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*The first Labor Day parade, New York City, September 5, 1882*

# Jobs in America

Fifty years after the onset of the Great Depression, the average American changes jobs six times during his working life. With a civilian labor force of 103 million people, that means the job market is in a constant state of flux. So are attitudes toward work. So is "unemployment." Anomalies like the postwar Baby Boom ripple through the economy with unpredictable consequences. The biggest recent shift: an enormous increase in the number and proportion of women in the workforce, especially married women, that shows no sign of letting up. This development alone, claims Columbia's Eli Ginzburg, will change modern American society "more than the rise of communism or the harnessing of nuclear power." Perhaps. Economists' views vary. Here, Richard Freeman looks at the evolving "shape" of the U.S. labor force; James O'Toole surveys some fresh approaches to "work reform"; and Katherine Swartz describes the difficulties of defining and alleviating joblessness.



## THE NEWCOMERS

*by Richard B. Freeman*

George Bernard Shaw may have amused London audiences when he wrote in *Man and Superman* (1903) that "home is the girl's prison and the women's workhouse," but the remark was slightly anachronistic even then. Millions of women in Britain and the United States were already working outside the home in shops and factories and as servants in the homes of people who flocked to Shaw's plays.

In the face of today's realities, the acerbic British playwright would probably have kept his mouth shut.

Since World War II, "work" has increasingly been women's world as well as men's. Reflecting the pattern in Western Europe

and Japan, the female share of the U.S. workforce grew from 28 percent in 1947 to 42 percent three decades later. Half of all women older than 16 held jobs in 1978 (versus 31 percent in 1948). The biggest gains were registered not among single women (who have traditionally worked for wages) but among married women, particularly mothers. More mothers are now working than not, and two-thirds of *all* American women with children will probably be holding down jobs 10 years from now.

"Like the Industrial Revolution," say the authors of a new Urban Institute study, "the movement of women out of the home and into the workplace [constitutes] a fundamental and lasting shift in the way in which the nation conducts its business, its family life, and its governmental policies."\*

### Defying the Predictions

As yet, the full implications of this movement are only dimly perceived.

Some side-effects are already obvious. Fast-food restaurants have become a fixture in every community—in large part because they are such a convenience to families in which both parents work. Day-care centers are common, and household cleaning services are doing a brisk business. Perhaps as a cause, or perhaps as a result of the expansion of the female workforce, U.S. fertility has fallen to 1.8 births per woman, down 40 percent in the last 20 years. By all accounts, women's employment has contributed to a new sense of "economic independence"; it may be partly responsible for the high frequency of divorce. And because 40 million women are now working for pay, the pool of volunteers for hospitals, Girl Scouts, and other community services is shrinking.

There is no single explanation for the long-term influx of women into the work force. That the jobs exist in the first place is due to the aggregate expansion of the U.S. economy since 1945.

The changing "shape" of the economy has also helped. Among the fastest growing sectors have been health care and education—fields in which women have always been well repre-

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\**The Subtle Revolution: Women at Work*, edited by Ralph E. Smith, with Nancy S. Barrett, Nancy M. Gordon, Sandra L. Hofferth, Kristin A. Moore, and Clair Vickery, Washington, D.C.: The Urban Institute, 1979.

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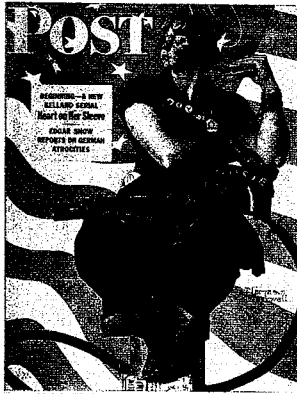
*Richard B. Freeman, 34, is professor of economics at Harvard University and director of labor studies at the National Bureau of Economic Research in Cambridge, Mass. Born in Newburgh, N.Y., he was graduated from Dartmouth College in 1964 and received his Ph.D. from Harvard in 1969. He has written The Overeducated American (1976) and Black Elite (1977).*

### WARS, WOMEN, AND WORK

In 1890, some 3.7 million American women were working for pay. Two-thirds of them were single, and most of the rest were widowed or divorced. One-third worked as servants.

