

AT WORK

IN YOUR COMMUNITY



To build economic
opportunity for people
and communities

FEDERAL RESERVE BANK *of* CLEVELAND

Does Job Quality Affect Occupational Mobility?

Kyle Fee, Senior Policy Analyst

Ohio Workforce Coalition Webinar
2.23.2023

The views expressed here are my own and do not necessarily represent the views of the Federal Reserve Bank of Cleveland or the Federal Reserve System.

Key Takeaways

- Job quality does appear to affect occupational mobility.
- Job quality is a useful lens from which to view the current labor market.
- Occupational transitions observed in the Current Population Survey microdata are underutilized and can provide rich insights.



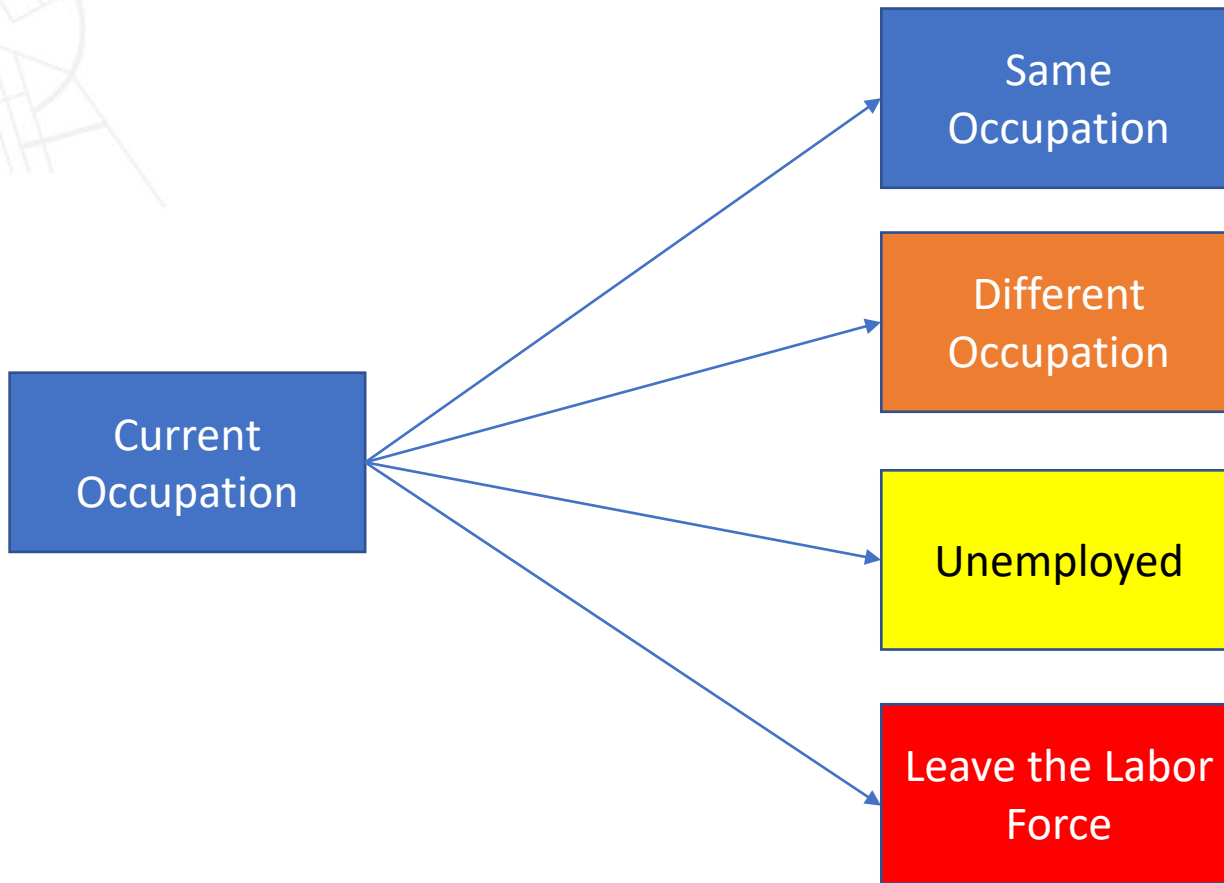
Intersection of Two Lines of My Work:

- Occupational Mobility
- Job Quality (JQ)

Occupational Mobility

- Continued development of FRBC Opportunity Occupation portfolio of work.
 - Economic mobility based on occupation
- A Skills-based Approach to Occupational Mobility
 - Occupational Mobility Explorer
 - Growing use of skill-based pathways
- Data source debate
 - O*NET, On-line job ads, Resumes
 - Publicly available microdata

Occupational Mobility Concept Model



Job Quality

- Growing recognition and appreciation for in the current labor market.
 - Worker Voice Project
- What makes a job, a good job?

