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Majority of New Jobs Pay Low Wages, Study Finds



Brian Blanco for The New York Times

A waitress at Arco Iris Restaurant in Tampa, Fla., last week. The food industry has added 300,000 low-paying jobs in the recovery.

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Published: August 30, 2012

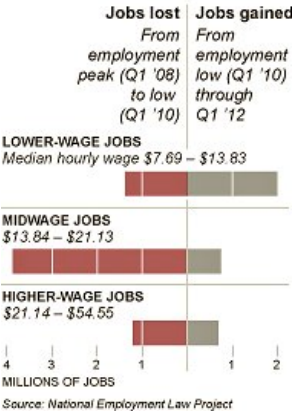
While a majority of jobs lost during the downturn were in the middle range of wages, a majority of those added during the recovery have been low paying, according to [a new report](#) from the National Employment Law Project.

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Missing Middle

Most of the jobs added during the recovery have come in the lower-wage segment.



The disappearance of midwage, midskill jobs is part of a longer-term trend that some refer to as a hollowing out of the work force, though it has probably been accelerated by government layoffs.

“The overarching message here is we don’t just have a jobs deficit; we have a ‘good jobs’ deficit,” said Annette Bernhardt, the report’s author and a policy co-director at the National Employment Law Project, a liberal research and advocacy group.

The report looked at 366 occupations tracked by the Labor Department and clumped them into three equal groups by wage, with each representing a third of American employment in 2008. The middle third — occupations in fields like construction, manufacturing and information, with median hourly wages of \$13.84 to \$21.13 — accounted for 60 percent of job losses from the beginning of 2008 to early 2010.

The job market has turned around since then, but those fields have represented only 22

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percent of total job growth. Higher-wage occupations — those with a median wage of \$21.14 to \$54.55 — represented 19 percent of job losses when employment was falling, and 20 percent of job gains when employment began growing again.

Lower-wage occupations, with median hourly wages of \$7.69 to \$13.83, accounted for 21 percent of job losses during the retraction. Since employment started expanding, they have accounted for 58 percent of all job growth.

The occupations with the fastest growth were retail sales (at a median wage of \$10.97 an hour) and food preparation workers (\$9.04 an hour). Each category has grown by more than 300,000 workers since June 2009.

Some of these new, lower-paying jobs are being taken by people just entering the labor force, like recent high school and college graduates. Many, though, are being filled by older workers who lost more lucrative jobs in the recession and were forced to take something to scrape by.

“I think I’ve been very resilient and resistant and optimistic, up until very recently,” said Ellen Pinney, 56, who was dismissed from a \$75,000-a-year job in which she managed procurement and supply for an electronics company in March 2008.

Since then, she has cobbled together a series of temporary jobs in retail and home health care and worked as a part-time receptionist for a beauty salon. She is now working as an unpaid intern for a construction company, putting together bids and business plans for green energy projects, and has moved in with her 86-year-old father in Forked River, N.J.

“I really can’t bear it anymore,” she said, noting that her applications to places like PetSmart and Target had gone unanswered. “From every standpoint — my independence, my sense of purposefulness, my self-esteem, my life planning — this is just not what I was planning.”

As Ms. Pinney’s experience shows, low-wage jobs have not been growing especially quickly in this recovery; they account for such a big share of job growth mostly because midwage job growth has been so slow.

Over the last few decades, the number of midwage, midskill jobs has stagnated or declined as employers chose to automate routine tasks or to move them offshore.

Job growth has been concentrated in positions that tend to fall into two categories: manual work that must be done in person, like styling hair or serving food, which usually pays relatively little; and more creative, design-oriented work like engineering or surgery, which often pays quite well.

Since 2001, employment has grown 8.7 percent in lower-wage occupations and 6.6 percent in high-wage ones. Over that period, midwage occupation employment has fallen by 7.3 percent.

This “polarization” of skills and wages has been documented meticulously by David H. Autor, an economics professor at the Massachusetts Institute of Technology. A recent [study](#) found that this polarization accelerated in the last three recessions, particularly the last one, as financial pressures forced companies to reorganize more quickly.

“This is not just a nice, smooth process,” said Henry E. Siu, an economics professor at the University of British Columbia, who helped write the recent study about polarization and the business cycle. “A lot of these jobs were suddenly wiped out during recession and are not coming back.”

On top of private sector revamps, state and local governments have been shedding workers in recent years. Those jobs lost in the public sector have been primarily in mid and higher-wage positions, according to Ms. Bernhardt’s analysis.

“Whenever you look at data like these, there is this tendency to get overwhelmed, that

there are these inevitable, big macro forces causing this polarization and we can't do anything about them. In fact, we can," Ms. Bernhardt said. She called for more funds for states to stem losses in the public sector and federal infrastructure projects to employ idled construction workers. Both proposals have faced resistance from Republicans in Congress.

A version of this article appeared in print on August 31, 2012, on page B1 of the New York edition with the headline: Majority of Jobs Added in the Recovery Pay Low Wages, Study Finds.

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