

#### **RESEARCH REPORT**

## Understanding Good Jobs

### A Review of Definitions and Evidence

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## **Executive Summary**

Now more than ever, many Americans find their employment and financial status precarious and their prospects for upward mobility limited. The public health and economic crisis caused by COVID-19 has exacerbated and exposed the nature and extent of this precarity for large segments of the workforce. These immediate challenges arrive in the context of changes in the structure of work, such as automation and increases in nonstandard work arrangements, that create additional concerns for the future. To address these issues, policymakers, worker advocates, employers and employer groups, and researchers are focusing not only on job availability but on job quality. Definitions of what constitutes a "good job" vary—including adequate wages, benefits, stable schedules, worker protections, positive work environments (e.g., nondiscrimination and equity policies), potential for advancement, and other features. In this report, we pull together different prominent definitions of job quality into one framework and review the evidence on links between elements of jobs and worker well-being (e.g., higher income, better health, greater job satisfaction, job promotion or career progression), focusing on elements of jobs that might support worker mobility.

#### Our goal for this review is to

- provide a common framework for defining and discussing "good jobs" across the diverse set of stakeholders and perspectives;
- ground the conversation in the available empirical evidence on how job quality relates to worker outcomes: and
- explicitly include economic mobility as a consideration in the job quality conversation.

### **Elements of Good Jobs**

The framework we developed for discussing the elements of good jobs is shown in table ES.1. It is based on our review of 11 prominent definitions of job quality from different sources (see the main report for a complete list). It groups the different elements that are included in definitions of good jobs into five categories: pay, benefits, working conditions, business culture and job design, and on-the-job skill development. To elevate the connection between high-quality jobs and mobility, our framework also differentiates between elements that capture benefits to workers in their current jobs (blue column) and those that capture effects on career advancement in the future (green column). The latter elements may help promote future economic mobility for workers. Of course, current benefits on the job may also

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be connected to mobility by providing a platform for mobility, including the ability to save money, attend school, remain in the job to gain experience and skills, or maintain health.

TABLE ES.1

Organizing Framework for Elements of Job Quality

	Elements that provide benefits in current job	Elements that support advancement
Pay	Level of pay Predictability of pay	
Benefits	Health insurance Retirement plans Leave Other benefits (disability insurance, etc.)	Educational benefits (tuition assistance, etc.)
Working conditions	Stable, predictable hours Control over hours/location Job security Safety Nondiscrimination	
Business culture and job design	Culture of belonging Culture of diversity, equity, and inclusion Strong organizational mission Meaningfulness of tasks	Focus on personal growth (mentoring, etc.) Autonomy/power to change things Diversity of tasks Clearly defined career paths
On-the-job skill development	Training for specific tasks	Cross-training Advancement training and education

Our examination of prominent definitions of good jobs using this framework highlights their variety. Here are some key takeaways:

- Job quality definitions vary significantly in their complexity, with some focused on only a few elements.
- Pay and working conditions are the most common elements of job quality in these definitions.
- About half of job quality definitions include career advancement elements.

## **Evidence of Job Elements and Worker Outcomes**

The relationship between the job elements noted above and worker well-being are ultimately questions that require evidence: what aspects of jobs are good or bad (and how good or bad), by what measures, for which workers, and under what conditions? Using our framework categories, we examine the research on whether jobs with different elements make workers better off—more financially secure, more satisfied with their work, in better physical or mental health, and so on—than otherwise similar jobs without these elements.

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Across all our framework categories, we generally find at least some evidence of relationships between job elements and worker well-being, though the depth and conclusiveness of available research, as well as the outcomes used to characterize worker well-being, vary in important ways. Research has examined the connections between wages, benefits, hours and scheduling, leave, and working conditions on worker outcomes, including their economic situation, subjective well-being, physical and mental health, and even children's outcomes. There is also evidence that workplace culture and job design, including autonomy on the job or strong organizational mission, have important effects on worker satisfaction and likelihood of remaining on the job. Job training and educational benefits are linked to positive outcomes such as higher wages. Selected findings from the literature are summarized in table ES.2.

The research connecting job elements to economic mobility is more limited. Some evidence suggests that jobs that provide opportunities for earnings growth on the job—such as a wage schedule that rewards seniority or an explicit career pathway for promotion—are connected to greater worker satisfaction. The evidence that jobs with these elements put workers on a steeper or more secure earnings trajectory than otherwise similar jobs is less clear. Research suggests that job-to-job moves help workers achieve wage gains, especially workers in low-wage jobs. Workers in jobs with certain good job elements, such as health insurance, may be less likely to change jobs, which could affect upward mobility. Some research suggests potential links between other job elements, such as adequate pay and stable schedules, and prospects for upward mobility, but more research is required to understand these mechanisms.

## Identifying Gaps in Knowledge

Our review finds that evidence on how job elements relate to worker outcomes, including economic mobility, is limited in several ways:

 Differences in worker preferences and needs mean that some job elements will matter more or matter less for different groups of workers, but evidence on this is limited.

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#### TABLE ES.2

#### **Evidence on Good Jobs**

Selected findings from the literature relating elements of jobs to worker well-being

Job element	Study	Finding				
Pay						
Pay level	Kahneman and Deaton (2010)	Positive effect of income on life satisfaction				
	Sullivan and von Wachter (2009)	Lower earnings linked with higher mortality				
Relative pay	Dube, Giulano, and Leonard (2019)	Increases in peer wages lead workers to quit				
Benefits Health insurance	Carthwaita Cross and Notowidiada	Some low-wage workers take work to obtain				
Health illsurance	Garthwaite, Gross, and Notowidigdo (2014)	access to health insurance				
Retirement plans	Thaler and Benartzi (2004)	Well-designed employer-based retirement savings plans increase retirement wealth				
Leave	Bullinger (2019)	Paid family leave is associated with better maternal mental health				
	DeRigne, Stoddard-Dare, and Quinn (2017)	Paid sick leave is associated with better access to preventive health care				
Education benefits	Flaherty (2007)	Tuition reimbursement is associated with workers remaining at a job longer				
Working conditions Adequate hours	Braga, Brown, and McKernan (2019)	Many part-time workers would prefer to work more hours than offered				
Stable/predictable	Schneider and Harknett (2019)	Poor schedules are associated with psychological distress Workers are willing to accept reduced wages to avoid unpredictable schedules				
schedules	Mas and Pallais (2017)					
Control over hours/location	Moen et al. (2016)	Flexible working hours improve job satisfaction and may reduce stress				
Job security	Wiswall and Zafar (2018)	Workers are willing to accept lower wages for lower chances of dismissal				
Safety	Viscusi and Aldy (2003)	Less safe jobs pay workers higher wages				
Business culture and						
<b>job design</b> Mission	Hedblom, Hickman, and List (2019)	Jobs with social impact attract more applicants				
Autonomy	Bryce (2018)	Work with characteristics associated with greater autonomy is found more meaningful				
On-the-job skill						
development Training	D					
6	Parent (1999)	Employer-provided training raises wages				

**Notes:** This table includes only a selection of research studies summarized in the text. Full citations are available in the reference list.

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- Much of the discussion and evidence on job quality, job elements, and worker well-being fails to
  fully grapple with the ways job elements are connected to each other and jointly determined in
  the labor market.
- Evidence on job quality does not firmly establish which job elements are most important or their relative importance for worker well-being.
- There is limited research on the link between job quality and worker economic mobility.

Ultimately, the interest of policymakers, worker advocates, employer groups, researchers, and others is to improve job quality. The framework we present here can help provide common ground for discussions about good jobs across these diverse stakeholders. Understanding the evidence and gaps in research on the importance of job elements for worker outcomes, including economic mobility, is an important step toward having the necessary information to move toward this goal.