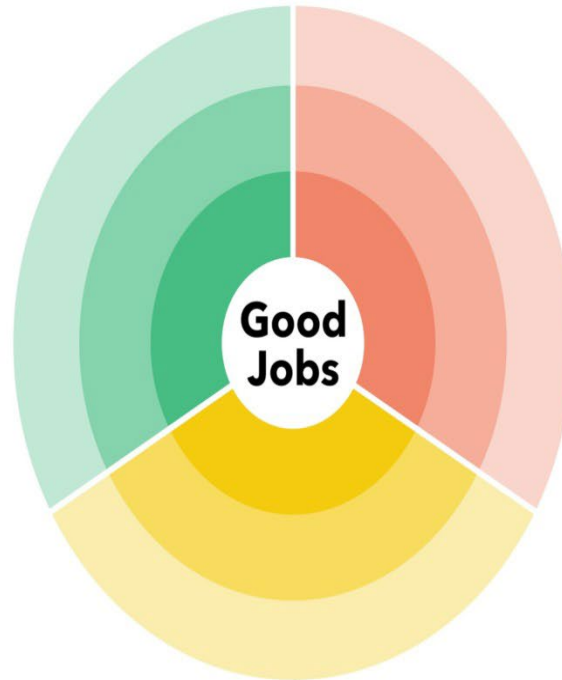
Good Jobs: A Working Definition

Economic Stability

- Stable, family-sustaining pay
- Sufficient, accessible, and broadly available benefits
- Fair, reliable scheduling practices
- Safe, healthy, and accessible working conditions

Economic Mobility

- Clear and equitable hiring and advancement pathways
- Accessible, paid training and development opportunities
- Wealth-building opportunities



Equity, Respect & Voice

- Organizational and management culture, policies, and practices that:
 - are transparent and enable accountability
 - support a sense of belonging and purpose
 - advance DEIA*
 - and address discrimination.
- Ability to improve the workplace, such as through collective action or participatory management practices

*DEIA: diversity, equity, inclusion, and accessibility

A Growing Body of JQ Research

- Workers who are more likely to hold low-quality jobs tend to put greater value on JQ (Scott and Katz, 2021).
- Workers value components of JQ differently:
 - Female workers put greater value on flexible scheduling than do their male counterparts (Scott and Katz, 2021).
 - And are more likely to trade greater control over their schedule for a lower wage (Wiswall and Zafar, 2018).
- JQ has also been connected to issues related to racial equity as disparities have been documented across several job quality dimensions (Shakesprere, Katz, and Loprest, 2021).

A Growing Body of JQ Research

- A business case can be made for improving job quality:
 - Creating quality jobs and investing in workers can strengthen the operational efficiency and competitiveness of a company (Ton, 2017).
 - JQ helps with retention challenges; workers are more likely to stay in a higher-quality occupation than a lower-quality occupation (Gabe, Abel, and Florida, 2019).
- In general, job quality influences a worker's quality of life, financial status, and overall health (Rothwell and Crabtree, 2019; Congdon, et al., 2020).
- Workers in low-quality occupations are more likely to leave the labor market or become unemployed, and they are unlikely to move into a better-quality occupation (Gabe, Abel, and Florida, 2019).

Data

- American Community Survey (ACS) and Current Population Survey (CPS) microdata via the Integrated Public Use Microdata series (IPUMS).
- 2010 to 2021
- JQ Index consists of an occupation's:
 - average hourly wage
 - average hours worked per week
 - average weeks worked per year
 - the share of workers with health insurance through an employer or a union.

