 14.3 percent from 2011 through 2015. Also, a much smaller share of the prime working-age population in these areas is employed -- 67.7 percent during this period, which is nearly 9 percentage points lower than in communities with smaller minority populations.” Janet Yellen, April, 2017

F. Gap between unemployed and drop-outs of the workforce

[Graph showing the gap between headline unemployment and more comprehensive measures.]

Source: Authors’ calculations based on data from U.S. Bureau of Labor Statistics.

F. EAT Questions 17. “Unemployed”

a. Number unemployed -- looked for work in the past 12 months (trend)
b. Number unemployed more than 26 weeks (trend)
c. Number unemployed more than 52 weeks (trend)

TIP 1. DO YOUR UNEMPLOYMENT NUMBERS by census tract or block or neighborhood to show the actual rates in areas where people with low incomes and minorities live. (Rates in these areas tend to be about double the state or county-wide totals.).

Tip 2. Get the BLS charts U-3 through U-6.  
https://www.bls.gov/news.release/empsit.t15.htm
E. Disability Trends

http://www.washingtonpost.com/sf/local/2017/06/02/generations-disabled/?utm_term=.4ee2e7efdcc4

Disability can run in families

Analysis of census data shows that households that have a disabled adult are about three times as likely to have a disabled child as families that do not have a disabled adult. The roughly 3-to-1 ratio holds across levels of poverty, although the rates are higher for poor families.

Percent of households with a disabled child and no disabled adults or one or more disabled adults:

Among all households
- No disabled adult: 6.1%
- With disabled adult: 19.8%

Among poor households
- No disabled adult: 11.6%
- With disabled adult: 26.5%

Among well-off households
- No disabled adult: 3.8%
- With disabled adult: 9.8%

The Post analyzed the 30.1 million households that have at least one related member age 18 to 64 and one related member age 5 to 17 in the latest American Community Survey five-year public use microdata collected from 2011 through 2015. Any person who answered yes to any of the five census disability questions was classified as disabled. Poor households were those living under the poverty level. Well-off households were those living at more than five times the poverty level.

Source: American Community Survey five-year public use microdata sample, 2015
E. Disability by State – 2009

(for local disability data go to https://www.census.gov/programs-surveys/acs/)

Figure 3.
Employment-to-Population Ratio for the Population With a Disability by State: 2009

Comparison of state employment-to-population ratios to U.S. estimate
- Above the U.S. estimate
- Not different from the U.S. estimate
- Below the U.S. estimate

United States = 34.7 percent

Note: Data are for the civilian noninstitutionalized population aged 16 to 64 years. This excludes people in correctional facilities, nursing homes, other institutions, and the armed forces.


Added 7-22
F. EAT Questions 18. Disability

a. Number/% on SSI (trend)

• https://www.ssa.gov/policy/docs/statcomps/ssi_sc/

b. Number/% on SSDI

• https://www.ssa.gov/policy/data_title.html

c. How many people in your areas who are on disability are also working in the formal or informal economy?
F. Part Time. The number of people working only part time remains very high.
F. Part-time work becoming new normal

According to research conducted by the Economic Policy Institute:

• Over six years into an economic recovery, the share of people working part time because they can only get part-time hours remains at recessionary levels.

• The number working part time involuntarily remains 44.6 percent higher than it was in 2007. This growth is being driven mainly by a few industries.

• About 9 million workers want full-time jobs but are working only part-time hours. [Link](https://www.bls.gov/news.release/empsit.t08.htm)

• Involuntary part-time workers are not only earning less income than they would prefer, but suffer because part-time jobs offer relatively lower wage rates and fewer benefits, and have more variable and unpredictable work schedules.

• [Link](https://www.bls.gov/opub/btn/archive/involuntary-part-time-work-on-the-rise.pdf)
F. EAT Questions  19. How many people are working part time?

a. Voluntarily?

b. Wish they were working full time?

c. What percent of the workforce is this?

