Job quality in California

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Presentation to the Future of Work Commission
September 10, 2019
Stagnating wages at the middle and bottom of the income distribution; growth at the top

Real wages in California by percentile, 1979-2018

Wages are in 2018 dollars, and do not include tips, overtime or commission.
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Personal Care Aides</td>
<td>248,000</td>
<td>$11.74</td>
<td>$24,419</td>
</tr>
<tr>
<td>Food Preparation and Serving Workers, Including Fast Food</td>
<td>81,100</td>
<td>11.63</td>
<td>24,193</td>
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<tr>
<td>Software Developers, Applications</td>
<td>53,800</td>
<td>59.18</td>
<td>123,085</td>
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<tr>
<td>Laborers and Freight, Stock, and Material Movers, Hand</td>
<td>50,300</td>
<td>13.66</td>
<td>28,396</td>
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<tr>
<td>Registered Nurses</td>
<td>45,800</td>
<td>49.18</td>
<td>102,288</td>
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<tr>
<td>Waiters and Waitresses</td>
<td>36,300</td>
<td>12.42</td>
<td>25,818</td>
</tr>
<tr>
<td>General and Operations Managers</td>
<td>30,800</td>
<td>54.66</td>
<td>113,686</td>
</tr>
<tr>
<td>Market Research Analysts and Marketing Specialists</td>
<td>27,100</td>
<td>34.36</td>
<td>71,473</td>
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<tr>
<td>Carpenters</td>
<td>24,900</td>
<td>26.62</td>
<td>55,361</td>
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<tr>
<td>Medical Assistants</td>
<td>24,800</td>
<td>17.14</td>
<td>35,642</td>
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<tr>
<td>Cooks, Restaurant</td>
<td>24,000</td>
<td>14.01</td>
<td>29,130</td>
</tr>
<tr>
<td>Janitors and Cleaners, Except Maids and Housekeeping Cleaners</td>
<td>23,800</td>
<td>14.29</td>
<td>29,717</td>
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<tr>
<td>Construction Laborers</td>
<td>23,000</td>
<td>20.15</td>
<td>41,926</td>
</tr>
<tr>
<td>Stock Clerks and Order Fillers</td>
<td>20,400</td>
<td>12.51</td>
<td>26,009</td>
</tr>
</tbody>
</table>

Source: CA EDD Labor Market Information Division (July 2018)
Who are low-wage workers?

- **20 and over**
  - Low-wage workers: 94%
  - All workers: 98%

- **Workers' share of family income**
  - Low-wage workers: 62%
  - All workers: 70%

- **College degree**
  - Low-wage workers: 21%
  - All workers: 48%

- **Latinx**
  - Low-wage workers: 38%
  - All workers: 57%
Job-based health coverage rates have fallen since 2002, but remained steady under the ACA.
3 out of 5 California private sector workers have no way to save for retirement at work.

Share with access to a workplace retirement plan, California private sector employees age 25-64, 1998-2008.

- 1998: 53%
- 2000: 50%
- 2002: 45%
- 2004: 40%
- 2006: 35%
- 2008: 30%
- 2010: 25%
- 2012: 20%
- 2014: 15%
- 2016: 10%
- 2018: 5%
A declining share of workers covered by a union contract

California Union Coverage by Year

- Total
- Private
## Union effect on wages and benefits

<table>
<thead>
<tr>
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<th>Regression-adjusted union premium</th>
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<tbody>
<tr>
<td><strong>Wages (percent change)</strong></td>
<td></td>
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<tr>
<td>Hourly wage*</td>
<td>12.9</td>
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<tr>
<td><strong>Benefits (percent change in likelihood)</strong></td>
<td></td>
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<tr>
<td>Health insurance through work**</td>
<td>37.2</td>
</tr>
<tr>
<td>Retirement plan or pension offered at work**</td>
<td>51.5</td>
</tr>
<tr>
<td><strong>Use of public safety net programs (percent change in likelihood)</strong></td>
<td></td>
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<tr>
<td>Workers with a family member enrolled in at least one safety net program***</td>
<td>-30.6</td>
</tr>
<tr>
<td>Workers with a family member enrolled in Medi-Cal***</td>
<td>-30.9</td>
</tr>
<tr>
<td><strong>Low-income status (percent change in likelihood)</strong></td>
<td></td>
</tr>
<tr>
<td>Worker’s family is low-income**</td>
<td>-37.1</td>
</tr>
</tbody>
</table>

Source: Jacobs and Thomason, Union Effect in California, UC Berkeley Labor Center 2018
Workplace fissuring

Subcontracting
- Building Owner
- Building Manager
- Janitorial Services
- Security Services

Independent Contractors
- Trucking company
- Independent Contractors

Franchises
- Chain
- Company owned
- Franchise
- Franchise

Temporary Workers
- Warehouse
- Temp staffing agency
- Temp staffing agency
Conclusion

• The future of work is not predetermined

• What CA does will set examples for the rest of the nation

• Considerations in addressing the future of work:
  – Job quality
  – Workers bargaining power
  – Industry sectors and supply chains
  – Rising costs of healthcare and declining retirement security
  – Low-wages in the care industries