LESSONS FROM THE PANDEMIC:
WHAT DO WE OWE OUR LOW WAGE & “ESSENTIAL” WORKFORCE?

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• MIT Institute for Work & Employment Research
• MIT Good Companies, Good Jobs Initiative
First, Long Before the Crisis: A Broken Social Contract

![Graph showing the gap between productivity and a typical worker's compensation has increased dramatically since 1979.](image)

- Productivity growth and hourly compensation growth, 1948–2018

- Source: Economic Policy Institute
The Pandemic Laid Bare Gaping Holes in the Safety Net

- Minimum Wage to Living Wage
- Paid Family and Sick leave
- Worker Voice & Representation
- Unemployment Insurance
- Workforce Training and Upskilling
- Benefit Exclusions & Retaliation towards Immigrants
“Essential” Workers are a Subset of the Low Wage Workforce

• 2018:
  • 47.7 million workers earn less than $15 per hour
  • 22.3 million of these work in “Essential” Occupations

Note: No standard way to classify “Essential” workers. Above numbers based on Dept of Homeland Security classifications.
Ten Largest Essential Occupations with Median Wage Less than $15 per hour

Source: Kinder and

Source: Brookings analysis of data is drawn from Adie Tomer and Joseph W. Kane’s report, “To protect frontline workers during and after COVID-19, we must define who they are.” Original data sources include the Department of Homeland Security and the Bureau of Labor Statistics.
<table>
<thead>
<tr>
<th>Occupation and Industry</th>
<th>Percentage Female</th>
<th>Number of Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>All workers</td>
<td>44</td>
<td>113,904,639</td>
</tr>
<tr>
<td>Essential workers</td>
<td>42</td>
<td>82,046,770</td>
</tr>
<tr>
<td>Management, Business, and Financial</td>
<td>44</td>
<td>12,634,938</td>
</tr>
<tr>
<td>Computer, Engineering, and Science</td>
<td>23</td>
<td>7,385,955</td>
</tr>
<tr>
<td>Education, Legal, Community Service, Arts, and Media</td>
<td>72</td>
<td>7,310,061</td>
</tr>
<tr>
<td>Healthcare Practitioners and Technical</td>
<td>73</td>
<td>6,315,584</td>
</tr>
<tr>
<td>Healthcare Support</td>
<td>86</td>
<td>2,303,993</td>
</tr>
<tr>
<td>Protective Service</td>
<td>19</td>
<td>2,566,642</td>
</tr>
<tr>
<td>Food Preparation and Serving Related</td>
<td>43</td>
<td>2,978,971</td>
</tr>
<tr>
<td>Building and Grounds Cleaning and Maintenance</td>
<td>45</td>
<td>2,725,751</td>
</tr>
<tr>
<td>Personal Care and Service</td>
<td>90</td>
<td>527,211</td>
</tr>
<tr>
<td>Sales and Office</td>
<td>58</td>
<td>14,035,173</td>
</tr>
<tr>
<td>Natural Resources, Construction, and Maintenance</td>
<td>4</td>
<td>9,305,593</td>
</tr>
<tr>
<td>Production, Transportation, and Material Moving</td>
<td>22</td>
<td>13,957,898</td>
</tr>
</tbody>
</table>

For information on confidentiality protection, sampling error, nonsampling error, and definitions, visit <www.census.gov/programs-surveys/ecs/technical-documentation/code-lists.html>.  
Source: U.S. Census Bureau, 2019 American Community Survey 1-year estimates.
Who can work remotely? Another Source of Inequality

Higher-wage workers are six times as likely to be able to work from home as lower-wage workers

Share of workers who can telework, by wage level, 2017–2018

- Earnings greater than the 75th percentile: 61.5%
- Earnings from 50th to 75th percentiles: 37.3%
- Earnings from 25th to 50th percentiles: 20.1%
- Earnings less than or equal to the 25th percentile: 9.2%

Data from the American Time Use Survey

Economic Policy Institute
Who can work remotely—Racial Differences

Share of workers who can telework, by race and ethnicity, 2017-2018

<table>
<thead>
<tr>
<th>Race</th>
<th>White</th>
<th>Black or African American</th>
<th>Asian</th>
<th>Hispanic or Latino</th>
<th>Non-Hispanic or Latino</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>29.9%</td>
<td>19.7%</td>
<td>37.0%</td>
<td>16.2%</td>
<td>31.4%</td>
</tr>
</tbody>
</table>

Data from the American Time Use Survey
Learning from the COVID Crisis: Five Lessons and Actions

- Fill the Holes in our Social Safety Net
- Engage the Workforce to Build Trust
- Navigate Return to Work Together
- Renewed Awakening: Black Lives Matter and the Quest for Justice
- Lay the Foundation for a New Social Contract
Mending the Holes in the Safety Net: Labor Market Policies

• Minimum Wage: Move to $15 in graduated steps?
  • End lower minimums for tipped workers?
• Paid Family Leave: Learn from experiences in CA, NJ, and others?
• Paid Sick Leave: Learn from experiences in CA, WA, MA and 6 others?
• Protect Immigrant Workers from Discrimination and Threats?
• Update Unemployment Insurance? Dube, 2021
  [https://www.hamiltonproject.org/papers/a_plan_to_reform_the_unemployment_insurance_system_in_the_united_states](https://www.hamiltonproject.org/papers/a_plan_to_reform_the_unemployment_insurance_system_in_the_united_states)
• Training/Retraining/Upskilling: Time for Life-Long-Learning??
  • Redefine role of universities?
  • Put online learning to use for all?
  • Integrate into regional training “ecosystems—sectoral approaches???
ENGAGING THE WORKFORCE BY FILLING THE VOID IN WORKER VOICE: A TWO STEP STRATEGY

