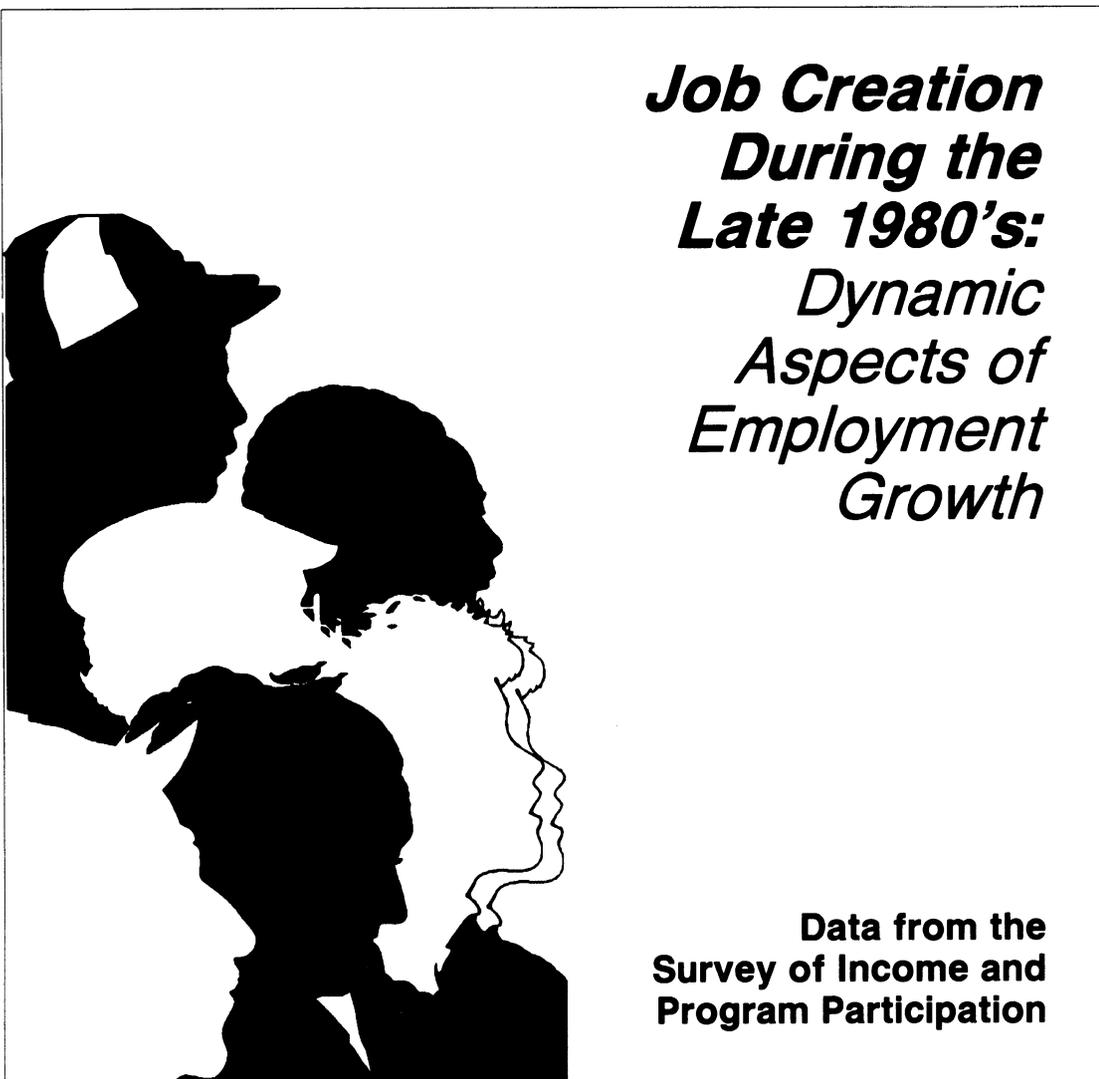




CURRENT POPULATION REPORTS  
**Household Economic Studies**

Series P-70, No. 27

by  
Paul  
Ryscavage



***Job Creation  
During the  
Late 1980's:  
Dynamic  
Aspects of  
Employment  
Growth***

**Data from the  
Survey of Income and  
Program Participation**

U.S. Department of Commerce  
Economics and Statistics Administration  
BUREAU OF THE CENSUS

