



Chapter 2

# Jobs

## Jobs

### The middle-class squeeze on jobs is real

- 15.5 million people are still out of work as the country struggles to return to full employment following the Great Recession.<sup>1</sup>
- Productivity and wages have decoupled since the 1970s. While wages tracked productivity almost one for one until 1973, since then, wages have increased less than 10 percent while productivity has increased by about 75 percent.<sup>2</sup>
- Middle-class incomes have been stagnant—a situation that is all the more troubling because mothers are working 2.6 times as many hours as they were in 1979, meaning households are working many more hours to essentially maintain their standard of living.<sup>3</sup>

### Understanding how we got here

No issue is more central to middle-class security than jobs. Unlike the wealthy—who have more savings, wealth, and investment income—the middle class counts on work to provide income and stability. Yet work doesn't pay like it used to; labor's share of income fell dramatically in the 2000s.<sup>4</sup> The middle 60 percent of Americans' share of aggregate income fell from about 53 percent in the late 1960s to just 46 percent today.<sup>5</sup> It's not that workers have become less productive, it's that they are not seeing the gains from that productivity passed on to them, leading to record corporate profits while workers' wages are often stagnant.

The problems of unemployment are particularly acute for the 5.5 million unemployed Millennials starting their working careers and the 47 percent of new retirees who involuntarily dropped out of the workforce in 2013, retiring years sooner than they might have otherwise due to decreased opportunities.<sup>6</sup>



For the median-income married couple with two children, incomes were stagnant from 2000 to 2012. See figure 1.3



Depressed incomes—either from stagnant wages or lack of employment—are only part of the story when it comes to the middle-class squeeze. While a dollar goes much further today than it did a generation ago for consumer goods such as big-screen TVs and cell phones, a middle-class lifestyle has always been more about the ability to afford security than the ability to simply buy things, and the cost of security has risen dramatically. Many of these costs of security—from housing to health care—are explored elsewhere in this report. But if the jobs data tell us anything about incomes and unemployment, it is that for millions of Americans, the income side of the ledger is not keeping up with the expenses side. And the income squeeze leads to a retirement squeeze as people are able to save less and less.

## Policy recommendations

Creating and maintaining good, middle-class jobs will require a suite of policies to both invest in our nation's human capital and ensure that the United States is as competitive as possible in a global context; these policies are explored in detail in the Center for American Progress report, *300 Million Engines of Growth*.<sup>7</sup>

In the immediate term, however, there are five things we can do today to support good middle-class jobs and address the middle-class squeeze:

- Increase aggregate demand to stimulate the economy.
- Foster inclusive capitalism so that more gains are shared with workers.
- Ensure basic workplace protections to maximize workforce participation.
- Strengthen unions and empower workers.
- Improve education and workforce development programs, including a dramatic expansion of apprenticeship programs in high-growth sectors.



# Jobs

Since most middle-class workers derive the vast majority of their income from their job—and since too few Americans have incomes that can support the rising costs of basic necessities such as child care and health care—increasing the number of jobs that pay a fair wage is a critical step toward tackling the middle-class squeeze.

This chapter offers a snapshot of the current jobs picture, outlines the implications for America's middle class, and highlights policies that can help improve the jobs situation—and subsequently, improve the income side of the middle-class squeeze.

---

## Current jobs picture

With millions of Americans still out of work, job creation is still a top national priority more than five years after the end of the Great Recession in June 2009.<sup>8</sup> The picture is even more worrying when we consider that on top of the 9.7 million unemployed Americans, millions more have dropped out of the labor force entirely, leaving our labor market with distressingly low labor-force participation rates.<sup>9</sup>

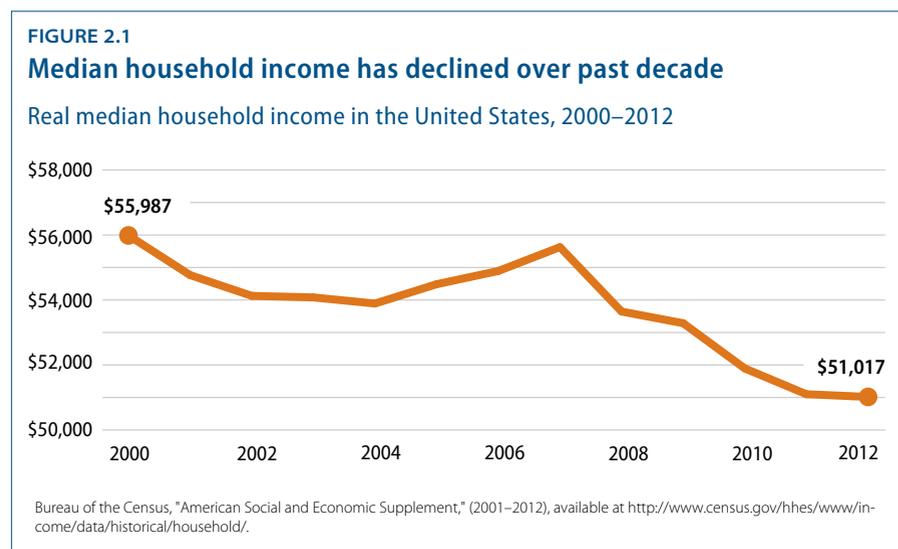
While millions of Americans—particularly the 3.2 million long-term unemployed<sup>10</sup>—are eager to find any kind of job, our standard of what it means to be middle class is broader than just being employed.

After all, 3.3 million Americans earned the minimum wage of \$7.25 an hour or less in 2013,<sup>11</sup> a wage that is already more than 30 percent lower than it was at its inflation-adjusted peak of \$10.69 an hour in 1968.<sup>12</sup> There are also more than 7 million people working part time for economic reasons<sup>13</sup>—meaning they want to work more hours, but employers are not willing to give them more—as well as 7 million multiple-job holders,<sup>14</sup> many of whom are just trying to make basic ends meet.

While the economy has added 9.7 million private-sector jobs since hiring picked up in early 2010, many of the jobs that have come back during the most recent expansion are at lower wage levels than the jobs that were lost.<sup>15</sup> National Employment Law Project analysis shows that nearly 40 percent of the job losses in recent years were in middle-income jobs. In fact, middle-wage jobs have made up only one-quarter of the employment growth, while low-wage industries, such as food services and retail, have shown the strongest employment growth, at 44 percent. All told, there are 1 million fewer good middle-class jobs today than at the start of the recession.<sup>16</sup>

This is part of a longer-term trend that has seen median household income decline in real terms since 2000.<sup>17</sup> So while American workers are more productive,<sup>18</sup> real median incomes have still fallen.

How do we ensure that more people in the labor force are getting good, middle-class jobs?



So the basic employment challenge for the 21st century economy is how do we ensure that more people in the labor force are getting good, middle-class jobs?

## The labor-market situation for key groups

In addition to understanding top-line numbers about the current U.S. jobs market, it is also critical to understand how the effects of the Great Recession—plus decades of changes from technology to globalization—have affected different communities. What follows is a list of key facts that paint a picture of what is happening in the jobs market for young people, older workers, women, and communities of color.