Job Quality Quartiles

Job Quality Quartile	Average Hourly Wage	Average Hours per Week	Average Weeks per Year	Percent of Workers with Health Insurance through Employer or Union
1 (Lowest)	\$15.39	28.1	35.6	47.7%
2 (Low)	\$20.68	33.8	40.3	58.8%
3 (High)	\$28.95	36.6	42.6	72.8%
4 (Highest)	\$48.07	39.8	44.5	79.4%
Total	\$28.21	34.5	40.7	64.5%

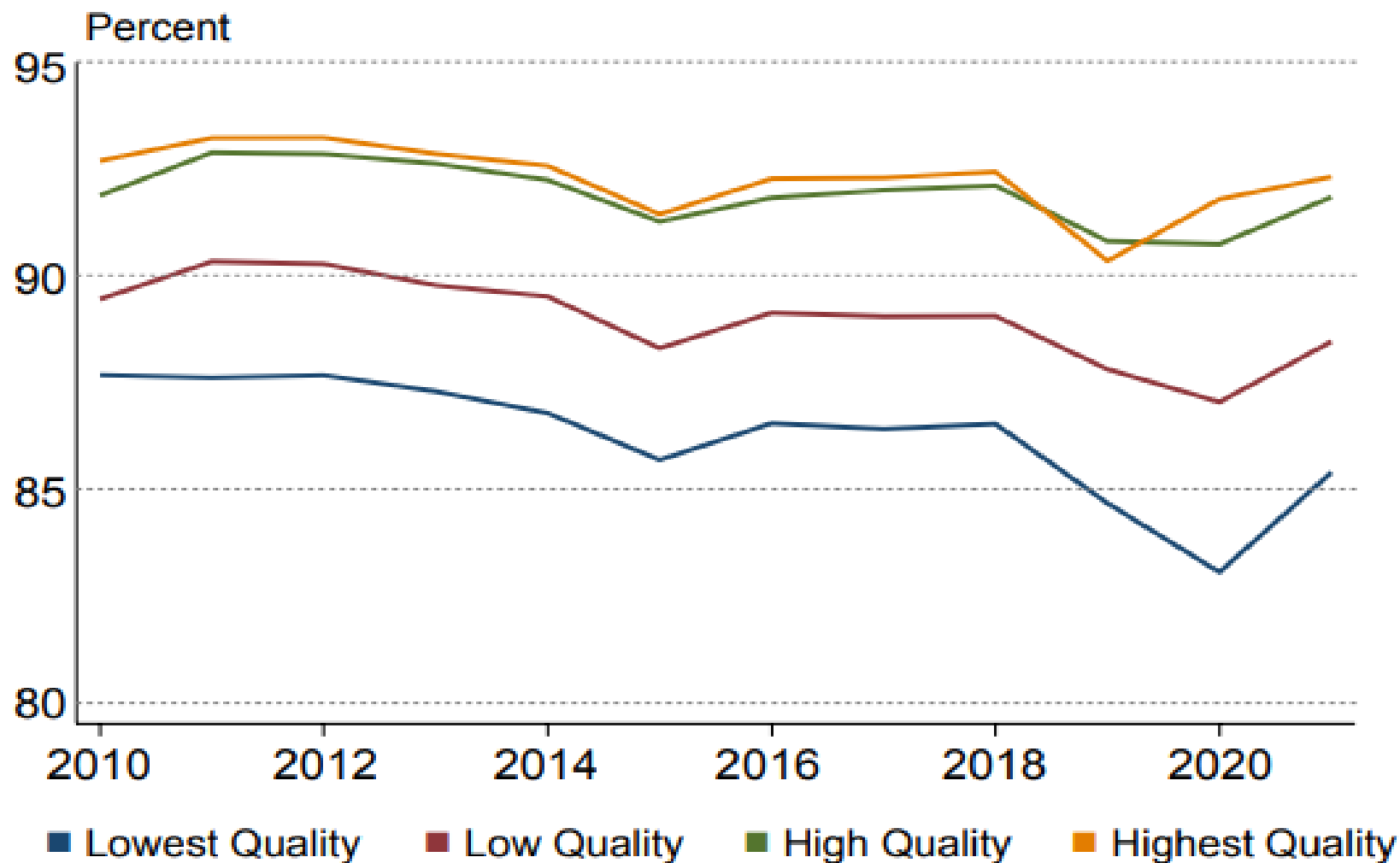
Data



Findings



Figure 1. Rate at Which a Worker Remains in the Same Occupation by Job Quality Quartile