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## **Understanding Good Jobs**

Now more than ever, many Americans find their employment and financial status precarious and their prospects for upward mobility limited. The public health and economic crisis caused by COVID-19 has exacerbated and exposed the nature and extent of this precarity for large segments of the workforce. These immediate challenges arrive in the context of changes in the structure of work, such as automation and increases in nonstandard work arrangements, that create additional concerns for the future. To address these issues, policymakers, worker advocates, employer groups, and researchers are focusing not only on job availability but on job quality. Definitions of what makes a "good job" vary—including adequate wages, benefits, stable schedules, worker protections, positive work environments, potential for advancement, and other features. In this report, we pull together different prominent definitions of job quality into one framework and review the evidence on links between elements of jobs and worker well-being (e.g., higher income, better health, greater job satisfaction, job promotion or career progression), focusing on elements of jobs that might support worker mobility.

Our goal in conducting this review of job quality definitions and evidence is threefold. First, we want to provide a common language and framework among diverse stakeholders—including policymakers, businesses, and workers, as well as across disciplines, including researchers in economics, sociology, and management—who share common interests in understanding and improving job quality but bring different perspectives and terminology to the task. Second, we want to help ground the conversation in the available empirical evidence on how job quality relates to worker outcomes. And third, we want to more explicitly include economic mobility as a consideration in the job quality conversation, both by highlighting potential connections and relevant evidence between job elements and mobility, as well as by identifying important gaps where we lack evidence on that connection.

### **Elements of Good Jobs**

To build a framework for discussing good jobs and to identify common elements of good jobs definitions, we reviewed 11 prominent definitions of job quality from various sources. These are not all definitions of job quality being used but provide various definitions from authors with different perspectives, primary audiences, and purposes.<sup>1</sup>

From the business-oriented literature, we review three definitions that primarily apply to employers and the business community:

- Gallup's "Not Just a Job" report. Gallup's work, which is based on its Great Jobs Study, sponsored by Lumina Foundation, the Bill & Melinda Gates Foundation, and the Omidyar Network, aims to fill the gap in data on worker preferences for different elements of job quality (Rothwell and Crabtree 2019).
- Ton's Good Jobs Strategy framework. In her book, Ton (2014) encourages employers to take on the "Good Jobs Strategy" to reap mutual benefits between employees, employers, and customers.
- FSG's "Advancing Frontline Women" and "Advancing Frontline Workers of Color" reports.

  These reports, funded by Walmart, demonstrate to employers the importance of changing business systems to retain, advance, and develop frontline employees of color and women (Hanleybrown et al. 2020; Hanleybrown, Hawkins, and Medrano 2020).

One definition comes from the US federal government's Office of Personnel Management, but—like the above business-oriented definitions—it seeks to inform government agencies' human resources strategy:

The 2019 Federal Employee Viewpoint Survey. A main objective is to document current and potential engagement of federal employees to help federal leadership better adjust work conditions to support employee engagement (Office of Personnel Management 2019).

We also review several definitions from the academic literature that seek to advance thinking about how to measure and track good jobs in our economy.

- From economics
  - Schmitt and Jones's "Where Have All the Good Jobs Gone?" This report, funded by the Ford Foundation and the Public Welfare Foundation, aims to "gauge the extent of the decline in the underlying capacity of the U.S. economy to generate good jobs" from a research perspective (Schmitt and Jones 2012).
  - » Dickens and Lang's "Labor Market Segmentation and the Union Wage Premium." Dickens and Lang's (1986) work, funded by Berkeley's Institute of Industrial Relations and the National Science Foundation, seeks to rethink traditional labor market theory and advance research surrounding job quality.
- From sociology

- » Howell and Kalleberg's "Declining Job Quality in the United States." Howell and Kalleberg's (2019) report aims to better understand the decreasing quality of American jobs, with the goal of pursuing policy to promote the regrowth of high-quality jobs.
- » Kalleberg and colleagues' "Bad Jobs in America." This report, funded by the Ford Foundation and the Alfred P. Sloan Foundation, comes from a perspective of advancing a field of research. It aims to "examine the relationship between non-standard employment and 'bad' job" (Kalleberg, Reskin, and Hudson 2000).

#### From law

Cornell Law School's Job Quality Index. The Private Sector Job Quality Index, which was funded by Cornell Law School, aims to "monitor job quality trends in real time, and to redirect the focus" of various stakeholders from traditional measures of jobs and unemployment rates to the quality and value of existing jobs.<sup>2</sup>

Finally, two definitions are from international sources that attempt to quantify good jobs so they can be measured and tracked. When considering international job quality definitions, it is important to consider the varying policy context across countries that could affect decisions on the inclusion and prioritization of different job elements:

- The OECD Job Quality Framework. The Organisation for Economic Co-operation and Development (OECD) paper, funded by the European Union, was to be used "to compare job quality across countries, socio-economic groups, and over time" to better understand labor markets and worker well-being (Cazes, Hijzen, and Saint-Marten 2016).
- The International Labour Organization's "Decent Work Indicators" framework. This framework of the overarching International Labour Organization project on decent work, which is partially funded by the European Union, is to be used by member countries to "monitor and evaluate progress" toward better job quality (International Labour Organization 2008).

## Organizing Framework

We develop a framework that classifies the job quality elements these definitions collectively include into five categories: pay, benefits, working conditions, business culture and job design, and on-the-job skill development. Within these categories, more specific elements work together to inform job quality (table 1).

The categories are defined as follows:

- Pay. Elements in this category are related not only to the amount of money people earn but also earnings predictability and stability.
- Benefits. These elements include other types of compensation that may be extended to staff as
  part of their compensation package. Health insurance, retirement benefits, leave, disability, and
  educational assistance are key examples.

TABLE 1
Organizing Framework for Elements of Job Quality

<u> </u>	Organizing Transework for Elements of Job Quanty								
	Elements that provide benefits in current job	Elements that support advancement							
Pay	Level of pay Predictability of pay								
Benefits	Health insurance Retirement plans Leave Other benefits (disability insurance, etc.)	Educational benefits (tuition assistance, etc.)							
Working conditions	Stable, predictable hours Control over hours/location Job security Safety Nondiscrimination								
Business culture and job design	Culture of belonging Culture of diversity, equity and inclusion Strong organizational mission Meaningfulness of tasks	Focus on personal growth (mentoring, etc.) Focus on achievement/recognition Autonomy/power to change things Diversity of tasks Clearly defined career paths							
On-the-job skill development	Training for specific tasks	Cross-training Advancement training and education							

- Working conditions. These elements have to do with basic control or predictability of hours and location, job security, job safety, and nondiscrimination and nonharassment policies. These dimensions may be about employer compliance with laws and regulations or going above and beyond compliance.
- Business culture and job design. Numerous elements of job quality definitions have to do with how things are done within a business or on a particular job. Culture sets the tone for how work is accomplished, how talents are supported, and how the organization operates, including diversity and inclusion policies. Job design determines the skills people develop on the job and their pathways for advancement.

 On-the job skill development and training. This incorporates training on individual tasks associated with a job, as well as cross-training on skills for related jobs.

Because of our focus on mobility, our framework also differentiates between elements of job quality that capture benefits to workers in their current job that contribute to job quality generally (blue column) and elements that capture effects on career advancement in the future (green column). The latter elements may help promote future economic mobility for workers. Current benefits on the job may also be connected to mobility by providing a "platform" for mobility, including the ability to save money, retain a job, accumulate retirement income, attend school, or maintain health. For example, health insurance or paid leave may lead to better health or work conditions, and an environment of support and equity may lead to job satisfaction that can improve a worker's ability to retain their job and thus gain important work experience that can contribute to future economic mobility.

### Patterns across Definitions of Good Jobs

We look at the 11 definitions and categorize the elements in each one according to our framework (table 2). This allows us to identify the most common elements and how they are most commonly phrased. Several takeaways emerge:

#### Job Quality Definitions Vary Significantly in Their Complexity

The 11 definitions we reviewed varied significantly in the elements they included. The number of elements per definition range from 2 to 18, with an average of 10. All 11 definitions incorporate elements related to worker experiences in their current job, particularly pay and benefits. The three definitions with the most elements discussed came from the Federal Employee Viewpoint Survey (FEVS), the Gallup poll on job quality, and Ton's Good Jobs Strategy. The OECD framework and the FSG report also had many elements. The Cornell Job Quality Index had the fewest, focusing almost exclusively on level of pay.

