



## **The Future of American Jobs Part II**

*Roundtable: Proposals for Improving Skills and Creating Jobs*

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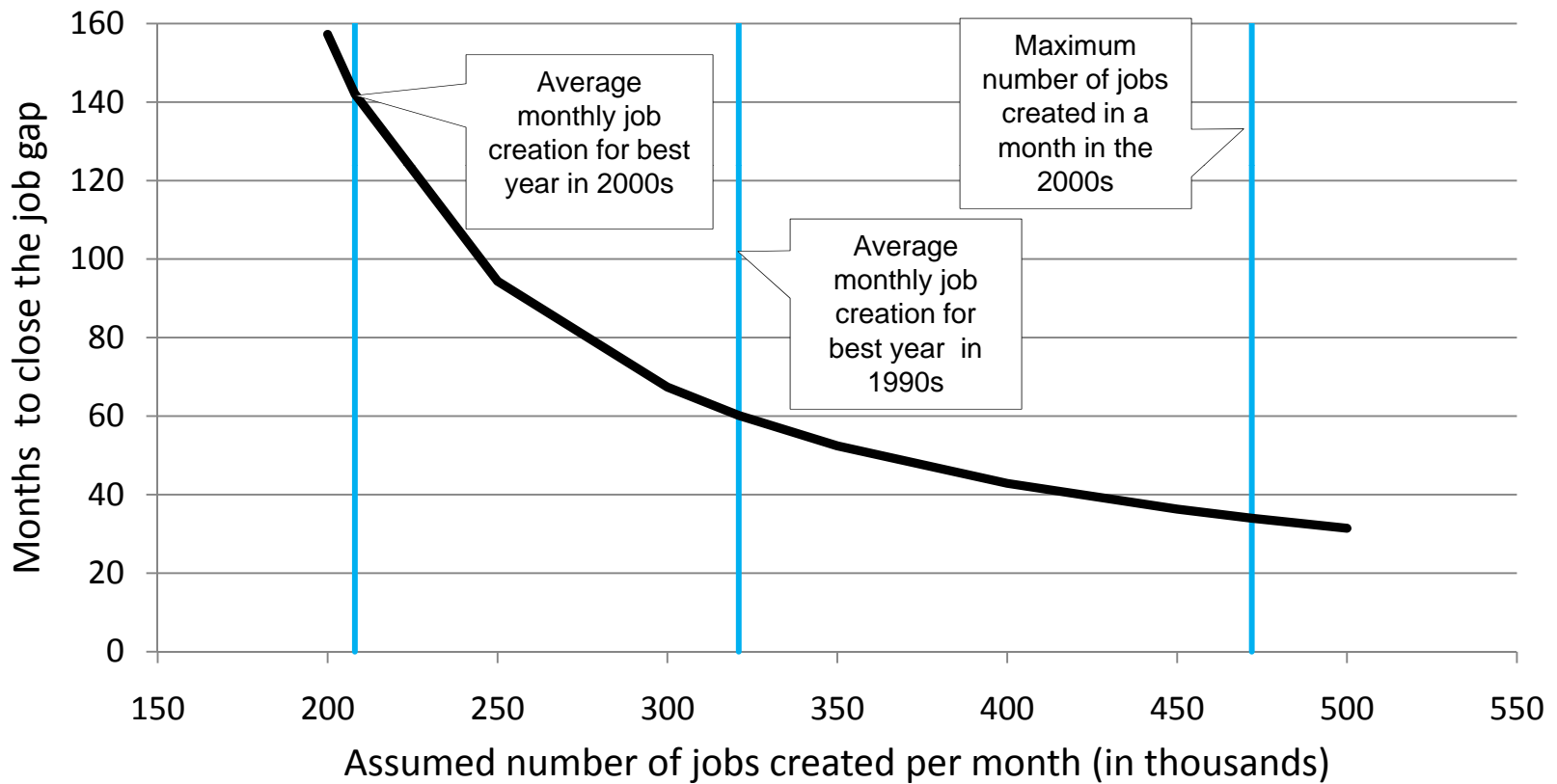
3M Professor of Environmental Economics, MIT



