



ECONOMIC  
INNOVATION  
GROUP

# The American Worker

## Past and Present

JUNE 2024





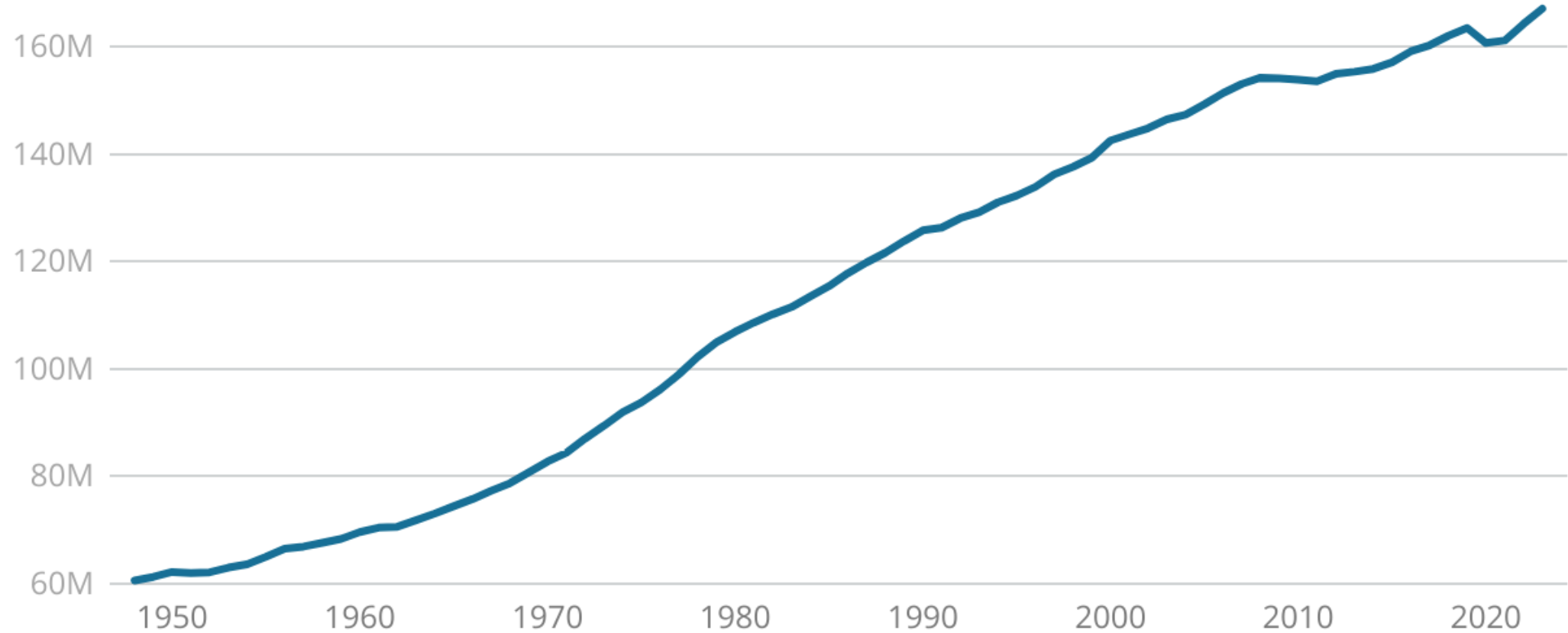
# The labor force

*Who is the American worker?*

# The US labor force is bigger than ever, at close to 170 million workers...

## Size of the civilian labor force

The labor force includes people who are working or looking for work.

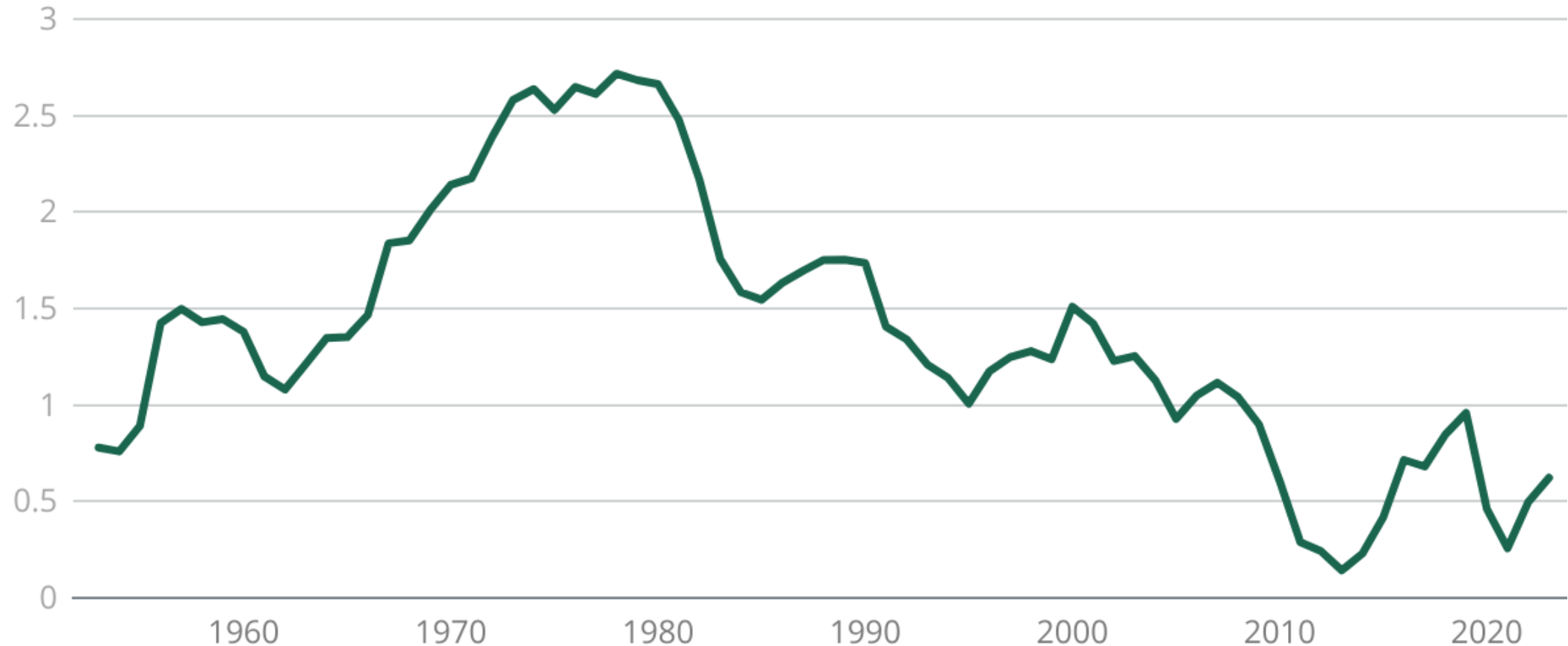


Source: Current Population Survey



# ...but it has grown more slowly in recent decades.

Civilian labor force growth rate (5-year moving growth rate)

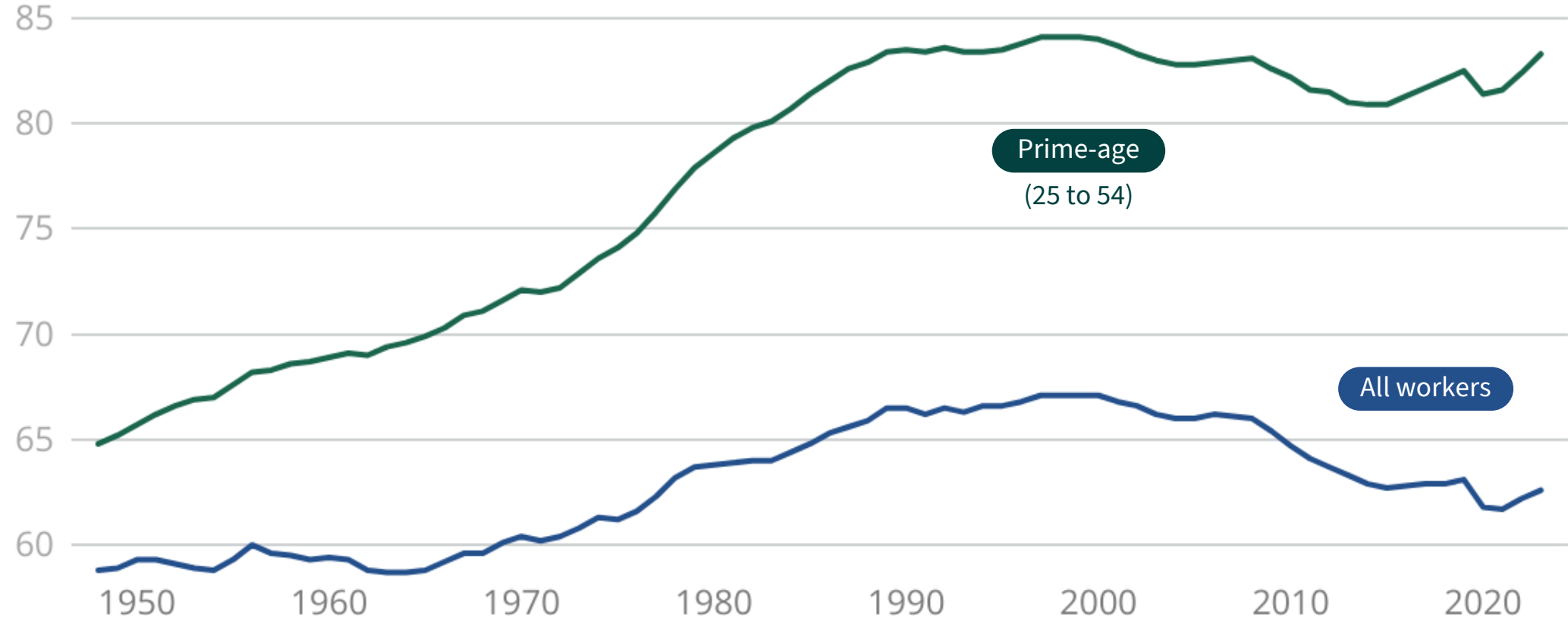


Source: Current Population Survey



# The share of labor force participants in their prime working years is near its historical peak...

Civilian labor force participation rate

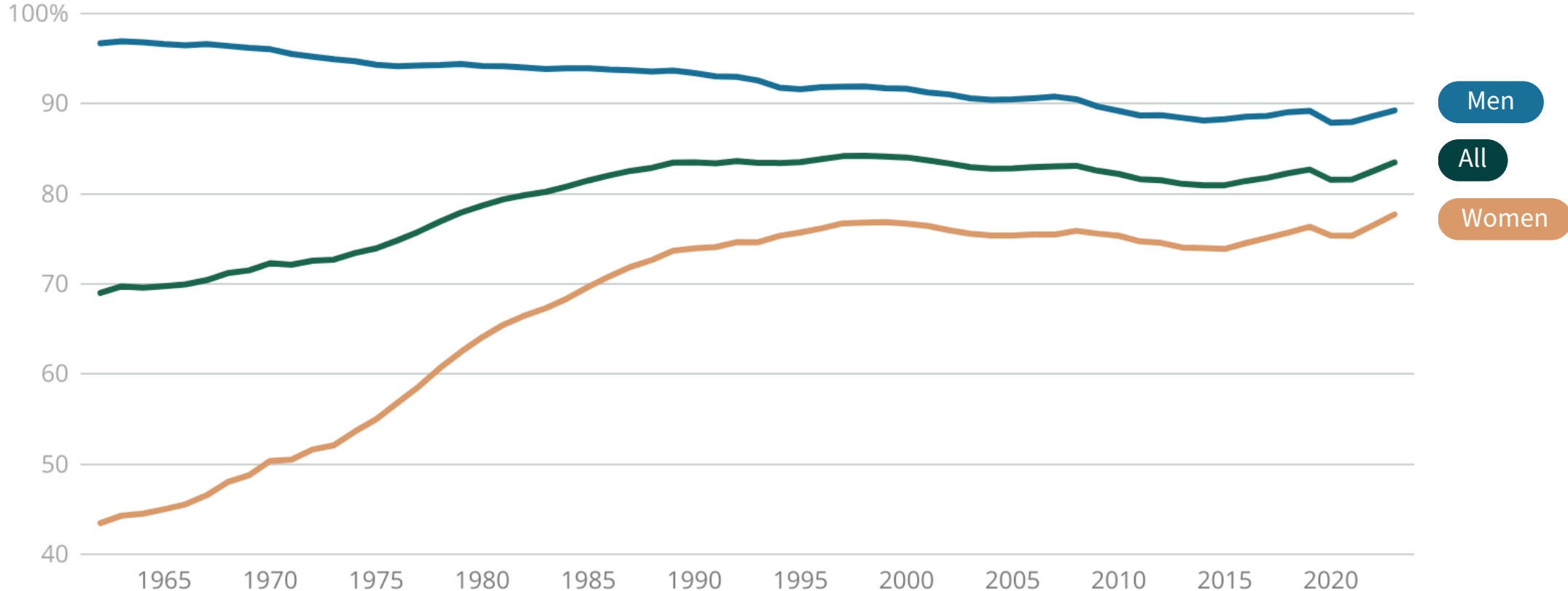


Source: Current Population Survey



# ...but of these workers, male participation is in long-term decline, while female participation is at an all-time high.

### Prime-age labor force participation rate by sex

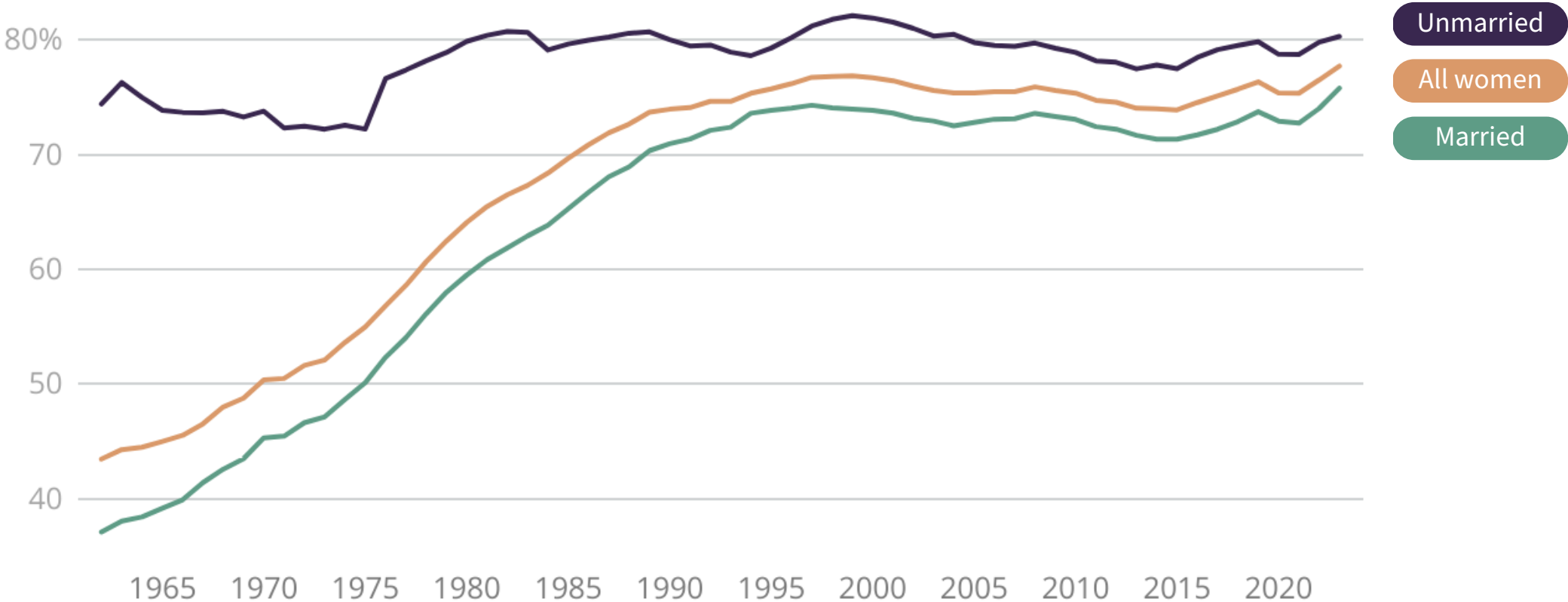


The Current Population Survey's Annual Social and Economic Supplement sample was used from 1962 – 1975, and the basic monthly sample was used for 1976 – 2023.



# The growing share of married women in the labor force has led the rise in female participation.

## Prime-age labor force participation among women by marital status

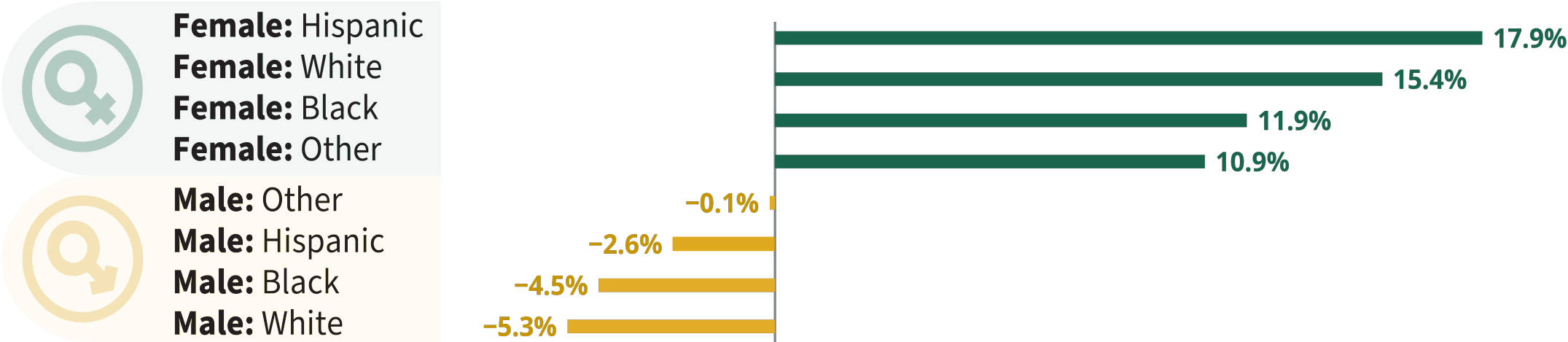


The Current Population Survey's Annual Social and Economic Supplement sample was used from 1962 – 1975, and the basic monthly sample was used for 1976 – 2023.



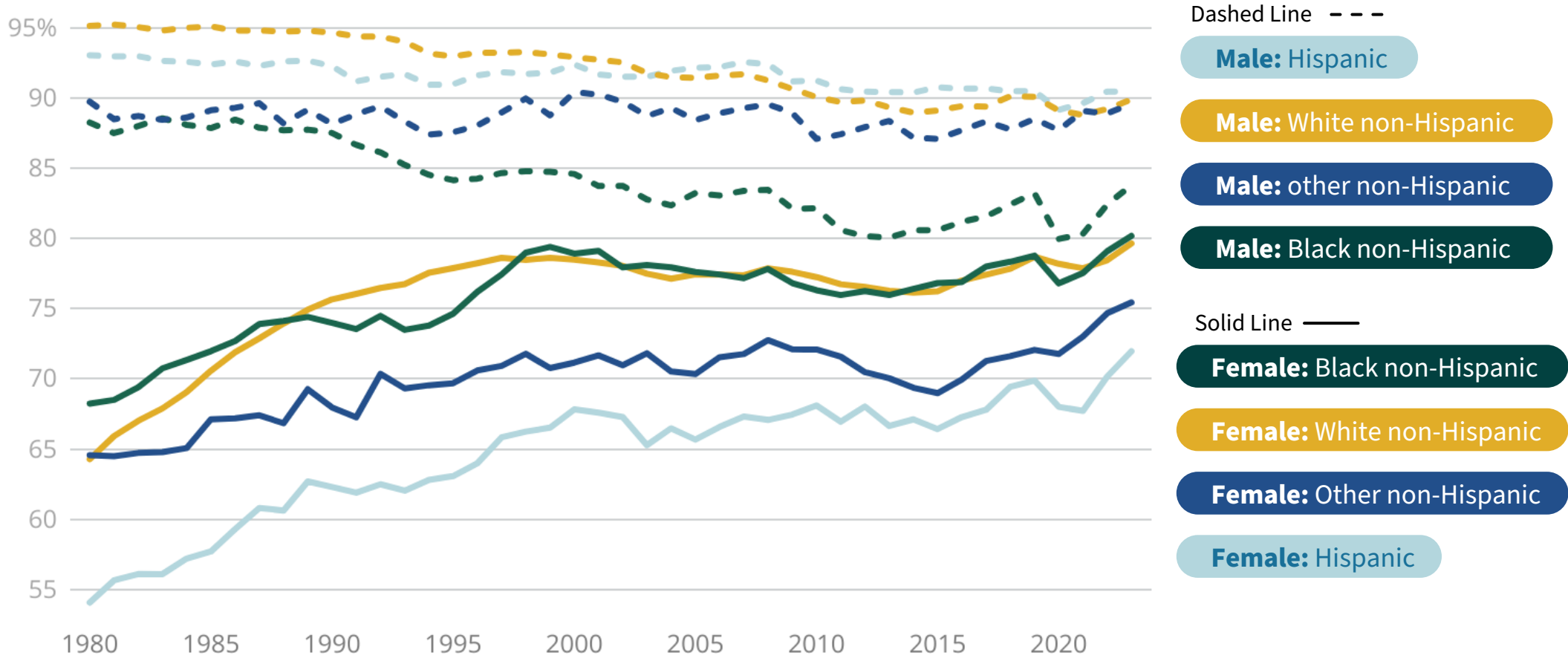
# The improvement in female participation and the decline in male participation apply across race and ethnicity...