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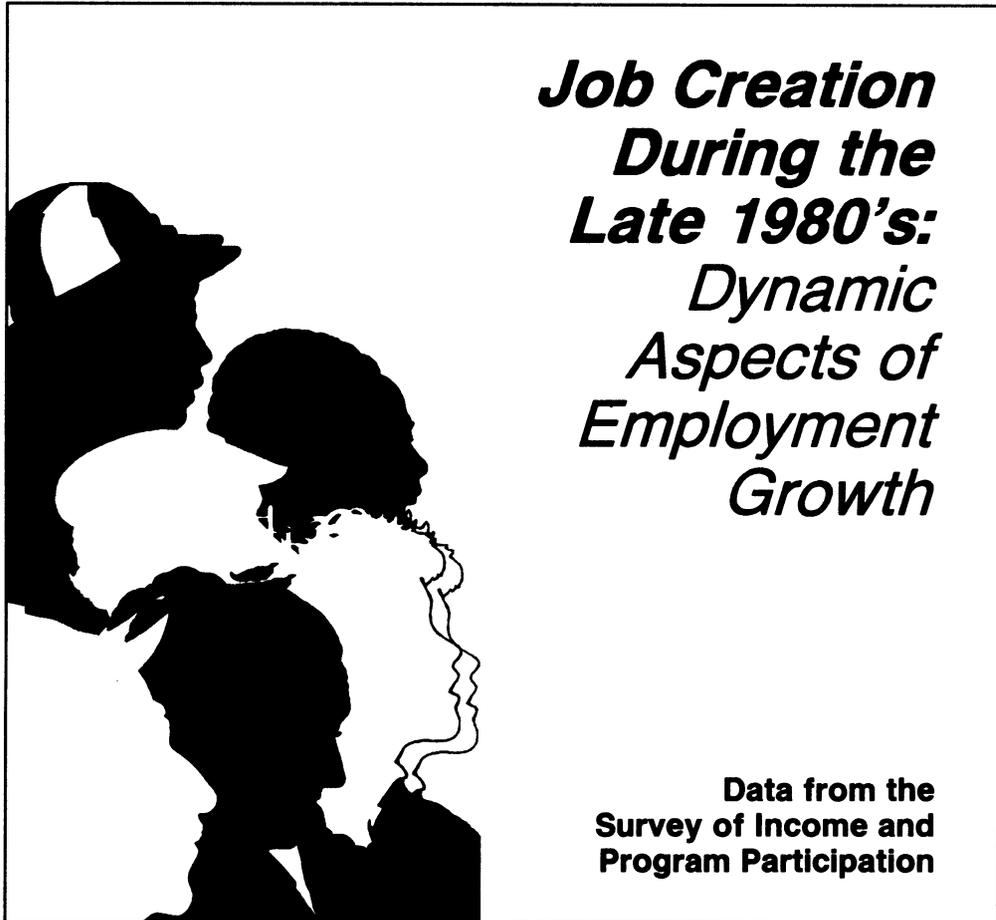
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# Job Creation During the Late 1980's (Data from the Survey of Income and Program Participation)

## INTRODUCTION

One of the much discussed economic developments in the 1980's was the millions of jobs created by the economy—and the quality of those jobs. Between 1979 and 1989, Federal government statistics indicated that the number of workers on nonfarm payrolls had increased by almost 20 million.<sup>1</sup> Many persons and organizations viewed this development as a reflection of the strength and vitality of the U.S. economy. Others contended, however, that a great number of these jobs were of the low-skill, low-pay variety which would not provide for a decent standard of living. Although this issue has been supplanted by other economic developments, such as the 1990-91 recession and the savings and loan crisis, the quality of the jobs that the economy generates remains an important area for economic research. After all, the jobs available to workers represent the foundation upon which our society builds its future. While this report comes to no conclusion regarding the quality of jobs issue, it does provide new statistical information which may be helpful to those attempting to reach one.

The debate in the 1980's over "good jobs vs. bad jobs" was based primarily on cross-sectional, or point-in-time, estimates of employment categorized by occupation, industry, wages, and other economic characteristics.<sup>2</sup> Changes in the number of employed persons in these various categories over time were assumed to reflect the kinds of jobs the economy was generating.<sup>3</sup>

As useful as these employment data have been in understanding the economy's job creating ability, they do not actually measure the number of jobs "created" by the

economy. Cross-sectional estimates measure the "stock" of employed workers at a specific point in time, and changes in these stock estimates represent "net" changes in the stocks. The labor market, however, is very dynamic with persons moving into jobs—job accessions—and out of jobs—job separations—continuously. In other words, there is a constant flow of persons between employment and nonemployment, and these offsetting flows are not measured.<sup>4</sup> If the time between these cross-sectional estimates is very long, say several years, a great deal of information about persons moving into jobs (as well as moving out of jobs) is lost.