Such patterns did not survive World War II. "To win this war," wrote Susan B. Anthony, II in 1943, "American women *must come out of their homes.*" And they did, replacing absent husbands, brothers, and sons in factories and offices around the country. Between 1940 and 1944, Norman Rockwell's "Rosie the Riveter" (below) and 5 million other new women workers swelled the employment rolls. For the first time in U.S. history, wives edged out single women as job-holders; that trend continues.

Often overlooked is the role played by World War I in breaking down barriers to women. With 4 million American men under arms, American women became an emergency labor supply—and proved (to the surprise of skeptical managers) that they could do a "man's work." Between 1914 and 1918, the number of women working in the steel industry trebled. The official U.S. government list of occupations in which women replaced men filled some six pages in tiny print. And most working women stayed in the labor force after the war. This fact, the author of a 1920 Labor Department study rightly predicted, "bids fair to encourage a larger share of woman labor in the future."



From The Saturday Evening Post. © 1943 The Curtis Publishing Company.

sented as nurses and teachers. And, throughout this period, women's wages have increased substantially, making employment ever more attractive.\* More employers have begun making part-time jobs available to women able to work only a few hours a day. (Today, 20 percent of *all* jobs are part-time.) Finally, most American women and men have come to accept the idea that women may work, may contribute to family finances, may even

\*As yet, however, average female earnings do not begin to approach those of men, despite passage by Congress of the Equal Pay Act (1963). In 1977, women earned 58.5¢ for every dollar earned by a man. One reason is "occupational segregation." Most working women have tended (or have been forced) to take jobs where wages historically have been low. For example, 97.9 percent of all secretaries are women. Another reason is that women have usually gone into and out of the labor force more frequently than have men; thus, they have accrued less job seniority and fewer chances for advancement.

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have their own careers; they have rejected the old notion that "a woman's (only) place is in the home."

What is fascinating is that the massive influx of women into the work force—the biggest single change in the labor market since World War II—was consistently underestimated in nearly every forecast, even those made during the mid-1960s when an upward trend was already apparent.

The chronic problem for planners is that the U.S. labor market is a dynamic arena, rapidly affected by everything from war, recession, and inflation to manners and morals. Supply and demand are always changing. So is the "mix" of jobs across the nation. And economists are not very good at predicting what lies ahead. In 1969, for example, the National Science Foundation foresaw a bumper crop of new Ph.D.s entering the academic workforce in 1976. They were wrong. What the forecasters didn't know was that the bottom was about to fall out of the academic job market.

### The Youth Problem

Another prediction gone awry can be found in the 1966 *Manpower Report to the President*. The report predicted that the number of workers of both sexes under age 35 would grow by 51 percent between 1960 and 1975; actual growth was 66 percent. The influx of younger married women into the job market was one big surprise factor. Despite this unexpectedly large increase, the economy has adjusted reasonably well. In 1960, about 11.5 million young persons (aged 16 to 24) had jobs; that figure more than doubled—to 23.7 million—by 1977.