Change in prime-age labor force participation rates by race/ethnicity and sex, 1980 to 2023



# ...but men still participate in the labor force at higher rates than women.

Prime-age labor force participation rates by race, ethnicity, and sex

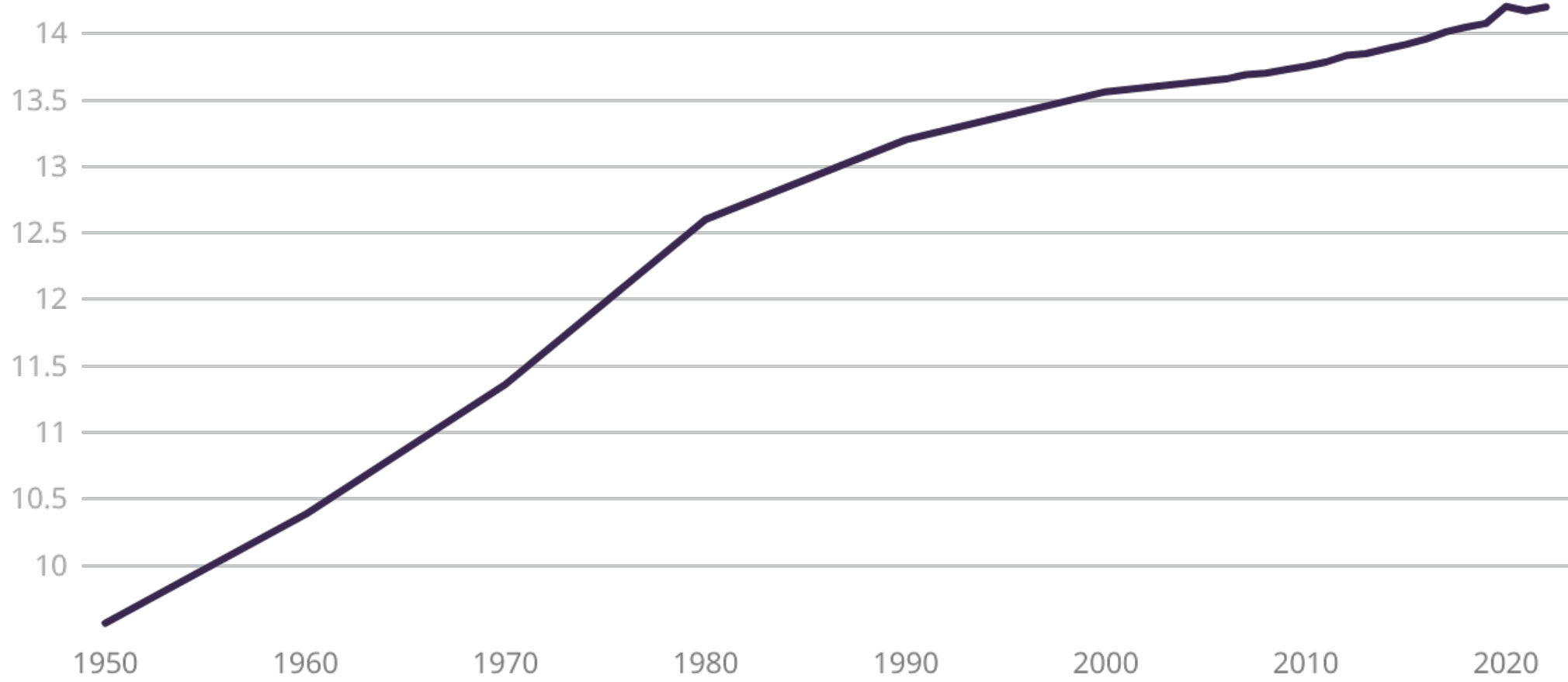


Source: Current Population Survey



# The typical worker has never been better educated.

Average years of education of the labor force for those 25 years or older



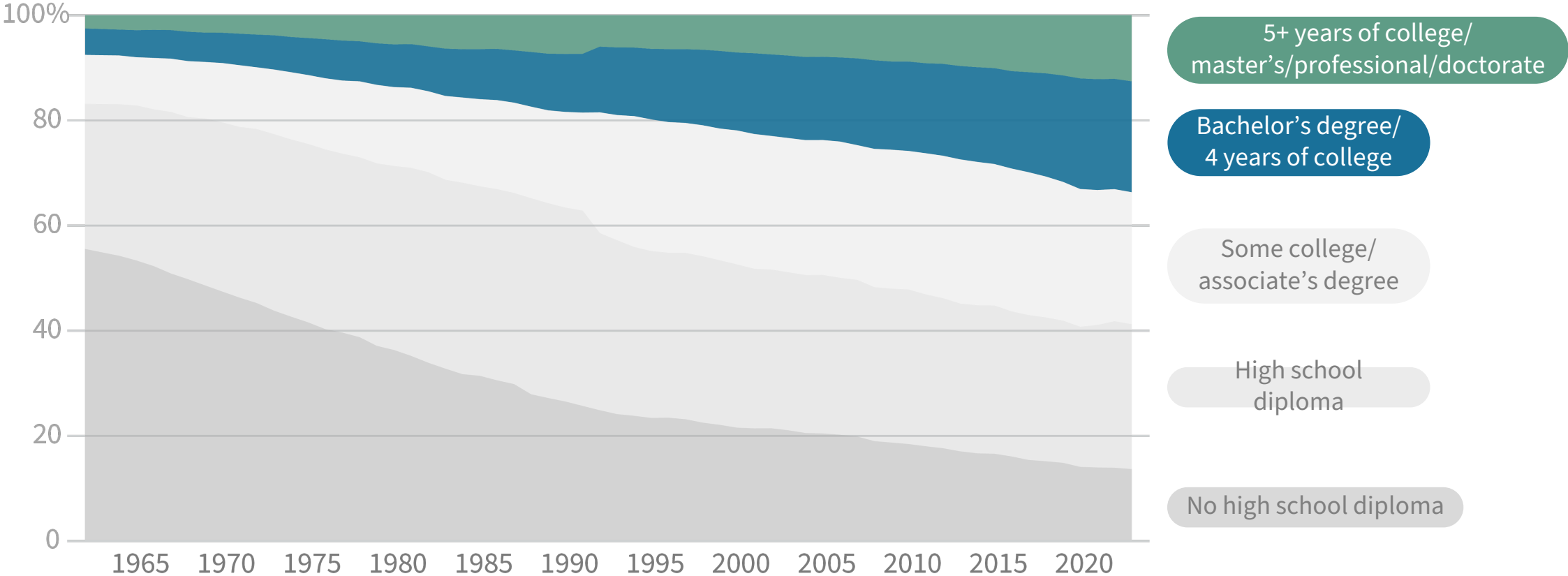
Source: American Community Survey and the Decennial Census





# More than a third of prime-age workers have at least a bachelor's degree, and the share is climbing.

## Prime-age civilian labor force share by education - bachelors or more

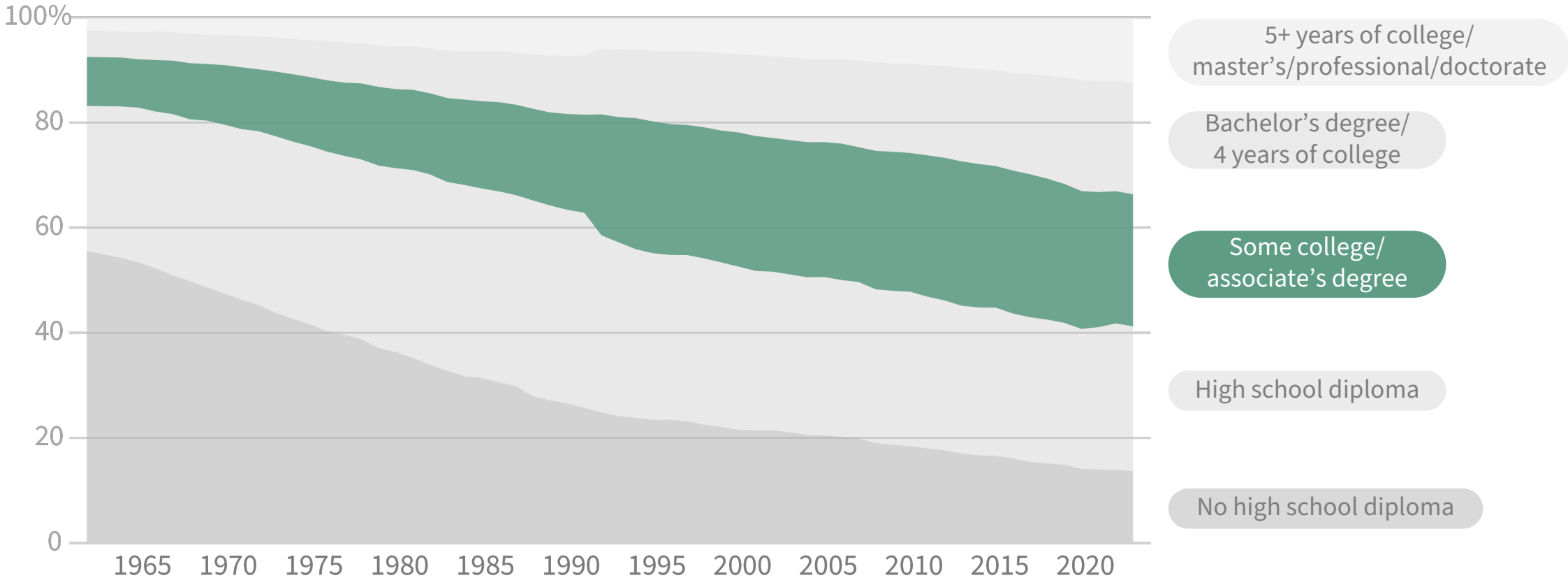


Source: The Current Population Survey's Annual Social and Economic Supplement



# Another quarter of prime-age workers either have an associate's degree or attended college but did not graduate...

Prime-age civilian labor force share by education - some college and associates degree

