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A job is a job is a job? Of course not. Let's stop pretending.

By Ellen Ruppel Shell , November 9, 2018, 5:36 p.m.



A store in New York City seeks new employees. SPENCER PLATT/GETTY IMAGES/GETTY IMAGES

IN RECENT MONTHS, the official unemployment rate reached its lowest point in half a century — a rock-bottom 3.7 percent, or what many economists consider “full employment.” President Trump, who once pledged he would be the “greatest job president God ever created,” has taken full credit. Yet, while it’s unclear what role Trump’s ministrations played in the most recent jobs numbers, what is clear

is that the official unemployment rate bears far less relevance to the nation's economic stability than we've been taught to believe.

It's a cruel irony that, to be counted as unemployed, individuals must be both out of work and in the labor force. In order to qualify for that dubious distinction, they either must have had a job or have looked for a job in the previous four weeks. If rather than beating the pavement they were home sick, caring for a relative, or just taking a break from job hunting, they are not tallied as unemployed. Working even one hour in the prior week also disqualifies them. By this standard, even Sunday-morning Uber drivers, occasional dog walkers, and once-a-week babysitters are "employed."

More accurate alternatives are available. For example, the "Hornstein-Kudlyak-Lange non-employment index" counts all the unemployed, whether or not they have searched for a job in recent weeks. By this measure, in September the unemployment rate stood at 7.7 percent. The Bureau of Labor Statistics "alternative measure of labor underutilization," which includes workers only marginally attached to the labor force, stood at 7.5 percent. Both these rubrics offer a far more realistic picture of the state of the nation's workforce. But even these measures sidestep an essential question: In this precarious, global, gig economy, what does it even mean to be gainfully employed? Or, to put it bluntly, how many Americans have a good job?

While it may seem that what qualifies as a "good" job is a matter of opinion, in 2012 economist John Schmitt at the Center for Economic and Policy Research and his colleague Janelle Jones set some actual guidelines. By their reckoning, the minimum standard for a "good" job was an annual salary of at least \$37,000 (roughly \$40,700 today), with health insurance and a retirement plan. By this standard, fewer than one in four Americans had a good job at that time. Roughly half of these people had the bad-job trifecta — low pay, with no benefits, and no

retirement plan. Perhaps even more shocking, Schmitt and Jones noted that the US economy had since 1979 lost fully one-third of its power to generate good jobs.

Of course, it doesn't take an economist to notice that jobs are not distributing wealth the way they are meant to, or the way they once did. In the Industrial Age, thanks in part to the power of labor unions, workers were rewarded for their growing productivity with better wages and benefits. In the Digital Age, investors, owners, executives, and other "holders of capital" (often in the form of data and computing power) capture most of that value, leaving millions of workers with no choice but to settle for less. And this holds true for jobs in nearly every sector, even the most highly skilled. Indeed, despite rhetoric to the contrary, since the turn of the century, digital technology has decreased — not increased — the demand for skills. (This helps explain why millennials earn 20 percent less than boomers did at the same stage of life, despite being far better educated.)

In recent decades, "job creators" of almost any sort are hailed as national heroes. Politicians sing their praises, and state and local governments compete to lure them with tax breaks and other perks. And yet, far too many of the jobs they "create" are part-time, precarious, low paid, and/or temporary, not the sort of jobs that can support and sustain a good life, let alone a family.

While much public policy (and political rhetoric) is built on the premise that any job is better than no job, that's not always the case. Low-wage, precarious jobs may serve immediate business needs and offer workers temporary relief from destitution, but they do little to elevate the working poor, many of whom are left to subsidize their meager wage with public supports.

The rise of bad jobs has greatly reduced the unemployment rate, but they've done far less to sustain a healthy, middle-class America.

So clearly, the unemployment rate — no matter how it's calculated — is not the best metric by which to judge the nation's economic health. Rather, we need a new metric, one that measures not only the quantity of jobs, but their quality — their capacity to support and sustain a working life. And we need that metric reported quarterly, and prominently, so it can shift the debate about our economy and the policies required to make it more just and sustainable.

Ellen Ruppel Shell is author most recently of “The Job: Work and Its Future in a Time of Radical Change.”

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