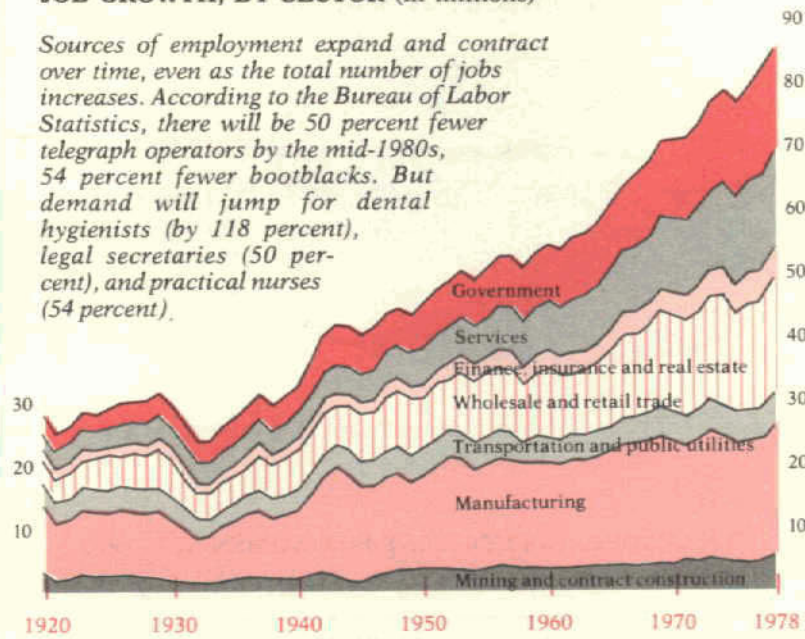
The great youth influx has had some harsh effects. It has brought a marked drop in the average earnings of young workers relative to the earnings of older persons—a matter of supply and demand. While this change is most pronounced, as we shall see, among college graduates, for whom the economic return on an "investment" in education is no longer so great, the slippage occurs across the board. In 1967, men aged 45 to 49 earned, *on average*, only 6 percent more than males aged 25 to 29. In 1977, the differential was 21 percent. There is reason to believe that members of the huge baby-boom generation will suffer economically for the rest of their lives.\*

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\* See "The Effect of Demographic Factors on Age-Earnings Profiles" by Richard B. Freeman, in *The Journal of Human Resources*, Summer 1979. Among the reasons: (a) Owing to the seniority systems and graduated pay scales built into much of the economy, an "age cohort" that starts behind in the earnings race may never catch up; and (b) many young people in the 1970s have been pushed, for lack of alternatives, into poor jobs from which they may never emerge.

**JOB GROWTH, BY SECTOR (in millions)\***

Sources of employment expand and contract over time, even as the total number of jobs increases. According to the Bureau of Labor Statistics, there will be 50 percent fewer telegraph operators by the mid-1980s, 54 percent fewer bootblacks. But demand will jump for dental hygienists (by 118 percent), legal secretaries (50 percent), and practical nurses (54 percent).



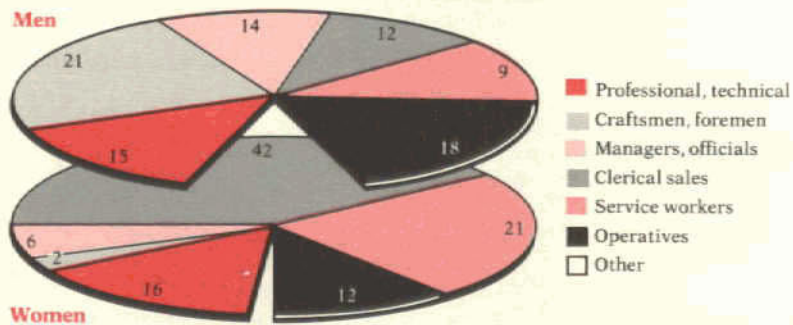
\*excluding farmers and farm laborers  
 Source: *Employment and Training Report of the President, 1979*, U.S. Dept. of Labor.

**MEN'S SALARIES**

	1958	1963	1967	1972	1977
Salaried engineers	\$7,738	\$9,185	\$11,352	\$15,130	\$20,959
College professors	—	—	—	—	20,337
Salaried managers	6,247	7,799	9,474	12,696	17,803
School teachers	5,393	6,097	7,498	10,452	14,148
Craftsmen	4,638	5,652	6,957	9,200	12,313
Sales workers	4,133	5,129	6,028	8,138	11,685
Clerical workers	4,356	5,260	5,995	8,135	10,822
Service workers	3,018	3,292	3,645	4,242	5,077
Farmers	1,555	1,852	2,673	4,026	4,317
Median male earnings	—	5,032	6,030	7,991	11,037
Constant '67 dollars	—	5,487	6,030	6,337	6,080