### Young people

- There are more than 3.6 million Americans under the age of 25 who are unable to find work, and millions more face the struggle of being underemployed.<sup>19</sup>
- Today's recent high school graduates are unemployed at a rate of 23 percent and underemployed at a rate of 42 percent. Both of these rates have nearly doubled since 2000. Recent college graduates are unemployed at a rate of 9 percent and underemployed at a rate of 17 percent—up from 5 percent and 10 percent in 2000.<sup>20</sup>
- About half of all mothers have their first child before the age of 25,<sup>21</sup> but young workers are much less likely than their older counterparts to have a job that can support a family.<sup>22</sup> Consider that workers under the age of 25 constitute only about one-fifth of hourly paid workers, but they make up about half of those paid the federal minimum wage or less,<sup>23</sup> meaning this low-wage reality affects families across the country.<sup>24</sup>

### Older workers

- Unemployed workers between the ages of 50 and 61 are one-third less likely than younger workers to find a job within 12 months.<sup>25</sup> Workers older than 62 years old are half as likely.
- When older unemployed workers find a new job, they often take a steep pay cut: The median wage for the new jobs of formerly unemployed 50- to 61-year-old men is 20 percent lower than their previous jobs<sup>26</sup>
- Many older workers are having a difficult time staying in the workforce; 47 percent of retirees in 2013 retired earlier than planned.<sup>27</sup>

## Women

- Maternal labor-force participation is falling in the United States relative to other advanced economies, and more than one-quarter of this is due to a lack of family friendly policies.<sup>28</sup>
- The gender wage gap has not seen any improvement during the recovery and the ratio of women's annual earnings to men's annual earnings actually fell from 2008 to 2012.<sup>29</sup> Much of our failure to make progress on closing the gap results from our failure to enact 21st century work-family policies: 10.5 percent of the gender wage gap comes from women's shorter job tenures, at least partially attributable to their greater likelihood of taking time off to provide family care.<sup>30</sup>
- Sixty percent of women's jobs gains in the post-2009 recovery have been in the 10 largest low-wage job categories, compared to 20 percent of men's job gains.<sup>31</sup>

## Communities of color

- African Americans and Latinos persistently suffer from disproportionately high unemployment rates across all different worker characteristics. The unemployment rate of African Americans is typically twice as high as that of whites, while the Latino unemployment rate is about one-third greater than the rate of whites.<sup>32</sup>
- Communities of color—black, Hispanic, and Asian communities—represented 42 percent of minimum-wage earners in 2013 despite the fact that they made up just 32 percent of the workforce.<sup>33</sup>
- Household incomes have fallen drastically for African Americans since the Great Recession. Inflation-adjusted median incomes for African Americans fell by 7.1 percent from 2007 to 2009, faster than for any other population group. Furthermore, inflation-adjusted median household incomes dropped another 4.68 percent from 2010 to 2012, which was faster than comparable income drops for any other population group.<sup>34</sup>

Ensuring that more people—from all communities—have access to good middle-class jobs is key not only to alleviating the economic pressures faced by individual households, but also to improving our economic prospects as a nation. If we had eliminated the racial and ethnic disparities that drive these inequalities, average incomes for everyone would have been \$3,201—or 8.1 percent—higher in 2011, and our GDP would have grown by \$1.2 trillion.<sup>35</sup> Eradicating the gender wage gap would raise working women's incomes by an average of \$6,250, cutting the poverty rate in half and raising GDP by 2.9 percent, or nearly \$450 billion.<sup>36</sup>

# Policies to improve the jobs picture and help alleviate the middle-class squeeze

Good jobs are not created in a vacuum. In fact, we know that one of the key requirements for the creation and maintenance of good jobs is healthy demand. And we also know that a vibrant middle class is key to healthy demand.<sup>37</sup>

If the United States is going to have a healthier economy and grow the largest, most complex, dynamic economy the world has ever seen, we are going to have to do a lot of things right. CAP laid out its long-term growth strategy in *300 Million Engines of Growth*,<sup>38</sup> outlining policies that will help build human capital and also create a more dynamic economic environment. Some of these policies that also relate to the middle-class squeeze—such as access to high-quality preschool education and affordable housing—are addressed in this report. Many more policies that will affect our ability to set the stage for good middle-class jobs in both the short and long term—from enforcing trade rules<sup>39</sup> to comprehensive immigration reform<sup>40</sup>—are dealt with as well in other CAP reports.

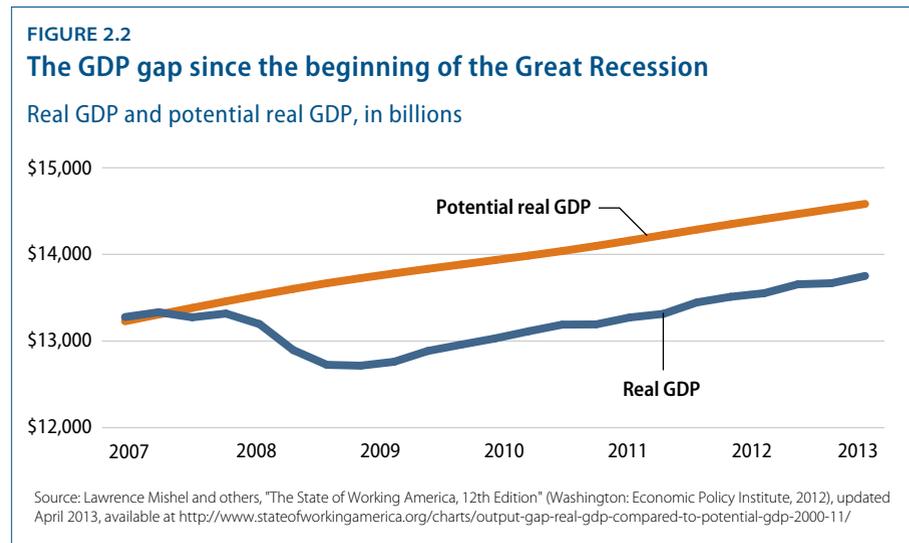
This report recommends five key things we can do to support good middle-class jobs today:

- Increase aggregate demand to stimulate the economy.
- Foster inclusive capitalism so that more gains are shared with workers.
- Ensure basic workplace protections to maximize workforce participation.
- Strengthen unions and empower workers.
- Improve education and workforce development programs, including a dramatic expansion of apprenticeship programs in high-growth sectors.

---

## Boost aggregate demand

Raising aggregate demand may sound a bit technical, but it's quite straightforward: Our economy has the ability to be more productive. Right now, factories are sitting idle and millions of workers are devoting effort to dropping off resumes rather than producing goods. But without enough demand for goods and services, businesses are understandably hesitant to invest. As a result, the country has seen a persistent output gap in recent years that represents lost opportunity for the U.S. economy and American jobs.



There are a range of simple, concrete steps the government can take to raise aggregate demand by making smart investments that will create more good jobs for workers while at the same time boosting productivity and America's long-term competitiveness. The following three steps could have immediate effect in boosting aggregate demand.