TABLE 2

Definitions of Good Jobs in Framework

		Busin	ess Litera	nture	Gov't	Econ	omics	Socio		Law	Internat	ional	
	Element	1. Gallup	2. Ton	3. FSG	4. FEVS	5. Schmitt and Jones	6. Dickens and Lang	7. Howell and Kalleberg	8. Kalleberg Reskin, and Hudson	9. Job Quality Index	10. OECD	11. ILO	Total mentions in definitions
	Pay Level of pay Predictability of pay	√ √	<b>1</b> √	2 √ √	2 √ √	<b>1</b> √	<b>1</b> √	<b>1</b> √	<b>2</b> √ √	<b>1</b> √	<b>2</b> √ √	<b>1</b> √	<b>16</b> 11 5
Elements that provide benefits in current job	Benefits Health insurance Retirement Leave Other (disability insurance, etc.)	<b>4</b> √ √ √	1 √	3 √ √ √	1	3 √ √	1	3 √ √ √	2 √ √	0	0	1	19 5 4 4
	Working conditions Stable, predictable hours Control over	2	<b>4</b> √	<b>2</b> √	3 √	<b>1</b> √	1	<b>2</b> √	3 √	<b>1</b> √	<b>4</b> √	3 √	<b>26</b>
	hours/location Job security Safety	<b>√</b> √	√ √ √	√	√ √		<b>√</b>	√	√ √		√ √ √	√ √	7 6 4
nents that pro	Business culture and job design Belonging Diversity, equity, and inclusion	<b>2</b> √	<b>2</b> √	<b>0</b> √	<b>4</b>	0	0	<b>0</b> √	0	0	<b>1</b>	o √	<b>9</b> 3 6
Elem	Enjoying day-to-day work/Sense of purpose and dignity Meaningfulness	√	<b>√</b>		√ √								2 2
	On-the-job skill development Training for specific tasks	0	<b>1</b> √	<b>1</b> √	<b>1</b> √	0	0	0	0	0	<b>1</b> √	<b>1</b> √	<b>5</b> 5

		Busin	ess Litera	ature	Gov't	Ecor	omics	Socio	ology	Law	Internat	ional	
	Element	1. Gallup	2. Ton	3. FSG	4. FEVS	5. Schmitt and Jones	6. Dickens and Lang	7. Howell and Kalleberg	8. Kalleberg Reskin, and Hudson	9. Job Quality Index	10. OECD	11. ILO	Total mentions in definitions
ju j	Benefits Educational benefits	1 √	0	1 √	0	0	0	0	0	0	0	1 √	3 3
Elements that support future advancement	Business culture and job design Personal growth Focus on achievement Focus on recognition Autonomy Power to change things Clearly defined career paths	5 √ √ √ √	5 √ √ √ √	√ √	6 √ √ √ √	0	0	1 √	1 √	0	4 √ √ √	0	23 4 3 3 6 3
ements th	On-the-job skill development Cross-training/	0	1	1	1	0	0	0	0	0	1	1	5
E	advancement training Total elements in definition	16	15	11	18	5	3	7	8	2	13	8	5

**Sources:** Descriptions of the sources noted in the column headers can be found in the Elements of Good Jobs section of the report.

Note: FEVS = Federal Employee Viewpoint Survey; ILO = International Labour Organization; OECD = Organization for Economic Co-operation and Development.

#### Pay and Working Conditions Are the Most Common Elements of Job Quality

All five categories of job quality elements for current jobs are mentioned in at least 4 of the 11 definitions. Pay and working conditions are ubiquitous and are included in all 11. Nonwage benefits are also common, mentioned in 9 definitions, while basic on-the-job training is mentioned in only 5 and business culture and job design in 4.

Within the pay category, level of pay is the only element that appears in every definition. Level of pay is the Cornell Job Quality Index's main focus, one of only two elements mentioned in that definition. This reflects economic research findings and common perceptions that pay is one of the most important elements of job quality. Predictability of pay is another dimension of pay, mentioned in five definitions. This refers in general to the stability of workers' wages, which can help them predict how much income they will have access to. The OECD definition, for example, discusses pay predictability as the risk of pay falling below a "low-pay" threshold (Cazes, Hijzen, and Saint-Marten 2016). This "stability and predictability" measure, while not as prevalent as pay level in all definitions, is cited as the most important element of job quality in the Gallup report (Rothwell and Crabtree 2020). The FEVS report also provides context for this measure, discussing pay predictability in terms of the share of workers whose pay schedule was changed by the 2019 government shutdown (Office of Personnel Management 2019).

Working conditions are also common among the definitions. In this category, stability or predictability of hours is the most common element, mentioned in nine definitions. In Ton's Good Jobs Strategy, stable and predictable hours are described as a "basic need" for all jobs (Ton 2014). Control over hours and location is also common, mentioned in seven definitions. This flexibility is often mentioned as helping workers maintain "work-life balance." The OECD definition explains that inflexible hours, such as the inability to "take off an hour or two during working hours for personal or family matters," can lead to job strain, which is also related to long hours (Cazes, Hijzen, and Saint-Marten 2015). Job security, which, according to the OECD, "captures the main risks that workers face in the labor market and their economic consequences," is also viewed as critical, cited in six definitions. Finally, safety is a relevant element of working conditions but is mentioned in only four definitions.

Nonwage benefits are included in nine definitions. Health insurance was the most commonly cited benefit, mentioned in five definitions. Kalleberg, Reskin, and Hudson (2000) describe lack of health insurance as the "hallmark of a bad job." Retirement benefits are included in four definitions. In Schmitt and Jones's (2012) definition, health insurance and retirement benefits are the only markers of good jobs other than earnings. Because these elements have tangible financial benefits to employees, they

are widely considered important. Finally, other benefits such as paid leave, disability insurance, and transportation assistance appear in seven definitions. Benefits are not mentioned in either international source, likely because in many industrialized countries (including European Union countries, which are the focus of one of these definitions), these benefits are provided by the government, rather than a person's job.

Fewer definitions of good jobs include training and elements of business or organizational culture and job design. Culture and job design are mentioned in seven definitions, and training is mentioned in five. Among these categories, the most common element is a culture of diversity, equity, and inclusion, mentioned in six definitions. A culture of diversity, equity, and inclusion can involve explicit and implicit workplace policies. The FSG study, which focuses on ensuring racial equity through job quality, mentions such policies as CEO commitment to racial equity; ongoing diversity, equity, and inclusion trainings; equitable pay; and formal mentorship for employees of color. Feeling a sense of belonging or dignity at one's job is the only business culture element mentioned three times—in the FEVS, Good Jobs Strategy, and OECD definitions. Belonging can mean different things to different employees but can describe feeling "at home" at work or having close friendships with coworkers, as defined in the OECD definition, or could reflect a feeling of dignity at work and a culture of equity and diversity (Cazes, Hijzen, and Saint-Marten 2016).

#### More Than Half of Job Quality Definitions Include Advancement Elements

Eight definitions contain elements specific to career advancement. In addition to having the most elements overall, the FEVS, the Gallup poll on job quality, Ton's Good Jobs Strategy, and the OECD Job Quality definition include future advancement elements.

Elements of business or organizational culture and job design may help shape workers' ability to advance in the same job or a new job. Six definitions mention these elements. Skills training and education are an important factor associated with advancement and are included in several definitions. On-the-job skills development is mentioned in five definitions, and educational benefits are referenced in three.