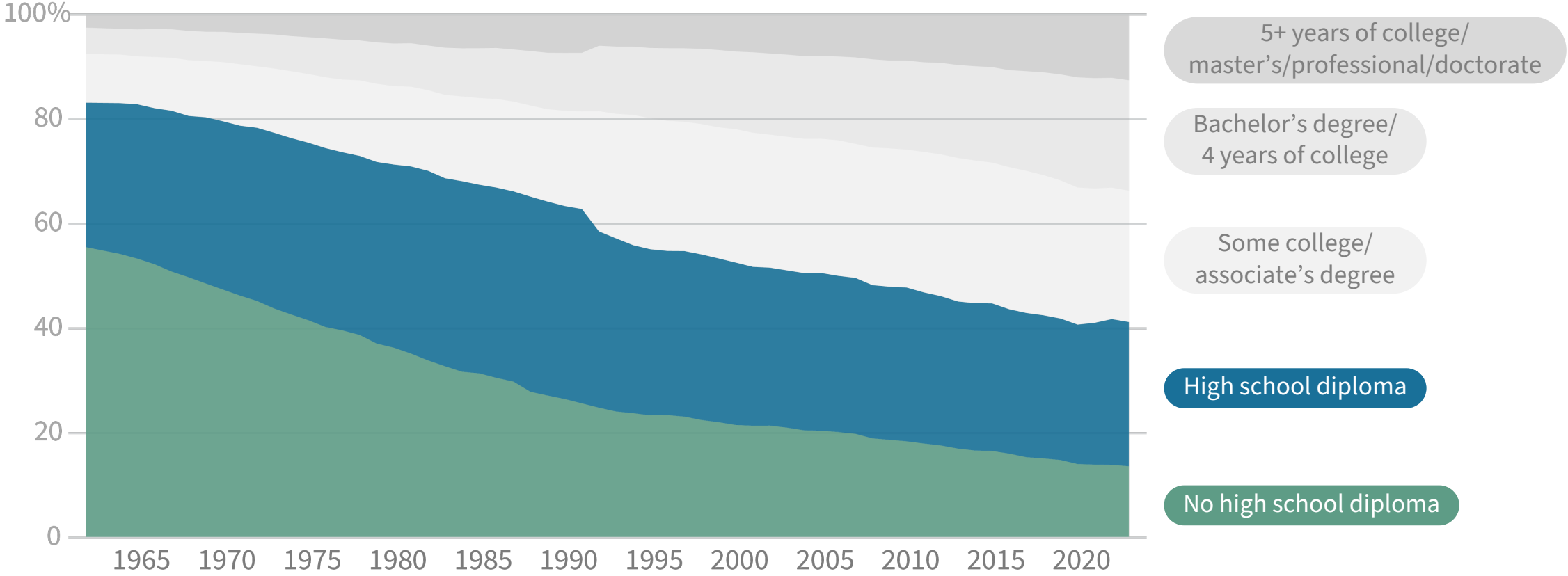


Source: The Current Population Survey's Annual Social and Economic Supplement



# ...while two of out five prime-age workers have a high school diploma or did not graduate from high school.

## Prime-age civilian labor force share by education - at most a high school diploma

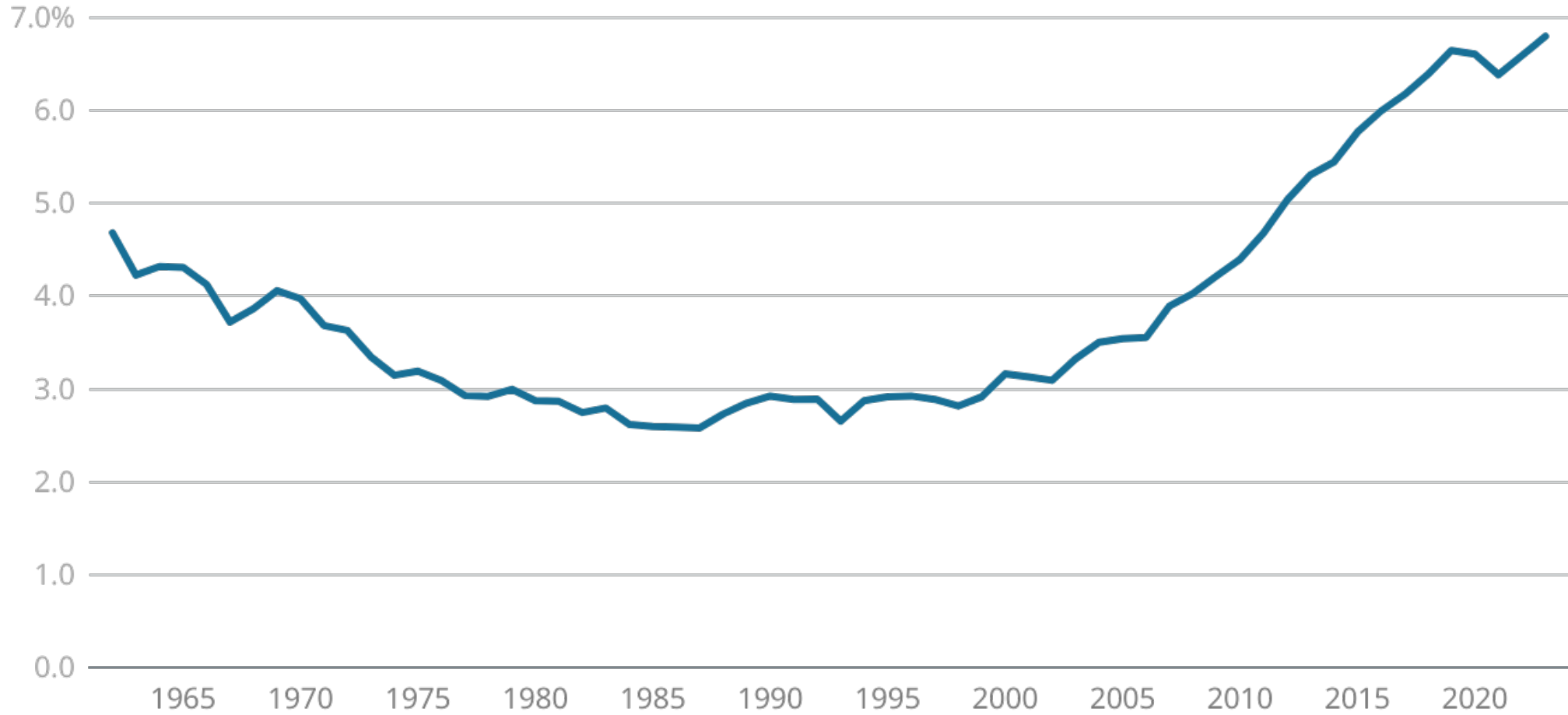


Source: The Current Population Survey's Annual Social and Economic Supplement



# The labor force is aging. The share of workers 65+ continues to grow...

Share of the labor force aged 65+

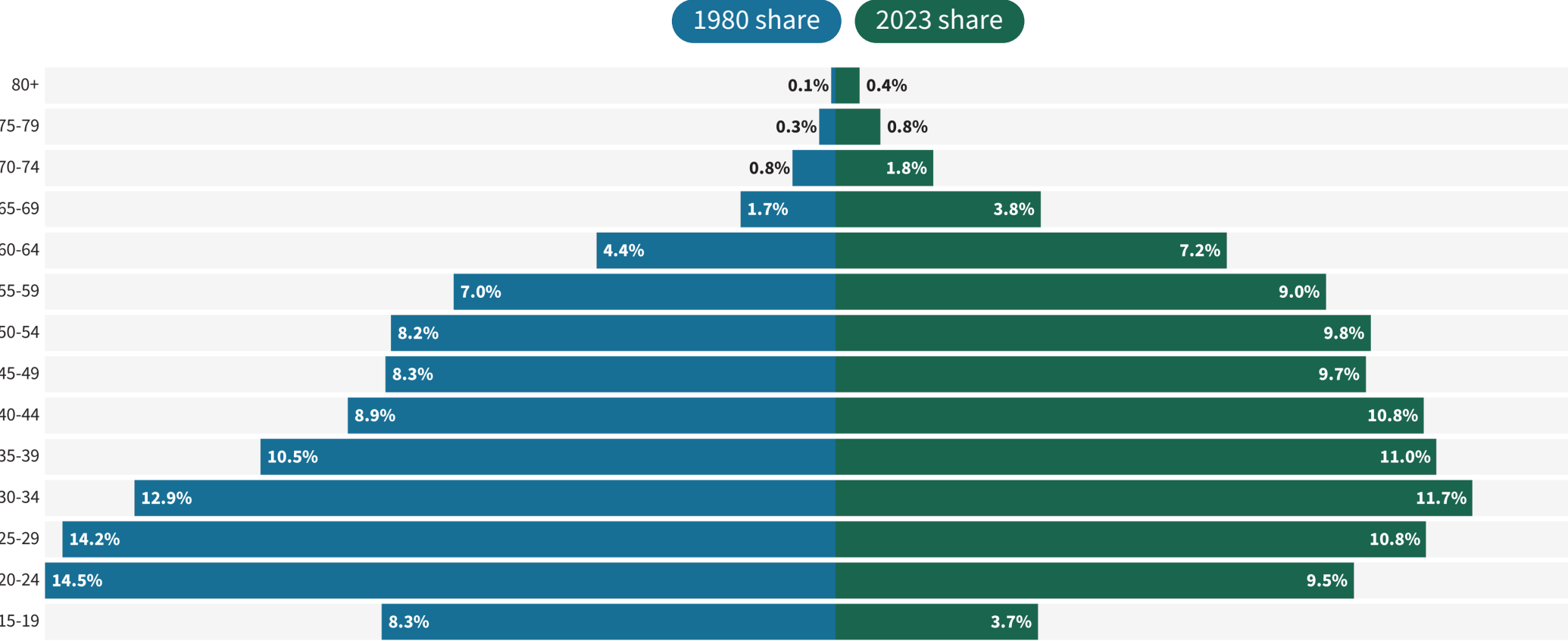


Source: The Current Population Survey's Annual Social and Economic Supplement



# ...and the overall labor force is spread more evenly across middle-age and older generations than it used to be.

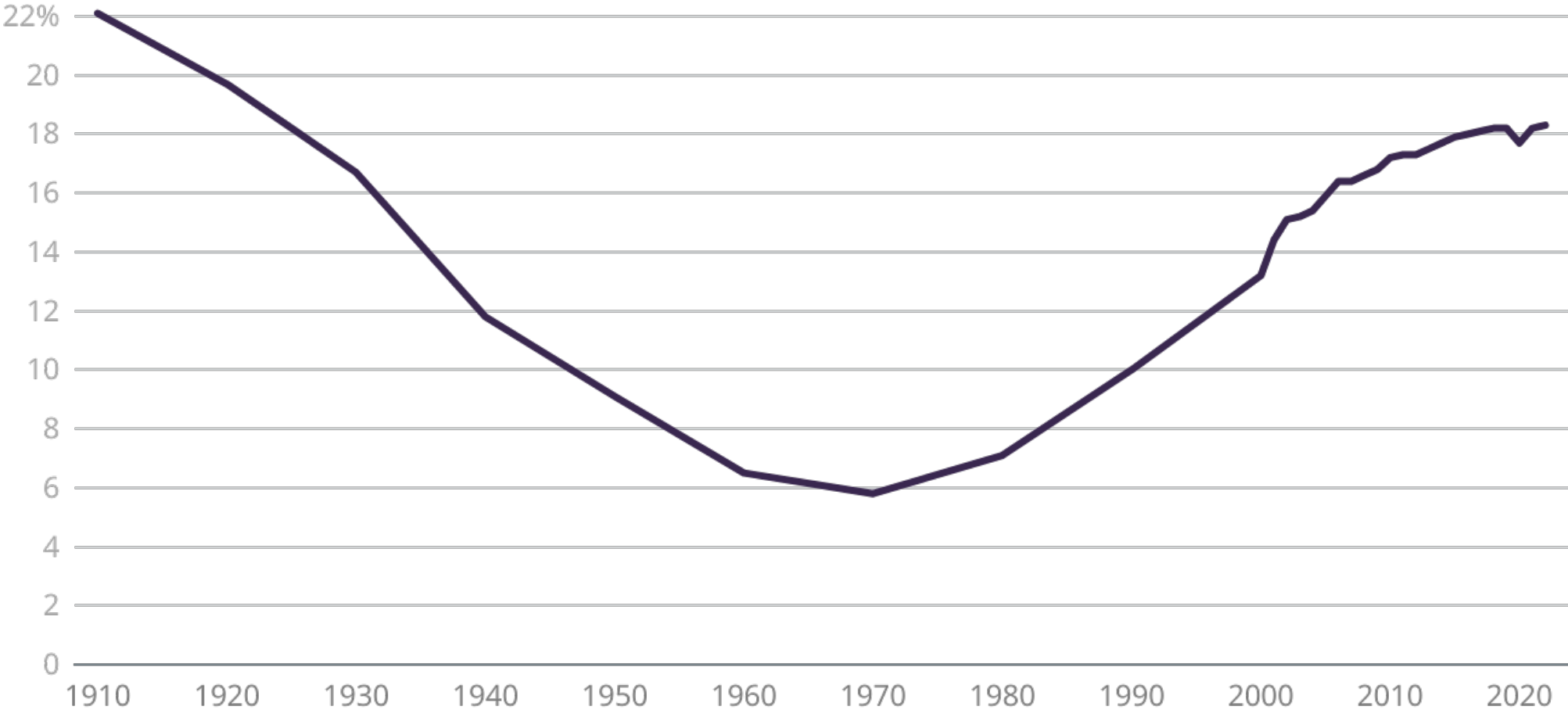
## Civilian labor force age composition



Source: The Current Population Survey's Annual Social and Economic Supplement

# Nearly one of out five people in the labor force is foreign-born...

## Share of the labor force that is foreign-born

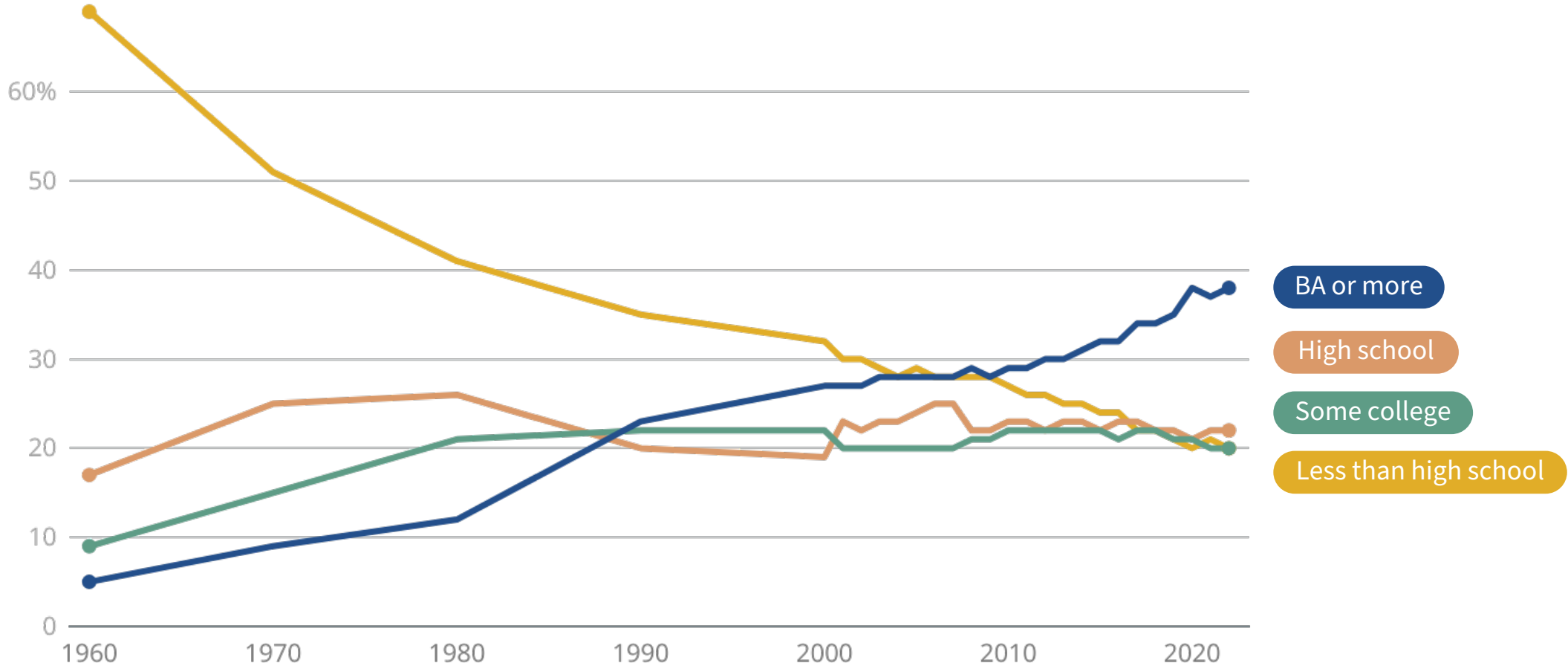


Source: American Community Survey and the Decennial Census



# ...and immigrants in the labor force are more likely to be college educated than in the past.

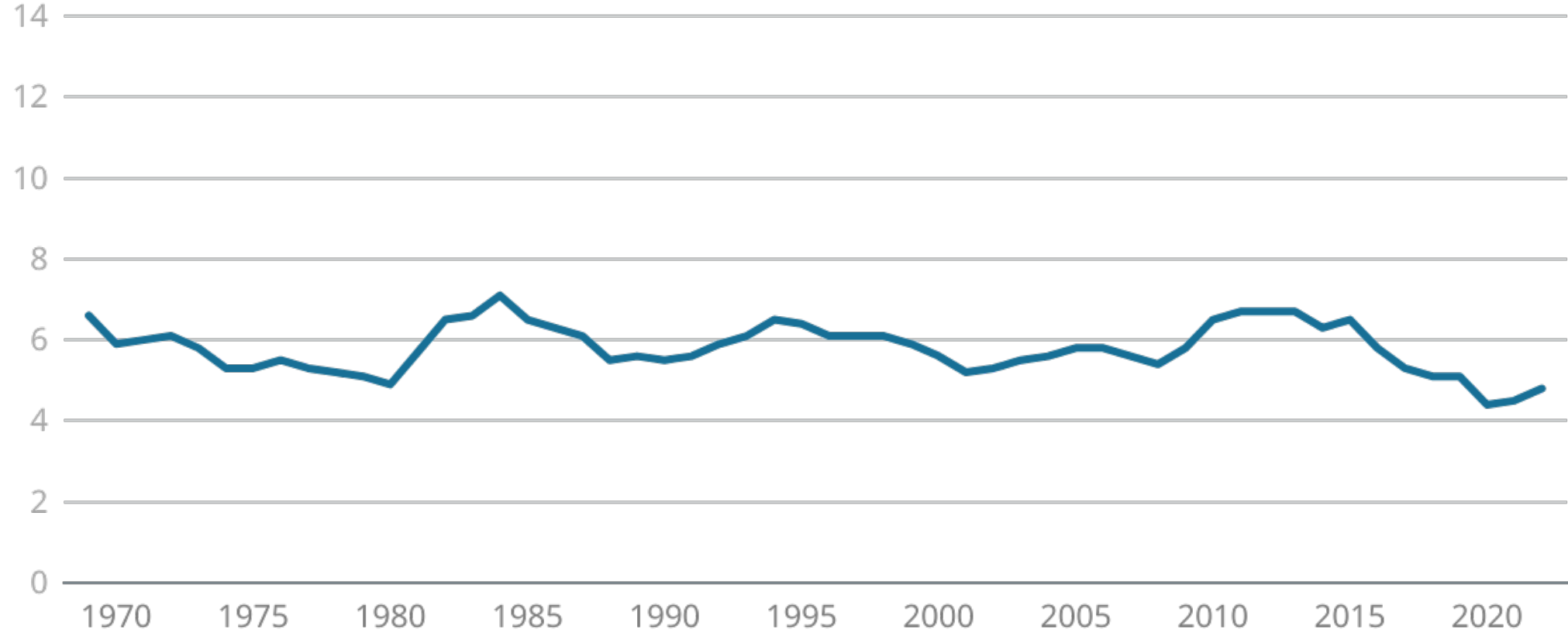
Educational credentials of foreign-born labor force participants, age 16+



Source: American Community Survey and the Decennial Census

# Employment is a reliable safeguard against poverty—even before accounting for tax and transfer programs.

The share of workers who are below the poverty line



Source: The Current Population Survey's Annual Social and Economic Supplement





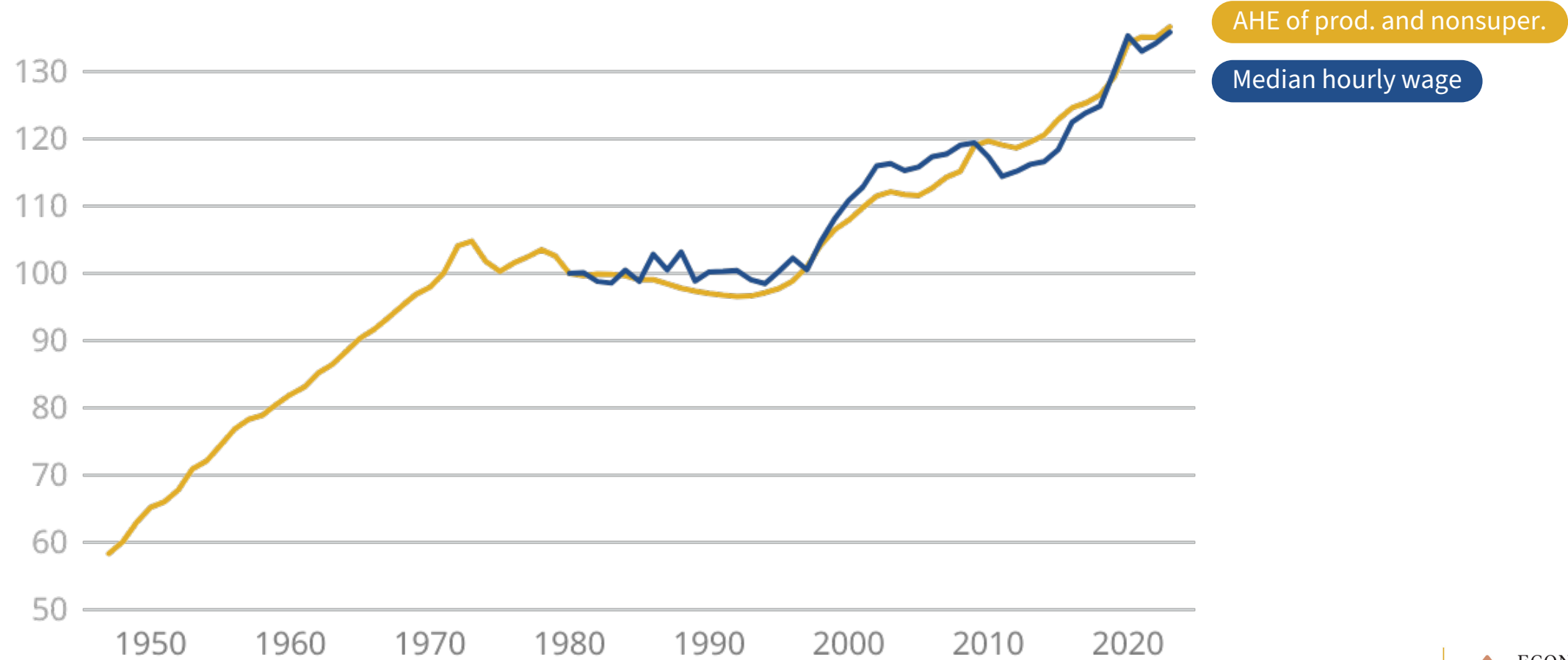
# Compensation

*Paid more than ever—but progress has slowed*

# The typical worker is better paid than ever—but the path of real wage growth has been uneven.

## Real average hourly earnings of production and nonsupervisory employees and real median wages

Indexed to 1980 = 100



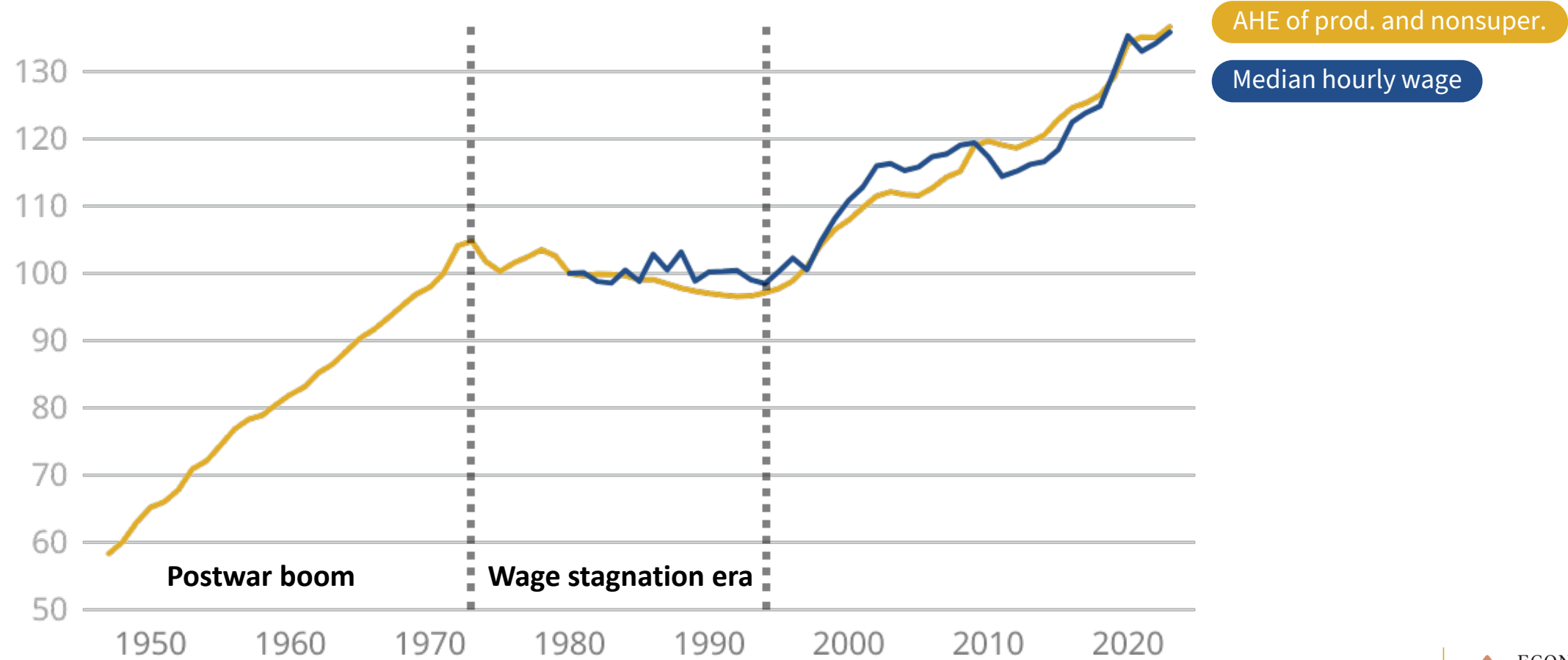
Source: Bureau of Labor Statistics Current Employment Statistics and the Current Population Survey - Merged Outgoing Rotation Group Earnings Data



# Real wages boomed in the three decades after World War II, then remained flat for the next two decades. The stagnation ended in the mid-1990s...

## Real average hourly earnings of production and nonsupervisory employees and real median wages

Indexed to 1980 = 100

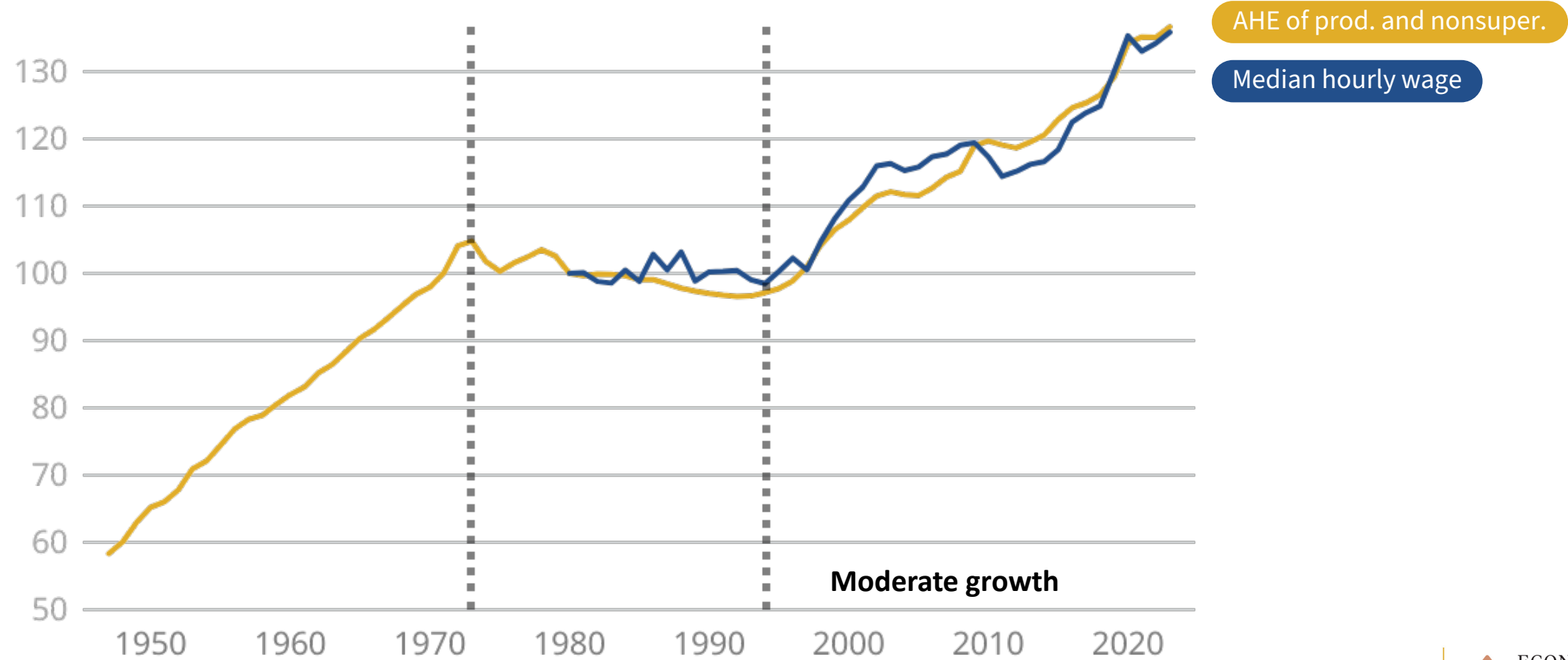


Source: Bureau of Labor Statistics Current Employment Statistics and the Current Population Survey - Merged Outgoing Rotation Group Earnings Data

# ...and since then, real wages have grown by 38 percent.

## Real average hourly earnings of production and nonsupervisory employees and real median wages

Indexed to 1980 = 100



Source: Bureau of Labor Statistics Current Employment Statistics and the Current Population Survey - Merged Outgoing Rotation Group Earnings Data

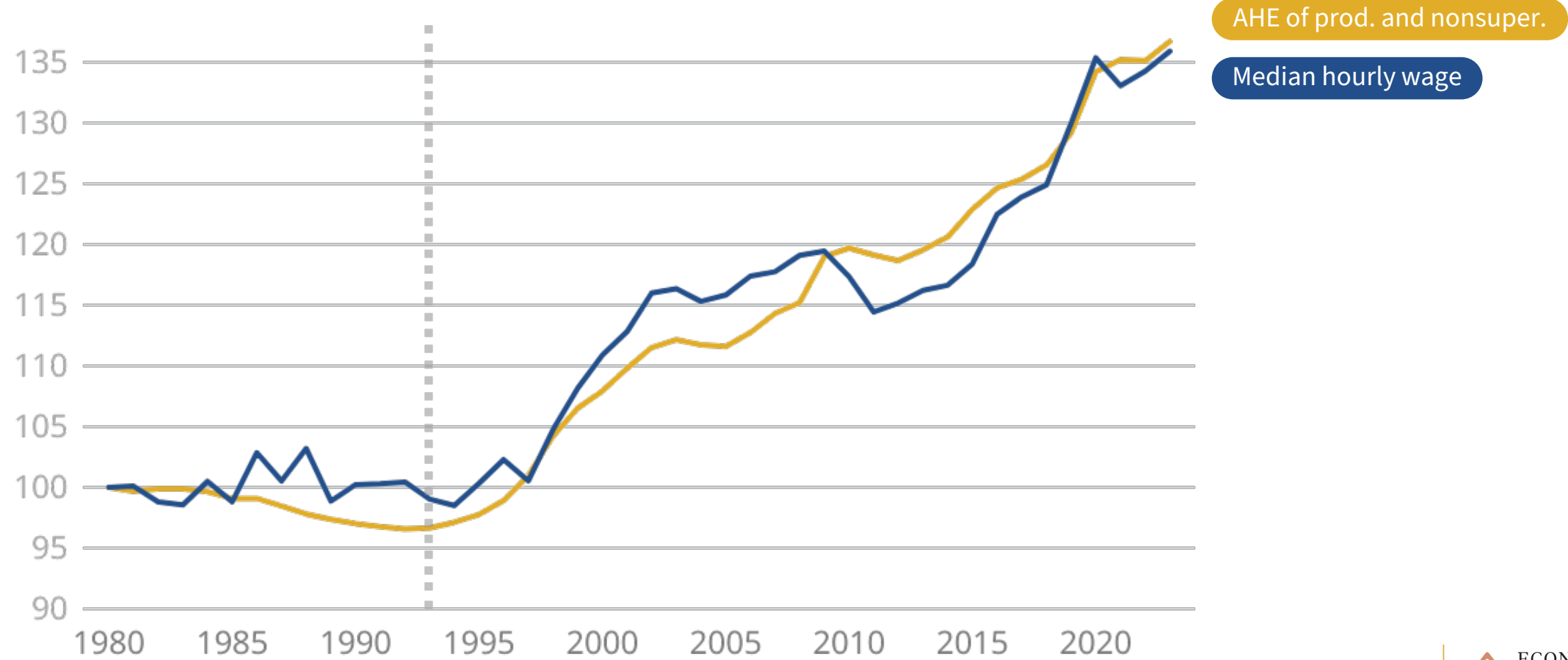




# Zooming in on this recent period, real wages have grown more slowly than during the postwar boom, but they are far from stagnant.