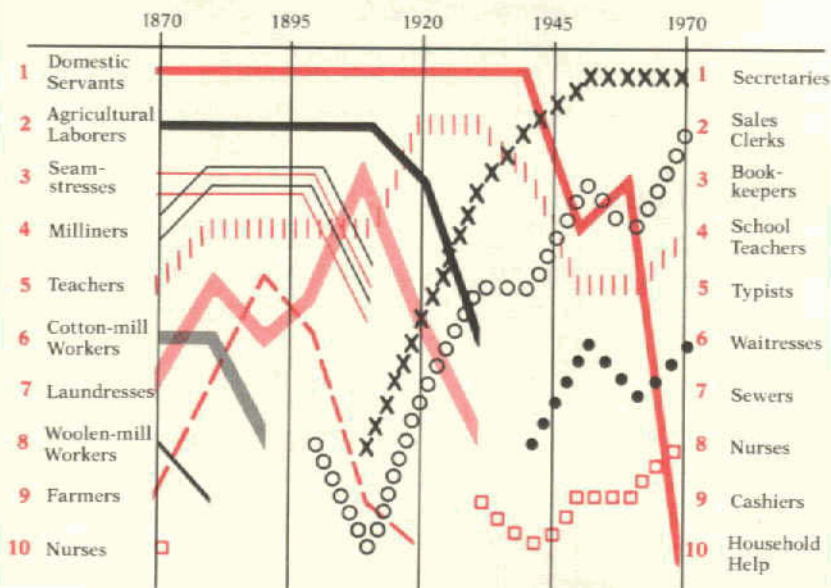
Source: Bureau of the Census, *Current Population Report, 1958-77*.

**OCCUPATIONAL PATTERNS, BY SEX, 1978**



Source: *Employment and Training Report of the President, 1978.*

**THE TEN LEADING OCCUPATIONS FOR WOMEN, 1870-1970**



Source: *The Women's Book of World Records and Achievements*, edited by Lois Decker O'Neill Anchor Books, Garden City, N.Y.: 1979.

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The "controlling" characteristic of this postwar generation, now aged 20 to 35, is its large size. Because the population bulge appeared so suddenly and passed so rapidly into the economy, both lower wages and somewhat higher than normal unemployment among the young were only natural. This unhappy situation will be turned on its head in the 1980s, when the relative proportion of young workers will decline, earnings for the young will be higher, and job opportunities better.

The postwar generation exemplifies the central *qualitative* change in the U.S. labor force: the increase in educational attainment. During the 1960s, with help from Washington, colleges and universities enjoyed unprecedented growth in enrollments, expenditures, salaries—and graduates' job prospects. Between 1966 and 1974, the number of B.A.s granted by American colleges doubled; the number of M.A.s and Ph.D.s grew almost as quickly. By 1978, more than 17 percent of the workforce had a college degree (versus 8 percent in 1952); the average U.S. worker had 12.6 years of schooling. And the economy benefited, for as a general rule the better educated a country's workforce, the higher its productivity, the larger its Gross National Product. Up to a point, anyway.

### **Overeducated, Underemployed?**

With more and more young Americans attending college and entering the job market, the relative economic advantage of a college degree began to decline. (As economist Paul Samuelson has described the phenomenon, standing on tiptoe is a solution for one person at a parade, even for several people; it is not a solution for the whole crowd.) An increasing number of college graduates ended up in jobs that did not "require" college training. In 1968, 83 percent of male graduates were employed as professionals and managers; in 1978, only 77 percent were so employed. Among women, the proportion fell from 81 percent to 65 percent. At the same time, the ratio of male college graduates' earnings to those of male high school graduates declined. Commentators began to talk grimly about the "over-educated American": literate, underemployed, dissatisfied.

Not surprisingly, the proportion of young men starting college, which climbed rapidly in the 1960s to 44 percent, fell to 34 percent in 1974. The proportion of young women entering college leveled off at one-third.