Within the job elements of business culture and job design, personal growth, dignity, equity, achievement, recognition, autonomy to make decisions on how tasks are performed, and workers' power to change things about the job emerge as prominent elements in several definitions. These features may relate to advancement because they empower workers to build and adapt new skills, create more value for their employers, and project themselves along a career path. Personal growth,

which Ton (2014) describes broadly as "learning, creativity, and problem solving," is mentioned in four definitions. Achievement, recognition, and power to change things in your job are mentioned in three definitions. Autonomy is mentioned in six definitions, in complementary ways. For example, the OECD definition describes autonomy as workers' freedom to choose and change their work tasks and methods (Cazes, Hijzen, and Saint-Marten 2016). Ton links achievement to autonomy, as it gives workers the tools, time, and resources to do great work. The OECD definition contextualizes this description of achievement, adding that personal accomplishment is tied to the nature and content of the work performed, working-time arrangements, workplace relationships, and training opportunities.

On-the-job skills development may include cross-training and training geared toward the job or to leadership development, promotion, and advancement, coupled with clearly defined career pathways. Cross-training, mentioned in five definitions, can be described as learning tasks outside of those required in a worker's primary role. This could increase employees' morale by affording them more variety in their work and supporting personal goals. Further, it could offer career development by providing exposure to a wider variety of supervisors, potential mentors, and promotion opportunities. The FSG work notes that cross-training is a job quality element that intentionally "invests in the development, recognition, and promotion of more frontline employees of color" (Hanleybrown et al. 2020). Clearly defined career pathways, an element in four definitions, relates to opportunities for career advancement. Ton's definition explicitly ties the career path to fair pay. For workers with low incomes in particular, the FSG definition describes clear career pathways as a way to help understand their promotion opportunities and identify what skills they need to develop to advance within their organization, while reducing hidden inequities in pay and promotion through standardization and transparency. On-the-job skill development is not mentioned in the academic definitions but is referenced in business-oriented and federal government definitions.

Finally, access to educational benefits—such as tuition reimbursement or release time for education and training—is mentioned in three definitions. Similar to professional development, it is not mentioned in the academic definitions of a good current job but is included in business-oriented, international, and federal government definitions.

### Job Elements and Worker Outcomes

Our framework illustrates that exact definitions of good jobs vary. But they all characterize job quality on a relatively common set of elements, such as pay, benefits, and working conditions. The inclusion or emphasis of particular elements in these definitions reflects perspectives or claims, though often

implicit, as to which and how job elements improve current or future worker well-being. That is, jobs with such elements as higher pay or more reliable schedules can be characterized as "good jobs" in the sense that they lead workers to be better off in some way—more financially secure, more satisfied with their work, in better physical or mental health, and so on—than similar jobs without these elements. The studies we review define worker well-being in many ways, including higher income, better health, greater job satisfaction, and economic mobility, which is alternately defined as wage or income growth, occupational or career progression, or job promotion and even include intergenerational improvement in economic well-being.

These relationships between job elements and worker well-being are questions that require evidence: what aspects of jobs are good or bad (and how good or bad), by what measures, for which workers, and under what conditions? Below, we highlight findings from research investigating these questions for some job elements we described in the previous section, noting themes from the literature and important knowledge gaps. We give special attention to research on links, or potential links, between job elements and workers' economic mobility and find that this research is limited.

For many job quality elements discussed in the more common definitions (e.g., pay and benefits), research provides evidence on how those elements relate to workers' outcomes. Below, we summarize evidence by category. Table 3 highlights selected findings.

#### BOX 1

#### Job Quality, Worker Productivity, and Employer Costs

This report approaches job quality as it relates to worker well-being, which is the focus of most job quality definitions we reviewed. Related research considers the relationship of many of these same job elements to outcomes that reflect other perspectives, such as worker productivity or employer costs. Often, these perspectives are in tension. Providing more generous pay and benefits, raising job quality, and improving outcomes for workers also raise employer costs of employee compensation. In other instances, these perspectives are at least partially aligned. An example is what economists call "efficiency wages," where firms can elicit higher levels of effort and productivity from workers by paying higher wages. Some definitions of job quality, such as the one in Ton's Good Job Strategies framework, address these "dual perspectives."

Not all job elements that benefit workers benefit employers, but some evidence points to employer benefits. Some research finds that higher wages lead to lower turnover<sup>b</sup> and lower absenteeism,<sup>c</sup> both of which reduce employer costs. Other research finds evidence that, for example, issues of relative pay and fairness are related not only to worker job satisfaction but to worker effort and productivity.<sup>d</sup>

<sup>a</sup> Carl Shapiro and Joseph E. Stiglitz, "Equilibrium Unemployment as a Worker Discipline Device," *American Economic Review* 74, no. 3 (June 1984): 433.

<sup>b</sup> Arindrajit Dube, T. William Lester, and Michael Reich, "Minimum Wage Shocks, Employment Flows, and Labor Market Frictions," *Journal of Labor Economics* 34, no 3 (July 2016): 663–704; Arindrajit Dube, Suresh Naidu, and Michael Reich, "Can a Citywide Minimum Wage Be an Effective Policy Tool? Evidence from San Francisco" (Berkeley: University of California, Berkeley, Institute for Research on Labor and Employment, 2005).

<sup>c</sup> Juan Du and J. Paul Leigh. 2018. "Effects of Minimum Wages on Absence from Work Due to Illness." *BE Journal of Economic Analysis & Policy* 18, no 1; Christian Pfeifer, "Impact of Wages and Job Levels on Worker Absenteeism," *International Journal of Manpower* 31, no. 1 (March 2010).

<sup>d</sup> Alain Cohn, Ernst Fehr, Benedikt Herrmann, and Frédéric Schneider, "Social Comparison and Effort Provision: Evidence from a Field Experiment," *Journal of the European Economic Association* 12, no. 4 (August 2014): 877; Emily Breza, Supreet Kaur, and Yogita Shamdasani, "The Morale Effects of Pay Inequality," *Quarterly Journal of Economics* 133, no. 2 (May 2018).

#### Pay

A basic element of job quality is compensation, including pay (wages or salaries) and benefits (discussed below). In standard economic theory, workers must be compensated for work activities. All else equal, the better a job pays and the better it compensates workers for having to perform, the better that job is for worker well-being. And because earnings from work are the primary way most Americans earn income to support themselves and their families, better-paying jobs better allow workers to both meet their basic needs and more generally support higher levels of consumption, leaving households better off.

#### **WAGES AND WELL-BEING**

The fundamental connection between pay or wages and worker well-being is so basic and uncontested that it requires little new empirical support to consider it a foundation of job quality. Nevertheless, recent research identifying the magnitude and nature of how pay relates to specific outcomes for workers illustrates the importance of this element. One branch of research that demonstrates the close connection of pay and well-being presents evidence that better wages lead to healthier workers. For example, Leigh and Du (2012) find that low wages are an independent risk factor for hypertension. Sullivan and von Wachter (2009) find that periods of low earnings are associated with higher mortality rates, even many years later. Research using variation in minimum wages finds that higher wages are associated with improved physical health outcomes (Lenhart 2017), such as obesity (Kim and Leigh 2010), as well as mental health outcomes (Reeves et al. 2017). Wages have also been found to relate to psychological indicators such as measures of self-esteem (De Araujo and Lagos 2013).

#### SHAPE OF THE RELATIONSHIP

Other findings that may inform thinking about the importance of pay as an element of job quality is evidence on the shape of the relationship between wages and well-being and whether higher wages always improve well-being. Researchers provide different insights in part because by characterizing job quality based on levels of pay, definitions often set thresholds above and below which jobs are considered "good." For example, Howell and Kalleberg (2019) use two-thirds of the median wage. Other research seeks to define a "living wage," based on the level of wages required to meet basic consumption needs. Glasmeier provides an absolute reference point for thinking about wage levels. The subjective well-being literature also speaks to this question. Kahneman and Deaton (2010) find an inflection point around \$75,000 a year (in 2010) for emotional aspects of well-being but no inflection point for life satisfaction. Stevenson and Wolfers (2013) also fail to find any point at which more income stops leading to greater happiness. From this perspective, more earnings are always better.