## Real median wages 1980 to 2023

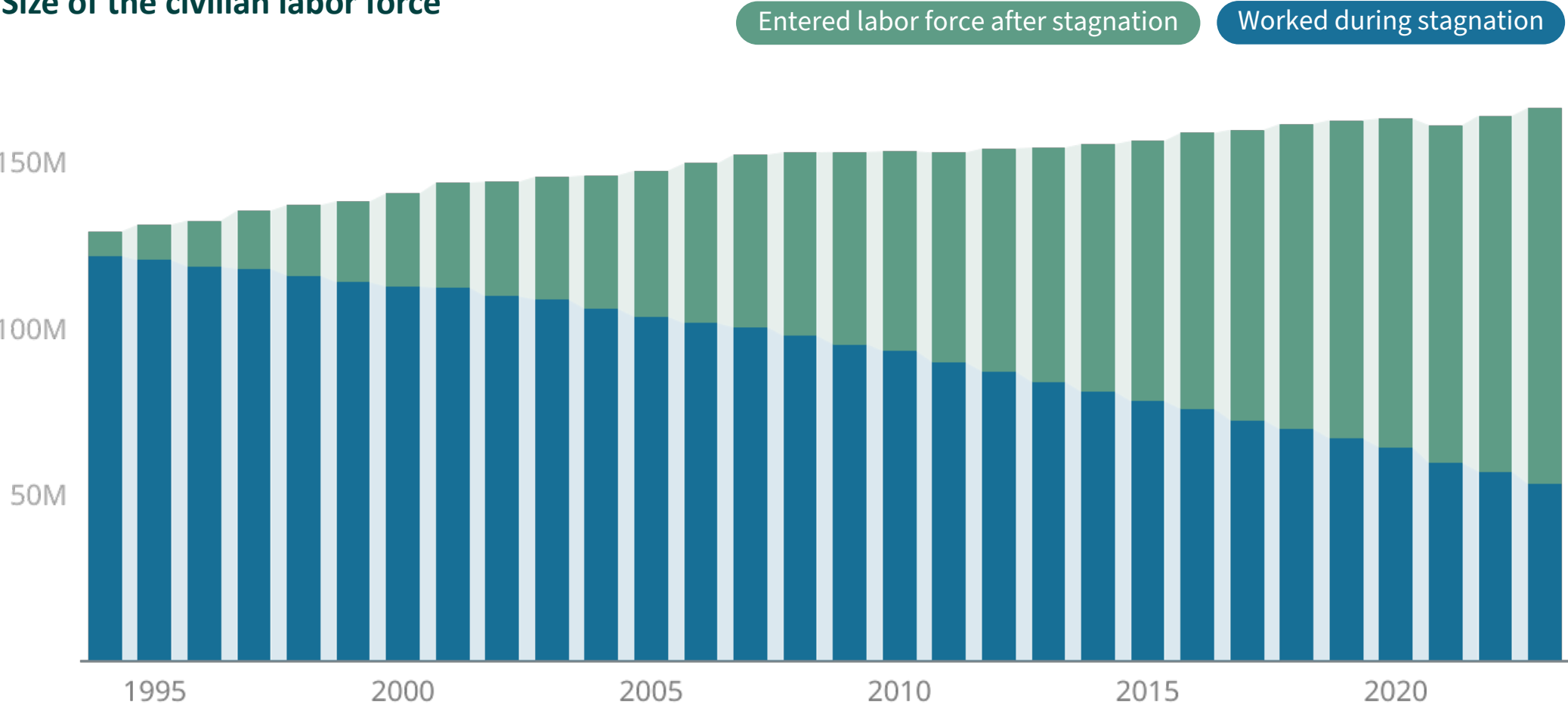
Indexed to 1980 = 100



Source: Bureau of Labor Statistics Current Employment Statistics and the Current Population Survey - Merged Outgoing Rotation Group Earnings Data

# Roughly two-thirds of today's workers never experienced the earlier, pre-1994 era of wage stagnation in their careers.

Size of the civilian labor force

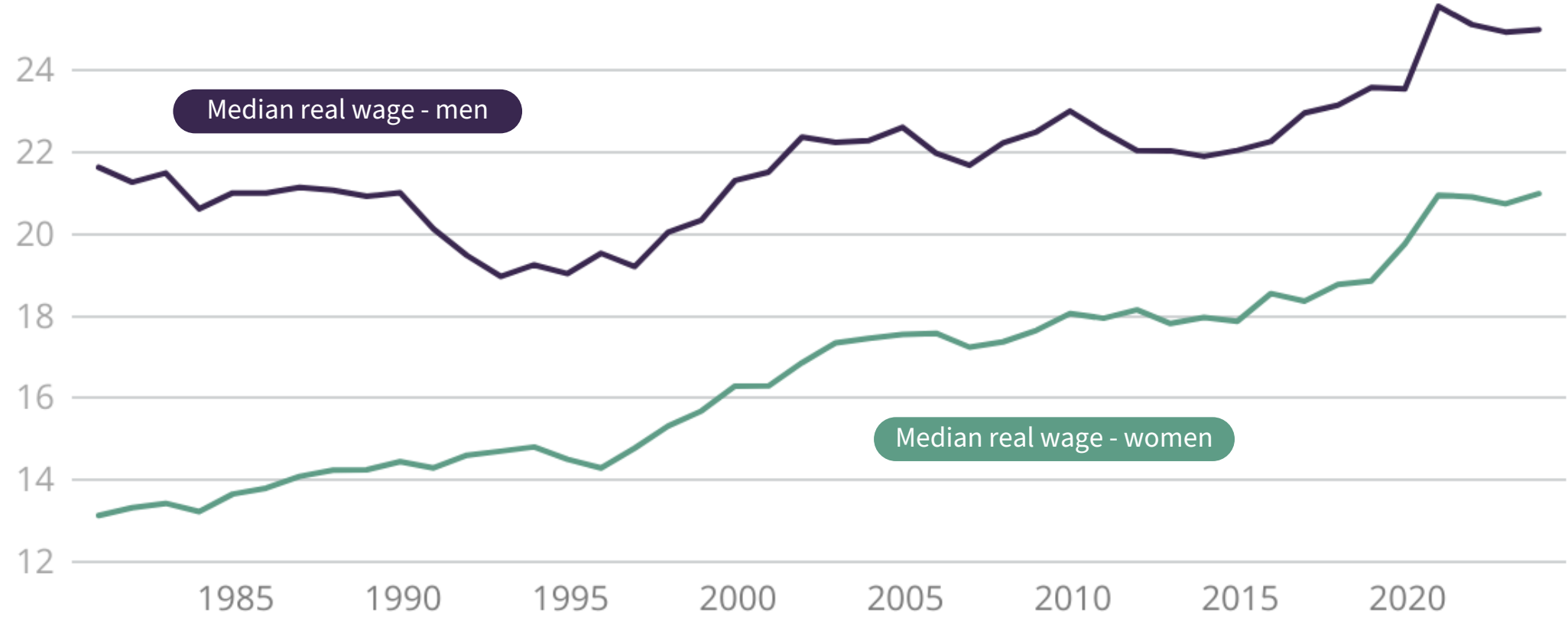


Source: The Current Population Survey's Annual Social and Economic Supplement

# Wage trends have followed different trajectories for men and women since 1980.

## Trends in the real hourly wage for men and women

2023 Dollars



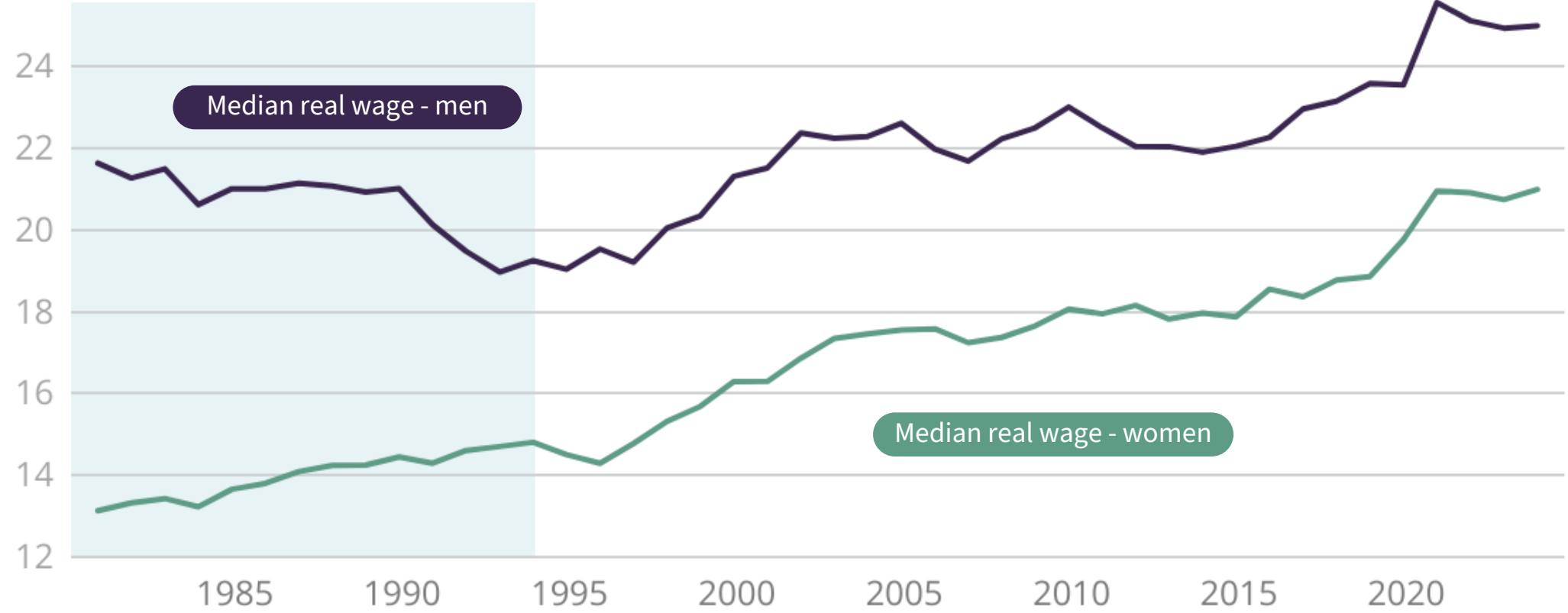
Source: Current Population Survey - Merged Outgoing Rotation Group Earnings Data



# Wages earned by women climbed by 13 percent from 1980 to 1993, while men's wages *declined* by 11 percent during the same period...

## Trends in the real hourly wage for men and women

2023 Dollars

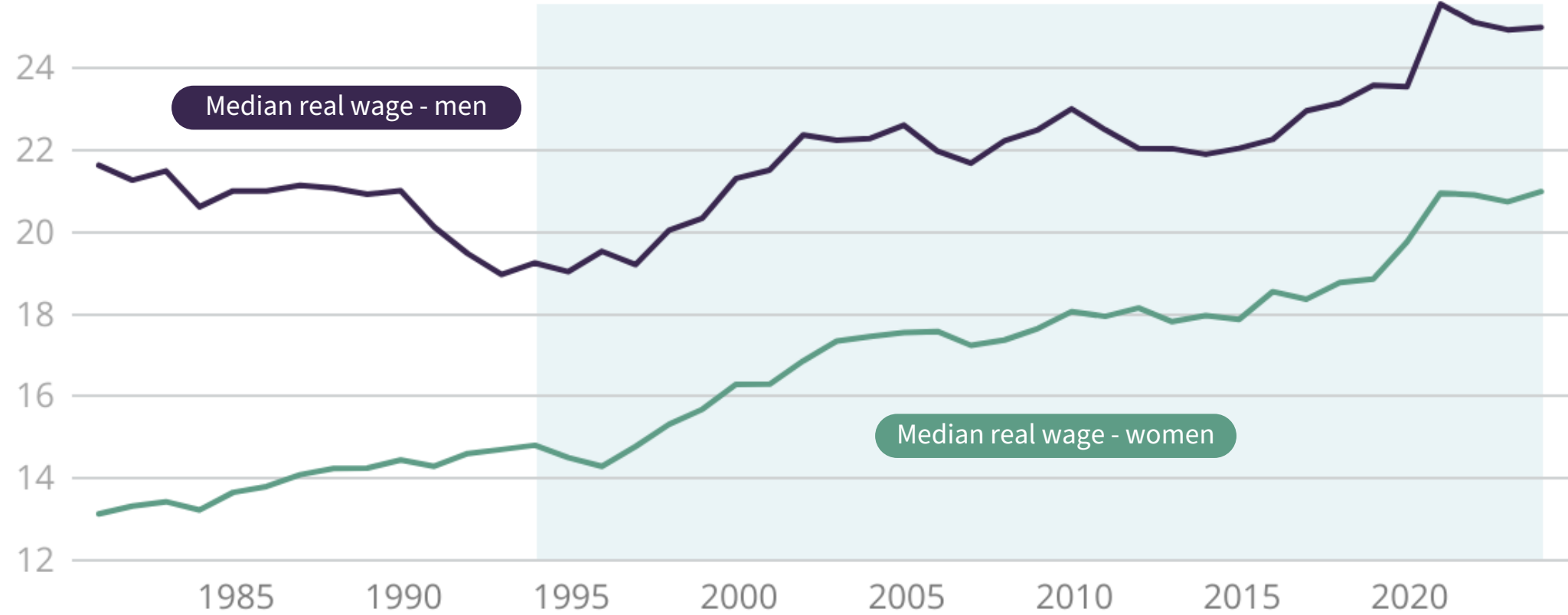


Source: Current Population Survey - Merged Outgoing Rotation Group Earnings Data

# ...but in the past three decades, wages for both men and women have risen considerably—by 31 percent for men and 45 percent for women.

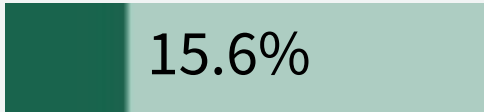


## Trends in the real hourly wage for men and women

2023 Dollars



Source: Current Population Survey - Merged Outgoing Rotation Group Earnings Data

## Despite the wage convergence of recent decades, women’s wages have yet to reach the level of men’s wages in 1980.

| Real median hourly wage<br>2023 Dollars | 1980           | 2023           | Change (%)                                                                                  |
|-----------------------------------------|----------------|----------------|---------------------------------------------------------------------------------------------|
| Men                                     | <b>\$21.63</b> | \$25.00        |  15.6%   |
| Women                                   | \$13.13        | <b>\$20.99</b> |  59.9%   |
| Overall                                 | \$17.00        | \$23.10        |  35.9% |

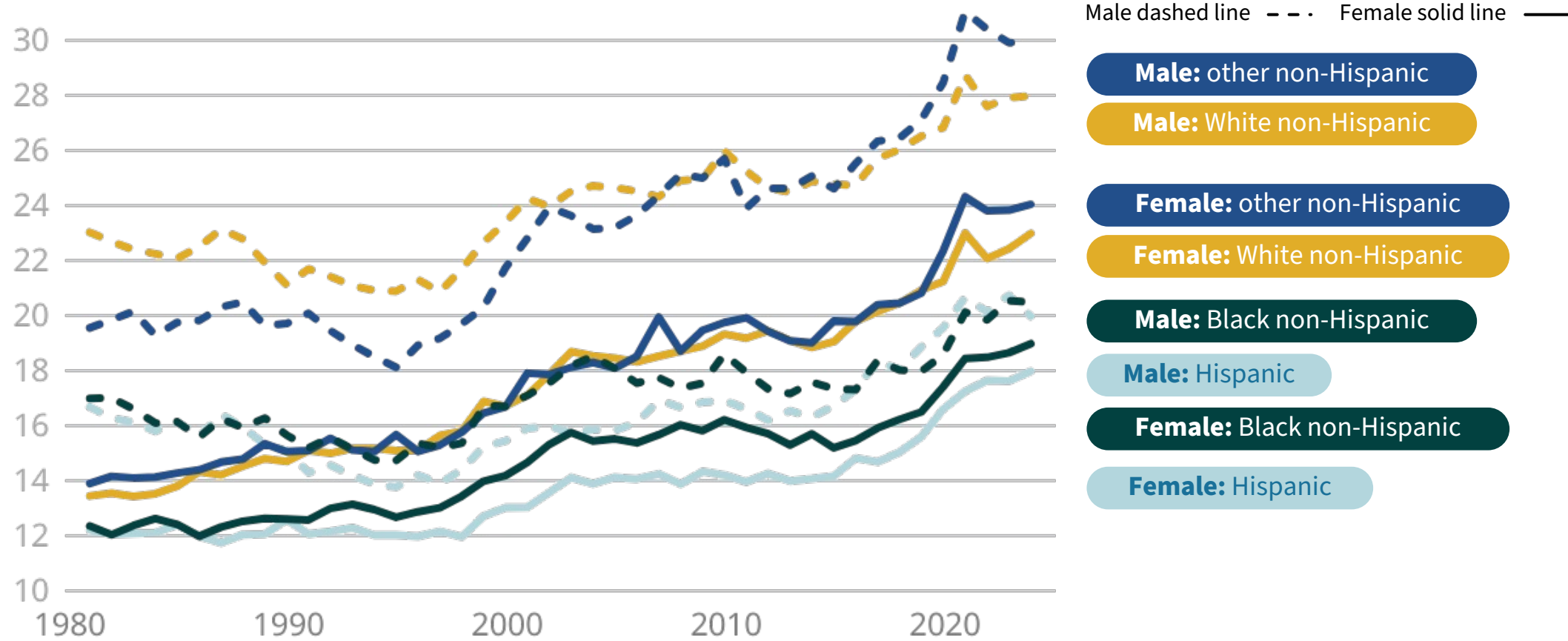
Source: Current Population Survey - Merged Outgoing Rotation Group Earnings Data