• You can try to calculate this deductively, working off national and state totals and prorating for your area as a percent of the state, or inductively – asking through your door.

• Any state sources on this?
F. On-demand Jobs

The Five Faces of the On-Demand Economy

- 20% The Career Freelancers
- 22% The Business Builders
- 26% The Side Giggers
- 14% The Passionistas
- 18% The Substituters
Percentage of non-employee workers in today’s workforce

F. EAT Question 20. What is the number and percent of the workforce working in “on demand” jobs?

Fastest growing jobs in your service area sources:

- BLS Occupational Outlook handbook (https://www.bls.gov/ooh/)

- Workforce Innovation and Opportunity Act Local Area Plan (http://workforcepartnership.com/_uploads/library/file_137.pdf)
F. Working as Temporaries

Overall, in 2014, the temporary help industry accounted for 2.4 percent of all private sector employment in the US accounting for 2.9 million at its high point May 2015.

**Characteristics:**

- Workers are more likely than the average to be female and black or African American.
- They are less likely to be married (42 percent vs. 54 percent) and to have private health insurance.
- Mostly young
- Most want full time
F. Eat Questions 21 Temporaries

a. How many are there in your area?
b. How many want to work full time?
c. Again, use BLS and state source, and ask people.
F. Labor force participation by education level: Most jobs are offered to college grads.
F. Most jobs since the recession have gone to college grads
F. Example. Kansas City - Education and # Workers
F. EAT Survey Questions 22. Employment by Education levels

a. What are the trends in your area?

b. If 90% of new jobs are going to college graduates, what are the people who do not have a college degree doing to earn a living?
F. Are people getting jobs that have a W-2, or a 1099?

• The trend is hard to measure, since subcontracting can take many forms. But it is big. A study last year by Lawrence F. Katz of Harvard and Alan B. Krueger of Princeton, a former chief economic adviser to President Barack Obama, concluded that independent contractors, on-call workers and workers provided by contracting companies or temp agencies accounted altogether for 94 percent of employment growth over the last 10 years.

F. Hiring for 1099 or W-2 jobs?

- About 50% of the ten million jobs created since 2009 were 1099 jobs instead of W-2 jobs, i.e., with no employer benefits, no contribution by the employer to Social Security or Medicare.

- Source: https://cew.georgetown.edu/cew-reports/americas-divided-recovery/

Chart Source: https://www.bloomberg.com/view/articles/2015-12-11/the-gig-economy-is-showing-up-in-irs-s-1099-forms
F. EAT Question 23 about 1099 vs. W-2

• [http://www.nber.org/papers/w22667](http://www.nber.org/papers/w22667)

• What percent of jobs in your area are “…independent contractors, on-call workers and workers provided by contracting companies or temp agencies.

• What percent of total employment growth is this?

F. EAT Survey Questions 23. 1099 or W-2.

a. Are your or any member of your family working as an independent contractor, on-call worker or worker provided by a contracting company or temp agency?

b. Which one?

Or

c. Do you get a 1099 job or a W-2 from your employer?
F. Additional workforce composition data

https://www.bls.gov/news.release/empsit.t15.htm

HOUSEHOLD DATA
Table A-15. Alternative measures of labor underutilization [Percent]

<table>
<thead>
<tr>
<th>Measure</th>
<th>Description</th>
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<tbody>
<tr>
<td>U-1</td>
<td>Persons unemployed 15 weeks or longer, as a percent of the civilian labor force</td>
</tr>
<tr>
<td>U-2</td>
<td>Job losers and persons who completed temporary jobs, as a percent of the civilian labor force</td>
</tr>
<tr>
<td>U-3</td>
<td>Total unemployed, as a percent of the civilian labor force (official unemployment rate)</td>
</tr>
<tr>
<td>U-4</td>
<td>Total unemployed plus discouraged workers, as a percent of the civilian labor force plus discouraged workers</td>
</tr>
<tr>
<td>U-5</td>
<td>Total unemployed, plus discouraged workers, plus all other persons marginally attached to the labor force, as a percent of the civilian labor force plus all persons marginally attached to the labor force</td>
</tr>
<tr>
<td>U-6</td>
<td>Total unemployed, plus all persons marginally attached to the labor force, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all persons marginally attached to the labor force</td>
</tr>
</tbody>
</table>
F. EAT Survey Questions 24. More characteristics of jobs