TABLE 3
Evidence on Good Jobs

Selected findings from the literature relating elements of jobs to worker well-being

Job element	Study	Finding				
Pay						
Pay level	Kahneman and Deaton (2010)	Positive effect of income on life satisfaction				
	Sullivan and von Wachter (2009)	Lower earnings linked with higher mortality				
Relative pay	Dube, Giulano, and Leonard (2019)	Increases in peer wages lead workers to quit				
Benefits	Could be Constant Notes 15 de	Complement of the state of the state of				
Health insurance	Garthwaite, Gross, and Notowidigdo (2014)	Some low-wage workers take work to obtain access to health insurance				
Retirement plans	Thaler and Benartzi (2004)	Well-designed employer-based retirement savings plans increase retirement wealth				
Leave	Bullinger (2019)	Paid family leave is associated with better maternal mental health				
	DeRigne, Stoddard-Dare, and Quinn (2017)	Paid sick leave is associated with better access to preventive health care				
Education benefits	Flaherty (2007)	Tuition reimbursement is associated with workers remaining at a job longer				
Working conditions Adequate hours	Braga, Brown, and McKernan (2019)	Many part-time workers would prefer to work more hours than offered				
Stable/predictable	Schneider and Harknett (2019)	Poor schedules are associated with psychological distress Workers are willing to accept reduced wages to avoid unpredictable schedules				
schedules	Mas and Pallais (2017)					
Control over hours/location	Moen et al. (2016)	Flexible working hours improve job satisfaction and may reduce stress				
Job security	Wiswall and Zafar (2018)	Workers are willing to accept lower wages for lower chances of dismissal				
Safety	Viscusi and Aldy (2003)	Less safe jobs pay workers higher wages				
Business culture and						
<b>job design</b> Mission	Hedblom, Hickman, and List (2019)	Jobs with social impact attract more applicants				
Autonomy	Bryce (2018)	Work with characteristics associated with greater autonomy is found more meaningful				
On-the-job skill						
development Training	D (4000)					
	Parent (1999)	Employer-provided training raises wages				

**Notes:** This table includes only a selection of research studies summarized in the text. Full citations are available in the reference list.

#### **RELATIVE WAGES**

Findings from studies in economics and psychology show that in addition to their own wage levels, workers care about how wages are set and how their own wages compare with those of their coworkers (Fehr, Goette, and Zehnder 2009; Kahneman, Knetsch, and Thaler 1986). Relative pay has been found to relate to job satisfaction (Card et al. 2012), and Dube, Giulano, and Leonard (2019) find that "quits" (i.e., the number of people leaving jobs) are sensitive to relative pay.

#### **Benefits**

Many definitions of job quality, as noted in the previous section, consider the availability and provision of benefits, such as health insurance or retirement benefits, to be important elements of good jobs. Evidence also supports this point, with research suggesting these benefits are valuable to workers and affect their well-being.

#### **HEALTH INSURANCE**

In the United States, employer-sponsored health insurance plans help individuals and families obtain health insurance coverage and access to health care. Most workers who are offered medical benefits take them up.<sup>4</sup> Access to these plans connects workers with the financial, health, and other benefits associated with health insurance (Finkelstein et al. 2012; Goldin, Lurie, and McCubbin 2019). Evidence shows that some workers—including workers paid low wages (Bansak and Raphael 2008; Hamersma and Kim 2009)—remain employed in jobs they would leave if they were unafraid of losing health insurance (Gruber and Madrian 1997; Madrian 1994a). This research indicates that the health insurance workers obtain through their jobs is valuable, even though the consequences of this "joblock" effect for both economic mobility and social welfare are likely negative. Evidence showing that some people work only to qualify for employer-sponsored health insurance reinforces the importance of this benefit (Dague, DeLeire, and Leininger 2017; Garthwaite, Gross, and Notowidigdo 2014).

#### RETIREMENT BENEFITS

Retirement benefits through work—either defined contribution retirement savings plans, such as 401(k) plans, or defined benefit pension plans—may be valuable to workers and support their retirement security. Employer contributions or contribution matching can be valuable compensation for some workers. Although saving for retirement outside work is possible, evidence indicates that important features of workplace-based retirement savings plans, such as automatic enrollment, are

hard to replicate outside employment contexts and that these elements substantially help workers accumulate adequate retirement savings (Thaler and Benartzi 2004).

#### **LEAVE**

Available leave—paid or unpaid, for family or medical reasons or vacation time—is a particularly important and well-studied benefit. Workers typically prefer having access to leave. In one survey, 53 percent of employees said they would turn down a job if it did not include paid time off, and 74 percent said it is very important to provide paid sick leave. But 76 percent said they would rather earn more money than receive more paid time off. 6

Family leave. Evidence finds direct benefits to workers and their families from family leave (Rossin-Slater 2017). Bullinger (2019) finds positive effects on parents' mental health, and Carneiro, Løken, and Salvanes (2015) find long-run benefits for children. An important potential effect of family leave for workers might be helping them retain work, but the evidence on this is less clear. Recent studies of paid family leave in California suggest that although the law increased leave taking, it had little overall effect on employment or wages (Bailey et al. 2019; Bana, Bedard, and Rossin-Slater 2018). This is in contrast with earlier work that generated some evidence of increased employment, hours, and wages (Byker 2016; Rossin-Slater, Ruhm, and Waldfogel 2013). Research on unpaid leave has found it may increase returning to work (Baum 2003) but has little effect on later employment or earnings (Waldfogel 1999).

Sick leave. Paid sick leave benefits workers and potentially their coworkers and employers (Marotta and Greene 2019). Workers express higher job satisfaction when sick leave is available (Lindemann and Britton 2015). Evidence also suggests direct health benefits: workers with sick leave are more likely to use preventive health services (DeRigne, Stoddard-Dare, and Quinn 2017; Peipins et al. 2012), more likely to not forgo needed care (DeRigne, Stoddard-Dare, and Quinn 2016), and less likely to use emergency care (Bhuyan et al. 2016). Positive associations also exist between sick leave and some workplace outcomes. Stearns and White (2018) find sick leave is associated with decreased absences from work, and Asfaw, Pana-Cryan, and Rosa (2012) find lower rates of occupational injury. Effects on labor market outcomes more generally are less conclusive. Some evidence suggests that paid sick leave reduces chances of job separation (Hill 2013). But evidence of effects on employment, wages, and labor force participation is sparse (Ahn and Yelowitz 2015; Pichler and Ziebarth 2016).

**Paid vacation.** Paid vacation time is studied somewhat less than family or sick leave. Evidence from psychology and organizational behavior research supports a common intuition that vacations may have positive effects for workers on aspects of health and well-being, such as improvements in mood or

reductions in stress, though these effects are found to be short lived (de Bloom, Geurts, and Kompier 2013).

#### **Working Conditions**

Other important elements of jobs include working conditions, such as whether the hours and location of work are flexible or inflexible, whether workplaces are safe or dangerous, whether workers have job security, and whether the workplace is free from discriminatory practices. Research finds that these conditions relate to both job satisfaction and worker well-being.

#### HOURS AND SCHEDULING

Hours and scheduling are important aspects of job quality, both because of how wages and hours jointly determine earnings and because of how irregular or unpredictable schedules cause earnings volatility and other adverse outcomes.

Adequacy of hours and earnings. Jobs that offer workers inadequate hours potentially hamper earnings prospects (Alexander and Haley-Lock 2015), so to the extent that lowering pay reduces job quality, some researchers assume that lowering hours reduces job quality. Following this logic, Alpert and coauthors (2019), for example, include number of hours as a central element of their job quality definition. Some evidence suggests that adequacy of hours is also an issue for some workers. Golden (2015) cites a small survey that finds three in five part-time workers would take an extra day of work a week if offered. But this is not an issue on which there is comprehensive data or where there has been extensive research. Official measures of whether workers are part time for economic reasons, for example, reflects a related but different concept.