# Broader male-female wage trends hold true across racial and ethnic categories.

Real median hourly wages by race, ethnicity, and sex

2023 Dollars



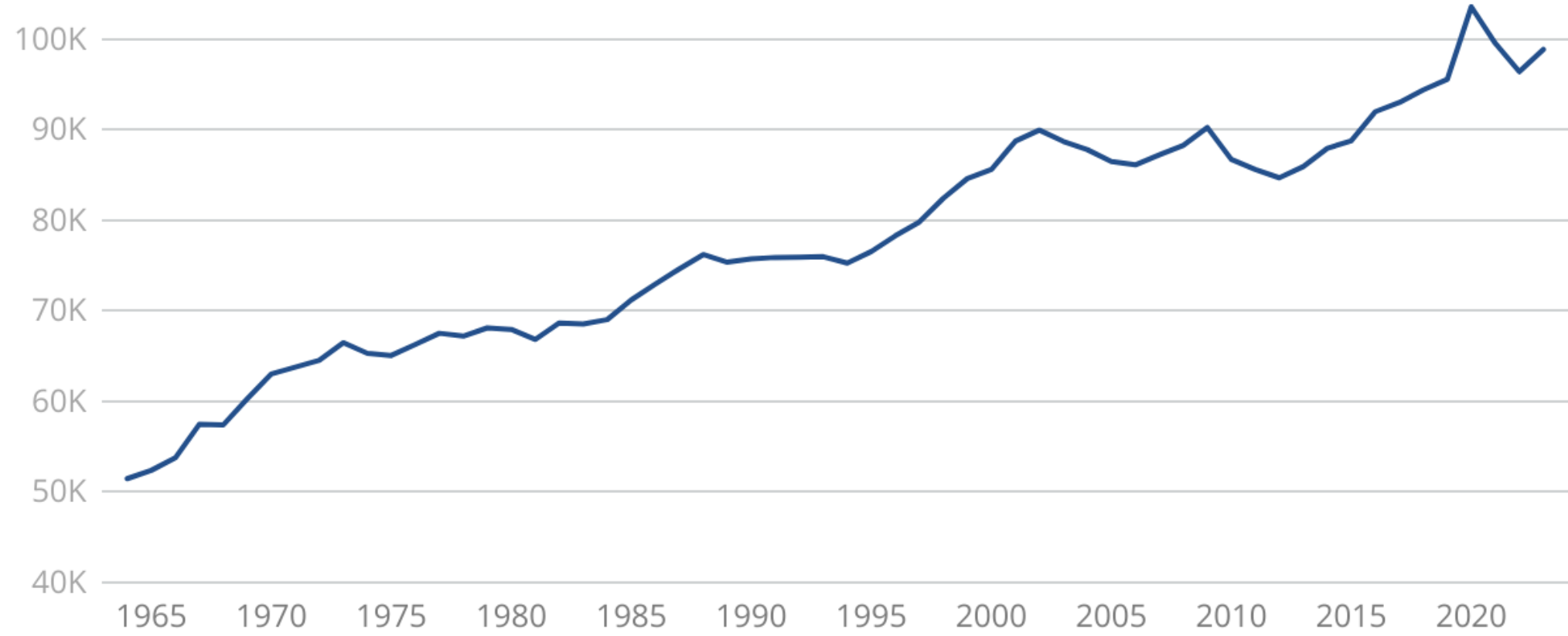
Source: Current Population Survey - Merged Outgoing Rotation Group Earnings Data



# Family income for workers is up 46 percent since 1980...

## Trends in real median family income among workers

2023 Dollars



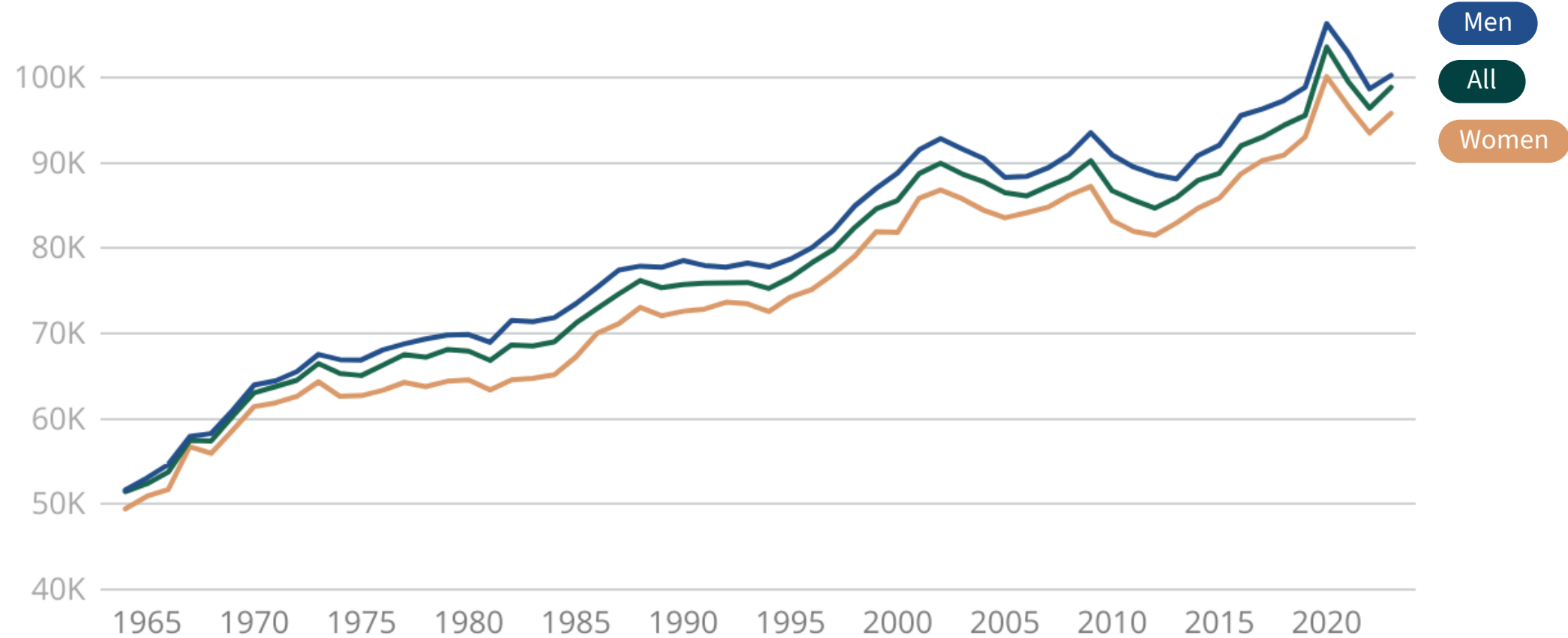
Source: The Current Population Survey's Annual Social and Economic Supplement



# ...and both male and female workers have shared in those gains.

## Trends in real median family income among workers

2023 Dollars



Source: The Current Population Survey's Annual Social and Economic Supplement

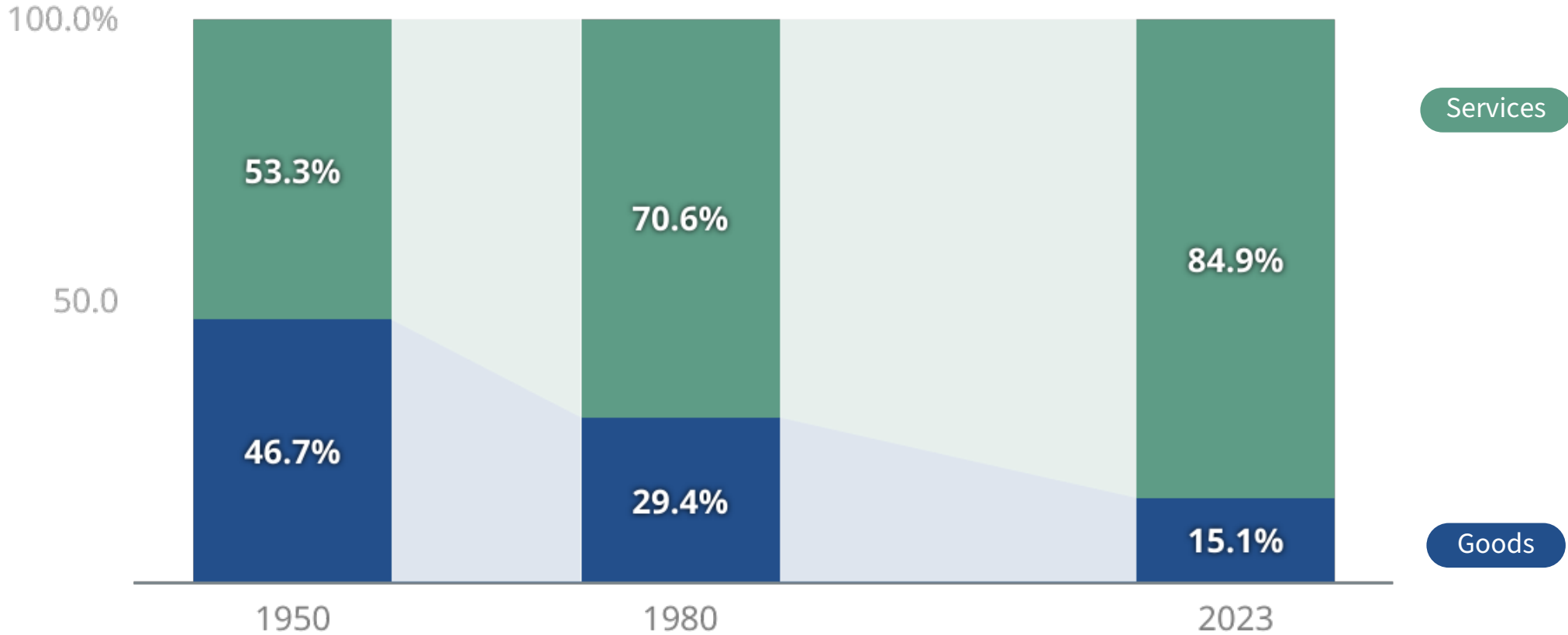


# What American workers do

*The rise of services and the productivity slowdown*

# Roughly five out of six workers are now in service industries rather than industries that make goods, reflecting a long-term shift in the labor market.

Industry mix, 1950-2022

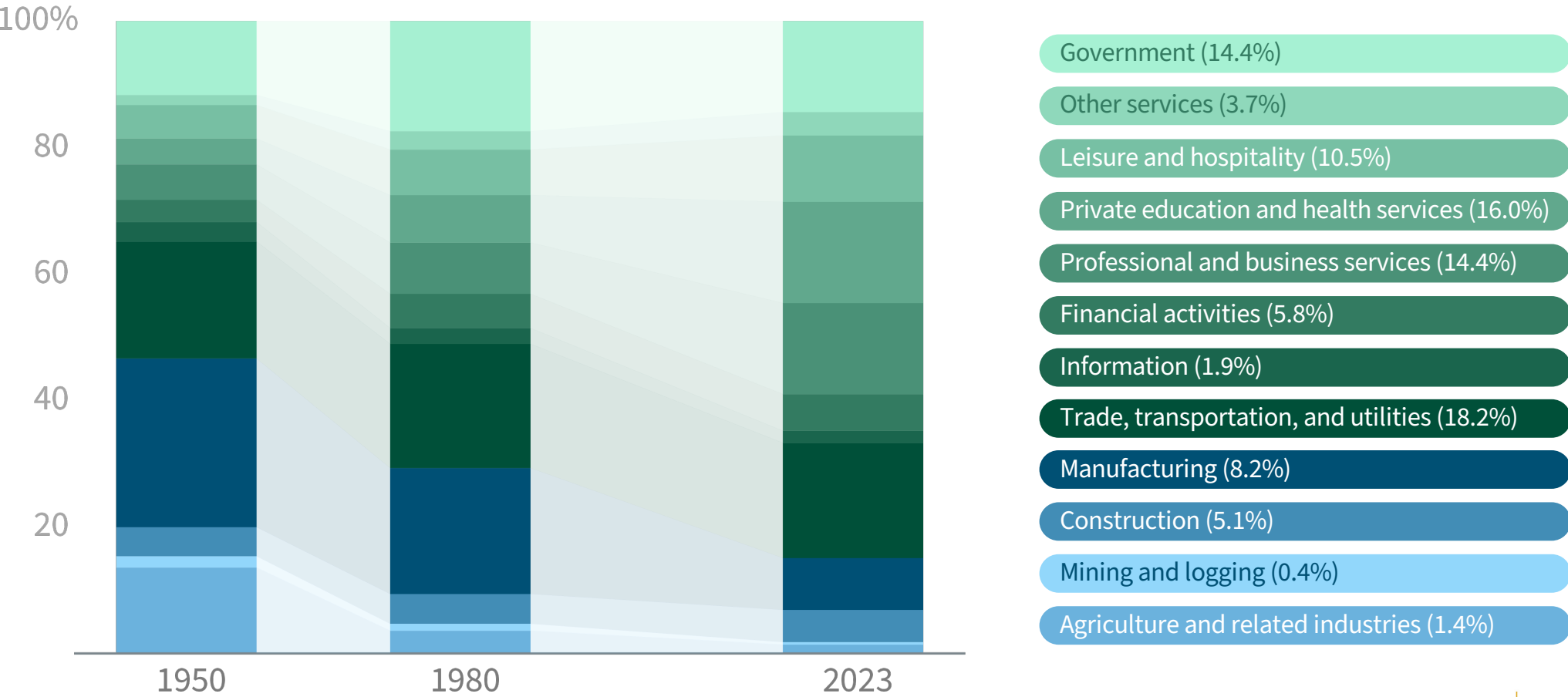


Source: Bureau of Labor Statistics Current Employment Statistics



# Since 1980, the manufacturing industry's share of total jobs represents the biggest decline...

Industry mix, 1950-2023



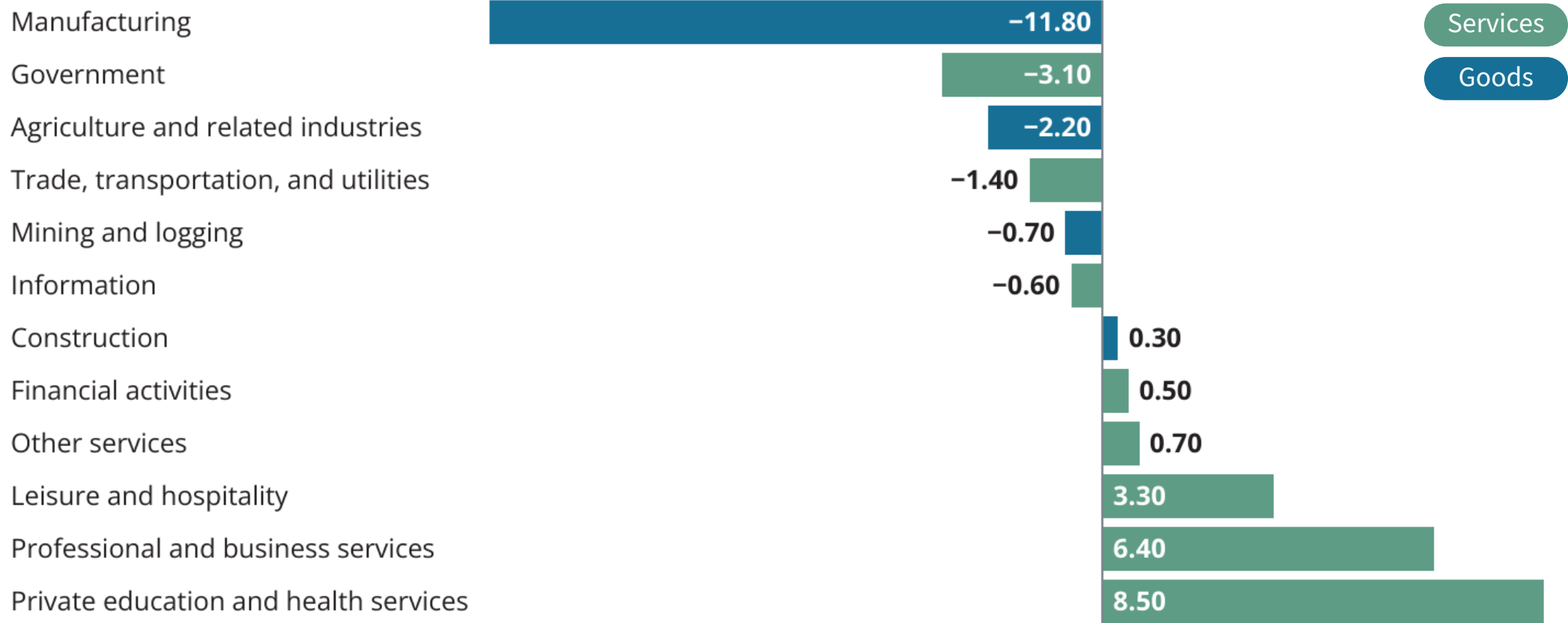
Source: Bureau of Labor Statistics Current Employment Statistics



# ...while the shares of jobs in education & health services and in professional & business services have surged.

## Change in employment share by industry

From 1980 to 2023 (Percentage points)



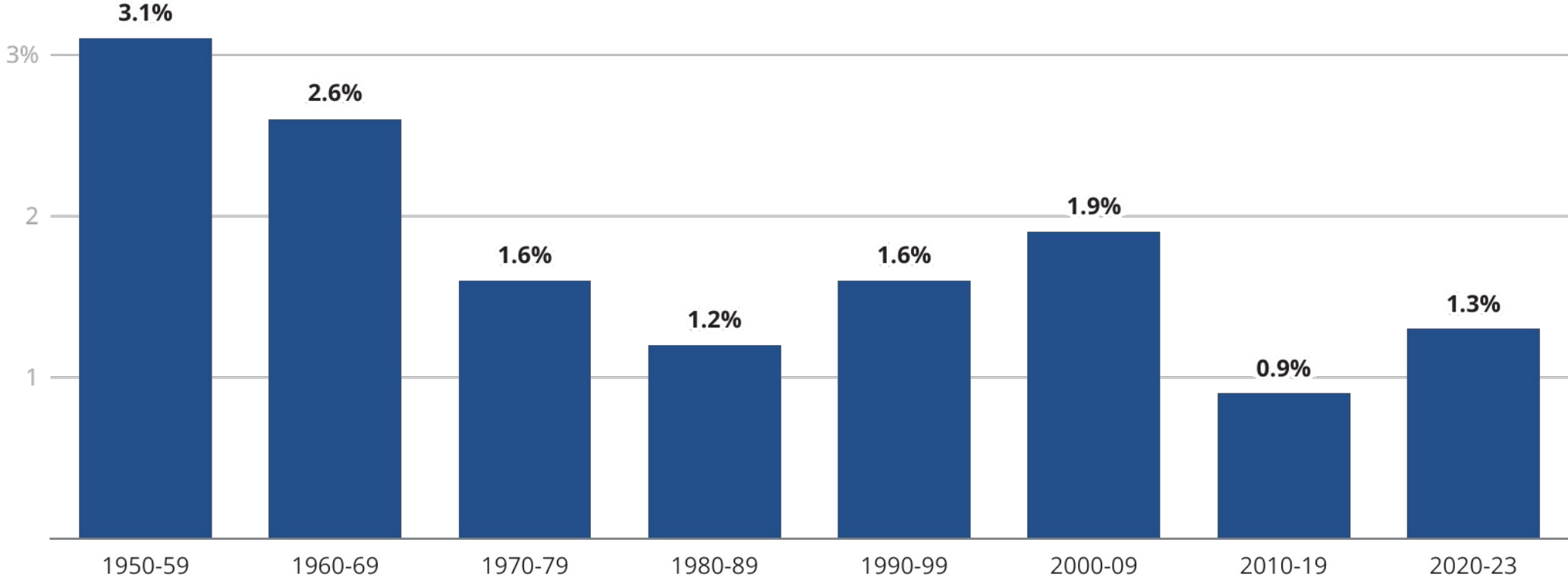
Source: Bureau of Labor Statistics Current Employment Statistics



# Productivity growth has been slower in the last half century than it was in the postwar decades.

## Average productivity growth by decade

Net domestic product per hour of work, average annual growth rate



Source: Bureau of Labor Statistics Total Economy Productivity Growth



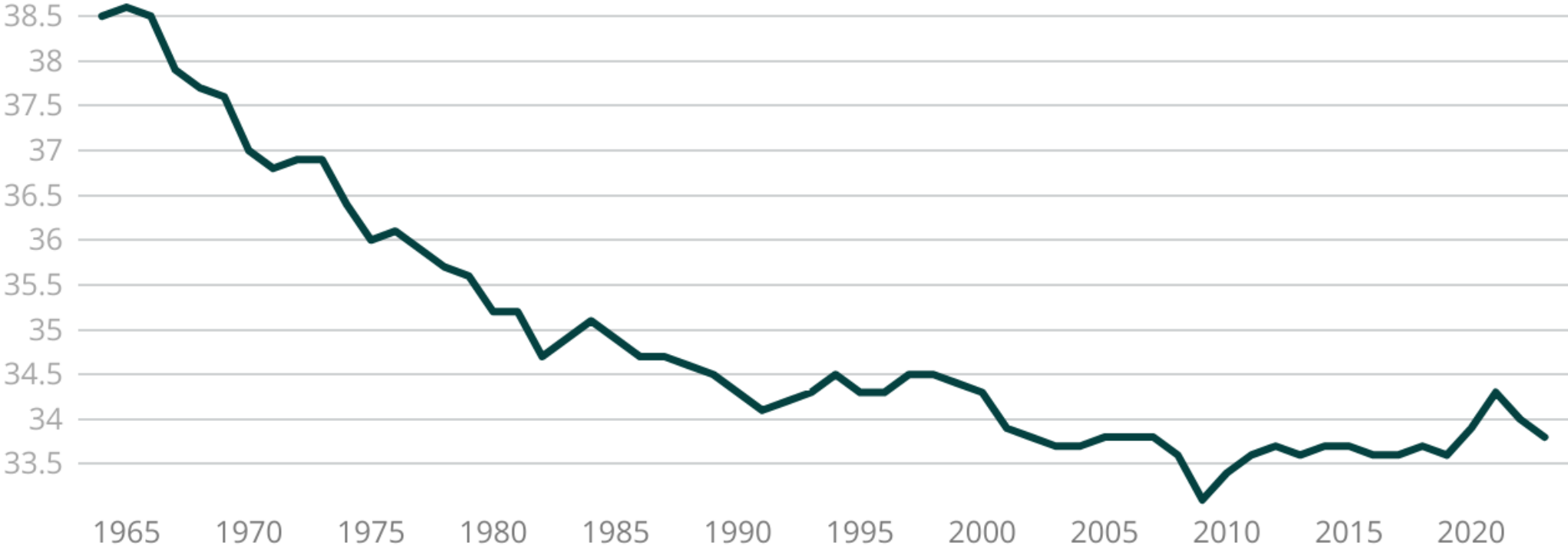
A stylized, geometric illustration in shades of teal, brown, and white. It depicts several figures in a meeting or collaborative work environment. In the foreground, a woman in a brown top and a man in a blue suit are looking at a document. In the background, other figures are visible, some appearing to be in discussion. The overall style is modern and abstract, with circular and rectangular shapes and a grid-like pattern.