- **Extending federal unemployment insurance.** The labor market remains depressed, and unemployment not only provides a lifeline to workers as they search for more work, but it is also extremely effective at generating demand in the economy. In fact, the Congressional Budget Office estimated that extending federal unemployment benefits would have created 200,000 jobs in 2014.<sup>41</sup>

- **Raising the federal minimum wage.** Gradually raising the federal minimum wage to \$10.10 an hour from 2014 through 2016 would put \$35 billion into the pockets of 28 million workers. What's more, according to an open letter signed by 600 economists in support of increasing the minimum wage, "the weight of evidence now show[s] that increases in the minimum wage have had little or no negative effect on the employment of minimum-wage workers, even during times of weakness in the labor market."<sup>42</sup>
- **Strengthening the earned income tax credit, or EITC.** In 2013, more than 27 million taxpayers claimed more than \$63 billion in EITC funds.<sup>43</sup> That year, EITC benefits lifted more than 6 million people out of poverty.<sup>44</sup> Strengthening the EITC would be both a powerful signal that Americans value work and a means to increase demand and generate additional jobs while millions of Americans are still looking for work. To do so, we should expand it for workers without children, whose average credit is only one-tenth of what workers with children receive,<sup>45</sup> and also lower the eligibility age from 25 to 21 so that young adult workers can qualify.<sup>46</sup>

Congress should also recognize that there has never been a better time to make long-term investments in America's aging infrastructure, as well as its human capital—the sources of stronger future economic growth. At precisely the time when demand in the economy was low, Congress was cutting nondefense discretionary spending, which is the part of the federal budget that supports many of our most important public economic investments, such as scientific research, education, and infrastructure. Those cuts both hurt demand in the short term, as well as our competitiveness over the long-term. In fiscal year 2014, nondefense discretionary spending was cut by 16 percent from FY 2010 levels, once inflation is taken into account.<sup>47</sup> With the automatic sequestration cuts scheduled to return in full starting in fiscal year 2016, nondefense discretionary spending is on track to fall to its lowest level ever as a share of the economy since 1962—when tracking of this category started.<sup>48</sup> To make the investments our economy needs, Congress must allocate more funding to the nondefense discretionary budget.

These investments work just like any others, we spend money up front—boosting demand in the process—in order to reap gains in the future. For example, we could:

- **Invest in our future workforce.** Some of the most productive investments we can make are in our people. While a record number of children are now in the U.S. school system,<sup>49</sup> we have actually cut teacher numbers by 300,000 since the

Great Recession began, making investment in education all the more critical.<sup>50</sup> Increasing access to high-quality early childhood programs—discussed later in this report—would be a particularly effective investment.

- **Invest in our infrastructure.** U.S. infrastructure currently has a D+ grade from the American Society of Engineers<sup>51</sup> and approximately 800,000 construction workers are looking for work, making this a timely investment. Given that every \$1 billion in infrastructure spending supports between 9,000 to 15,000 direct and indirect jobs, infrastructure investment would help boost demand now while improving future competitiveness.<sup>52</sup> Once the immediate job creation has receded, infrastructure investments continue to provide substantial benefits to the economy for decades to come. Infrastructure projects improve efficiency, reduce unpredictable service disruptions that harm businesses and raise production costs, and provide seamless and timely access to global markets at competitive prices. For example, more than 15,000 trains a year move through the Alameda Corridor rail tunnel, which was completed in 2002 and connects the Ports of Los Angeles and Long Beach with the national rail network; it has allowed for substantial freight and job growth in Southern California.<sup>53</sup>

There are more opportunities for a wide range of infrastructure investments across the country, including for the busiest 59 ports in the United States. These ports support jobs that rely on the continuous and predictable movement of freight. Due to a lack of harbor maintenance, however, the channels reach full depth less than 35 percent of the time, limiting the size and timing of ships that can access certain ports; this limits trade and adds uncertainty to supply chains.<sup>54</sup>

---

## Foster inclusive capitalism that will share more gains with workers

When workers share an ownership stake in the companies they work for, research shows that this type of inclusive capitalism leads to positive outcomes for both the firms and the workers.<sup>55</sup> From employee stock ownership plans to profit sharing and broad-based stock options, this can yield measurable dividends. For workers, inclusive capitalism is associated with higher pay, greater long-term wealth accumulation, and greater job stability. For businesses, it often translates to increased productivity, profitability, and lower worker turnover.<sup>56</sup>

In fact, empirical studies have shown that firms that switch to inclusive capitalism arrangements immediately see increased productivity relative to peers; and productivity increases continue for years after implementing the system. Survey evidence suggests that giving workers a voice and tying pay to the success of the firm empowers and motivates workers to share information and suggest improvements, further increasing productivity.<sup>57</sup>

Inclusive capitalism is by no means a new or rare phenomenon in the United States. Today, almost half of all U.S. workers receive some sort of inclusive capitalism compensation—although its use is quite limited in most firms. Companies practicing broad-based inclusive capitalism range from unionized American steel manufacturers to air carriers, leading technology firms to socially minded companies.

Inclusive capitalism has not only been embraced by a wide array of businesses, it can also draw broad political support. A bipartisan list of lawmakers—ranging from Sen. Bernie Sanders (I-VT) and Rep. Chaka Fattah (D-PA) to Sen. Kelly Ayotte (R-NH) and Rep. Dana Rohrabacher (R-CA)—have introduced legislation to expand government support for inclusive capitalism.<sup>58</sup> Historically, President Ronald Reagan called it “people’s capitalism” that “can serve the nation well.” Then-Sen. Hubert Humphrey called profit sharing “one of the twin pillars of our economy.”

It is a particularly important time to promote employee participation in firm ownership, as 70 percent of U.S. business owners are over the age of 45.<sup>59</sup> In other words, with the right information and incentives, there is the potential for a multi-trillion dollar transfer of wealth over the next 20 years. While not all of these companies are necessarily suitable for employee ownership, there is an opportunity to dramatically improve the balance of wealth in the United States by enhancing incentives for owners, particularly of private companies, to transfer ownership or at least a share of profits from capital ownership to their employees.

## Half of American workers receive some form of inclusive capitalism compensation

Inclusive capitalism is already part of the U.S. corporate landscape. In fact, almost half of U.S. workers receive some form of inclusive capitalism compensation, even though it is usually limited.<sup>60</sup> Some examples of inclusive capitalism include:

- The United States Steel Corporation pays quarterly cash profit-sharing payments to its unionized workforce.<sup>61</sup>
- Southwest Airlines' employees own a significant portion of its stock, awarded through their employee benefit plans.<sup>62</sup>
- Intel shares profit with its employees via cash payments and restricted stock options.<sup>63</sup>
- New Belgium Brewing employees own 32 percent of the company via an employee stock ownership program.<sup>64</sup>

To encourage inclusive capitalism, we can:

- **Expand tax incentives.** Under current law, owners of a business receive capital gains tax relief when they sell their shares in the business to their workers, provided the sale meets certain requirements. This has encouraged the smooth transition of ownership to employees. Smooth transitions such as these could be further facilitated by providing partial estate tax relief when the owner's estate transfers the successful firm to an employee stock ownership plan. In another example, under current law, companies circumvent the \$1 million limitation on the deductibility of executive compensation by taking advantage of the "performance-based pay" loophole that allows deductions for grants of company stock as pay. The performance-based pay exception could be limited to companies that include 80 percent of their workforce in the performance pay plan.<sup>65</sup>
- **Offer grants to regional inclusive capitalism centers.** These centers would provide outreach, education, and technical assistance to private-sector businesses on adopting sharing practices. The centers would also encourage companies to adopt supportive workplace cultures that offer workers solid base wages and benefits, as well as a say on the job.<sup>66</sup>

- **Stop policies that inhibit the growth of sharing programs.** Some policies present roadblocks to companies interested in adopting inclusive capitalism approaches, such as policies that render employee-owned companies ineligible for government contracts that are set aside for women- and minority-owned firms, even when the employee-owners otherwise meet the program qualifications.
- **Create an Office of Inclusive Capitalism to increase awareness about best practices.** The office would, for example, encourage business schools to include information on sharing programs in their curricula and highlight existing laws that promote inclusive capitalism such as state benefit corporation laws. These laws offer legal protections to businesses that look beyond short-term financial gains and create a material positive impact on society.<sup>67</sup>

---

## Ensure basic workplace protections to maximize workforce participation

One way that middle-class families have reacted to stagnating wages since the 1970s—and resisted the negative effects of that stagnation—has been to increase the number of family members who are employed, also known as their family’s labor supply. Mothers’ full-time labor-force participation has increased dramatically between 1979 and 2012—from 27 percent to 41 percent—which enabled some families to have a higher standard of living through dual incomes, at least for a while.<sup>68</sup> In fact, the only married families that have seen real, inflation-adjusted income growth since the 1970s are married couple families with a working wife.<sup>69</sup>

However, increasing labor-force participation or work hours is no longer an option for most middle-class families. In the majority of families, all of the adults work, and only one in five children now have a full-time, stay-at-home caregiver.<sup>70</sup> This presents two related issues. First, when all adults in a household work, there is no longer someone in the home who can provide unpaid care to young, ill, or elderly family members; subsequently, the high cost of outsourced care creates significant opportunity costs to employment, which are felt most acutely by women. This is exacerbated by the second problem; namely, the fact that our nation’s labor standards have not been updated to reflect this change in family dynamics.