Variable hours and earnings volatility. Beyond the level of wages, theory and evidence also suggest that, all else equal, volatile earnings are worse for worker well-being. In particular, variability in hours might lead to and explain earnings volatility. In survey data, many workers with variable incomes indicate that this is because of irregular work schedules (Board of Governors of the Federal Reserve System 2014). Farrell and Greig (2016) report evidence consistent with variable hours being an important component of variable earnings. Other research demonstrates workers prefer less volatile schedules by estimating that workers are willing to pay, in reduced wages, to avoid them. In an experiment, Mas and Pallais (2017) find that workers are willing to give up 20 percent of their wages to avoid a schedule set by an employer on short notice.

Unpredictable and irregular schedules. Other branches of research consider stated worker preferences and the direct effects of irregular or unpredictable scheduling practices (e.g., schedules set on short notice and early termination of shifts) on other outcomes for workers. In surveys, for example, workers state that stable and predictable pay is important for job quality (Rothwell and Crabtree 2019). Some evidence shows negative consequences for workers resulting from these practices using various measures. Schneider and Harknett (2019) associate poor schedules with psychological distress. Henly and Lambert (2014) find negative effects on stress. Golden (2015) finds that irregular schedules are associated with work-family conflict and stress, and Henly, Shaefer, and Waxman (2006) report evidence of work-life challenges when schedules are irregular or unpredictable.

A separate body of evidence finds that nonstandard schedules (e.g., night and weekend shifts) have some adverse effects on workers. Nonstandard schedules are associated with poor health outcomes (Jamal 2004), and long hours are associated with poor physical health (O'Reilly and Rosato 2013) and mental health (Virtanen et al. 2012).

#### CONTROL OVER HOURS OR LOCATION

Workers prefer flexible working arrangements, and many believe they could do their job better if allowed a more flexible schedule. Tucker and Folkard (2012) review a broad literature and find evidence that flexibility relates to worker outcomes. Golden (2015) finds that having a greater ability to set one's work schedule is significantly associated with reduced work-family conflict. Increased control over time may even reduce stress (Moen et al. 2016). Mas and Pallais (2017) find that workers in an experimental study were not willing to accept lower wages for scheduling flexibility, however. The average worker was willing to accept a lower wage for the option to work from home. In another experimental study, Bloom and colleagues (2018) find evidence that working from home leads to increased job satisfaction.

#### **SAFETY**

Less safe jobs are worse jobs, all else equal, and exposure to unsafe working conditions is common in the United States (Maestas et al. 2017). Effects on workers from unsafe working conditions include both direct costs and negative effects on future earnings (Dworsky, Rennane, and Broten 2018). Evidence that workers value safety comes from a large body of research finding that workers can and do require higher wages to take jobs that expose them to higher risk of injury or death (Thaler and Rosen 1976; Viscusi 2018; Viscusi and Aldy 2003). In a recent application, Guardado and Ziebarth (2019) find that, controlling for other factors, wages rise as risk of injury (both fatal and nonfatal) rises.

#### **JOB SECURITY**

Otherwise similar jobs that leave workers at greater risk of unemployment or displacement are worse jobs. Workers value job and income security very highly (Clark 2001). In some studies, workers have indicated they prefer financial security even over opportunities for advancement (Pew 2015). In hypothetical choices, workers are willing to accept lower wages for a reduced chance of dismissal or improved job security (Board of Governors of the Federal Reserve System 2014; Datta 2019; Wiswall and Zafar 2018). Other findings suggest negative physical and mental health associations with job insecurity (Benach et al. 2014). And a large literature exists on the negative economic, health, psychological, and other effects of unemployment (Blanchflower and Oswald 2004; Di Tella, MacCulloch, and Oswald 2003; Gruber 1997; Knabe and Ratzel 2011; Kroft, Lange, and Notowidigdo 2013; Lucas et al. 2004; Winkelmann and Winkelmann 1998).

#### **NONDISCRIMINATION**

Discriminatory practices by employers in pay, job assignments, promotions, or other aspects of jobs directly affect job quality and lead to worse outcomes for affected workers. Various US employment laws prohibit workplace discrimination based on race or color, sex, national origin, age, religion, pregnancy, and disability. But studies suggest continued high levels of workplace discrimination. These include findings of substantial pay gaps between groups of workers by race, ethnicity, and sex (Blau and Kahn 2017; Karageorge 2017). Sources of disparate outcomes include occupational segregation (Hegewisch and Tesfaselassie 2019), aspects of structural racism, and direct discrimination by employers. Audit and field studies find evidence of discrimination in hiring by race or ethnicity (Bertrand and Mullainathan 2004; Oreopoulos 2011), disability (Ameri et al. 2018), and being a mother (Correll, Benard, and Paik 2007). Other studies show evidence of discrimination in promotions (DeVaro, Ghosh, and Zoghi 2007; Giulano, Levine, Leonard 2011). In addition to affecting pay and promotion, discrimination has negative impacts on physical and mental health (Williams, Neighbors, and Jackson 2003). Recent efforts have examined the potential discriminatory outcomes of automated artificial intelligence or other algorithm-based hiring systems, as well as workplace-monitoring technology for performance metrics (Yang 2020). Below, we discuss related research on employer efforts to improve diversity and equity.

#### Job Design, Workplace Culture, and Organizational Mission

Some evidence shows that work activity itself, separate from compensation, can improve well-being. In general, people are happier and healthier when they are working than when they are unemployed

(Fischer and Sousa-Poza 2009; Frey and Stutzer 2002; Knabe and Ratzel 2011; Lucas et al. 2004; Winkelmann and Winkelmann 1998). These effects may come from fulfilling psychological needs by providing meaning (Karlsson, Loewenstein, and McCafferty 2004; Rosso, Dekas, and Wrzesniewski 2010), a source of identify (Akerlof and Kranton 2000), a sense of mastery, or other factors (Loewenstein 1999).

But evidence also suggests that nonmonetary benefits of work depend on the nature of the job (Butterworth et al. 2011; Chandola and Zhang 2018; Kaplan and Schulhofer-Wohl 2018). Elements such as job design, workplace culture, and organizational mission may play particular roles in how meaningful, rewarding, or enjoyable workers find their jobs. Cassar and Meier (2018) review some recent evidence in economics and psychology research, which we draw on below.

#### **JOB DESIGN**

Jobs in the same occupation or with similar skill requirements can be structured in different ways, both formally and informally, and these differences can matter for worker outcomes. One aspect of how jobs are structured is how much autonomy workers are given, such as the ability to address problems or take breaks without supervisor approval or freedom to figure out how to best achieve a certain outcome. Some evidence suggests that jobs offering greater autonomy are better for workers. Research finds that when workers have greater autonomy, they report that their work is relatively meaningful (Bryce 2018), have higher levels of psychological (Park and Searcy 2012) and subjective well-being (Wheatley 2017), and are more satisfied and less likely to quit (Clark 2001). Other research has found that reducing autonomy reduces workers' effort (Bartling, Fehr, and Schmidt 2012; Falk and Kosfeld 2006; Fehr, Herz, and Wilkening 2013).

#### **WORKPLACE CULTURE**

Work is typically a social activity, and its culture or structures can foster or inhibit a sense of social connection and relatedness or dignity, which can be a source of worker well-being (Karlsson, Loewenstein, and McCafferty 2004). For example, jobs in more rigid hierarchies, or jobs associated with lower social status, may have worse effects on health for workers (Marmot et al. 1991).

#### ORGANIZATIONAL MISSION

Emerging research reinforces the common assumption that workers care about and gain a sense of purpose from doing good or useful work, in addition to personally doing well. Workers prefer jobs that are socially useful (Dur and van Lent 2018) and find jobs with social impact relatively meaningful (Bryce 2018). In experiments, workers exert more effort and are more productive when jobs have a clear

purpose (Ariely, Kamenica, and Prelec 2008; Chandler and Kapelner 2013; Kosfeld, Neckermann, and Yang 2017). Other evidence finds that workers are willing to accept lower pay to work for nonprofits, suggesting that workers value the type of work performed by nonprofit organizations (Handy and Katz 1998; Jones 2015; Leete 2001; Preston 1988b). In a recent experiment, Burbano (2016) finds workers are willing to accept lower wages when job postings emphasize social responsibility, and Hedblom, Hickman, and List (2019) find that emphasizing a social mission increases the number of candidates for the same job.