It may be tempting to think of "job accessions" as a measure of the economy's job creating ability, but this too must be carefully looked at. In its most general sense, job accessions reflect simply the entry of persons into jobs. Many workers, for example, may be simply switching jobs with others or be returning to work after periods of layoff. In these instances, no new jobs have been created but many job accessions have occurred. But despite this limitation, the movement of workers into jobs, or job accessions, does provide a new perspective from which to examine the job quality issue. This is because they permit one to examine the inflow of workers into jobs and to glimpse the circumstances surrounding the accessions. In this case, the circumstances represent the characteristics of the persons who entered jobs (e.g., age, sex, and family income) and the kinds of jobs that were taken (e.g., the industry in which the job was located, the nature of the work, or occupation, and pay that was received).

Data from the Survey of Income and Program Participation (SIPP) provide information on job accessions (see appendix A for a description of the survey). SIPP is a longitudinal panel survey in which information is collected from the same individuals for over 2 years. While the primary purpose of SIPP is to collect data on amounts and sources of incomes received by persons, as well as their participation in Federal government transfer income programs, the survey also obtains information on labor force activity. It is possible, therefore, to observe persons who have moved into jobs and the circumstances surrounding these job accessions.

In this report, data on persons with job accessions during the life of the 1987 SIPP panel are analyzed. The

<sup>1</sup>According to the Bureau of Labor Statistics (BLS), nonfarm payroll employment increased from 89.8 million in 1979 to 108.3 million in 1989, an increase of 18.5 million jobs. See *Employment and Earnings, U.S. Department of Labor, Bureau of Labor Statistics, July 1991, table B-1, page 81.*

<sup>2</sup>The literature on this subject is voluminous. For a sampling, see Barry Bluestone and Bennett Harrison, *The Great American Job Machine: The Proliferation of Low Wage Employment in the U.S. Economy, Report to the Joint Economic Committee of the U.S. Congress, December 1986*; Marvin Kosters and Murray N. Ross, "The Influence of Employment Shifts and New Job Opportunities on the Growth and Distribution of Real Wages," in Phillip Cagan, ed., *Deficits, Taxes, and Economic Adjustments, Washington D.C.: The American Enterprise Institute, 1987*; and Gary Burtless (ed.), *A Future of Lousy Jobs, Washington, D.C.: The Brookings Institution, 1990.*

<sup>3</sup>A distinction, of course, can be made between a job and a worker. Many jobs, for example, are unfilled because of the lack of qualified workers, just as many persons are unemployed because they cannot find a job, or the "right" job.

<sup>4</sup>They are, however, reflected in the net estimates to the extent the inflows and outflows offset one another.

survey data cover a 28-month period that began approximately at the close of 1986 and ended in the opening months of 1989 (hereafter referred to as the 1987-89 period). During this time, persons who did not have a job in one month but did have a job in the subsequent month were identified as experiencing a job accession. While this does not represent all the persons experiencing job accessions in this period, it does represent a significant proportion of the total.

The number of people who entered jobs, of course, was considerably larger than the net changes in employment that actually occurred in this time span. This reflects the short duration, or tenure, of many jobs in the economy. Economists are typically interested in lifetime jobs or jobs involving long-term employment contracts since it is these jobs that help determine economic well-being over the long run.<sup>5</sup> In other words, they are interested in the kinds of jobs that workers eventually settle in to for a significant period of time. Babysitting, hamburger "flipping," and other jobs frequently associated with the young would not, in most instances, represent lifetime jobs. While from a well-being standpoint, lifetime jobs are indeed of prime importance, it is also true that many workers who enter the labor market in search of jobs are not necessarily in search of lifetime jobs. Many are simply seeking work to supplement household incomes and fulfill other needs and satisfactions. The jobs that all these individuals have taken, for whatever length of time, however, represent the results of supply and demand forces operating in a dynamic labor market. Consequently, it is of interest to observe the full array of jobs that workers entered, whether for the purpose of earning some "spending money," putting a son or daughter through college, or providing the primary source of one's livelihood.

## HIGHLIGHTS

(Note: The figures in parenthesis signify the 90-percent confidence intervals of the estimates.)