In a subsequent chapter, this report outlines policies that are designed to ensure that all children have access to high-quality child care that is affordable for working families. We must also ensure that workers have the flexibility to care for their families while also progressing in their careers.

Unfortunately, the majority of labor laws reflect an outdated notion of who works in the paid labor force and who provides unpaid care within the home. A lack of policies such as paid leave and workplace flexibility may have made sense in an era when most full-time workers were men with stay-at-home wives, but middle-class families have evolved and our labor standards must do so as well.

The United States is the only advanced economy, indeed one of only eight countries in the world, that does not guarantee working women the right to paid maternity leave.<sup>71</sup> We are also the only advanced economy that does not guarantee workers the right to paid sick days, or any form of paid leave at all.<sup>72</sup> This lack of family friendly policies negatively affects labor-force participation and earnings of women, which in turn negatively affects the economic stability of middle-class families.<sup>73</sup>

To address the needs of working families, we should:

- **Develop a federal paid family and medical leave program.** Building on successful state programs in California, New Jersey, and Rhode Island, the Family and Medical Insurance Leave Act, or FAMILY Act, would establish a federal program to provide up to 12 weeks of partial wage replacement for the same qualifying conditions covered under the Family and Medical Leave Act, which only provides unpaid leave to qualifying workers. A large majority of workers—between 77 percent and 84 percent—would be eligible for the program, ensuring that working families would have access to wage replacement when they need it most.<sup>74</sup>
- **Establish a national paid sick days standard.** The Healthy Families Act would allow workers in businesses with at least 15 employees to earn up to seven paid sick days per year. This leave could be utilized for a worker’s own medical needs or to care for an ill family member.

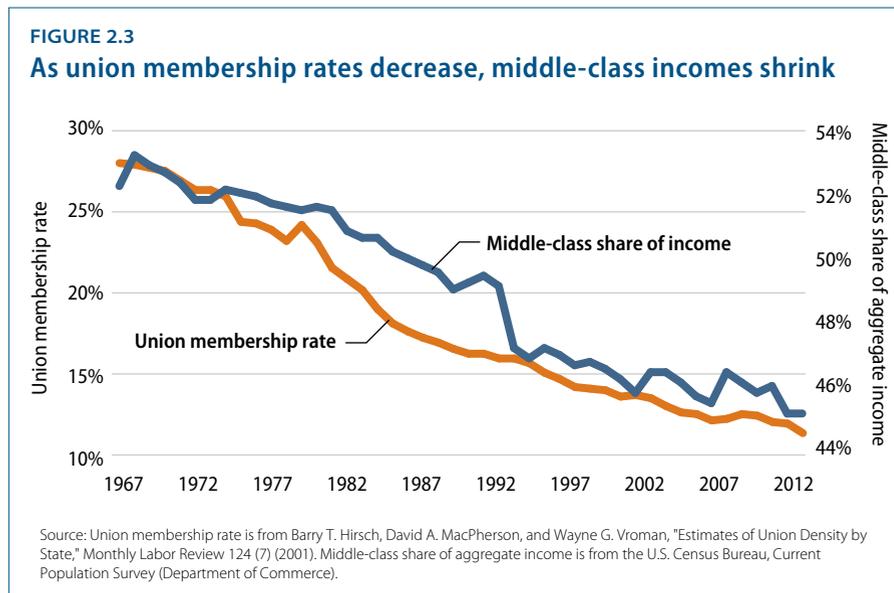
---

## Strengthen unions and empower workers

One of the most important, although often overlooked, factors that has contributed to the decline of America’s middle class has been the steady decline in labor-union participation over the past several decades. Unions are critically important to the health of the middle class because when unions are strong, they fight for key middle-class interests both in the workplace and in the political arena.<sup>75</sup> As union representation has declined, however, many middle-class workers have found themselves increasingly shut out of the nation’s economic gains and struggling to maintain their standard of living.

Research has repeatedly shown that union membership significantly increases the wages that workers receive, as well as their likelihood of having retirement and health care benefits.<sup>76</sup> For example, studies have shown that typical middle-class workers who are union members can expect to earn approximately 14 percent more than nonunion workers, even when controlling for factors such as age, experience, and education.<sup>77</sup> These so-called “union premiums” also tend to disproportionately benefit workers of color.<sup>78</sup> They can even help improve benefits for nonunion workers; when union density is sufficiently high in an area, the bargained-for benefits can set standards for other area employers, including those that employ nonunion workers.<sup>79</sup>

Given how important unions are for protecting middle-class interests and ensuring that workers are fairly compensated, it should come as no surprise that the decline in union membership since the late 1960s correlates strongly with the decline in a key measure of the middle-class’ health: their share of the nation’s total take-home income.



Between 1967 and 2012, nationwide union membership fell from 28.3 percent of all workers to an all-time low of 11.3 percent, with significant drops observed in all 50 states.<sup>80</sup> Over this same period, the share of the nation’s total income going to the middle 60 percent of households fell from 52.3 percent to only 45.7 percent.<sup>81</sup> The majority of the income lost by the middle class was redirected to those at the very top; the share of income going to just the top 5 percent of earners grew from 17.2 percent to 22.3 percent during this time, or more than one-fifth of all income earned in the United States in 2012.<sup>82</sup>

Unions helped build America's middle class, and if they are allowed to continue to decline, America's middle class will likely continue to decline with them. To reverse this decline, we should:

- **Modernize the union election process.** To put an end to needless delays, regulations should be put in place that reduce unnecessary litigation, streamline pre- and postelection procedures, and facilitate communications via the digital mediums workers now depend on.<sup>83</sup>
- **Ensure that all workers who would like to form a union are able to do so.** Regardless of their occupation or location, everyone should have the right to join a union if they desire to do so.<sup>84</sup> Congress should pass reforms to establish a fair process for workers to decide on union representation, expand coverage so more workers are provided the right to organize, and promote productive collective bargaining for first contracts—so that workers can negotiate for improved wages and benefits.
- **Better protect workers who choose to unionize.** Policymakers should establish more meaningful penalties for employers who fire or discriminate against employees for exercising their right to organize, as well as establish more substantive remedies for workers who have been wronged. This includes making the right to join a union a civil right. This would give workers who are discriminated against for exercising their right to organize a private right to sue, just as workers have a right to sue if they face other forms of workplace discrimination.<sup>85</sup>

---

Improve education and workforce development programs, including a dramatic expansion of apprenticeship programs in high-growth sectors

Young Americans entering the labor market experience very high levels of unemployment and underemployment. Our education and training system is failing to connect young Americans with good jobs. Millennials are struggling with disproportionately high levels of unemployment, low-wage jobs, rising college costs, and spiraling student debt. Lack of sufficient jobs and jobs that fully utilize the skills of recent entrants to the labor market are keeping young people from getting on the path to a middle-class life.