1. Numbers working split shifts
2. Number working multiple jobs
3. It is not all sweetness and light even for college graduates: student debt is delaying marriage and slowing home buying. What is the amount of student debt in your state and area?
4. What is the number of people under 35 years old living in parent’s house (trend)
5. Number/% of workforce who are union members (trend)
F. EAT Survey questions 25, and data collection suggestions

What are the primary reasons why people have trouble making a living in this community?

- Lack of child care
- Not enough jobs
- Wages are too low
- Lack of encouragement to work
- Lack of education
- Not enough on-the-job training
- Lack of transportation
- Not enough resources (EDD or other agencies) to help find a good paying jobs
- Other __________________________

- United Way has this info for 18 states [https://www.unitedwayalice.org/by-state](https://www.unitedwayalice.org/by-state)
G. Compensation and Incomes 1999 vs 2014

Median incomes of the middle class and other tiers fell from 1999 to 2014
Median income of households, by income tier, in 2013-14 dollars and scaled to reflect a three-person household

- **Upper**
  - 2014: $173,207
  - 1999: $186,424
- **Middle**
  - 2014: $72,919
  - 1999: $77,808
- **Lower**
  - 2014: $23,811
  - 1999: $26,373

Note: The income data collected in the 2000 decennial census were for calendar year 1999.
Source: Pew Research Center analysis of the 2000 decennial census and 2014 American Community Survey (IPUMS)
“America’s Shrinking Middle Class: A Close Look at Changes Within Metropolitan Areas”
Pew Research Center

G. Interactive Mapping – Regional Changes in wages and employment rates since 2000

https://interact.americanprogress.org/maps/2017/03/MidwesternLabor/index.html
G. What do our jobs pay? Here’s a database on 72 careers in 107 cities

What People Earn: Database

Choose any of 107 major markets

(Or leave tab alone to see all markets)

Choose any of 72 occupational fields

(Or leave tab alone to see all fields)

Search

Cloud Database by Caspio

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<tr>
<th>Field code</th>
<th>Field title</th>
<th>Local marker</th>
<th>Local jobs in field (2010)</th>
<th>Local average pay in field (2010)</th>
<th>Details</th>
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<td>29-1062</td>
<td>Family and General Practitioners</td>
<td>Santa Rosa</td>
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<th>Local average pay in field (2010)</th>
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<td>19-2041</td>
<td>Environmental Scientists and Specialists, Including Health</td>
<td>Santa Rosa</td>
<td>270</td>
<td>$87,410</td>
<td>Details</td>
</tr>
<tr>
<td>41-3031</td>
<td>Securities, Commodity, and Financial Services Sales Agents</td>
<td>Santa Rosa</td>
<td>340</td>
<td>$85,310</td>
<td>Details</td>
</tr>
<tr>
<td>15-1131</td>
<td>Computer Programmers</td>
<td>Santa Rosa</td>
<td>250</td>
<td>$70,440</td>
<td>Details</td>
</tr>
<tr>
<td>13-2011</td>
<td>Accountants and Auditors</td>
<td>Santa Rosa</td>
<td>1,380</td>
<td>$78,070</td>
<td>Details</td>
</tr>
<tr>
<td>13-2051</td>
<td>Financial Analysts</td>
<td>Santa Rosa</td>
<td>160</td>
<td>$76,900</td>
<td>Details</td>
</tr>
<tr>
<td>41-3021</td>
<td>Insurance Sales Agents</td>
<td>Santa Rosa</td>
<td>350</td>
<td>$75,850</td>
<td>Details</td>
</tr>
<tr>
<td>13-1141</td>
<td>Compensation, Benefit, and</td>
<td>Santa Rosa</td>
<td>80</td>
<td>$74,700</td>
<td>Details</td>
</tr>
</tbody>
</table>
G. Year to Year Change Hours Worked and Hourly Earnings May 2016-May 17
G. EAT Question 26 on wages.

