ABSTRACT

We study the occupational mobility of low skilled workers in the US using longitudinal data covering different industries and different occupations. We measure mobility using two measures i.e. position within an industry and wage levels. We document three results. First, there is a very low rate of mobility for individuals who start at an entry level position in a given industry. Second, there is very little change in wages for entry level workers if they remain in the same industry or even if they leave the industry as well.

INTRODUCTION AND HYPOTHESIS

During the transition period from school to work in the US, young people, especially those who do not complete high school, experiment with entry level jobs. Also, it has been established from prior research that Europe gives higher wages to its low skilled workers than the US. Thus, the question of interest is that if Europe has a higher minimum wage or if it provides better career opportunities to its low skilled workers. In this research, we have focused on the mobility factor among low skilled workers in the US.

DATA & METHODS

The research uses National Longitudinal Survey, which is a nationally representative sample of 8,984 men and women during the years 1980 through 1984 and living in the United States at the time of the initial survey in 1997. Data is available from Round 1 (1997-98) through Round 19 (2019-20). To answer the question on mobility, I have focused on years 2001-10 and for each of those years, I subset the dataset for individuals who started as entry level nurses in the given year. For example, I subset data for individuals who start as entry level nurses in 2001 and followed those individuals for ten years i.e. until 2011 and analyzed if there is a significant change in position, wages and industry altogether.

RESULTS

Here are some of the bar-charts and graphs for career positions and wages that I have obtained for entry level nurses and home aides.

Overall, it can be concluded that there is an upward mobility for entry level nurses in the US. For example, from the bar-chart on the left, it can be said that a large portion of those individuals go on to higher positions within the health-care industry and other industry as well. Similarly, the line graph suggests that for individuals who stay in the healthcare industry, earn higher wages and this can approximate to a linear growth.

After we access a comparable longitudinal dataset for Europe, we can compare the aspect of mobility among low skilled workers.

REFERENCES


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