The United States should invest in worker training that gives young people the skills employers are seeking. This can be done by allowing federal student aid to be used for non-degree programs that have been shown to improve employment outcomes; directing workforce investment funds to programs with demonstrated effectiveness; and creating incentives for employers to partner with community colleges to develop training programs that lead to good jobs. We believe one of the best ways to address the situation for many young people is to dramatically expand the availability of apprenticeships, a form of paid-worker training that leads to good, middle-class jobs.

Expanding access to this effective training model can address many of the challenges young people face in the labor market. Apprenticeships combine on-the-job learning and classroom instruction, and apprenticeship completers earn an average of \$301,533 more in wages and benefits over their careers than comparable workers.<sup>86</sup> And apprenticeships offer young people the opportunity to attain an education with little or no debt, as many programs allow students to earn college credit for their coursework and on-the-job training. Crucially, an apprenticeship offers a young person a job today—not just the hope that a job will be there after they invest in an expensive education.

But even though the U.S. Department of Labor administers a small system of registered apprentices, the training model is unfamiliar to most Americans. This is due largely to a lack of awareness among employers, few of whom understand the benefits and return on investment for apprenticeships. There is no targeted federal funding to help businesses offset the costs of sponsoring an apprentice, nor is there a national marketing effort to make businesses aware of the benefits of hiring apprentices. Fortunately, smart policies can address these challenges.

To address the dearth of apprenticeship programs and to help bring a source of new good, middle-class jobs to America's young people, policymakers should work with businesses to expand the U.S. apprenticeship system both in number of participants and available occupations. To do so, we should:

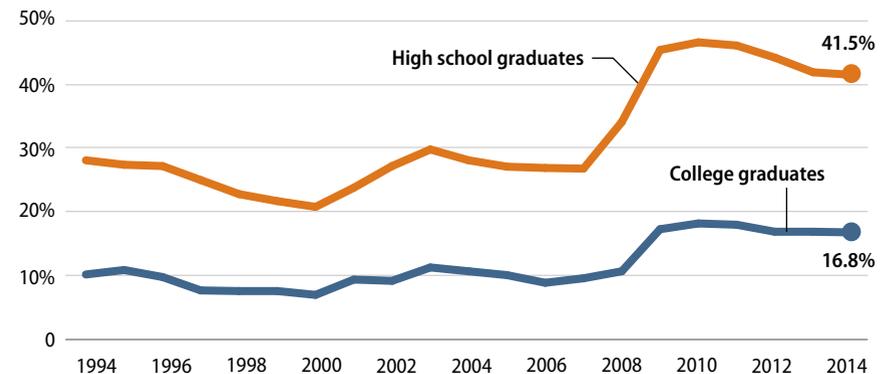
- **Create a federal tax credit for businesses.** Businesses that sponsor apprentices should receive a \$1,000 tax credit for each apprentice hired.
- **Establish competitive grants.** Grants that support the creation of new apprenticeships in new high-wage, high-growth occupations such as health care, information technology, and advanced manufacturing are particularly critical.

An apprenticeship offers a young person a job today—not just the hope that a job will be there after they invest in an expensive education.

- **Improve marketing to businesses.** The White House should work with the Departments of Labor and Commerce to create an employer-friendly website, increase outreach, and launch a national initiative to bring unemployed high school graduates into apprenticeships.
- **Leverage the federal workforce and federal contracting to support apprenticeships.** Establish apprenticeships in federal agencies and preference contractors that offer apprenticeships.
- **Improve the portability of apprenticeships.** By offering grants for employers to come together to write national guideline standards for apprenticeships in key high-growth occupations, we can ensure that apprenticeships meet the needs of employers and offer workers a credential that is truly portable.

FIGURE 2.4

### Combined unemployment and underemployment rate of recent high school and college graduates



Notes: High school graduates include young high school graduates between ages 17 and 20 who are not enrolled in additional schooling. College graduates include college graduates between ages 21 and 24 who do not have an advanced degree and are not enrolled in additional schooling. Underemployment includes those who work part time but want full-time work ("involuntary" part timers) and those who want a job and have looked for work in the last year but have given up actively seeking work ("marginally attached" workers).

Source: Heidi Shierholz, Alyssa Davis, and Will Kimball, "The Class of 2014: The Weak Economy is Idling Too Many Young Graduates" (Washington: Economic Policy Institute, 2014), available at [www.epi.org/publication/class-of-2014/](http://www.epi.org/publication/class-of-2014/).

## Conclusion

In 2000, the median American worker earned \$768 per week. Twelve years later, that same worker still made \$768 per week, even though productivity increased by 23 percent.<sup>87</sup> As the following chapters show, the costs of many key elements of middle-class security rose significantly over this period—from child care to health care to higher education. To alleviate the middle-class squeeze, we have to start by putting policies in place to ensure that more Americans workers are in good-paying, middle-class jobs.