# What jobs are like now

*Safer, more benefits, fewer hours*

# The average employee works 4.5 fewer hours today than in the past, but the workweek stopped shrinking around 2000.

Average weekly hours of production and nonsupervisory employees, total private, hours, annual, seasonally adjusted

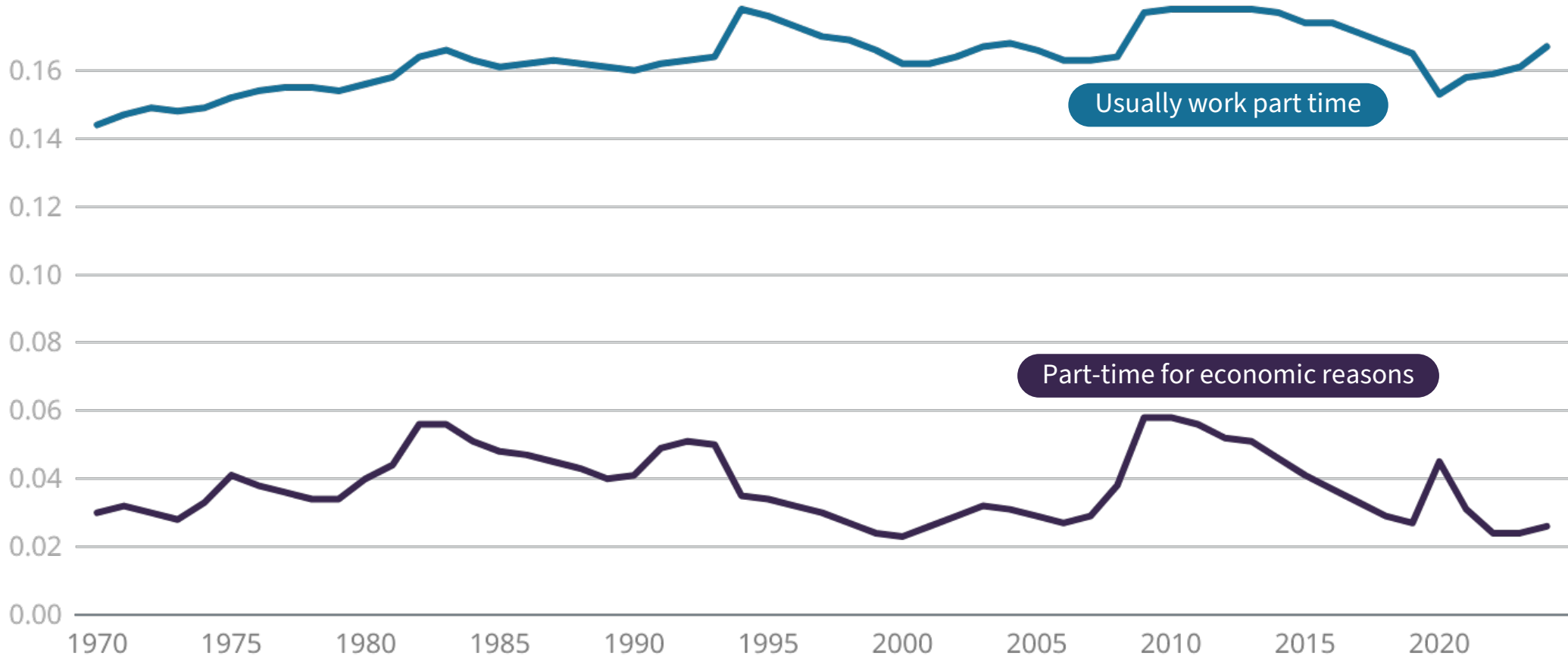


Source: Bureau of Labor Statistics Current Employment Statistics



# Only a small share of part-time workers would rather be working full-time. Most have chosen to be part-time.

Share of the labor force working part-time

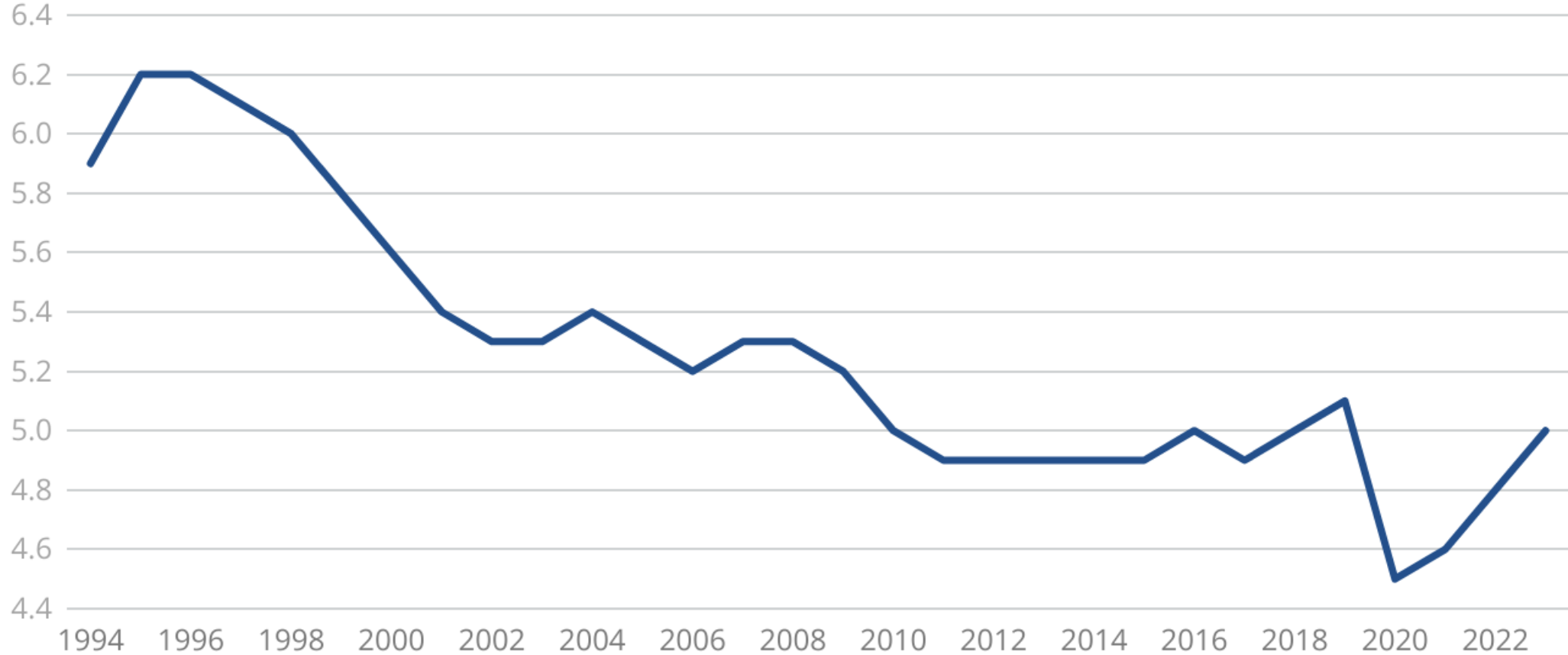


Source: Current Population Survey



# Having more than one job is rarer than it was in the past.

## Multiple jobholders as a percent of employed

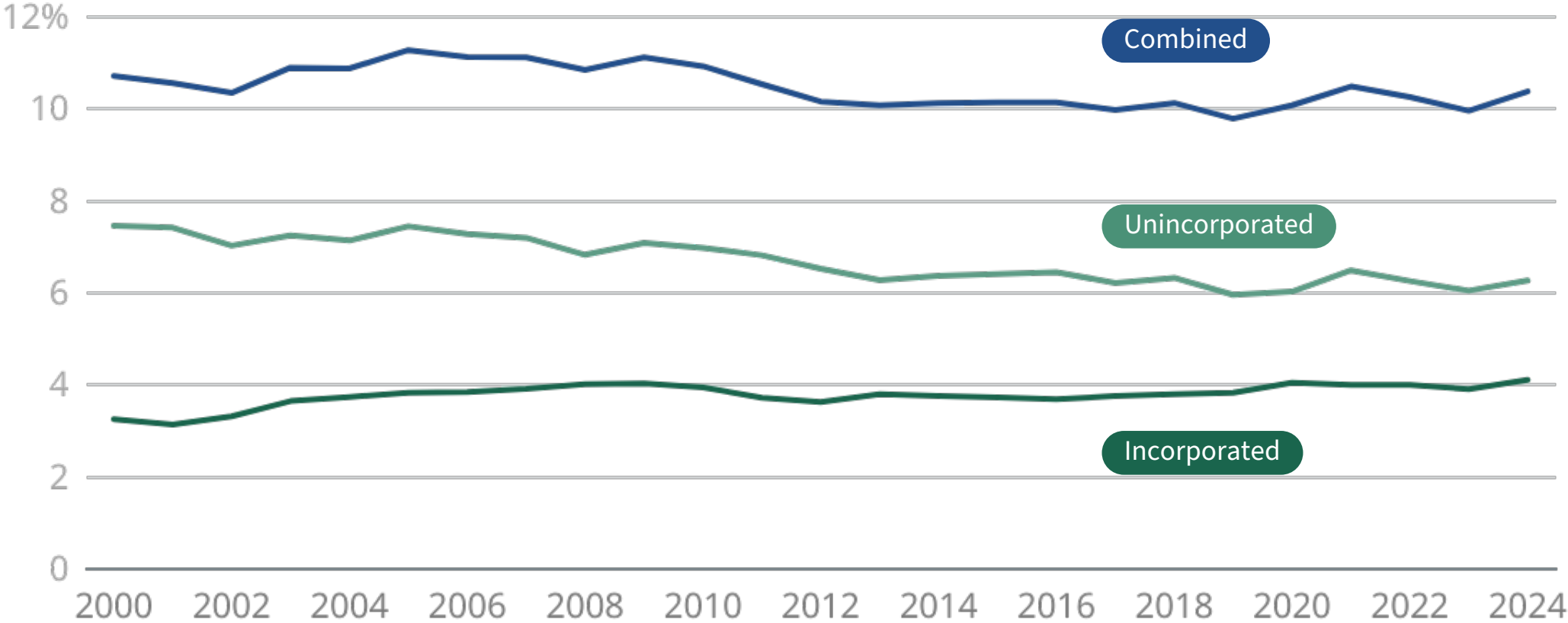


Source: Current Population Survey



# The share of workers who are self-employed (as their primary source of income) has remained stable since 2000.

Share of the employed who are self-employed



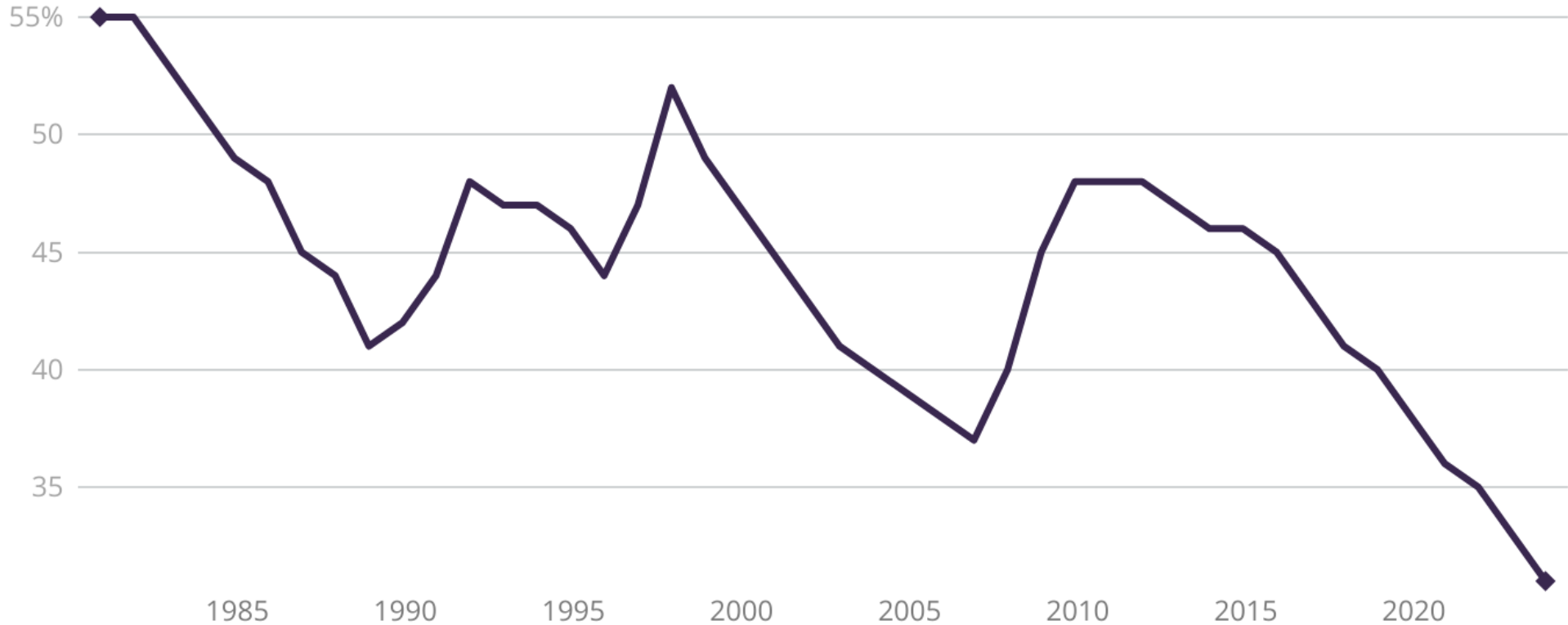
Source: Current Population Survey



# Since 1980, wages for the typical worker have climbed by more than the federal minimum wage...

## Ratio of real minimum wage to real median wage

1980 - 2023



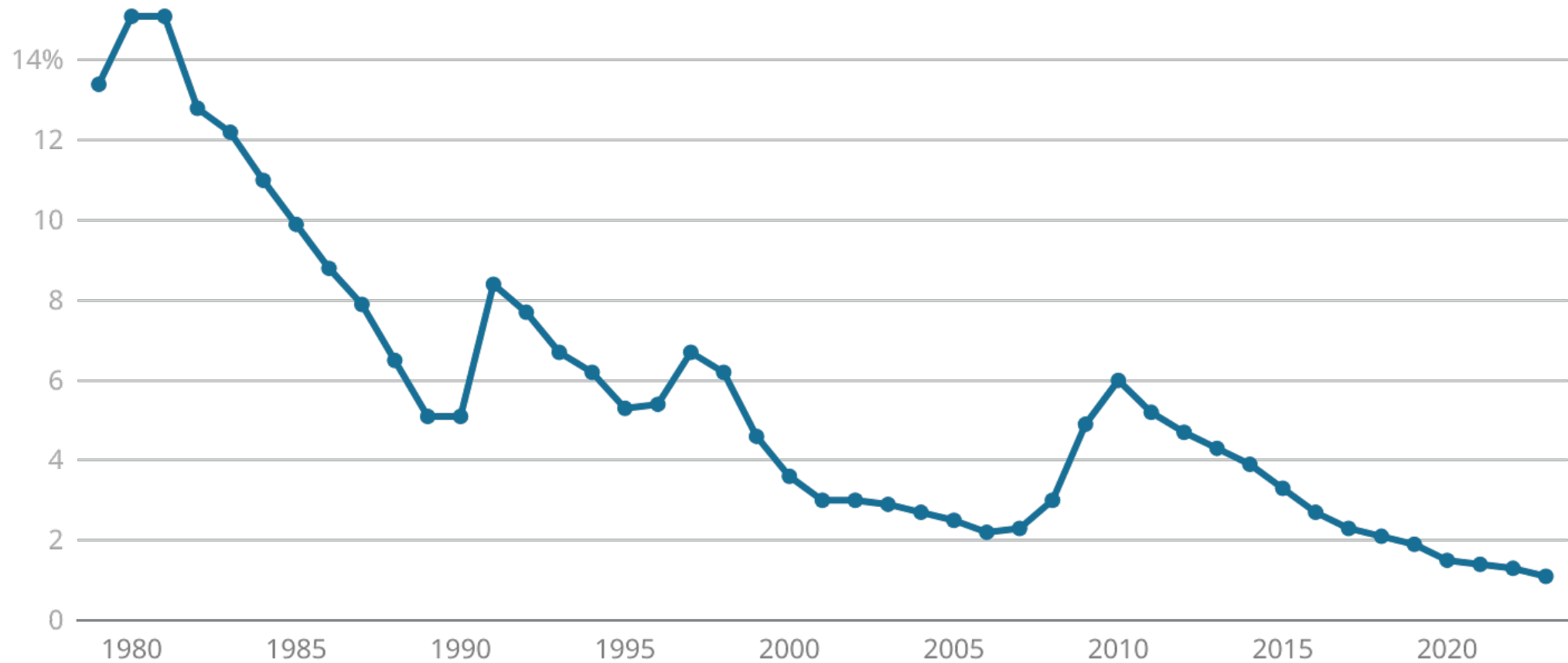
31%

Source: Bureau of Labor Statistics



# ...and many states and localities have raised their own minimum wages, so only about 1 percent of workers now earn the federal minimum wage or less.