• Chart the average wages by job type for your area.

Sources in addition to those listed previously:
• BLS: https://www.bls.gov/bls/blswage.htm
• Local resources:
  https://www.indeed.com/salaries
  https://www.careerinfonet.org/select_state.asp?next=wages1&level=&optstatus=&id=&nodeid=208&soccode=&jobfam=&menuMode=&SOC=
G. Employed but paid non-living wages

• The official poverty measure is based largely on whether a household’s cash income can support basic needs, so there is a strong connection between the health of our labor markets and the poverty rate.

• While U.S. unemployment declined 1.6 percentage points from 2014 to 2015, earnings and wages remained flat, especially for those near the bottom.

• Among the bottom fifth of U.S. workers, most of whom earn less than $10 per hour, even working full-time all year will not allow an individual worker to reach the $24,036 annual income required to keep a family of four out of poverty.

• According to the Census Bureau, 104 million people — a third of the population — have annual incomes below twice the poverty line, less than $38,000 for a family of three. Goal: 75% of median $51,939 is $38,954.
G. Who are the “Working Poor”

• In 2013 the “Working Poor” were:
  • 7% of the total work force
  • 13% of Blacks; 13% of Hispanics; 6% of Whites; 5% of Asians
  • 8% of women; 6% of men
  • 19% of the labor force with less than a high school diploma; 9% of high school graduates with no college education; 5% for those with an associate’s degree and 2% for those with a bachelor’s degree or higher
  • Most likely young: rates were highest for 16 to 19 year olds (11%) and 20 to 24 year olds (13%) and lowest for those over 65 (2%)
  • 16% of part-time workers; 4% for those employed full-time

http://poverty.ucdavis.edu/faq/who-are-working-poor
G. EAT question 27. What is the number and percent of people who work full time but are still poor?

- BLS
- Census Am Cmty Survey
- State Employment Department
G. EAT Survey Questions 26. Work supports

Work supports are essential for most families. What are the:
• Number of people/families receiving Medicaid
• Number of people/families receiving SNAP
• Number of people/families receiving EITC
• Number of people/families receiving LIHEAP
• Number of people/families receiving other public benefits

Increasingly, public benefits will go only to people who work. Is your agency prepared to be a worksite for a large number of people?
G. Wage Theft in the US

$8 billion annually in lost wages
Wage theft is the failure to pay workers the full wages to which they are legally entitled. Wage theft can take many forms, including but not limited to:

- Minimum wage violations: Paying workers less than the legal minimum wage
- Overtime violations: Failing to pay nonexempt employees time-and-a-half for hours worked in excess of 40 hours per week
- Off-the-clock violations: Asking employees to work off-the-clock before or after their shifts
- Meal break violations: Denying workers their legal meal breaks
- Pay stub and illegal deductions: Taking illegal deductions from wages or not distributing pay stubs
- Tipped minimum wage violations: Confiscating tips from workers or failing to pay tipped workers the difference between their tips and the legal minimum wage
- Employee misclassification violations: Misclassifying employees as independent contractors to pay a wage lower than the legal minimum wage
G. Top 4 Key Findings from EPI report: “Employers steal billions from workers’ paychecks each year”

1. In the 10 most populous states in the country, each year 2.4 million workers covered by state or federal minimum wage laws report being paid less than the applicable minimum wage in their state—approximately 17 percent of the eligible low-wage workforce.

2. The total underpayment of wages to these workers amounts to over $8 billion annually. If the findings for these states are representative for the rest of the country, they suggest that the total wages stolen from workers due to minimum wage violations exceeds $15 billion each year.