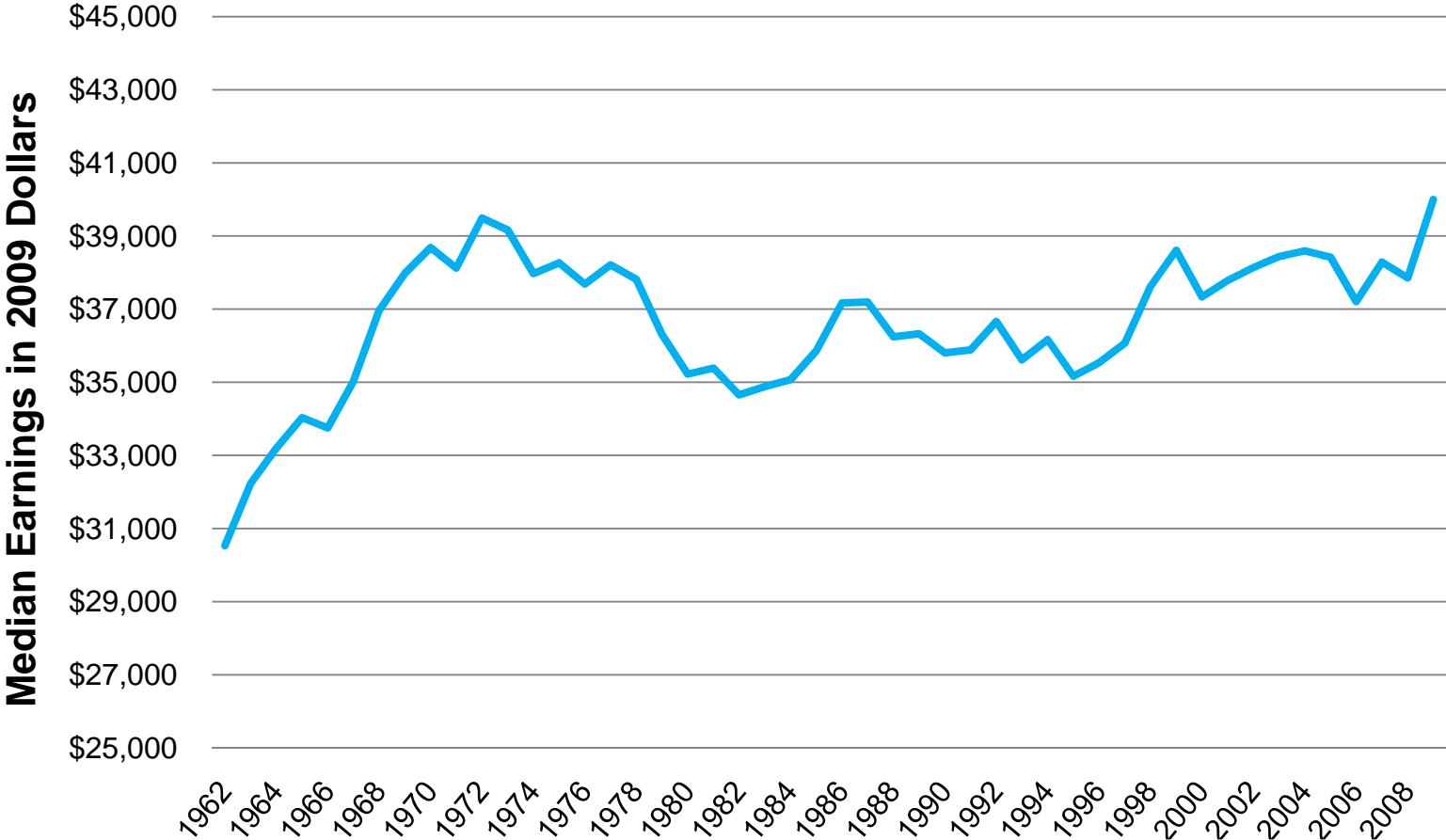
December 3, 2010

# Fact 1: It Will Take a Long Time To Return to Full Employment

**Number of months required to close the job gap**  
(including job losses through October 2010)