---

## Endnotes

- 1 Economic Policy Institute, "Missing Workers: The Missing Part of the Unemployment Story," Press release, August 1, 2014, available at <http://www.epi.org/publication/missing-workers/>.
- 2 Lawrence Mishel and others, *The State of Working America* (New York: Cornell University Press, 2012).
- 3 Eileen Appelbaum, Heather Boushey, and John Schmitt, "The Economic Importance of Women's Rising Hours of Work: Time to Update Employment Standards" (Washington: Center for American Progress, 2014), available at <http://www.americanprogress.org/wp-content/uploads/2014/04/WomensRisingWorkv2.pdf>.
- 4 Margaret Jacobson and Filippo Occhino, "Labor's Declining Share of Income and Rising Inequality," Federal Reserve Bank of Cleveland, September 25, 2012, available at <http://www.clevelandfed.org/research/commentary/2012/2012-13.cfm>.
- 5 Data pulled from U.S. Bureau of the Census, "Current Population Survey: 2012 Person Income," available at [http://www.census.gov/hhes/www/cpstables/032013/perinc/pinc01\\_000.htm](http://www.census.gov/hhes/www/cpstables/032013/perinc/pinc01_000.htm) (last accessed August 2014).
- 6 Millennial unemployed (ages 16-34) data were calculated using the BLS One Screen Data Search. Involuntary retirements from Ruth Helman and others, "The 2013 Retirement Confidence Survey: Perceived Savings Needs Outpace Reality for Many" (Washington: Employee Benefit Research Institute, 2013), available at [http://www.ebri.org/pdf/surveys/rcs/2013/EBRI\\_IB\\_03-13\\_No384.RCS.pdf](http://www.ebri.org/pdf/surveys/rcs/2013/EBRI_IB_03-13_No384.RCS.pdf).
- 7 Jennifer Erickson and Michael Ettlinger, eds., *300 Million Engines of Growth: A Middle-Out Plan for Jobs, Business, and a Growing Economy* (Washington: Center for American Progress, 2013), available at <http://images2.americanprogress.org/CAP/2013/07/ProgressiveGrowth.pdf>.
- 8 Bureau of Labor Statistics, "Employment Situation Summary," Press release, August 1, 2014, available at <http://www.bls.gov/news.release/empisit.nr0.htm>.
- 9 Bureau of Labor Statistics, *Labor Force Statistics from the Current Population Survey* (U.S. Department of Commerce, 2014), Series LNS11300000, available at <http://data.bls.gov/timeseries/LNS11300000>.
- 10 Bureau of Labor Statistics, "Employment Situation Summary."
- 11 Bureau of Labor Statistics, *Characteristics of Minimum Wage Workers, 2013* (U.S. Department of Commerce, 2014), available at <http://www.bls.gov/cps/minwage2013.pdf>.
- 12 Craig K. Elwell, "Inflation and the Real Minimum Wage: A Fact Sheet" (Washington: Congressional Research Service, 2014), available at <http://www.fas.org/sgp/crs/misc/R42973.pdf>.
- 13 Bureau of Labor Statistics, "Table A-8. Employed persons by class of worker and part-time status," available at <http://www.bls.gov/news.release/empisit.t08.htm> (last accessed August 2014).
- 14 Bureau of Labor Statistics, "Table A-16. Persons not in the labor force and multiple jobholders by sex, not seasonally adjusted," available at <http://www.bls.gov/news.release/empisit16.htm> (last accessed August 2014).
- 15 Federal Reserve Bank of St. Louis, "Total Nonfarm Private Payroll Employment," available at <http://research.stlouisfed.org/fred2/series/NPPTTL> (last accessed August 2014).
- 16 National Employment Law Project, "The Low-Wage Recovery: Industry Employment and Wages Four Years into the Recovery" (2014), available at <http://www.nelp.org/page/-/Reports/Low-Wage-Recovery-Industry-Employment-Wages-2014-Report.pdf?nocdn=1>; Annie Lowrey, "Recovery Has Created Far More Low-Wage Jobs Than Better-Paid Ones," *The New York Times*, April 27, 2014, available at <http://www.nytimes.com/2014/04/28/business/economy/recovery-has-created-far-more-low-wage-jobs-than-better-paid-ones.html>.
- 17 U.S. Bureau of the Census, "Historical Income Tables: Households," available at <http://www.census.gov/hhes/www/income/data/historical/household/> (last accessed August 2014).
- 18 Mishel and others, *The State of Working America*.
- 19 Calculation is based on "Unemployment level 16-24 years" and "Persons not in the labor force by desire and availability for work, age, and sex" from Bureau of Labor Statistics' One Screen Data Search, *Current Employment Statistics* (U.S. Department of Labor, 2014).
- 20 Heidi Shierholz, Alyssa Davis, and Will Kimball, "The Class of 2014: The Weak Economy Is Idling Too Many Young Graduates" (Washington: Economic Policy Institute, 2014), available at <http://www.epi.org/publication/class-of-2014/>.
- 21 Centers for Disease Control and Prevention, "FastStats: Births and Natality," available at <http://www.cdc.gov/nchs/fastats/births.htm> (last accessed August 2014).
- 22 Sarah Ayres, "Promoting Good Jobs for Millennials" (Washington: Center for American Progress, 2013), available at <http://www.americanprogress.org/wp-content/uploads/2013/11/Jobs4Millennials.pdf>.
- 23 Bureau of Labor Statistics, *Characteristics of Minimum Wage Workers, 2013*.
- 24 Ibid.
- 25 Richard W. Johnson and Janice S. Park, "Can Unemployed Older Workers Find Work?" (Washington: The Urban Institute, 2011), available at <http://www.urbaninstitute.org/UploadedPDF/412283-Unemployed-Older-Workers.pdf>.
- 26 Richard W. Johnson and Corina Mommaerts, "Age Differences in Job Loss, Job Search, and Reemployment" Discussion Paper 11-01 (The Urban Institute, 2011), available at <http://www.urban.org/uploadedpdf/412284-Age-Differences.pdf>.
- 27 Ruth Helman and others, "The 2013 Retirement Confidence Survey."
- 28 Francine D. Blau and Lawrence M. Kahn, "Female Labor Supply: Why is the US Falling Behind?" Working Paper 18702 (National Bureau of Economic Research, 2013), available at <http://www.nber.org/papers/w18702>.
- 29 Ariane Hegewisch and others, "The Gender Wage Gap: 2013; Differences by Race and Ethnicity No Growth in Real Wages for Women" (Washington: Institute for

- Women's Policy Research, 2014), available at [www.iwpr.org/publications/pubs/the-gender-wage-gap-2013-differences-by-race-and-ethnicity-no-growth-in-real-wages-for-women](http://www.iwpr.org/publications/pubs/the-gender-wage-gap-2013-differences-by-race-and-ethnicity-no-growth-in-real-wages-for-women).
- 30 Francine D. Blau and Lawrence M. Kahn, "The Gender Pay Gap: Have Women Gone as Far as They Can?" *Academy of Management Perspectives*, 21 (1) (2007): 7–23.
  - 31 National Women's Law Center, "60 Percent of Women's Job Gains in the Recovery Are in the 10 Largest Low-Wage Jobs" (2013), available at [www.nwlc.org/sites/default/files/pdfs/60percentfactsheet.pdf](http://www.nwlc.org/sites/default/files/pdfs/60percentfactsheet.pdf).
  - 32 Christian E. Weller and Farah Z. Ahmad, "The State of Communities of Color in the U.S. Economy: Still Feeling the Pain 4 Years into the Recovery" (Washington: Center for American Progress, 2013), available at <http://www.americanprogress.org/wp-content/uploads/2013/10/CommunitiesOfColor-4.pdf>.
  - 33 Vanessa Cárdenas, "The Benefits of Increasing the Minimum Wage for People of Color," Center for American Progress, April 21, 2014, available at <http://www.americanprogress.org/issues/race/news/2014/04/21/87248/the-benefits-of-increasing-the-minimum-wage-for-people-of-color/>.
  - 34 Weller and Ahmad, "The State of Communities of Color in the U.S. Economy."
  - 35 Vanessa Cárdenas and Sarah Treuhaft, eds., *All-In Nation: An America that Works for All* (Washington: Center for American Progress and PolicyLink, 2013), available at [www.allinnation.org/ms-content/uploads/sites/2/2013/10/AllInNation.pdf](http://www.allinnation.org/ms-content/uploads/sites/2/2013/10/AllInNation.pdf).
  - 36 Heidi Hartmann, Jeffrey Hayes, and Jennifer Clark, "How Equal Pay for Working Women would Reduce Poverty and Grow the American Economy" (Washington: Institute for Women's Policy Research, 2014), available at <http://www.iwpr.org/publications/pubs/how-equal-pay-for-working-women-would-reduce-poverty-and-grow-the-american-economy>.
  - 37 Heather Boushey and Adam Hersh, "Middle Class Series: The American Middle Class, Income Inequality, and the Strength of Our Economy: New Evidence in Economics" (Washington: Center for American Progress, 2012), available at <http://www.americanprogress.org/issues/economy/report/2012/05/17/11628/the-american-middle-class-income-inequality-and-the-strength-of-our-economy/>.
  - 38 Erickson and Ettlinger, eds., *300 Million Engines of Growth*.
  - 39 Adam Hersh and Jennifer Erickson, "Progressive Pro-Growth Principles for Trade and Competitiveness" (Washington: Center for American Progress, 2014), available at <http://www.americanprogress.org/issues/economy/report/2014/03/11/85639/progressive-pro-growth-principles-for-trade-and-competitiveness/>.
  - 40 Robert Lynch and Patrick Oakford, "The Economic Effects of Granting Legal Status and Citizenship to Undocumented Immigrants" (Washington: Center for American Progress, 2013), available at <http://www.americanprogress.org/issues/immigration/report/2013/03/20/57351/the-economic-effects-of-granting-legal-status-and-citizenship-to-undocumented-immigrants/>.
  - 41 U.S. Congressional Budget Office, "How Extending Certain Unemployment Benefits Would Affect Output and Employment in 2014" (2013), available at <http://www.cbo.gov/publication/44929>.
  - 42 David Cooper, "Raising the Federal Minimum Wage to \$10.10 Would Lift Wages for Millions and Provide a Modest Economic Boost" (Washington: Economic Policy Institute, 2013), available at <http://www.epi.org/publication/raising-federal-minimum-wage-to-1010/>; Economic Policy Institute, "Over 600 Economists Sign Letter In Support of \$10.10 Minimum Wage," available at <http://www.epi.org/minimum-wage-statement/> (last accessed September 2014).
  - 43 Earned Income Tax Credit and Other Refundable Credits, "Statistics for Tax Returns with EITC," available at <http://www.eitc.irs.gov/EITC-Central/eitcstats> (last accessed March 2014).
  - 44 Center on Budget and Policy Priorities, "Policy Basics: The Earned Income Tax Credit" (2014), available at <http://www.cbpp.org/cms/?fa=view&id=2505>.
  - 45 Chuck Marr and Chye-Ching Huang, "Strengthening the EITC for Childless Workers Would Promote Work and Reduce Poverty" (Washington: Center on Budget and Policy Priorities, 2014), available at <http://www.cbpp.org/cms/index.cfm?fa=view&id=3991>.
  - 46 Katie Wright, "Improving the Earned Income Tax Credit to Better Serve Childless Adults" (Washington: Center for American Progress, 2014), available at <http://www.americanprogress.org/issues/labor/report/2014/03/07/85509/improving-the-earned-income-tax-credit-to-better-serve-childless-adults/>.
  - 47 Ibid.
  - 48 Ibid.
  - 49 National Center for Education Statistics, "Fast Facts: Back to school statistics," available at <http://nces.ed.gov/fastfacts/display.asp?id=372> (last accessed August 2014).
  - 50 U.S. Bureau of Labor Statistics, "Employment Situation Summary."
  - 51 American Society of Civil Engineers, "2013 Report Card for America's Infrastructure," available at <http://www.infrastructurereportcard.org/a/#e/welcome> (last accessed May 2014).
  - 52 Claudia Copeland, Linda Levine, and William J. Mallett, "The Role of Public Works Infrastructure in Economic Recovery" (Washington: Congressional Research Service, 2011), available at <http://www.fas.org/sgp/crs/misc/R42018.pdf>.
  - 53 Hofstra University "Number of Trains Running Through the Alameda Corridor per Year and Containers Handled by the San Pedro Bay Port Cluster, 2002–2012," available at <https://people.hofstra.edu/geotrans/eng/ch3en/conc3en/alamedarailtraffic.html> (last accessed August 2014).
  - 54 John Frittelli, "Harbor Maintenance Trust Fund Expenditures" (Washington: Congressional Research Service, 2011), available at <http://fas.org/sgp/crs/misc/R41042.pdf>.
  - 55 Parts of this section are taken in spirit or verbatim from two CAP reports, David Madland, "Making Our Middle Class Stronger: 35 Policies to Revitalize America's Middle Class" (Washington: Center for American Progress, 2012), available at [http://cdn.americanprogress.org/wp-content/uploads/issues/2012/08/pdf/middle\\_class\\_policies.pdf](http://cdn.americanprogress.org/wp-content/uploads/issues/2012/08/pdf/middle_class_policies.pdf) and David Madland and Karla Walter, "Growing the Wealth: How Government Encourages Broad-Based Inclusive Capitalism" (Washington: Center for American Progress, 2013), available at <http://cdn.americanprogress.org/wp-content/uploads/2013/04/InclusiveCapitalism.pdf>.