3. Workers suffering minimum wage violations are underpaid an average of $64 per week, nearly one-quarter of their weekly earnings. This means that a victim who works year-round is losing, on average, $3,300 per year and receiving only $10,500 in annual wages.

4. The poverty rate among workers paid less than the minimum wage in these 10 states is over 21 percent—three times the poverty rate for minimum-wage-eligible workers overall. Assuming no change in work hours, if these workers were paid the full wages to which they are entitled, less than 15 percent would. be in poverty.

G. Share of low-wage minimum-wage-eligible workers experiencing minimum wage violations

<table>
<thead>
<tr>
<th>State</th>
<th>Minimum Wage</th>
<th>Violation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Florida</td>
<td>$8.05</td>
<td>24.9%</td>
</tr>
<tr>
<td>Ohio</td>
<td>$8.10</td>
<td>22.7%</td>
</tr>
<tr>
<td>Illinois</td>
<td>$8.25</td>
<td>22.1%</td>
</tr>
<tr>
<td>New York</td>
<td>$8.75</td>
<td>19.4%</td>
</tr>
<tr>
<td>California</td>
<td>$9.00</td>
<td>19.2%</td>
</tr>
<tr>
<td>Michigan</td>
<td>$8.15</td>
<td>17.2%</td>
</tr>
<tr>
<td>North Carolina</td>
<td>$7.25</td>
<td>12.3%</td>
</tr>
<tr>
<td>Texas</td>
<td>$7.25</td>
<td>10.8%</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>$7.25</td>
<td>10.4%</td>
</tr>
<tr>
<td>Georgia</td>
<td>$7.25*</td>
<td>9.4%</td>
</tr>
</tbody>
</table>

*Workers in Georgia covered by the FLSA are subject to the federal minimum wage of $7.25. Workers exempt from the FLSA but covered under Georgia’s state minimum wage law have a minimum wage of $5.15.

Note: The 2015 minimum wage for each state is shown in parentheses. “Low-wage minimum-wage-eligible workers” includes all minimum-wage-eligible workers in the bottom quintile of wage earners in each state.


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G. Results of wage theft: increasing poverty rates

Table 2

Far fewer workers would be in poverty if their employers paid them the legal minimum wage

Poverty status of all minimum-wage-eligible workers in the 10 most populous states and of those paid less than the minimum wage, actual and if all workers were paid correctly

<table>
<thead>
<tr>
<th></th>
<th>At current wage values</th>
<th>If subminimum wages were raised to the applicable minimum wage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total number of</td>
<td>Number of eligible workers in poverty</td>
</tr>
<tr>
<td></td>
<td>minimum-wage-eligible</td>
<td></td>
</tr>
<tr>
<td></td>
<td>workers</td>
<td></td>
</tr>
<tr>
<td>All minimum-wage-eligible workers</td>
<td>59,014,000</td>
<td>4,075,000</td>
</tr>
<tr>
<td>Eligible workers paid less than the minimum wage</td>
<td>2,422,000</td>
<td>517,000</td>
</tr>
</tbody>
</table>

Note: Numbers may not add due to rounding. Shares are computed based on unrounded numbers.


Economic Policy Institute

Table 3

<table>
<thead>
<tr>
<th>Category</th>
<th>Minimum-wage-eligible workers</th>
<th>Eligible workers experiencing minimum wage violations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Number</td>
</tr>
<tr>
<td></td>
<td>Share receiving public assistance benefit</td>
<td>Share receiving public assistance benefit</td>
</tr>
<tr>
<td>All minimum-wage-eligible workers</td>
<td>59,014,000</td>
<td>2,422,000</td>
</tr>
<tr>
<td>Family receives some public assistance</td>
<td>13,517,000</td>
<td>802,000</td>
</tr>
<tr>
<td></td>
<td>22.9%</td>
<td>33.1%</td>
</tr>
<tr>
<td>Family receives food-purchasing assistance</td>
<td>4,282,000</td>
<td>429,000</td>
</tr>
<tr>
<td></td>
<td>7.3%</td>
<td>17.7%</td>
</tr>
<tr>
<td>Family receives energy assistance</td>
<td>771,000</td>
<td>81,000</td>
</tr>
<tr>
<td></td>
<td>1.3%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Child in family receives reduced or free</td>
<td>10,373,000</td>
<td>496,000</td>
</tr>
<tr>
<td>school lunch</td>
<td></td>
<td>20.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family receives housing subsidy</td>
<td>838,000</td>
<td>95,000</td>
</tr>
<tr>
<td></td>
<td>1.4%</td>
<td>3.9%</td>
</tr>
</tbody>
</table>