#### **DIVERSITY, EQUITY, AND INCLUSION**

Studies suggest that a more diverse workplace and a positive workplace climate can increase worker productivity and retention, make hiring easier, and improve other outcomes that are beneficial for workers and employers (Hanleybrown et al. 2020). In addition, studies point out that lack of diversity or an inclusive, positive culture increase stress for nonwhite workers (Carbado and Gulati 2000; Travis and Thorpe-Moscon 2018). Initiatives to increase diversity and influence workplace climate, however, do not always have much effect. One study found that diversity programs in midsize and large companies (including diversity training) show little or negative impact on increasing diversity in the workplace when these programs are seen as trying to control behavior and are framed negatively, but positive results come from programs (including diversity managers, task forces, and mentoring) that are framed more positively.<sup>9</sup>

#### On-the-Job Skill Development

The opportunity to develop skills on the job is another potentially important element of job quality for workers, and research finds that it relates to economic outcomes.

#### **EMPLOYER-PROVIDED TRAINING**

Employers can provide job training directly. Workers prefer jobs that offer training opportunities: about 90 percent say the availability of such opportunities is an important job element that can influence their decision to stay in jobs (LinkedIn 2019; MetLife 2019). The most recently available comprehensive data on employer-provided training suggests that firms do a substantial amount of training (Lerman, McKernan, and Riegg 2004; Mikelson and Nightingale 2004). Some evidence finds that training raises wages (Parent 1999).

## Job Characteristics and Economic Mobility

Another important outcome for workers is economic mobility. Although economic mobility has been studied a great deal (Chetty et al. 2017), the role of job quality in affecting mobility outcomes has received much less attention than worker characteristics, policy environments, or labor market characteristics.

#### **Career Paths and Opportunities for Advancement**

The most direct way that jobs might support economic mobility for workers is by providing opportunities for earnings growth on the job, such as by having a wage schedule that rewards seniority or having an explicit career path that provides clear opportunities for advancement. Evidence suggests that workers prefer jobs with a steeper earnings trajectory. Wiswall and Zafar (2018), for example, find in hypothetical choices that young men are willing to accept lower starting wages for higher rates of earnings growth. And workers report that having jobs with career advancement opportunities is important for job satisfaction (SHRM 2019).

But the evidence that jobs with these elements put workers on a steeper or more secure earnings trajectory than otherwise similar jobs is less clear. Wage growth and economic mobility are potentially linked to employer practices and opportunities for advancement within firms (Doeringer and Piore 1970). And evidence suggests strong effects on earnings patterns. Abowd, McKinney, and Zhao (2018), for example, find that low-skill workers at high-paying firms have a higher chance of moving up the earnings distribution than otherwise similar workers at lower-paying firms, but the causes of these effects are not identified or linked to particular firm practices or job elements.

#### **Job Elements and Economic Mobility**

The other path to upward economic mobility for workers is making job-to-job moves up the wage ladder, which research suggests is an important way for workers, especially those paid low wages, to achieve wage gains (Haltiwanger et al. 2018; Topel and Ward 1992). Andersson, Holzer, and Lane (2003) find that workers paid low wages who change jobs show higher earnings growth than those who stay in the same job. Some research examines which workers move up job ladders this way and by what mechanisms: Haltiwanger, Hyatt, and McEntarfer (2018) find job-to-job moves tend to move less educated workers to higher-productivity, higher-paying firms. Gabe, Abel, and Florida (2019) find that transition rates for low-wage workers to better-paying jobs are low overall, and these rates can vary by

occupation. Cortes (2016) finds that transitions from routine to nonroutine work are associated with higher wage growth over time. Mouw and Kalleberg (2010), in similar work, find manual and skilled service occupations may offer better prospects than low-skill service occupations.

Less research relates worker economic mobility more generally than to specific job elements directly. Theory and available evidence suggest intriguing associations and potential mechanisms, but the gaps in knowledge are substantial, and additional research is required.

#### **PAY AND HOURS**

Research in other contexts (on poverty traps and efficiency wages) suggests that the level of wages workers receive might affect their economic mobility. In particular, emerging psychology and behavioral economics research suggests that the financial deprivation workers face in low-wage jobs can impair decisionmaking (Mani et al. 2013; Mullainathan and Shafir 2013). Kaur and colleagues (2019) find, in a developing country, that financial strain can reduce worker productivity. Evidence also suggests that job elements related to scheduling can affect economic mobility. Workers reported to Dicksen, Golden, and Bruno (2018) that unpredictable schedules interfere with their ability to further their education. To the extent that unpredictable schedules limit workers' ability to acquire human capital, they potentially affect economic mobility.

#### **BENEFITS**

Some evidence suggests potential relationships between such benefits as health insurance and leave and worker economic mobility. For health insurance benefits, the main effect on mobility may be that workers with employer-sponsored plans tend to be less likely to change jobs (Gruber and Madrian 1997; Madrian 1994a), including those in low-wage jobs (Bansak and Raphael 2008; Hamersma and Kim 2009). Evidence indicates that switching jobs is important for low-wage workers' economic mobility, suggesting the possibility that employer-provided health insurance could reduce economic mobility.

To the extent that paid or unpaid leave, such as family or medical leave, promotes labor force attachment—through workers remaining with their current employers, or more generally—these may also affect economic mobility. Evidence suggests that unpaid leave may increase returning to work (Baum 2003), though it appears to have little effect on later employment or earnings (Waldfogel 1999).

Employers can offer benefits to pay for training and education possibly unrelated to the job, such as tuition reimbursement programs or paid release time to take advantage of educational opportunities.

Tuition reimbursement can help workers build broader skills, which should have higher labor market

returns (Cappelli 2004). These benefits can also reduce employee turnover, suggesting that employees are more satisfied with a job where such a program is offered (Flaherty 2007).

#### ON-THE-JOB SKILL DEVELOPMENT

Finally, job elements that include skill building through direct job training or employer-provided training could play an important role in economic mobility for workers. One concern with employer-provided training and its value for economic mobility is that the training's effects might be firm specific, benefiting workers on the job but not in the broader labor market (Becker 1962). More recent research suggests firms can offer training in general skills with value outside the firm (Acemoglu and Pischke 1998, 1999; and Autor 2001). Parent (1999) finds that training with a current employer raises wages, but it might reduce mobility.

# Interpreting the Evidence and Identifying Knowledge Gaps

The previous sections discussed how good jobs can have numerous definitions incorporating many elements. Our review also finds that evidence on how job elements relate to worker outcomes, including economic mobility, is limited:

- Differences in worker preferences and needs means that some job elements will matter more or matter less for different workers, but evidence on this is limited. Workers have different needs and preferences when it comes to job elements. What makes a job good for workers varies by circumstance, such as age and family status (e.g., nearing retirement versus raising young children), economic resources and family responsibilities, aspirations, and preferences. Consider, again, the desire or need for flexibility, where there is some evidence on this point: Wiswall and Zafar (2018), for example, find that women are more willing to accept reduced wages for flexible schedules. Flexible work arrangements may lead older workers to be less likely to retire (Hudomiet et al. 2019). People with disabilities may choose part-time, flexible, or alternative work because full-time, traditional work is incompatible with their disabilities (Schur 2003). Importantly, prospects for upward mobility may be more important to workers with different preferences or in different circumstances, such as young or low-wage workers.
- Much of the discussion and evidence on job quality, job elements, and worker well-being fails to fully grapple with the ways multiple job elements are connected and jointly determined in labor markets. A job is not usually made up of a random selection of elements—the elements

are often related. There can be trade-offs, such as less safe jobs offering higher wages to find workers willing to accept the risk. These will also reflect worker preferences and needs. Some jobs feature multiple positive elements, such as higher wages, better benefits, and better working conditions, because they are in sectors where firms have higher profit margins.