Meanwhile, students began to shift from "depressed" fields, such as education or the humanities, into such promising specialties as engineering. ("Many engineering graduates can write



### THE INVISIBLES

The much-publicized influx of migrant workers into the United States is nothing new. How the phenomenon is viewed by Washington, however, changes with the circumstances. During the high-unemployment Depression years, the Roosevelt administration repatriated 400,000 illegal aliens to Mexico. Later, under the *bracero* program (1942-64), begun during wartime, as many as 450,000 Mexicans each year were granted seasonal permits to help U.S. farmers harvest crops. Then, in 1953-54, the Eisenhower administration cracked down on illegal migrants. Under "Operation Wetback," some 2 million Mexican "illegals" were returned to Mexico.

Today, the nation is host to an invisible labor force, vaguely estimated at several million illegal aliens. Employing illegals is not itself illegal (thanks to the "Texas proviso" of the Immigration and Nationality Act of 1952), nor is being in the United States without a visa a crime. But because they are subject to deportation, few undocumented aliens go out of the way to identify themselves to researchers or census-takers.

Unemployment and a looming recession currently make the presence of illegal workers a political issue. The basic questions are two: Are the illegals a drain on state and municipal budgets? Do they take away jobs from U.S. citizens?

The answer to Question No. 1 is "no." The typical illegal alien is a 27-year-old bachelor who makes few demands on schools, clinics, or welfare officials. A 1975 Labor Department study suggested that

their own ticket," a university placement director told the *Chronicle of Higher Education* last autumn.) Today, at the graduate level, law and business programs are swollen; Ph.D. programs, by contrast, are anemic. To a greater extent than analysts realized in the past, young people tend to react quickly to the changing labor market by altering their choices of career and education.

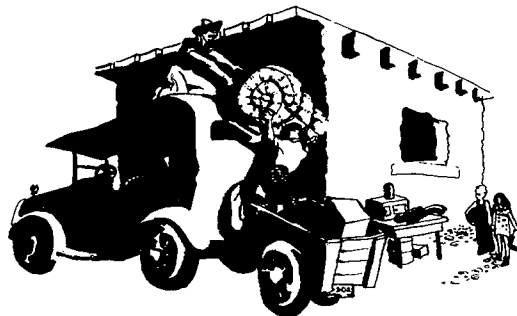
Economists don't puzzle much over the current buyers' market in college graduates; the problem is straightforward. One of the real riddles, however, is the continuing, steady decline in the participation of older working men aged 55 to 64, only 74 percent of whom are currently in the labor force, a decrease of 13 percent since 1960. Some, but not all, of the erosion can be explained by higher social security and disability benefits and the availability of pension plans.

It may be that this decline will eventually level off. Inflation places a heavy burden on pensioners with fixed incomes. And the 1978 Age Discrimination in Employment Act raised the manda-

three out of four illegals pay federal income and Social Security taxes. Fewer than 3 percent have children in school. Fewer than 2 percent receive food stamps. In San Diego, illegals used an estimated \$2 million worth of public services in 1975 but paid some \$49 million in taxes on locally earned wages.

Question No. 2 is harder to answer. The view of some union officials and many black leaders was summed up recently in *Ebony* magazine: "The siphoning off of jobs [by illegals] is a major reason for the unemployment crisis among blacks." Economist Michael Piore believes otherwise. Illegals benefit, he contends, from a "labor vacuum"; they are taking jobs—dishwashing, apple-picking—that Americans, black or white, young or old, don't want, even at the minimum wage. The average "experienced" illegal lands a job within two days; a newcomer, within two weeks.

*The U.S. population in the year 2000 is projected at 253 million. If illegals continue to enter the country at current rates, the figure will be closer to 278 million.*



tory retirement age from 65 to 70 for most private employees.