- 56 Joseph Blasi, Richard Freeman, and Douglas L. Kruse, "Do Workers Gain by Sharing? Employee Outcomes Under Employee Ownership, Profit Sharing and Broad Based Stock Options," Working Paper No. 14233 (National Bureau of Economic Research, 2008), available at <http://www.nber.org/papers/w14233>; Robert Buchele and others, "Show Me the Money, Does Shared Capitalism Share the Wealth?" In Douglas L. Kruse, Richard Freeman, and Joseph Blasi, eds., *Shared Capitalism at Work: Employee Ownership, Profit and Gain Sharing, and Broad Based Stock Options* (Chicago, IL: The University of Chicago Press, 2010); Douglas L. Kruse and Joseph Blasi, "Employee Ownership, Employee Attitudes and Firm Performance: A Review of the Evidence." In Daniel Mitchell, David Lewin, and Mahmood Zaidi, eds., *Handbook of Human Resources Management* (Greenwich: JAI Press, 1997); Rhokeun Park, Douglas Kruse, and James Sesil, "Does Employee Ownership Enhance Firm Survival?" *Advances in the Economic Analysis of Participatory and Labor-Managed Firms* 8 (2004): 3–33; Margaret M. Blair, Douglas L. Kruse, and Joseph Blasi, "Is Employee Ownership an Unstable Form? Or A Stabilizing Force?" in *The New Relationship: Human Capital in the American Corporation* (Washington: The Brookings Institution, 2000); Dr. Douglas L. Kruse, Professor, School of Management and Labor Relations, Rutgers University, "Research Evidence on the Prevalence and Effects of Employee Ownership," Testimony before the Subcommittee on Employer-Employee Relations, House Committee on Education and the Workforce, February 11, 2002, available at <http://www.ownershipassociates.com/kruse.shtm>; Eric Kaarsemaker, "Employee Ownership and Human Resources Management: A Theoretical and Empirical Treatise with a Digression on the Dutch Context," Ph.D. dissertation, Radbound University, 2006, available at <http://www.efesonline.org/LIBRARY/2006/Eric%20Kaarsemaker%20-%20Thesis%20EN.pdf>
- 57 Kruse, Freeman, and Blasi, eds., *Shared Capitalism at Work*, "Introduction," available at [http://www.nber.org/chapters/c8085.pdf?new\\_](http://www.nber.org/chapters/c8085.pdf?new_)
- 58 For example, in the 112th session of Congress, Sen. Bernie Sanders (I-VT) proposed two pieces of legislation to support employee ownership: The Worker Ownership, Readiness and Knowledge Act, Senate Bill 3421, 112th Cong. (2012); To Provide for the Establishment of the United States Employee Ownership Bank, Senate Bill 3419, 112th Cong. (2012); Rep. Chaka Fattah (D-PA), Sen. Kelly Ayotte (R-NH), and Rep. Dana Rohrabacher (R-CA) have introduced inclusive capitalism legislation this session. They are respectively the authors of The National Cooperative Development Act, House Resolution 3677, 112th Cong. (2011); A Bill to Modify the Definition of Fiduciary Under the Employee Retirement Income Security Act of 1974 to Exclude Appraisers of Employee Stock Ownership Plans Senate Bill 1232, 112th Cong. (2011); To Amend the Internal Revenue Code of 1986 to Exclude From Gross Income Compensation Received by Employees Consisting of Qualified Distributions of Employer Stock, House Resolution 786, 112th Cong. (2012).
- 59 U.S. Bureau of the Census, "Statistics for Owners of Respondent Firms by Owner's Age by Gender, Ethnicity, Race, and Veteran Status for the U.S.: 2007," available at [http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=SBO\\_2007\\_00CSCBO08&prodType=table](http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=SBO_2007_00CSCBO08&prodType=table) (last accessed September 2014).
- 60 Joseph Blasi, Douglas Kruse, and Rhokeun Park, "Shared Capitalism in the U.S. Economy." In Kruse, Freeman, and Blasi, eds., *Shared Capitalism at Work*.
- 61 Jonathan Katz, "U.S. Steel Reaches Labor Agreement: Four-year contracts include annual 4% wage increases," *Industry Week*, September 10, 2008, available at <http://www.industryweek.com/workforce/us-steel-reaches-labor-agreement>.
- 62 Southwest Airlines, "Southwest Corporate Fact Sheet," available at <http://www.swamedia.com/channels/Corporate-Fact-Sheet/pages/corporate-fact-sheet> (last accessed July 2014).
- 63 David Madland and Karla Walter, "Growing the Wealth" (Washington: Center for American Progress, 2013), available at <http://cdn.americanprogress.org/wp-content/uploads/2013/04/InclusiveCapitalism.pdf>.
- 64 The employee stock ownership plan owns 32 percent of New Belgium Brewing. See National Center For Employee Ownership, "ESOP Case Study: New Belgium Brewing" (2007), available at [http://www.nceo.org/assets/ESOP-employee-ownership-case-studies/esopcase\\_07\\_2007.pdf](http://www.nceo.org/assets/ESOP-employee-ownership-case-studies/esopcase_07_2007.pdf).
- 65 Richard Freeman, Joseph Blasi and Douglas Kruse, "Inclusive Capitalism for the American Workforce: Reaping the Rewards of Economic Growth through Broad-based Employee Ownership and Profit Sharing" (Washington: Center for American Progress, 2011), available at <http://americanprogress.org/issues/labor/report/2011/03/02/9356/inclusive-capitalism-for-the-american-workforce/>.
- 66 Sen. Bernie Sanders (I-VT) introduced the Worker Ownership, Readiness, and Knowledge Act (S. 2909) in 2009, which would have created a similar program to encourage worker participation in business decision making and—more narrowly—encouraged firms to adopt employee ownership structures.
- 67 By law, these companies must create a material positive impact on society; consider how decisions affect employees, community, and the environment; and publicly report their social and environmental performance. See Madland and Walter, "Growing the Wealth."
- 68 Appelbaum, Boushey, and Schmitt, "The Economic Importance of Women's Rising Hours of Work."
- 69 Heather Boushey, "The New Breadwinners." In *The Shriver Report* (Washington: Center for American Progress, 2009), available at [http://www.americanprogress.org/wp-content/uploads/issues/2009/10/pdf/awn/a\\_womans\\_nation.pdf](http://www.americanprogress.org/wp-content/uploads/issues/2009/10/pdf/awn/a_womans_nation.pdf).
- 70 Ann O'Leary and Karen Kornbluh, "Family Friendly for All Families." In *The Shriver Report* (Washington: Center of American Progress, 2009).
- 71 Jody Heymann, *Children's Chances: How Countries Can Move from Surviving to Thriving* (Cambridge, MA: Harvard University Press, 2013).
- 72 Rebecca Ray, Milla Sanes, and John Schmitt, "No-Vacation Nation Revisited" (Washington: Center for Economic and Policy Research, 2013), available at [www.cepr.net/documents/publications/no-vacation-update-2013-05.pdf](http://www.cepr.net/documents/publications/no-vacation-update-2013-05.pdf).
- 73 Blau and Kahn, "Female Labor Supply: Why is the US Falling Behind?"; Christopher J. Ruhm and Jackqueline L. Teague, "Parental Leave Policies in Europe and North America." Working Paper 5065 (National Bureau of Economic Research, 1995), available at [http://www.nber.org/papers/w5065.pdf?new\\_window=1](http://www.nber.org/papers/w5065.pdf?new_window=1).
- 74 Center for American Progress analysis of the Center for Economic and Policy Research Survey of Income and Program Participation 2004 panel and program rules.
- 75 For a synopsis of the research on how unions impact voter behavior, see David Madland and Nick Bunker, "Unions Make Democracy Work for the Middle Class: Organized Labor Helps Ordinary Citizens Participate