Care for Emergency Workers
- Provide Essential Safety Precautions
- Universal Right to Voice on Conditions at Work
- Sector Based Workforce Redeployment Councils

Labor Policies for the Future
- Fix Current Labor Laws
- Consider New Options – Works Councils, Board Rep, Regional and Sector Based Councils
- Experiment with Multiple Forms of Worker Advocacy
Voice Gap: Percentage of Workers with Less Involvement than They Want

<table>
<thead>
<tr>
<th>Issue</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits</td>
<td>62%</td>
</tr>
<tr>
<td>Compensation</td>
<td>62%</td>
</tr>
<tr>
<td>Promotion</td>
<td>57%</td>
</tr>
<tr>
<td>Job Security</td>
<td>55%</td>
</tr>
<tr>
<td>Employee Respect</td>
<td>54%</td>
</tr>
<tr>
<td>Abuse Protections</td>
<td>52%</td>
</tr>
<tr>
<td>New Technologies</td>
<td>52%</td>
</tr>
<tr>
<td>Employer Values</td>
<td>50%</td>
</tr>
<tr>
<td>Discrimination Protections</td>
<td>49%</td>
</tr>
<tr>
<td>Training</td>
<td>49%</td>
</tr>
<tr>
<td>Ways to Improve How to Do Work</td>
<td>48%</td>
</tr>
<tr>
<td>Quality of Product</td>
<td>47%</td>
</tr>
<tr>
<td>Resolve Problems or Conflict</td>
<td>45%</td>
</tr>
<tr>
<td>Hours</td>
<td>43%</td>
</tr>
<tr>
<td>Scheduling</td>
<td>41%</td>
</tr>
<tr>
<td>Ability to Choose How to Do the Job</td>
<td>39%</td>
</tr>
<tr>
<td></td>
<td>35%</td>
</tr>
</tbody>
</table>

Notes: Calculated as the share of respondents who, on a given issue, rate higher on how much say they ought to have compared to how much say they actually have.

Sources: Adapted from Kochan et al. (2018). Data based on Kochan et al.’s analysis of Worker Voice Survey.
Percent of nonunion workers who would vote for a union

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>33%</td>
</tr>
<tr>
<td>1995</td>
<td>32%</td>
</tr>
<tr>
<td>2017</td>
<td>48%</td>
</tr>
</tbody>
</table>

Notes: Each year’s sample excludes self-employed. The 1995 sample also excludes all management occupations.

Sources: Adapted from Kochan et al. (2018). Based on Kochan et al.’s analysis of 1977 Quality of Employment Survey (Quinn and Staines 1979), Worker Representation and Participation Survey (Freeman and Rogers 1999) and 2017 Worker Voice Survey data. Data for 1995 were pulled from Freeman and Rogers (1999, 99).
Probability workplaces achieve a collective bargaining agreement after union demonstrates sufficient support to authorize an election.

When employers resist union organizing efforts through unfair labor practices, these odds are:

Which labor organization would you join? (0/1)

- Membership Rules
  (Workers in Org Join)
- Dues
  (Mandatory Dues)
- Collective Bargaining
  (No Collective Bargaining)
- Benefits
  (No Extra Benefits)
- Input into Work Routines
  (No Input)
- Legal Help
  (No Legal Help)
- Political Activities
  (No Politics)
- Negotiation with Management
  (Does Not Negotiate)
- Direct Action
  (No Direct Action)
- Workers in Org Join and Keep Mem
- Workers in Occ Join
- Fee for Service
  Voluntary Dues
- CB for All Workers
- CB for Dues Payers
- CB for Region/Ind
- Health and Retirement Benefits
  Unemployment Benefits
- Training for Current Job
- Training for Other Jobs
- Job Search Help
- Discounts
- Works with Management
- Information
- Legal Representation, Org
- Legal Representation, Ind Workplace
- Legal Representation, Ind Non-Workplace
- Campaigns for Pro-Worker Politicians
- Campaigns for Pro-Worker Policies
- Advises Top Management
- Represents Workers in Joint Committees
- Formally Represents on Board
- Uses Strike Threat

Average Marginal Causal Effect
Summary: What Features do Workers Support?

• Collective Bargaining still highly valued

• Equally or more valued: Provision of on-going labor market services/benefits
  • Health insurance, retirement, job search, training
  • Legal services/representation

• Voice in Organizational Governance
  • Workplace issues affecting how they work/improvement efforts
  • Strategic management issues—membership on company boards
  • Workplace committees--councils
Post Covid Labor Policy

• Safety and Health: New York Hero’s Act

• Labor Law
  • Fix the basics: Reform the organizing rules and penalties for violating labor law
  • Open up labor law to support new forms of voice and representation
  • Extend coverage of labor law to those excluded—domestic workers, farm workers contractors, independent contractors...

• Encourage and support high quality labor management relationships

• Experiment with sector and regional committees to set wage norms, rules, and other employment conditions
Navigating the Return to “Hybrid” Work

• Safety: Top of Everyone’s Priority List!
• Engage the Workforce to Restructure Work
  • Top Down Leadership Necessary but not Sufficient
  • Encourage Self-Organizing of Support Groups
• Allow for Discretion—Families matter
• What About Working at Home?
  • Measure Productivity by Project, not by Monitoring Screen Time!
  • Provide Training for Managing Virtual Meetings

• Prepare for Emotional/Mental Health Challenges
Together Let’s Build a New Social Contract