There are other signs. While the Department of Labor has estimated that fewer than 200,000 of today's working Americans will actually stay on the job after age 65, a Harris poll in February 1979 found that more than 50 percent of those workers surveyed wanted to keep on working. "The basic undeniable fact," commented pollster Louis Harris, "is that most Americans want to work for the rest of their lives." Harris's findings came after Sears, Roebuck and Co., in late 1978, discovered that more than three-quarters of its salaried people scheduled to retire (along with 60 percent of wage workers) had decided not to do so.

Another riddle: the drop in the proportion of black men of all ages who either hold or seek jobs. In 1954, 85 percent of all black men were in the workforce; that figure fell to 71 percent in 1977.

Some economists argue that, because blacks are, on average, poorer than whites, they have responded more strongly to the increased availability of social security, disability insurance, and

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other forms of "welfare"; as a result, they have dropped out of the labor force. Others point to the sharp decline of the two-parent, male-headed household among blacks. Men who are not "heads of households," they note, have historically had higher dropout rates. Although each explanation is plausible, again we still do not know the whole story.

Overall, the U.S. labor force is mobile and adaptable. Perhaps at some cost to social stability, Americans shift readily from job to job, place to place, or in and out of the job market. "Employment" is not the clear-cut concept many middle-class Americans think it is; barely half of all working Americans work full-time all year long. In addition, U.S. workers have adapted nicely to an environment where the *types* of available work can shift as quickly and momentarily as the *composition* of the work force.

Look at recent history. Some industries that expanded in the 1960s, such as education and aerospace, contracted sharply during the 1970s. Between 1967 and 1977, New York City lost 30,000 printing jobs. Yet other industries, such as coal mining, the sick sector of earlier decades, started down the road to recovery during the 1970s.

### A White-Collar Revolution

More than one-third of all American workers changed their *occupations* between 1965 and 1970. In 1960, there were so few computer experts that the specialty was not listed as a separate occupation by the Census Bureau. In 1977, there were more than 370,000 computer specialists in the country (many of them doing computerized typesetting); a recent 96-page *New York Times* supplement on "Careers in the '80s" carried enticing ads for computer programmers on nearly every page. In this field as in others, large numbers of older adults have gone back to school to adapt or maintain their work skills in a period of rapid change. (In 1976, 1.6 million persons 35 or older were enrolled in some sort of school.)

The most publicized shift during the past three decades has been from blue-collar and semi-skilled craft jobs to white-collar jobs—as secretaries, paralegals, bureaucrats, bank tellers; as managers and technicians in the small, new "high-technology" companies whose aggregate payroll doubled every 30 months during the 1970s. That is not to say that all of these new jobs are psychically rewarding and "challenging"; indeed, many people in clerical positions are essentially "white-collar factory" workers, whose tasks, though they may involve computers and

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paper-pushing, are nevertheless highly routinized. And new labor-saving technology has not eliminated the need for skilled hands and strong backs—in steel mills and coal mines, on farms, construction sites, and elsewhere. Still, the basic trends are clear.

### Congested Decade

One of the great catalysts in the growth of the white-collar workforce has been government: federal and, most notably, state and local. From the 1950s through the '70s, government's share of all workers nearly doubled; by 1976, one American worker in six was on the public payroll. And that does not include the consultants, the medical researchers, the employees of defense contractors, local hospitals, and highway builders—whose salaries may ultimately be paid by the taxpayers, though none is technically on the public payroll. As the *National Journal* has noted, the federal government *alone* "is responsible, directly or indirectly, for employing nearly 13 million people." The expansion of the public sector accounts for one-third of all the growth in employment in the postwar era.

Paralleling the growth of public sector employment has been the rise of public sector unionism; in this respect, the United States is catching up with the rest of the West. Jerry Wurf's 1.1 million-member American Federation of State, County, and Municipal Employees, for example, is now one of the largest unions in the country. Almost all public-school teachers are organized, as are many policemen, firemen, and garbagemen.

By contrast, private sector unionism is lagging in the United States, for a variety of reasons. In 1956, more than one-third of all private, nonagricultural wage-and-salary employees were unionized; the proportion today is just over one-quarter. That is not to say the AFL-CIO's days are numbered. Historically, unionism has grown in sudden spurts that have defied the predictions of the experts. Its moments of stagnation, too, have eluded the specialists. In 1947, political scientist Charles Lindblom predicted that a new wave of syndicalist fervor was about to sweep the land. Union membership promptly leveled off.