Note: Numbers may not add due to rounding. Shares are computed based on unrounded numbers.


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G. Most workers that experience minimum wage violations are from families of modest means

Figure 1

The majority of workers who experience minimum wage violations come from families of modest means

Family income of workers experiencing minimum wage violations

- $60,000 or more: 34.4%
- Less than $60,000: 65.6%

Note: For a more detailed breakdown of family income categories, see Appendix Table A3.

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G. Mitigating Wage Theft

• Are local newspapers putting a spotlight on wage-theft?
• What is the State’s or local District Attorney doing about Wage Theft in your service area?
• Have wage-theft at your employer been reported to local law enforcement agencies?
• Have these been reported to appropriate state or county agencies?
• Have you worked with locally elected officials to combat wage-theft?
• Have you contacted other advocacy groups about this issue?
• Have you helped people file a claim with a law firm to win back stolen wages?
G. Resources on Wage - Theft

• Stop Wage Theft California

• Lawsuit claims Chipotle owes overtime pay to thousands of workers
  By Jonnelle Marte Washington Post, June 7, 2017
G. EAT Survey Questions 29. Wage Theft

- Have you or the people who come to your agency ever been...
  - Not paid minimum wage, but less?
  - Paid less than you were promised?
  - Paycheck report fewer hours than you actually worked?
  - Paid in cash, asked to endorse your paycheck to someone else, or forced to give a payment to your project foreman or supervisor?
  - Are you unsure of who your employer is, or the wage you are entitled to?
  - Forced to start early or stay late without getting paid overtime?
  - Asked to work off the clock (without punching in)?
  - Denied meal or rest breaks on the job?
  - Injured on the job and been denied proper care or worker’s compensation?
  - Employer threatened to fire you if you do not report for work after being injured?
  - Threatened or fired for questioning your boss about your pay?

If you answered yes to any of these questions, you or they may have been a victim of wage theft, and would be entitled to compensation under the law.
H. Income Volatility

Unsteady pay and hours: A new problem contributing to poverty
H. Income Volatility: The Problem

• 46,500,000 Americans living in poverty*
• 10,400,000 Families living in poverty supported by full-time workers *
• 1,800,000 Social service practitioners nationwide working every day to fight the effects of poverty**
• People are working hard to achieve financial mobility – more than 96% of people living in poverty do so for less than 3 consecutive years – and yet, 30% of these will eventually return below the poverty line.*
• According to the 2015 FDIC National Survey of Unbanked and Underbanked Households, the underserved population consists of 9 million unbanked and 24.5 million underbanked households — almost 35 millions Americans effectively rendered “invisible” from the financial system.
• Recent reports from Change Machine show customers’ monthly financial transaction fees racking up as high as $80 for maintenance fees, $40 on check cashing, and $50 on money orders.

* 2013 US Census Bureau Report
**US Department of Labor Bureau of Labor’s Occupational Outlook Handbook

https://thefinancialclinic.org/
H. Income Volatility

Volatility explains where we are today:

• Why a below average jobless rate — 4.3% in May — is still producing an above average level of economic anxiety.

• Turbulence has replaced the traditional American narrative of steady financial progress over a lifetime.