# Fact 2: Median Wages Have Not Increased Since 1973

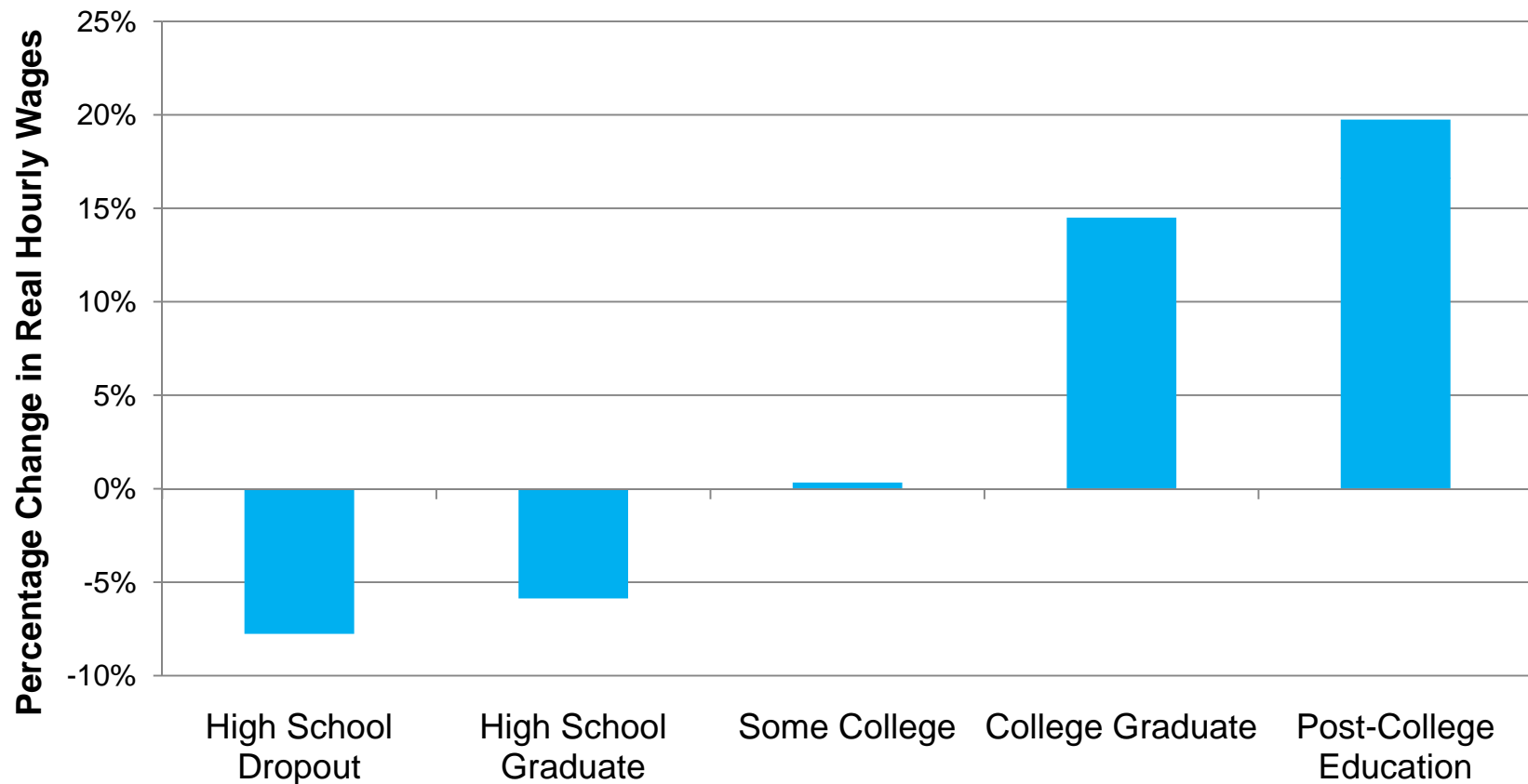


Source: March CPS, 1962-2009. Note: Earnings of full-time, full year (40+ weeks) workers ages 16-64 in 2009 Dollars