It is inherently difficult to foresee such structural changes. Who in 1950, for example, could have predicted the massive federal intervention in the labor market to help minorities, beginning with the Civil Rights Act of 1964? But Washington did intervene. Demand for minority workers increased dramatically, especially in the high-skill occupations; corporations set into place "affirmative action" searches and "fast tracks" especially

### TROUBLED UNIONS

"The labor movement is losing members, falling on its face on the legislative front, and running aground on real wages." So concluded a recent essay in *The Nation*.

Trade unions have faced periodic crises ever since the founding of the American Federation of Labor in 1886. The biggest challenge today: a sharp drop in the proportion of the total U.S. workforce represented by unions, from about one-third to one-quarter since the mid-1950s. In actual numbers, too, union membership (now at 19.3 million) has fallen off. The causes vary. Factories have moved from the industrial Frostbelt states to the largely nonunion Sunbelt states. Ohio alone has had a net loss of 150,000 manufacturing jobs during the past decade. The increase in working women and white-collar employees has also hurt; historically, neither group has been receptive to union organizers. (Only one out of eight women working today is a union member.) And congressional support appears to be ebbing. Despite an intensive lobbying effort on Capitol Hill, AFL-CIO leaders watched the Labor Law Reform Act of 1978, which would have eased unions' organizing tasks, go down to defeat.

Perhaps the most serious problem faced by trade unions is stiffer opposition from employers. Today, as never before, company managers seek to win National Labor Relations Board (NLRB) referendums among employees on whether to unionize, often hiring specialized labor-management consultants to run their campaigns. In such NLRB-sponsored shop elections, the unions lost out 54 percent of the time in 1977. By contrast, in 1950, the unions won three out of four such votes. A few companies have refused to negotiate even after union victories in NLRB elections.



Courtesy AFL-CIO

for well-trained blacks and Hispanics.

Such efforts have radically altered the relative economic status of minorities. The earnings of all blacks relative to those of all whites have risen considerably. Black men, on average, now earn about 70 percent as much as white men, up from 50 percent just after World War II. Blacks are attending colleges and universities in almost the same proportion as whites, and young black men with college degrees earn about as much as their white counterparts. Overall, black and white women have virtually

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identical earnings. Moreover, since the early 1960s, blacks have secured managerial and professional jobs in major corporations that were previously closed to them.

What can be said (albeit tentatively) about the labor force of the future?

First, the age structure is likely to change through the rest of the century. We know that the relative number of young workers will probably decrease, while the number of middle-aged workers will increase as the baby-boom generation grows older. What happens two decades and more down the road, however, will depend on the birth rate, which is unpredictable.

The other imponderables are sobering. In the past, technological developments—the railroad, the automobile, the computer—have destroyed whole industries while creating new ones. Over the next 20 years, occupations we now take for granted may disappear. Regional economic differences around the country may wax or wane. And who can say what effect even peaceful developments abroad—in science, manufacturing, import policies—will have on U.S. jobs?

Perhaps the biggest wild card is the federal government. Few expect Washington to retreat from its stand against racial or sexual discrimination on the job. But even the most confident forecasters are reluctant to predict how the government will deal with unemployment over the next 10 years—how the President and Congress will tackle inflation, or tinker with taxes, or secure the nation's energy supplies, or safeguard the environment, or shape our defenses.

Whatever the unknowns, the next decade should be an era of intense competition for jobs and promotions. By the late 1980s, more than half of the labor force will be in the "prime age" bracket—25 to 44. Where in 1975 there were 10 workers competing for every middle-management job, economist Arnold Weber has written, "there will now be 13—and to this total you can probably add three women and three members of minority groups." One need not predict a desperate Hobbesian war of "all against all" to conclude that interesting times lie ahead.