Share of wage and salary workers at or below the federal minimum wage

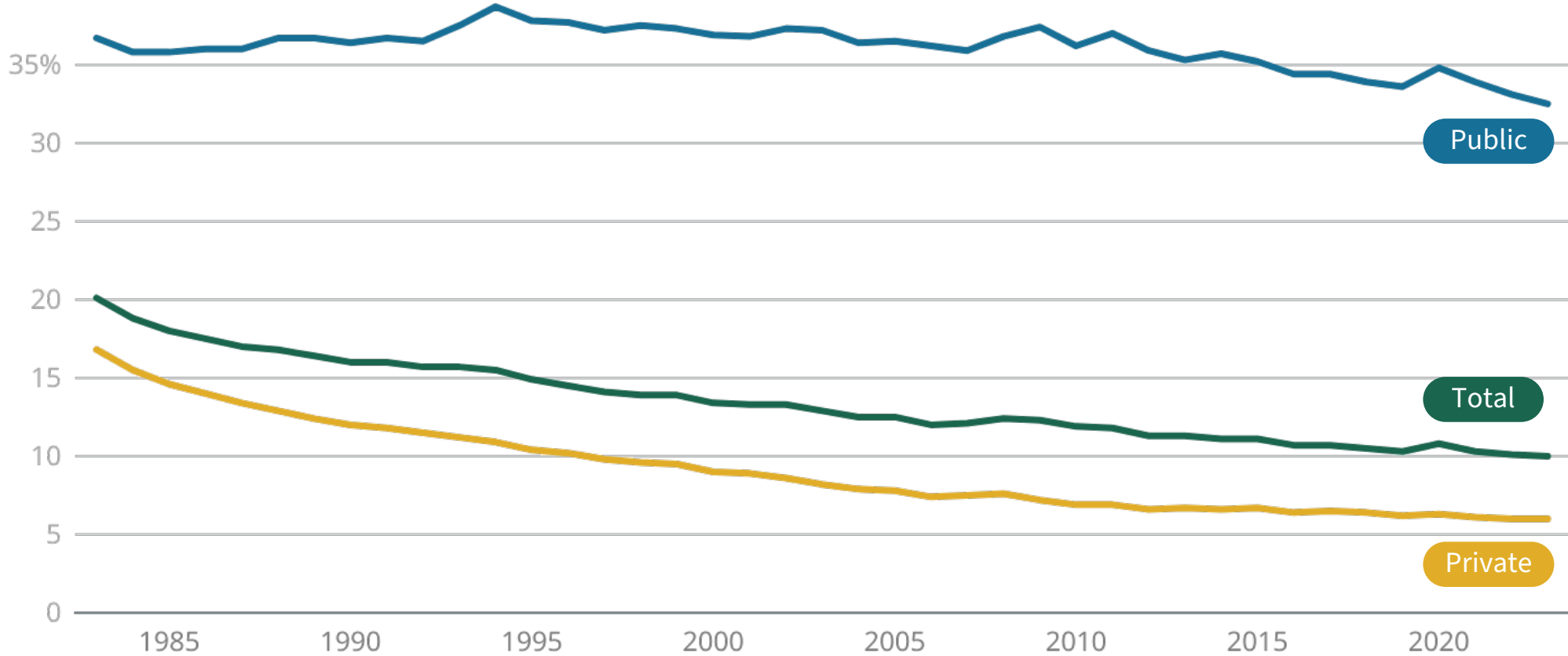


Source: Bureau of Labor Statistics

# One out of every 10 workers is a union member, down by half since the 1980s. Public-sector membership is much higher.

## Share of employed who are members of unions

Public, private, and total workforce



Source: Current Population Survey

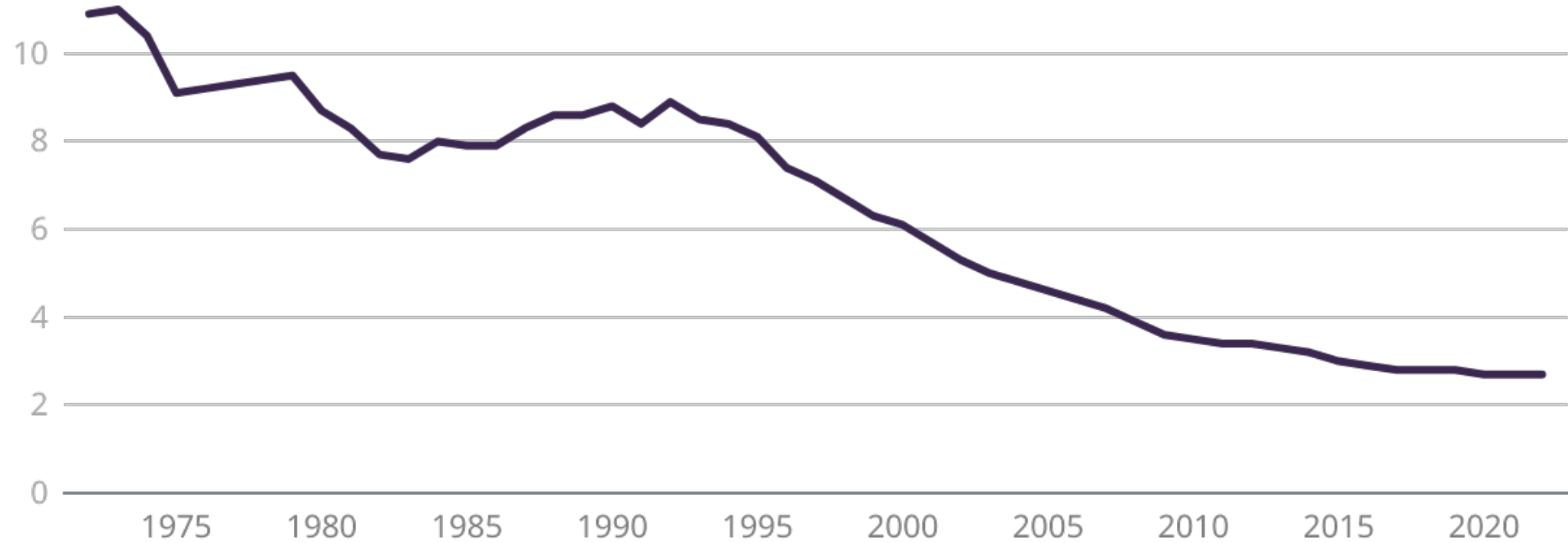




# Workplaces have become much safer, with rates of injury and illness collapsing for three decades.

## Incidence rate of nonfatal injuries and illnesses at work

Cases per 100 full-time equivalent workers

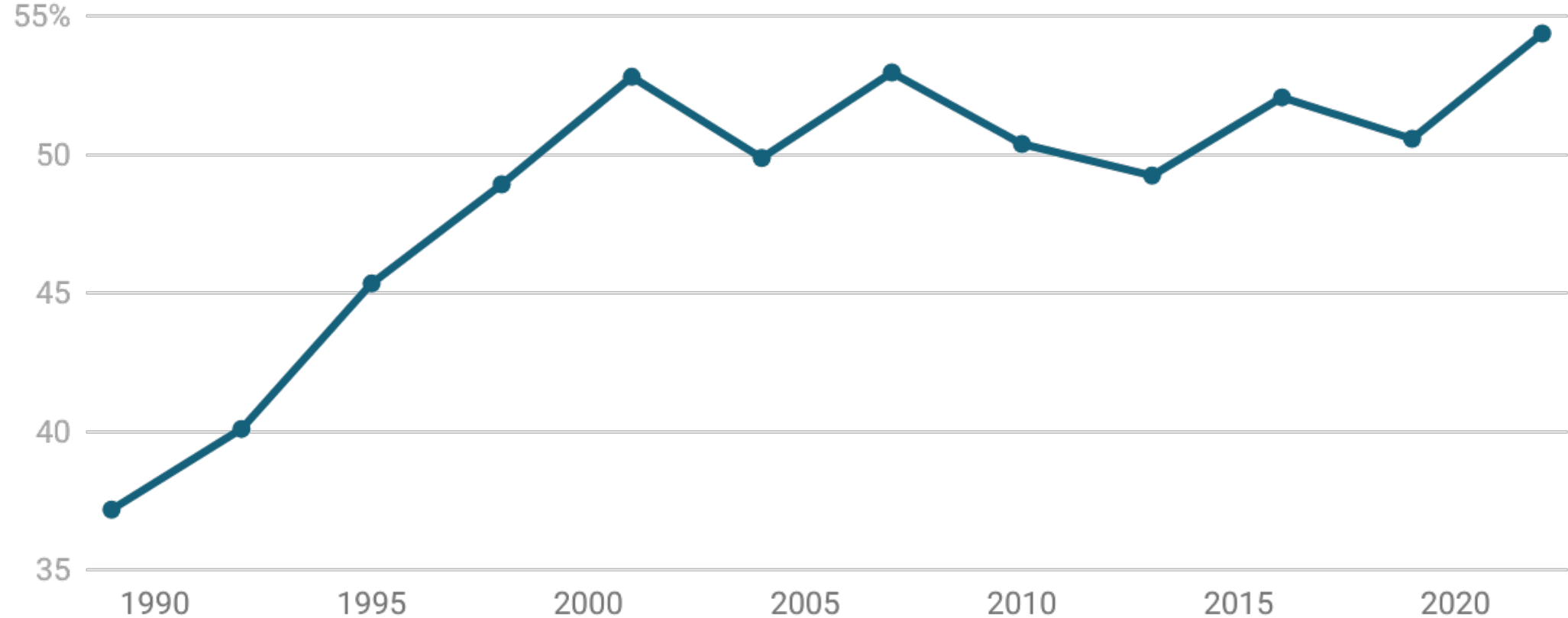


Source: Bureau of Labor Statistics Survey of Occupational Injuries and Illnesses



# The share of all families in the US holding retirement accounts reached a record 54 percent in 2022.

Share of all families with retirement accounts

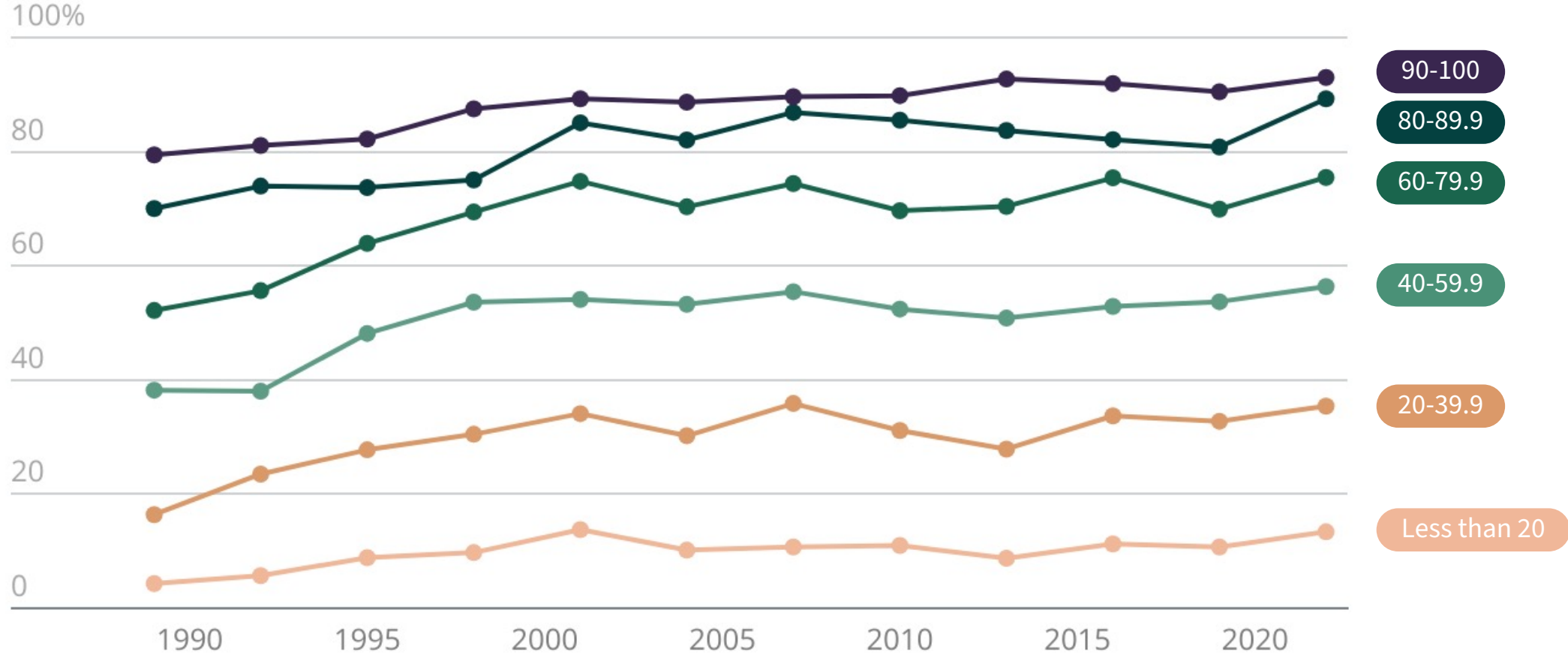


Source: Board of Governors of the Federal Reserve System, Survey of Consumer Finances



# The higher a family's income, the more likely to hold a retirement account.

Share of all families holding retirement accounts by income percentile

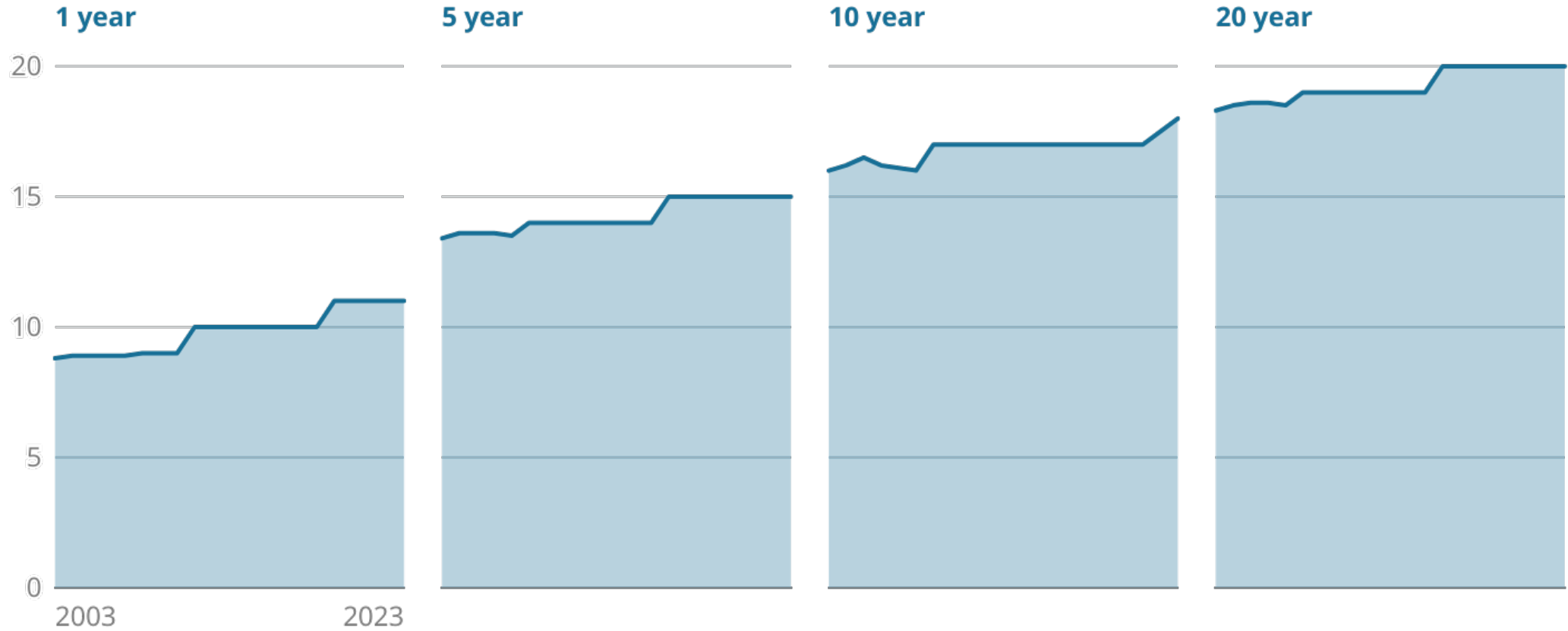


Source: Board of Governors of the Federal Reserve System, Survey of Consumer Finances



# Paid vacation offered to the typical private-sector worker has grown by roughly 2 days in the past couple of decades.

Average number of paid vacation days by years of employment

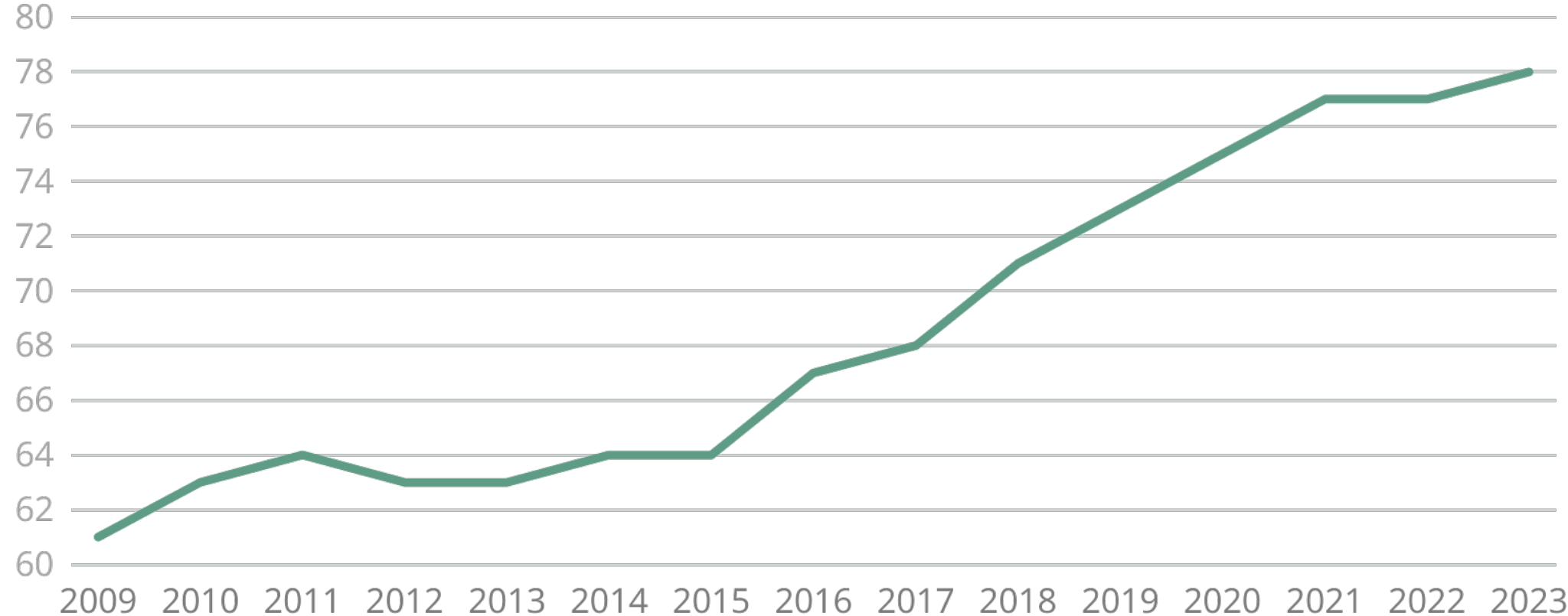


Only covers private industry workers  
Source: Bureau of Labor Statistics



# Nearly four out of five full-time workers in the private sector have access to paid sick leave, the highest share on record...