- More and Have a Greater Say" (Washington: Center for American Progress, 2012), available at [http://www.americanprogressaction.org/wp-content/uploads/issues/2012/01/pdf/unions\\_middleclass.pdf](http://www.americanprogressaction.org/wp-content/uploads/issues/2012/01/pdf/unions_middleclass.pdf).
- 76 See for example John Schmitt, "The Unions of the States" (Washington: Center for Economic and Policy Research, 2010), available at <http://www.cepr.net/documents/publications/unions-states-2010-02.pdf>; Lawrence Mishel, "Unions, inequality, and faltering middle-class wages" (Washington: Economic Policy Institute, 2012), available at <http://www.epi.org/publication/ib342-unions-inequality-faltering-middle-class/>.
- 77 This refers to the union hourly wage premium enjoyed by workers at the 50th percentile of the wage distribution. See John Schmitt, "The Union Wage Advantage for Low-Wage Workers" (Washington: Center for Economic and Policy Research, 2008), available at [http://www.cepr.net/documents/publications/quantile\\_2008\\_05.pdf](http://www.cepr.net/documents/publications/quantile_2008_05.pdf).
- 78 Mishel, "Unions, inequality, and faltering middle-class wages."
- 79 Ibid.
- 80 Figures taken from updated version of Barry T. Hirsch, David A. MacPherson, and Wayne G. Vroman, "Estimates of Union Density by State," *Monthly Labor Review* 124 (7) (2001): 51–55, available at [http://www2.gsu.edu/~ecobth/MLR\\_701\\_Estimates\\_of\\_union\\_density\\_by\\_State.pdf](http://www2.gsu.edu/~ecobth/MLR_701_Estimates_of_union_density_by_State.pdf).
- 81 Figures taken from table H-2 found at Bureau of the Census, "Historical Income Tables: Households," available at <http://www.census.gov/hhes/www/income/data/historical/household/> (last accessed May 2014).
- 82 Ibid.
- 83 The National Labor Relations Board is currently proposing a rule that would help simplify and modernize representation-case procedures. For more on the need for this kind of reform, see Madland, "Making our Middle Class Stronger"; David Madland, "No More Lucy Pulling the Football Away: National Labor Relations Board Gets It Right on Union Elections," Center for American Progress, June 21, 2011, available at <http://www.americanprogress.org/issues/labor/news/2011/06/21/9765/no-more-lucy-pulling-the-football-away/>.
- 84 For more information, see Madland, "Making our Middle Class Stronger"; David Madland and Karla Walter, "The Employee Free Choice Act 101: A Primer and Rebuttal," Center for American Progress Action Fund, March 11, 2009, available at <http://www.americanprogressaction.org/issues/labor/news/2009/03/11/5814/the-employee-free-choice-act-101/>.
- 85 Richard Kahlenberg and Moshe Marvit, *Why Labor Organizing Should Be a Civil Right: Rebuilding a Middle-Class Democracy by Enhancing Worker Voice* (New York: Century Foundation Press, 2012); Bruce Vail, "New Bill Defines Labor Rights as Civil Rights," *In These Times*, July 31, 2014, available at [http://inthesetimes.com/working/entry/17023/new\\_bill\\_defines\\_labor\\_rights\\_as\\_civil\\_rights](http://inthesetimes.com/working/entry/17023/new_bill_defines_labor_rights_as_civil_rights); for additional information see Madland, "Making our Middle Class Stronger" and Madland and Walter, "The Employee Free Choice Act 101."
- 86 Debbie Reed and others, "An Effectiveness Assessment and Cost-Benefit Analysis of Registered Apprenticeship in 10 States" (Washington: U.S. Department of Labor, 2012), available at [http://wdr.doleta.gov/research/FullText\\_Documents/ETAOP\\_2012\\_10.pdf](http://wdr.doleta.gov/research/FullText_Documents/ETAOP_2012_10.pdf).
- 87 Mishel and others, *The State of Working America*.