Judging job quality based on elements in isolation without considering how they are connected may not give the full picture. There is little evidence on the relationship between workplace culture features (e.g., equity and nondiscrimination) and workers' future well-being. These may be important factors that, when lacking in a job, may make it difficult for a person to fully engage in available advancement opportunities or may lead to leaving a job that might otherwise provide important experience and skills that could promote advancement.

- Evidence on job quality does not firmly establish which job elements are most important or their relative importance for worker well-being. Most assessments of which job elements are most important to workers are based on workers' self-reports, but this evidence should be interpreted with caution. Consider job flexibility: although some surveyed workers say flexibility is important, in at least one choice experiment, workers were not willing to accept a significant wage reduction for greater flexibility, suggesting the actual value of flexibility to workers may not be high (Mas and Pallais 2017). There is limited evidence that considers the relative effect of different elements of jobs on worker well-being or the additional benefit of a particular element in the presence of others.
- Some empirical evidence suggests links between job quality and worker economic mobility, but little direct evidence explains this relationship. Worker economic mobility is an important outcome of growing interest to policymakers, worker advocates, employer groups, and researchers. Some evidence suggests that elements of job quality might relate to mobility for workers paid low wages in important ways, but little research directly investigates this relationship. Better understanding the role of job quality in worker economic mobility is an important goal for future research.

Ultimately, policymakers, worker advocates, employer groups, researchers, and others aim to improve job quality. Our framework can help provide common ground for discussions about good jobs among these diverse stakeholders. Understanding the evidence and gaps in research on the importance of job elements for worker outcomes, including economic mobility, is an important step toward having the necessary information to move toward this goal.

## **Notes**

- The Good Jobs Project, housed at Center on Education and the Workforce at Georgetown University, has a definition that focuses exclusively on pay. See "FAQs" The Good Jobs Project, accessed May 29, 2020, https://goodjobsdata.org/faqs/.
- <sup>2</sup> See the website for the Cornell Law School Job Quality Index at https://www.jobqualityindex.com/.
- <sup>3</sup> See the website for the Living Wage Calculator at https://livingwage.mit.edu/.
- <sup>4</sup> Bureau of Labor Statistics, "Employee Benefits in the United States–March 2019," news release, September 19, 2019, https://www.bls.gov/news.release/archives/ebs2\_09192019.pdf.
- <sup>5</sup> See Heather Boushey and Bridget Ansel, "Working by the Hour: The Economic Consequences of Unpredictable Scheduling Practices," Washington Center for Equitable Growth blog, September 6, 2016, https://equitablegrowth.org/working-by-the-hour-the-economic-consequences-of-unpredictable-scheduling-practices/#:~:text=Unpredictable%20scheduling%20may%20lessen%20workers,they%20have%20no%20scheduling%20constraints.
- <sup>6</sup> "How Much PTO Should I Give My Employees?" TSheets, accessed July 21, 2020, https://www.tsheets.com/resources/pto-survey.
- <sup>7</sup> Boushey and Ansel, "Working by the Hour."
- 8 Larry Shannon-Missal, "Vast Majority of Americans Favor Flexible Workplace Policies," The Harris Poll, June 19, 2014, https://theharrispoll.com/new-york-n-y-june-19-2014-the-vast-majority-of-americans-89-feel-employers-should-try-to-offer-workers-flexibility-to-meet-their-families-needs-so-long-as-the-work-gets-done-signaling-a-s-2/.
- Frank Dobbin and Alexandra Kalev, "Why Diversity Programs Fail," Harvard Business Review, July/August 2016, 52-60.
- See also Jon Gitlin, "Why Employees Crave More Training and How Employers Aren't Delivering It," SurveyMonkey, accessed July 21, 2020, https://www.surveymonkey.com/curiosity/why-employees-crave-more-training-and-how-employers-arent-delivering-it/.

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## **About the Authors**

William J. Congdon, a principal research associate in the Center on Labor, Human Services, and Population at the Urban Institute, is a labor economist with more than a decade of experience conducting and applying research to inform economic and social policy. His work focuses on labor market policy, social insurance, and the safety net. His research emphasizes the perspective of behavioral economics and the role of experimental methods for understanding economic outcomes and developing policy. Congdon was previously a senior economist at the Council of Economic Advisers. He also was a fellow and founding member of the White House Social and Behavioral Sciences Team, an Obama administration initiative that translated insights from behavioral economics research to a wide range of policy issues. Congdon was also chief economist at the nonprofit organization ideas 42 and a research director at the Brookings Institution. He holds a PhD in economics from Princeton University.

Molly Scott is a principal research associate in the Metropolitan Housing and Communities Policy Center at the Urban Institute. For 16 years, Scott has studied Americans' experience of poverty and the effectiveness of programs and policies on the ground. In recent years, her work has focused on identifying the underlying structural issues that impede young people from completing their education, low-income adults from succeeding in the labor market, private-sector firms from adopting "good jobs strategies," and nonprofits and government agencies from designing and implementing approaches that achieve results. Scott has also collaborated with organizations to use people-centered design to develop new approaches to structural problems, put systems in place to pilot and test these approaches, and disseminate lessons learned to practitioners and policymakers.

**Batia Katz** is a research assistant in the Center on Labor, Human Services, and Population, where she researches workforce development. Katz's previous research experience includes studying the science labor market, the impact of personality traits on employment outcomes, and gender and family in the workforce. Katz graduated with high honors from Haverford College, where she earned a BA in economics.

**Pamela Loprest** is a senior fellow and labor economist in the Income and Benefits Policy Center at the Urban Institute. Loprest's research focuses on policies to enhance the economic well-being of disadvantaged persons through work, including providing opportunities for advancement along career pathways, removing barriers to work, improving skills, provision of work support benefits, and

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improving job quality. Loprest coleads the Urban Institute's assessment of the JPMorgan Chase & Co. New Skills at Work Initiative, focused on improving workers' access to skills and economic opportunity. She is currently Urban's project lead for evaluation of the Health Profession Opportunity Grants to provide health care training to Temporary Assistance for Needy Families recipients and other low-income individuals. She also coleads Urban's Building America's Workforce initiative, which brings together workforce research from across the Urban Institute. Loprest has experience in quantitative and qualitative methods. Her prior research examines how to address employment challenges facing welfare recipients and persons with disabilities. She is coauthor of the book *Leaving Welfare: Employment and Well-Being of Families That Left Welfare in the Post-Entitlement Era*, with Gregory Acs. She received her PhD in economics from the Massachusetts Institute of Technology.

Demetra Nightingale is an Institute fellow at the Urban Institute, where her research focuses on social, economic, and labor policy issues. She was the chief evaluation officer at the US Department of Labor from 2011 to 2016, where she developed what is recognized as one of the premier evaluation units in the federal government. Before joining the Department of Labor, Nightingale was at the Urban Institute for three decades, conducting research and evaluations on employment, labor, welfare, and other social and economic policies and programs, and at the Johns Hopkins University for seven years, where she taught graduate courses in social policy and program evaluation. She is also a professorial lecturer at the Trachtenberg School of Public Policy and Public Administration at the George Washington University, teaching graduate courses in program evaluation, integrating evaluation, and performance management in the context of evidence-based policymaking. Nightingale is the author or coauthor of five books and numerous articles. Among her books are *Repairing the US Social Safety Net* (with Martha Burt) and *Reshaping the American Workforce in a Changing Economy* (with Harry Holzer). She is a fellow of the National Academy of Public Administration and serves on many task forces and advisory panels. She received her doctorate in public policy from the George Washington University.

Jessica Shakesprere is a research analyst in the Center on Labor, Human Services, and Population. She applies quantitative and qualitative methods, focusing on employment equity, place-based economic mobility, and public housing service delivery to support low-income families and marginalized youth. Shakesprere's previous research and organizing experience includes trauma-informed community building and behavioral insights to mobilize social change. Shakesprere holds a BS in biology and a BA in political science from the Ohio State University, where she graduated with honors and research distinction.

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## STATEMENT OF INDEPENDENCE

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