# Fact 3: Wages for Lower Skilled Male Workers Have Declined While Wages for Higher Skilled Workers Have Increased

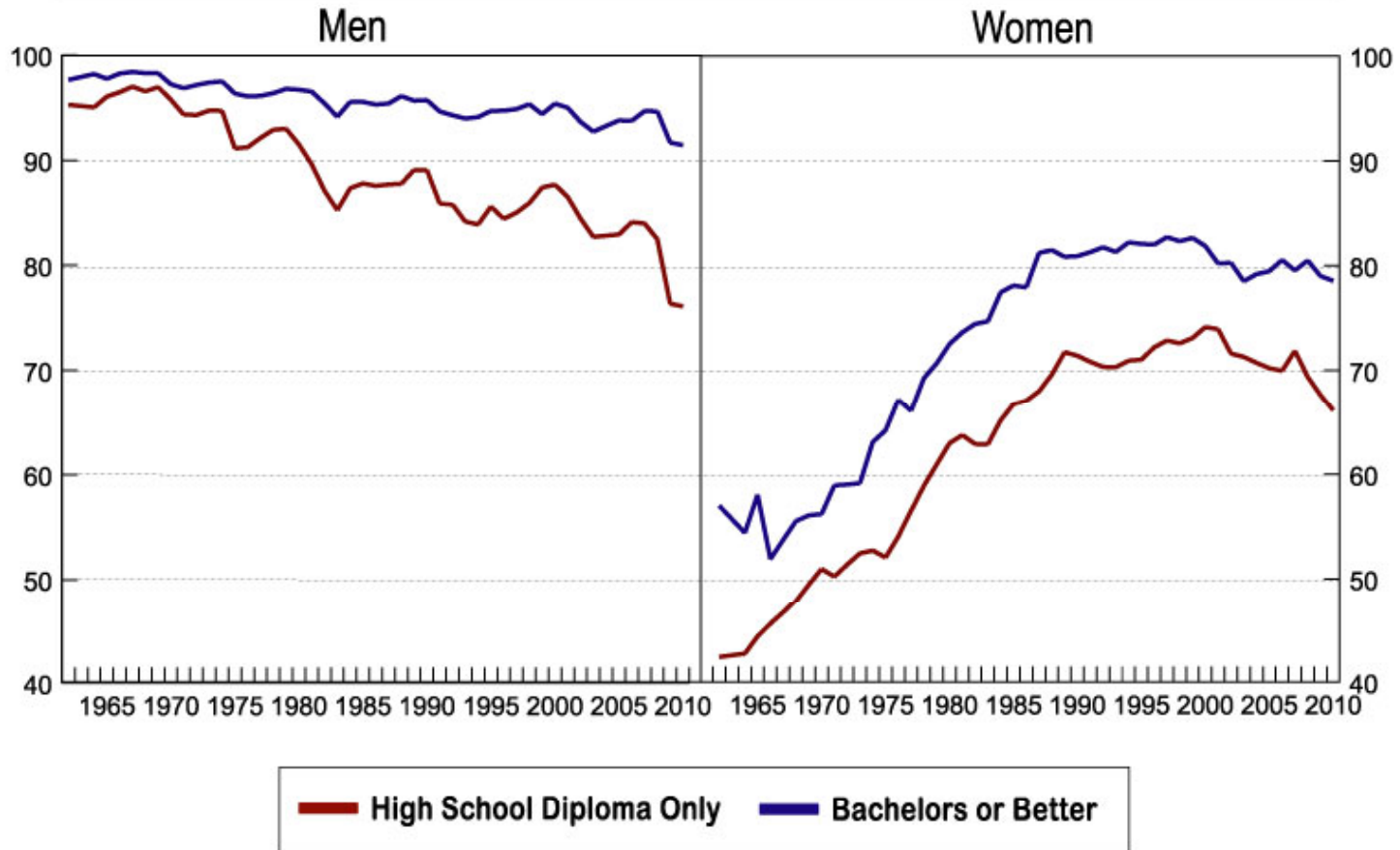
Percent Change in Real Hourly Earnings for Men: 1979-2009



Source: May/ORG Current Population Survey. Includes male workers 25-64. Percent change in wages is calculated using mean wages for education-age-sex-race groups. Population weights for the 2009 population are then used to create the overall average for male workers.