H. Indicators of Income Volatility

1. Lack of stable, predictable work schedules.
2. Bonuses, extra commissions and overtime bump up a worker’s average income, but more often reductions in hours shrink an expected paycheck.
3. This comes at the lower end of the income ladder.
4. General Social Survey results showed that 41% of all hourly workers say they are not given more than a week’s notice of their schedule.
5. Nearly half have little or no say on their work hours.
6. Some of the most challenging schedules are production and construction jobs.
H. Strategies to Reduce Income Volatility

1. Persuade employers to schedule in advance.

2. Enforce current labor laws, and propose new legislation in areas law does not cover, i.e.:
   • Prohibiting scheduling hours by automation
   • Persuade employers to fill vacancies with more full time instead of part time employees

3. Creating employer-provided benefits, and using wage-related financial technology.

4. Pay at a higher rate for late schedules.

5. Increase access to financial and legal services

H. Strategies to improve public benefit design and delivery

To better serve populations with volatile income include:

1. Changing enrollment and eligibility processes and
2. Improving annual tax credits to maximize smoothing potential.
3. Improve public benefit design and delivery to support people who work in low-paying jobs (i.e. State EITC)
H. Strategies to increase financial stability

Those services can help manage income volatility include:

1. Technological services that aid financial planning, and

2. New credit and savings mechanisms.

3. Advocate for neighborhood banks or credit unions in place of payday lenders

4. Advocate against payday loan lenders and loan sharks, and used car loans with high interest rates

5. See legislation regulating car loan interest rates

6. Regulate rent-to-own businesses
H. Income Volatility Resources

1. Robert M. La Follette School of Public Affairs


- Are you part time or full time?
- Are your working hours set times or decided at the by the employer?
- Do you have at least two weeks advance notice of your schedule?
- To make ends meet, do you take “temp” or part-time jobs?
- Do you have access to a local bank or credit union?
- Which?
- Are there payday loan shops in your neighborhood? Do you use them? How often?
I. Household Wealth Trends 2004-2010 by Income

Who Was Hurt?
Household Wealth by Income Group

© Standard & Poor's 2014.

I. EAT question 31. Household wealth

What is the distribution of household wealth in your state/area?

Data Sources:

- https://www.census.gov/topics/income-poverty/wealth.html
Median net worth by ethnicity

• Let’s look at another “big picture” trend
I. EAT question 32. Net worth by ethnicity

What is the net worth by ethnicity in your area?

Data Sources:

I. EAT Questions 33. Two incomes are better than one

- What number/percent of households with children have two incomes?
- What is the locally understood definition of a marriageable male? Prison record? Employed, but at – what?
J. What is to be done?

• This Toolkit shows dozens of ways that employers have restructured work to eliminate full-time jobs that pay a living wage and that have benefits.

• What are you going to do about it?

• Start by getting the data that shows what is happening in your area. Add it to your community assessment.

• Then select advocacy strategies to change public policies or community attitudes or employer practices.
J. What is to be done?

• See the White Paper written by Allen and Jim that describes policies and strategies needed to change the rules. Most of these require advocacy.

  
  • and
  
  • [https://lcrcwebdotcom.files.wordpress.com/2016/09/1_-_white_paper_3_0_content_draft_6_august_12_2016_jims_adds_final.pdf](https://lcrcwebdotcom.files.wordpress.com/2016/09/1_-_white_paper_3_0_content_draft_6_august_12_2016_jims_adds_final.pdf)

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  • [http://declineofusmiddleclass.blogspot.com/](http://declineofusmiddleclass.blogspot.com/)
Q & A

QUESTIONS
COMMENTS
CONCERNS
Many Thanks for Your Interest and Participation

Jim Masters: CCAP, NCRT.
jmasters@cencomfut.com

Allen Stansbury, Senior Associate.
Allen@Stansbury.net

Center for Community Futures
www.cencomfut.com

The White Paper can be found at:
and

Also Please Visit our Blog at:
http://declineofusmiddleclass.blogspot.com/