Findings

Figure 2. Rate at Which a Worker Leaves the Labor Force by Job Quality Quartile

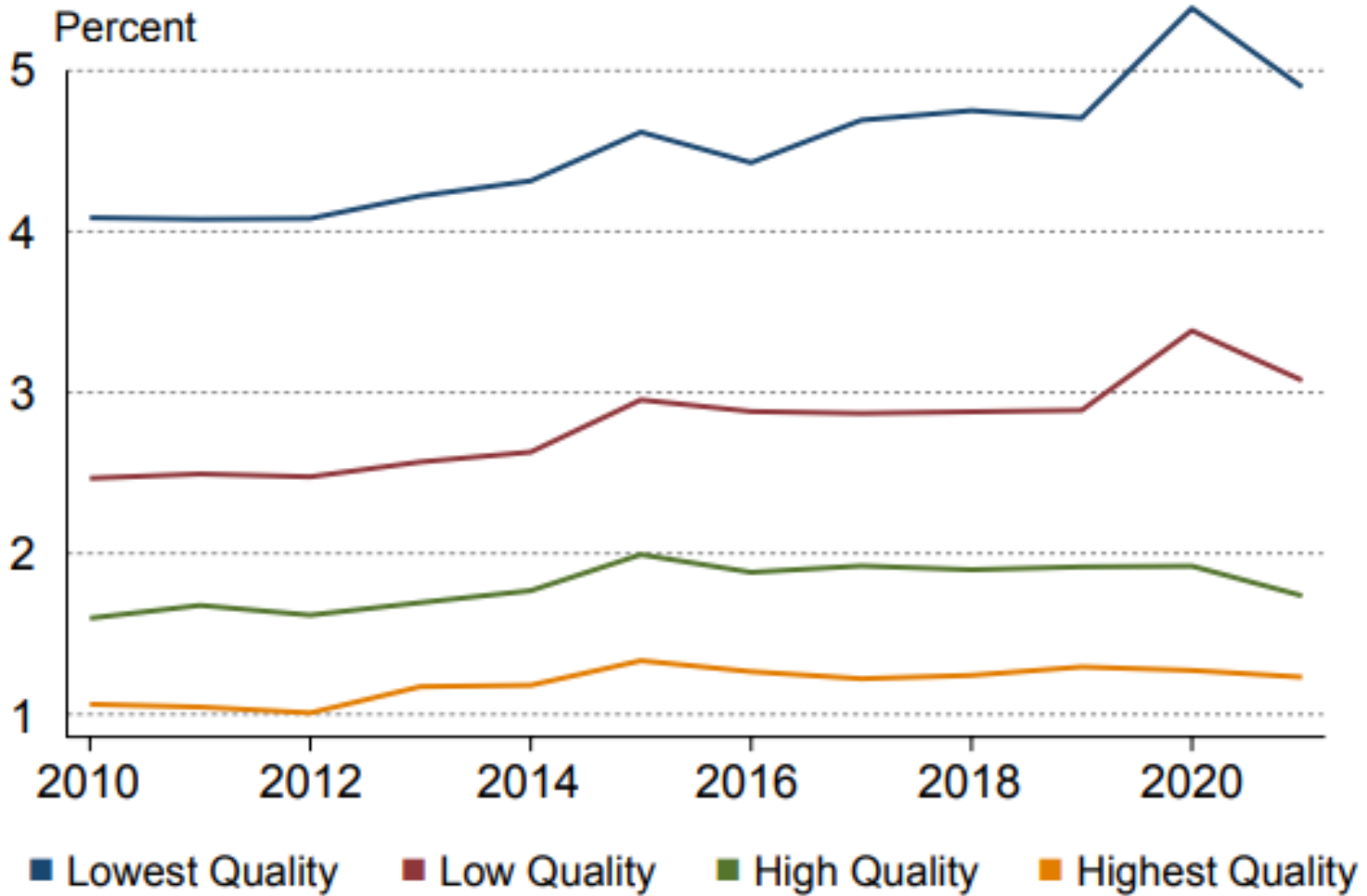
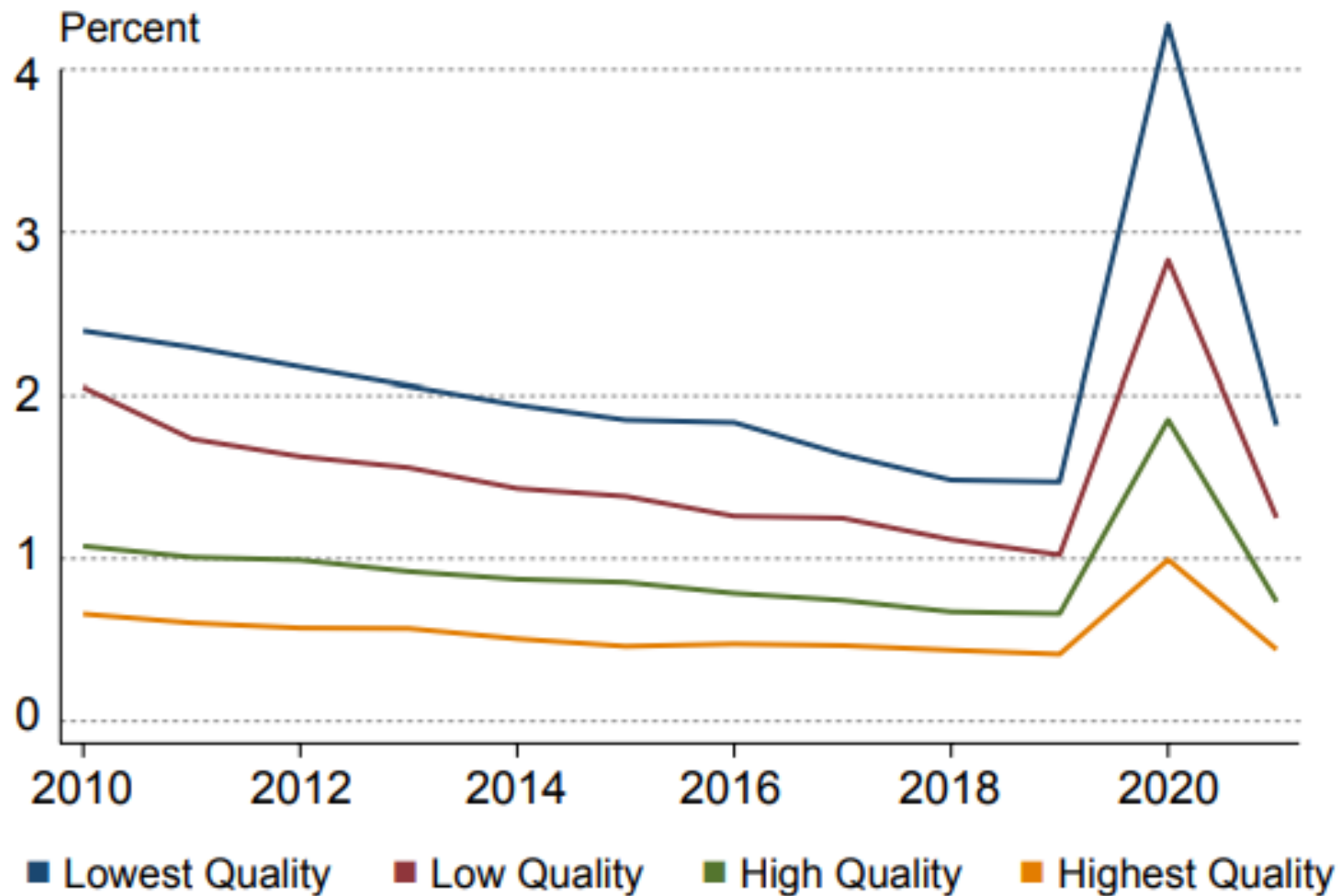
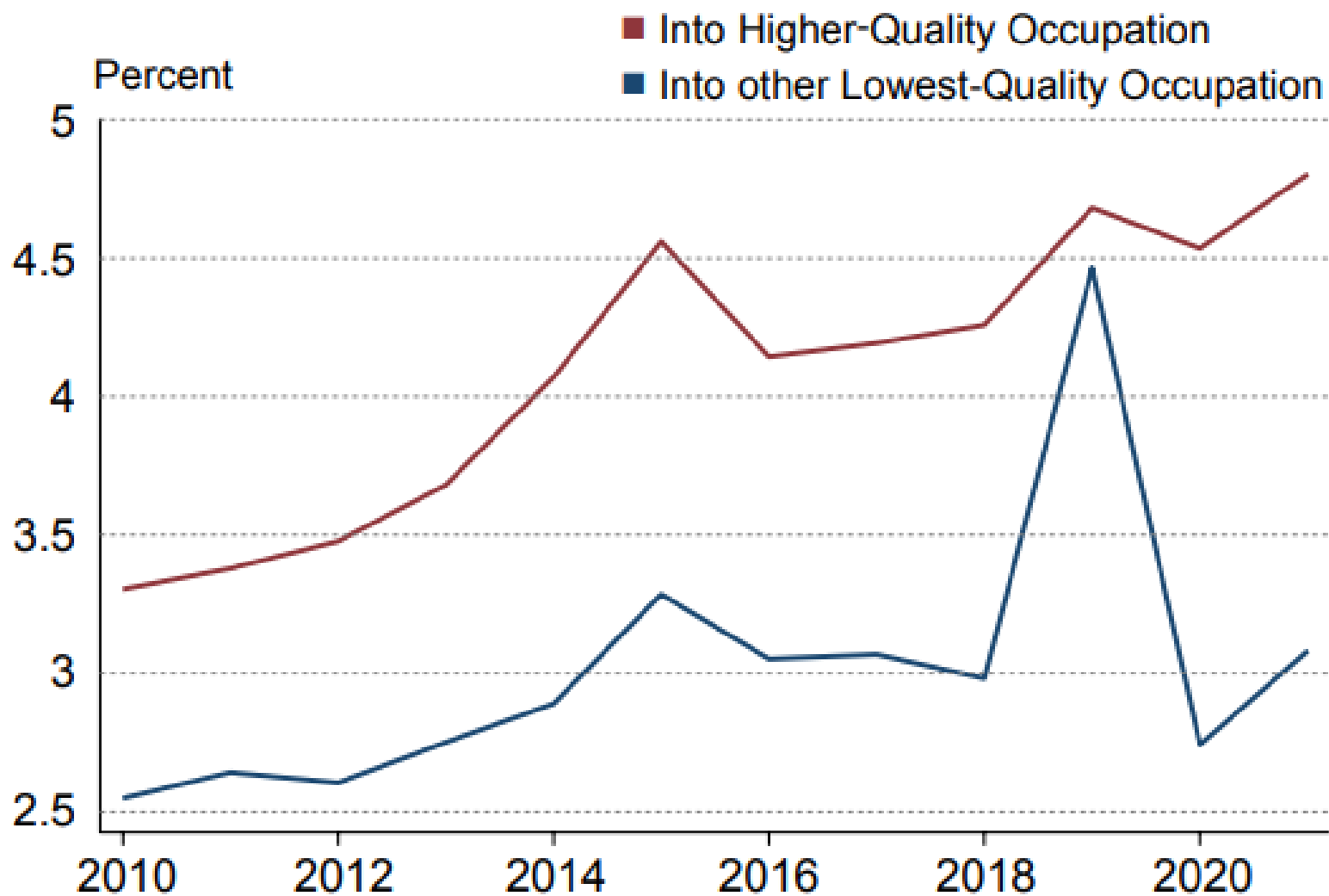