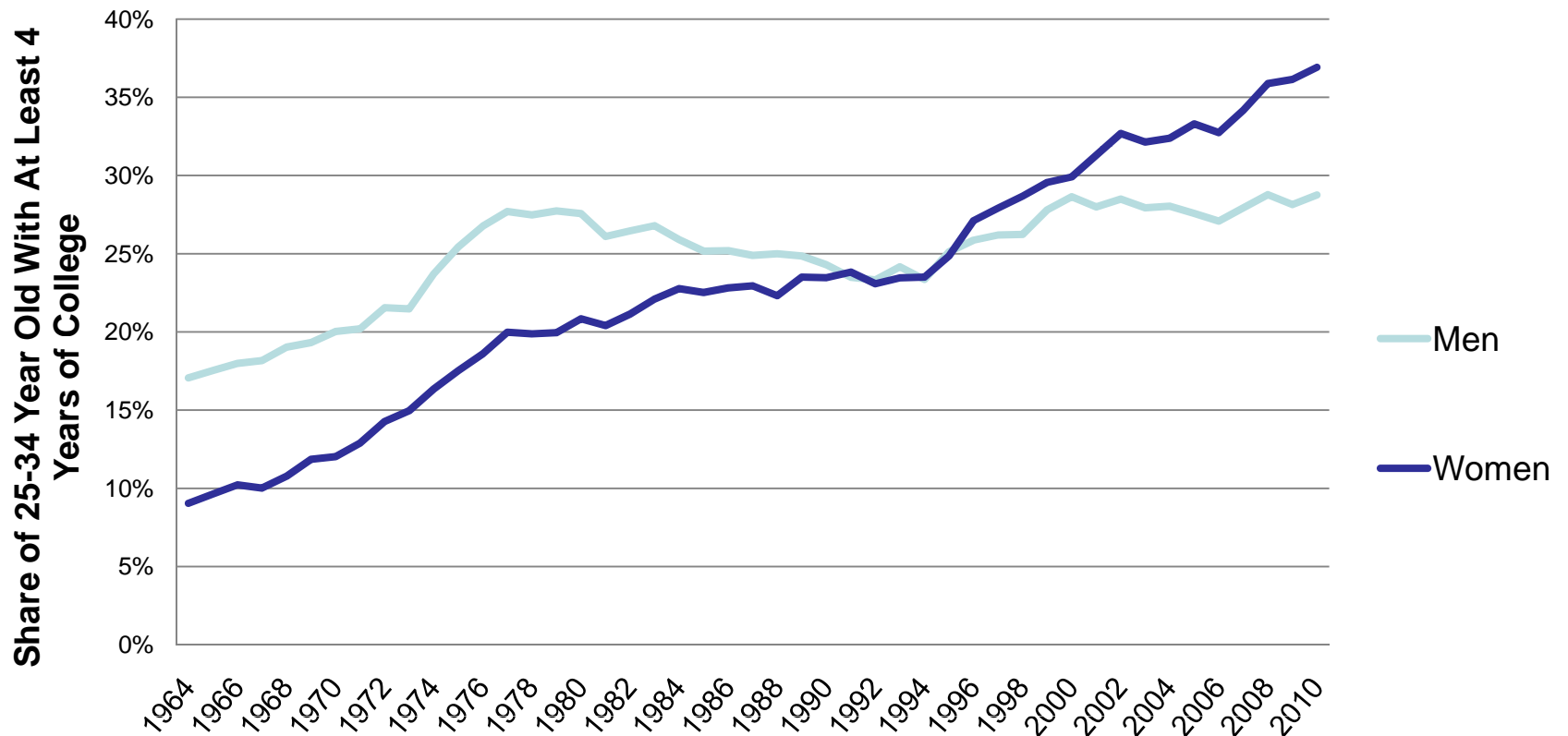
# Fact 4: Disturbing Trends in Employment Rates