Share of full-time workers with access to paid sick leave

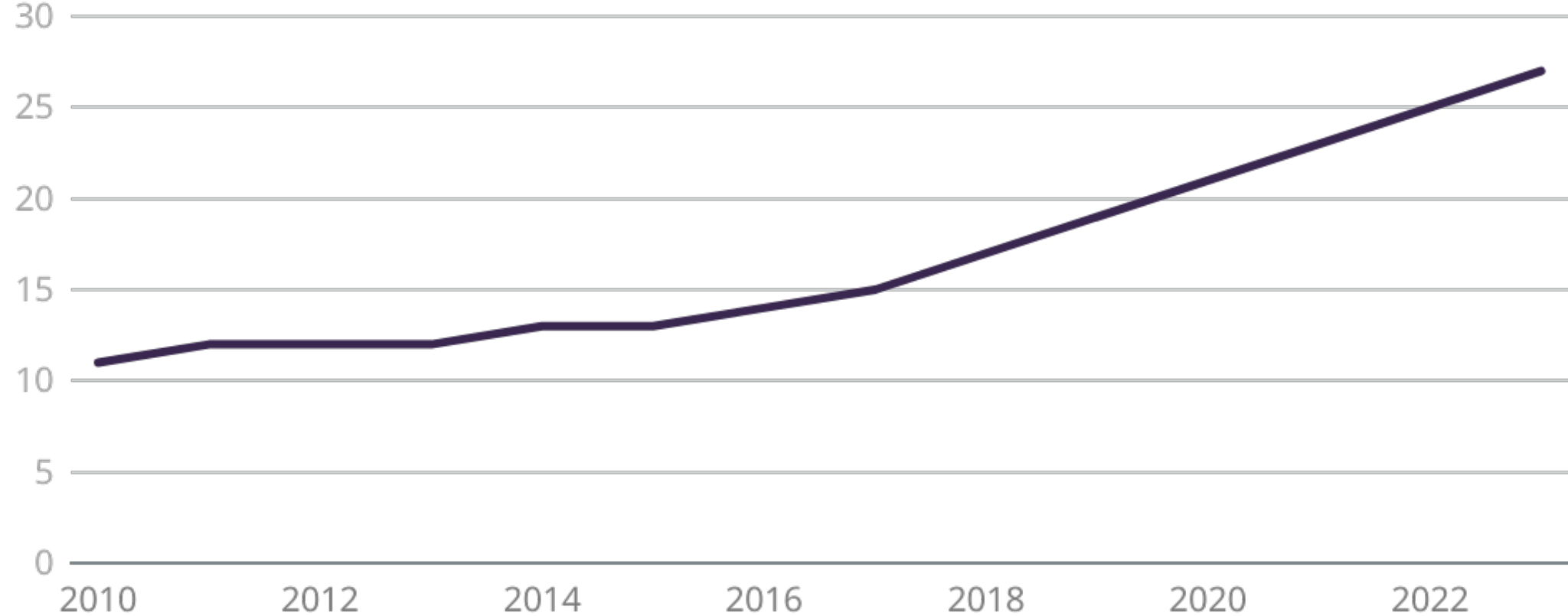


Source: National Compensation Survey – Benefits



**...while 27 percent of workers have access to paid family leave, also a record high.**

Percent of civilian workers with access to paid family leave

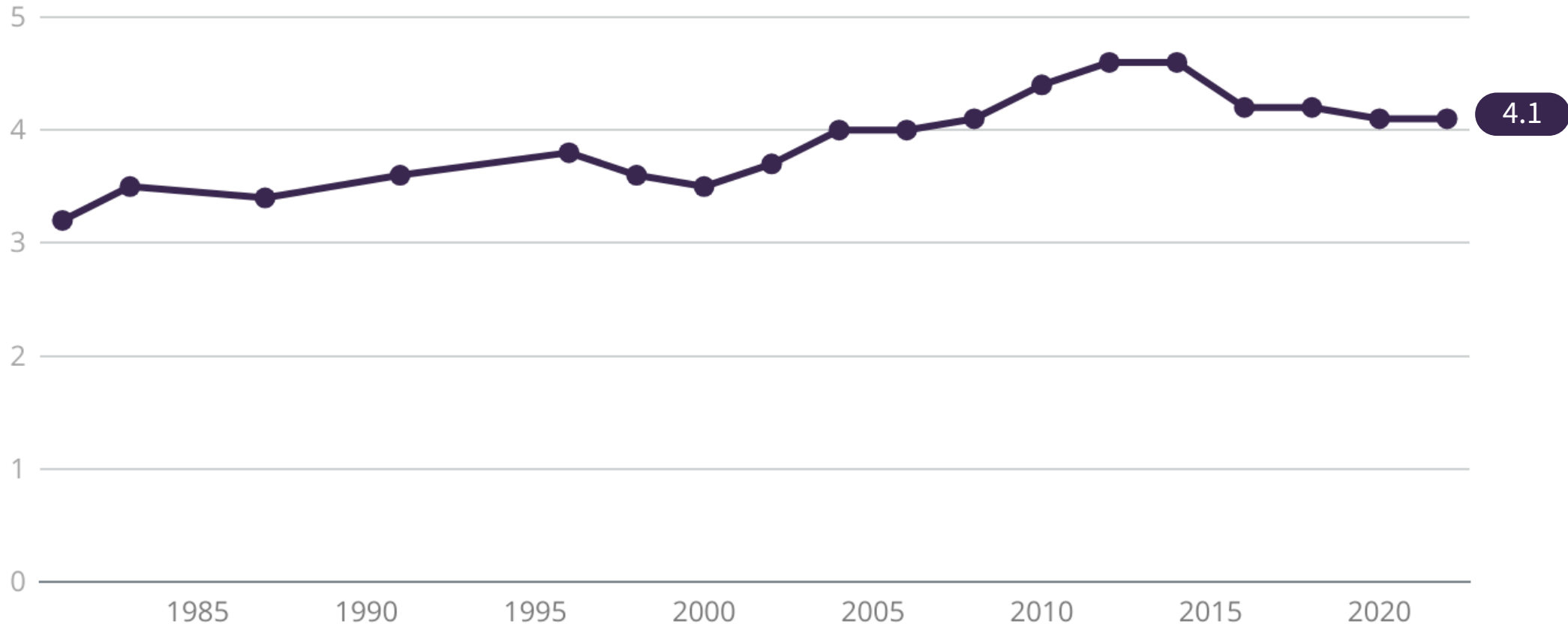


Source: National Compensation Survey – Benefits



# The typical worker spends roughly four years with each employer, slightly longer than in past decades...

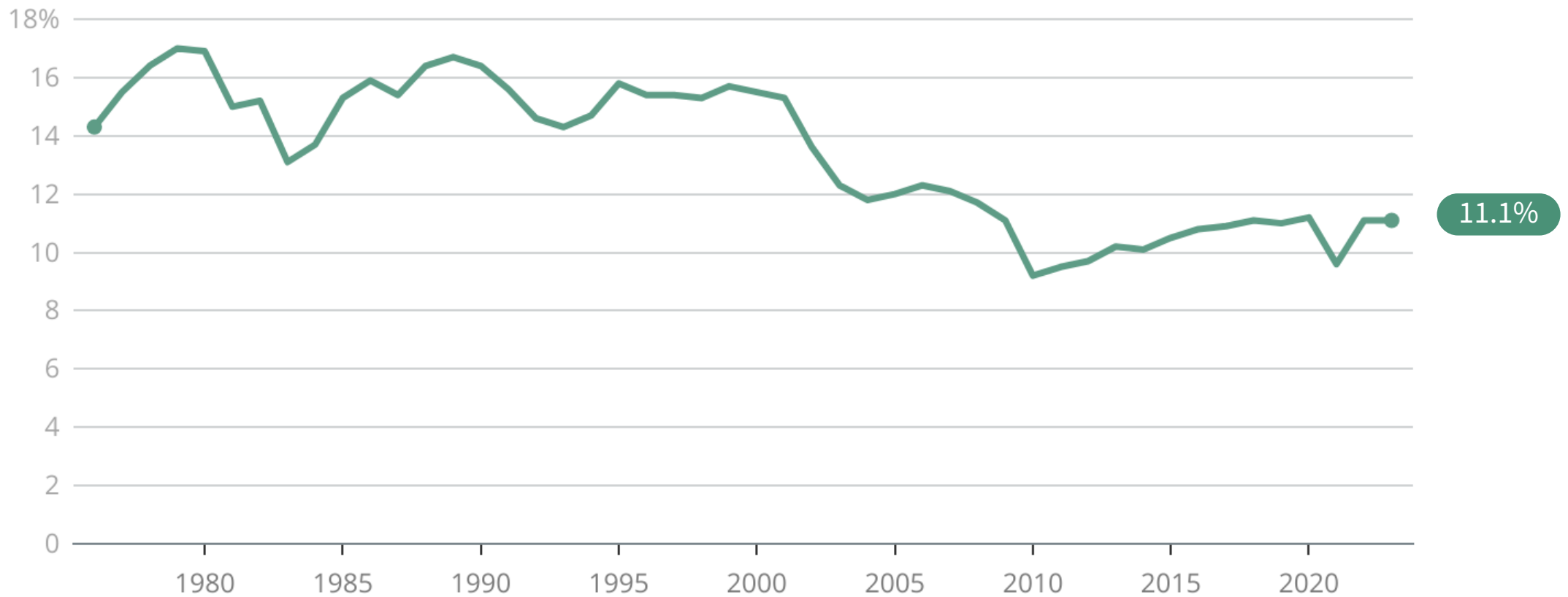
Median job tenure with current employer



Source: Bureau of Labor Statistics


# ...and the share of workers who change jobs each year is lower today than in the 1980s and 1990s.

Share of employed workers who changed jobs in the prior year



Source: Current Population Survey





# How workers feel about their jobs

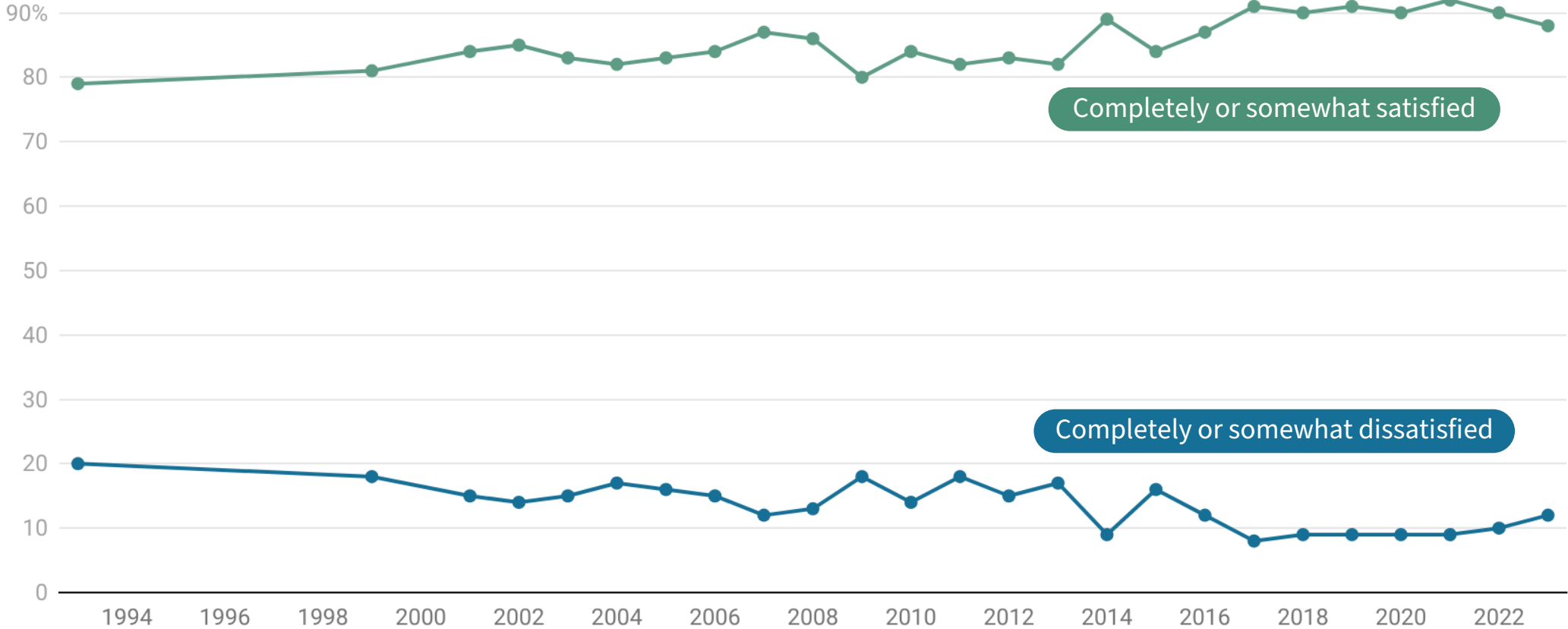
---

*Never better*

# Higher shares of workers feel more secure in their jobs today than in the past...

## Job security in Gallup

"Are you completely satisfied, somewhat satisfied, somewhat dissatisfied or completely dissatisfied with your job security?"

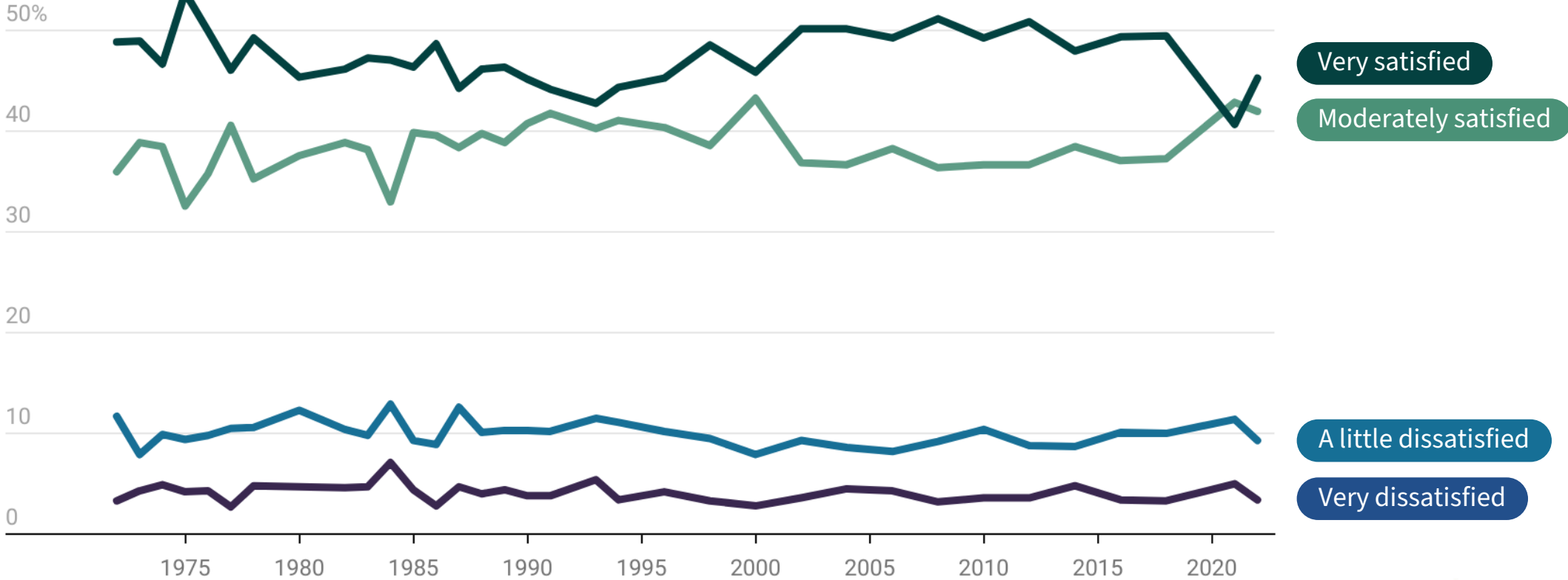


Source: Gallup

# ...and a big majority (80-90%) of American workers are broadly satisfied with the work they do—and long have been.

## Work satisfaction in the General Social Survey

"On the whole, how satisfied are you with the work you do ...?"

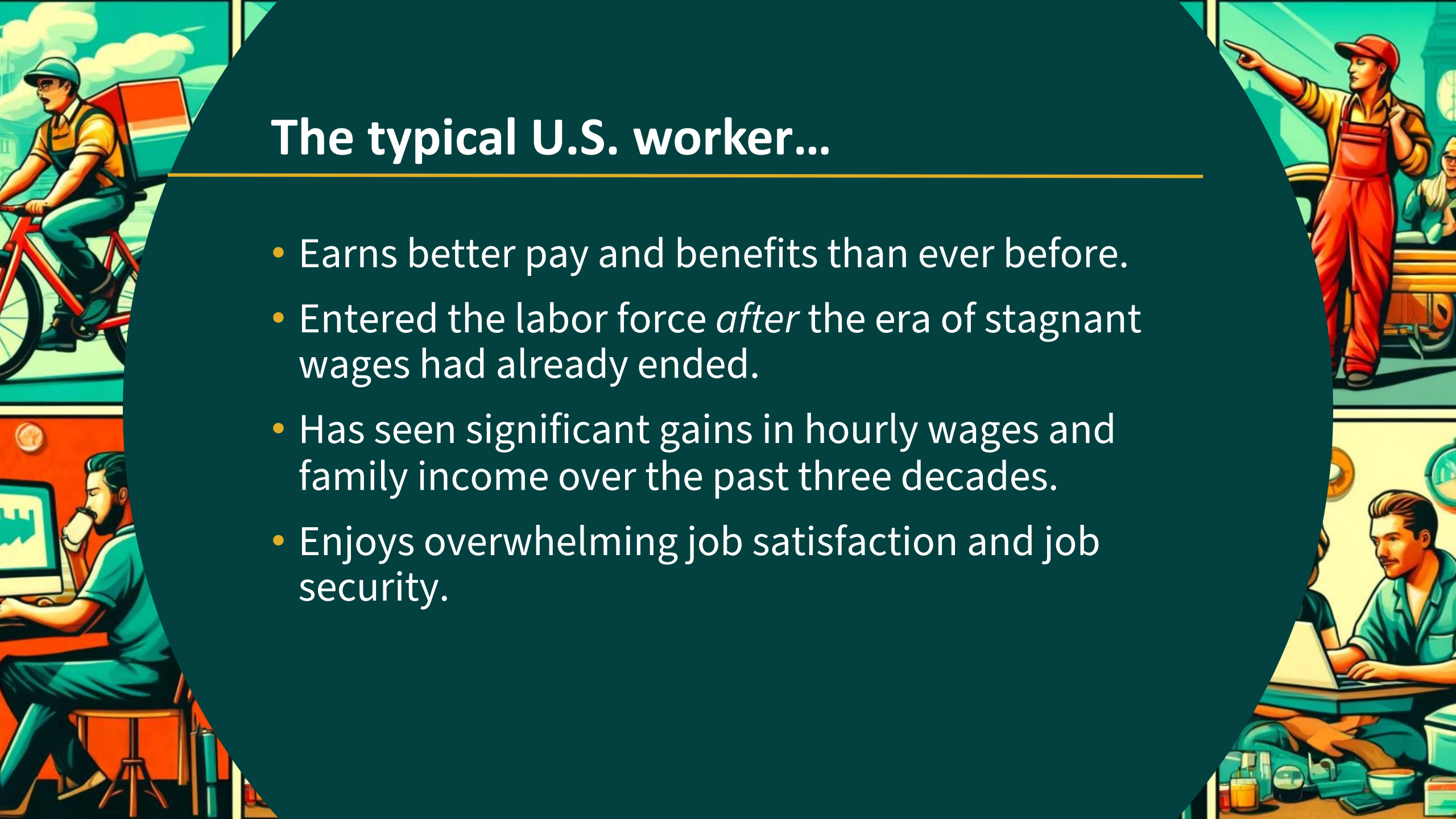


Source: The General Social Survey, NORC at the University of Chicago



## The typical U.S. worker...

- Earns better pay and benefits than ever before.
- Entered the labor force *after* the era of stagnant wages had already ended.
- Has seen significant gains in hourly wages and family income over the past three decades.
- Enjoys overwhelming job satisfaction and job security.

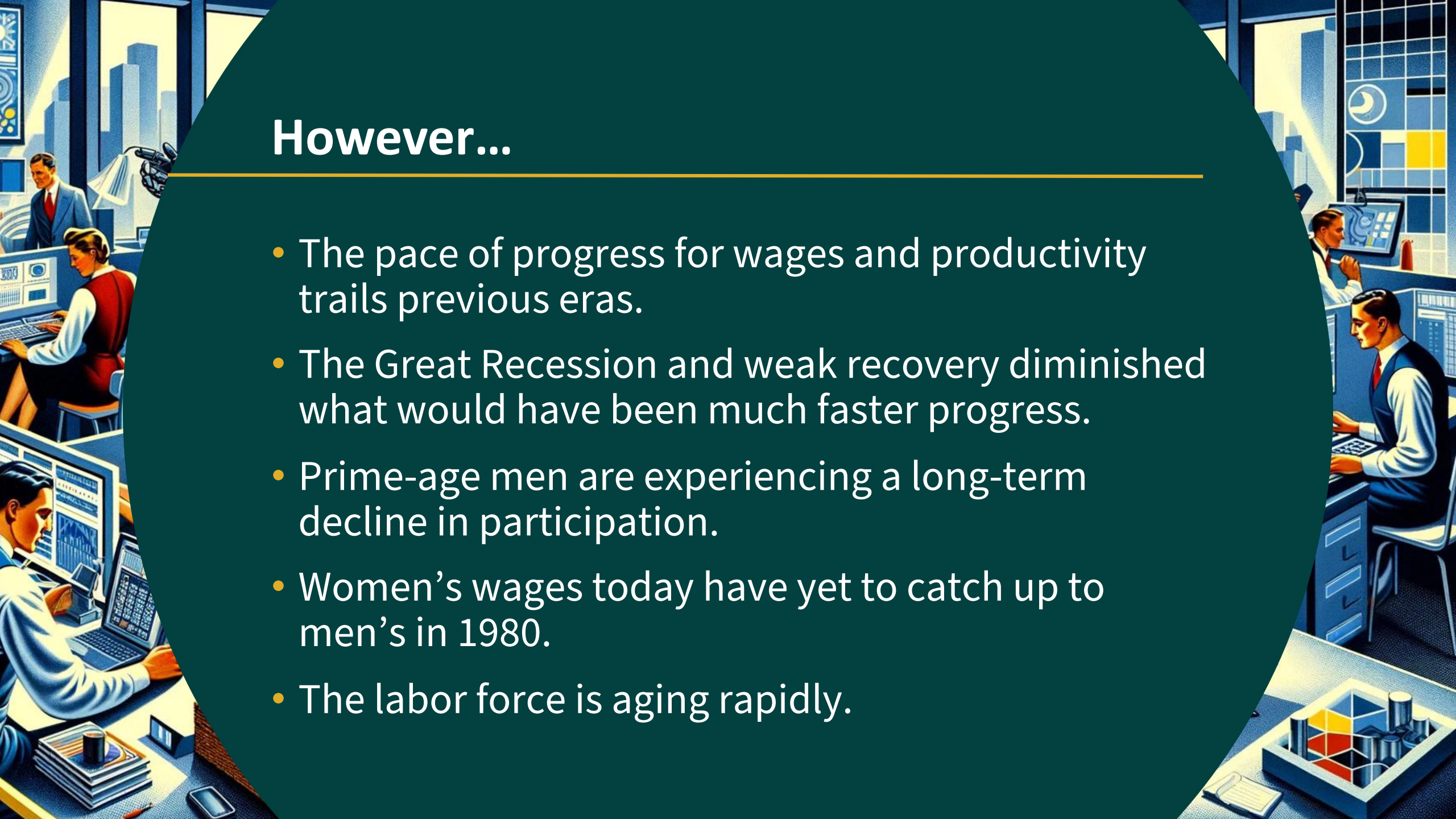




## However...

---

- The pace of progress for wages and productivity trails previous eras.
- The Great Recession and weak recovery diminished what would have been much faster progress.
- Prime-age men are experiencing a long-term decline in participation.
- Women's wages today have yet to catch up to men's in 1980.
- The labor force is aging rapidly.



The  
**American  
Worker  
Project**

---



ECONOMIC  
INNOVATION  
GROUP

---

**@InnovateEconomy**

**Learn more: [eig.org/american-worker/](http://eig.org/american-worker/)**