Figure 3. Rate at Which a Worker Becomes Unemployed by Job Quality Quartile



Findings

Figure 4. Rates at Which Workers in Lowest-Quality Occupations Change Jobs



Findings

Which Worker Characteristics Are Associated with Specific Occupational Mobility Outcomes?

- For workers in the lowest-quality occupations:
 - Higher rates of educational attainment are associated with a greater likelihood of attachment to the labor market and transitioning into a better-quality occupation.
 - There is evidence that some industry sectors, such as construction and manufacturing, hold more promise for a worker's ability to find a higher-quality occupation than industry sectors that have higher concentrations of lowest-quality occupations.
 - Older workers are more likely to be attached to the labor market than younger workers.
 - Gender and racial disparities are present, but a worker's gender or race tends to have smaller effects than other worker characteristics.

Key Takeaways

- Job quality does appear to affect occupational mobility.
- Job quality is a useful lens from which to view the current labor market.
- Occupational transitions observed in the Current Population Survey microdata are underutilized and can provide rich insights.



Kyle.d.fee@clev.frb.org | Communitydevelopment@clev.frb.org



@CleveFed_ComDev | @ClevelandFed

www.Clevelandfed.org/communitydevelopment



Subscribe to the CD Newsletter for occasional CD updates and to the monthly Cleveland Fed Digest at: www.clevelandfed.org/subscribe