**Percentage of 30-50 Year Olds Employed, 1962-2010  
by Sex and Education**



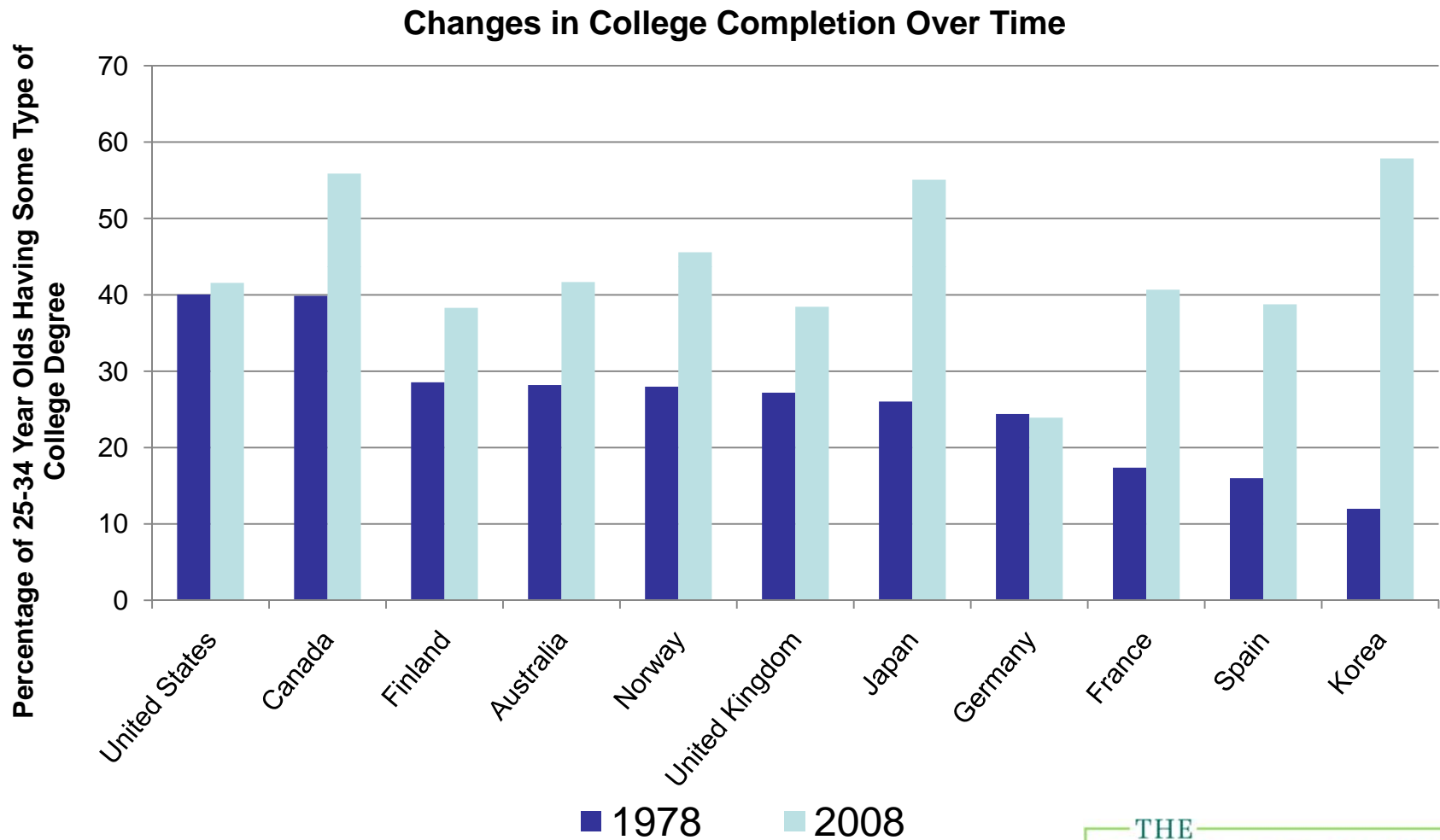
Note: Men and Women ages 30-50, excludes institutionalized population and armed forces.  
Source: March CPS Data 1962-2010.

# Fact 5: The Supply of Female College Graduates Has Been Increasing, While the Supply of Male College Graduates Has Stagnated



Source: March CPS 1964-2010. Individuals ages 25-34 with at least 4 years of college.

# Fact 6: America Is Losing Its Educational Edge



Source: OECD Education at a Glance 2010. Table A1.3a

# What Explains these Long Run Trends?

## **1. Technological change**

→ Polarization of job opportunities

## **2. Globalization**

→ Growing global trade and interconnectedness

## **3. Slowing increases in education attainment**

→ Share of Americans with a college degree is still increasing, but at a slower rate

## **4. Decreasing rates of unionization/Low minimum wage**

→ Contributing factors to income inequality