

More Servants or a Better Society?

Mapping a positive alternative to low-level, dead-end jobs

More Servants or a Better Society is a COWS research project that investigates why low-end service-sector jobs have grown so dramatically in recent decades, and how workers who fill those positions can improve their lot. The project is funded by the Annie E. Casey Foundation.

One of the most important changes in the U.S. economy is the meteoric rise of the service sector. Back in 1979, the service sector represented 70.5 percent of U.S. employment. Today, it accounts for fully 81 percent.

For many U.S. workers, this is bad news. Nearly 30 million people, or a quarter of all U.S. workers, hold poverty-wage jobs (jobs that can't pull a family out of poverty even if held year-round, full-time) that offer few or no benefits, and little opportunity to make their voices heard. Contrary to popular perceptions, most low-wage workers are adults with at least a high-school education, not teenagers trying to pick up some spare cash.

Unfortunately, this dismal trend is set to continue. The Bureau of Labor Statistics has projected that, of the ten occupations expected to generate the most job growth by 2010, four fall into the low-wage category: food preparation and serving workers, retail salespeople, cashiers, and wait staff.

What to do about the proliferation of poorly paid, go-nowhere jobs? To answer that question, COWS researchers are identifying what types of firms and industries are taking the "low road" — marked by low wages and little investment in workers — and why. They are also analyzing the experiences of low-wage workers, in order to understand why some have managed to escape the treadmill while so many others remain stuck. Finally, researchers are looking closely at "what works and what doesn't," so they can present industry leaders and policymakers with concrete proposals for change.

Already, COWS researchers have shown the woeful inadequacy of internal career ladders — structures that allow workers to move up within a company or industry — in much of the service sector. In a few settings, like banks and hospitals, there is considerable room for advancement — even for workers without a college degree. But in nursing-home care and education, the pathways are much narrower. And in retail sales, eating and drinking establishments, hotels, and child care, opportunities for upward mobility — even for highly educated employees — are very few. For most workers in those sectors, the only way up is...out.

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In light of these limitations, it is imperative to improve the low-wage jobs themselves. In a national study of the hotel industry, COWS researchers found that unionization was an important influence; in areas where unions were stronger, workers — both union and nonunion — earned higher wages and were better equipped to protect their rights. COWS analysts also evaluated a program that granted bonuses to child care workers in Dane County, based on levels of education and longevity in the field. The added income — made possible through public funding — vastly improved workers' morale and increased their commitment to staying on the job. (Not surprisingly, it also enhanced the quality of care those workers provided.)

There are other ways to make these jobs better — for example, by raising the federal minimum wage, passing local living-wage ordinances, and providing low-wage workers with more in the way of child care subsidies, tax credits, and other supports. Even in the absence of fundamental changes in industry structure, the adoption of these “high-road” strategies can help turn dead-end jobs into promising careers.