- In the 1987-89 period, approximately 41.5 (+ 0.9) million persons went from not having a job in one month to having a job in the following month. The majority of these individuals—67 (+ 1.1) percent—had only one job accession during this period.
- Women represented 55 (+ 1.3) percent of all the persons moving into jobs; and young persons age 16 to 24 represented 42 (+ 1.3) percent of the total. Young persons are very often seeking temporary employment and tend to have more job accessions than older persons. They comprised 67 (+ 4.1) percent of all the persons with three or more job accessions in the 1987-89 period.
- Probably because of their somewhat younger populations, Blacks and persons of Hispanic origin accounted for a larger proportion of all job accessions than their representation in the population would suggest.
- Married women were the largest marital status group with job accessions as defined in this report. Almost 12.0 (+ 0.5) million married women, or 28 (+ 1.1) percent of the total, moved into jobs.
- While 44 (+ 1.3) percent of the persons with job accessions had family incomes of less than \$2,000 a month at the time of their first job accession in the 1987-89 period, 23 (+ 1.1) percent were in families with incomes of \$4,000 a month or more.
- About 46 (+ 1.3) percent of all persons' first job accessions occurred in two industries, retail trade and the professional and related services industries. Retail trade accounted for 43 (+ 2.6) percent of all the first job accessions of teenagers, but only 18 (+ 1.8) percent of persons 35 years of age or older entered retail trade. Approximately, 23 (+ 1.9) percent of these older workers entered professional and related services and 14 (+ 1.6) percent entered manufacturing.
- About 51 (+ 1.3) percent of all the persons experiencing their first job accession in the 1987-89 period entered three occupations, service occupations (excluding protective service workers), administrative support and clerical occupations, and sales occupations.
- The average hourly rate of pay of persons experiencing their first job accession in the 1987-89 period was \$5.63 (+ .10) and the average weekly earnings of nonhourly paid workers with their first job accession was \$336 (+ 26).
- The proportion of persons entering the goods-producing industries was 24 (+ 1.1) percent, while the proportion entering "high paying" service-producing industries was 34 (+ 1.3) percent. About 42 (+ 1.3) percent of the total entered the "low paying" service-producing industries.
- Approximately 55 (+ 3.5) percent of the men age 25 to 54 who were paid by the hour entered the goods-producing industries and their average hourly rate of pay was \$8.85 (+ .42). Roughly 45 (+ 2.7) percent of the women age 25 to 54 entered the low paying service-producing industries and their average hourly rate of pay was \$4.84 (+ .19).
- Annualizing the average hourly pay of men and women age 25 to 54 suggests that the "entry" pay of male hourly paid workers in the 1987-89 period would have been \$16,120 (+ 640) and for female hourly paid workers, \$11,100 (+ 320).
- Annualizing the average weekly earnings of nonhourly paid workers age 25 to 54 reveals that the entry pay annual earnings for men would have been \$25,480 (+2,995) and for women \$13,676 (+1,581).

<sup>5</sup>See Robert Hall, "The Importance of Lifetime Jobs in the U.S. Economy," *American Economic Review*, September 1982, pp. 716-724.

## JOB ACCESSIONS IN THE SIPP

The term job accession, of course, is part of the terminology associated with labor turnover. For many years the Bureau of Labor Statistics (BLS) measured the amount of labor turnover in the manufacturing sector of the economy. Job accessions were defined in the context of wage and salary workers; when an individual was added to the payroll of an employer, a job accession had occurred.<sup>6</sup>

In principle, job accessions can be measured in SIPP. For the purposes of this report, any SIPP sample member age 16 and over who did not have a job in one month, but reported having a wage and salary job in the following month was identified as experiencing a job accession. This definition of job accession, therefore, focuses on a universe of individuals who had been without a job for at least a month as opposed to those who had simply changed jobs with very little time in between (or no time in between). For this reason, the estimate of persons with job accessions presented here should not be considered a complete count of all the persons entering wage and salary jobs in the 1987-89 period. (See appendix B for more discussion of the job accession definition.)

Another aspect of the definition used here is that persons with job accessions, as defined above, may have experienced more than one job accession in the course of the 28-month reference period. (As will be shown, young persons tend to move into jobs more than older persons.) In this report, attention will focus primarily on the first job accession taking place in the 1987-89 period, even though the same person may have entered a number of jobs or experienced job accessions prior to the 1987-89 period. This first job accession, of course, may have occurred at any time during the reference period.<sup>7</sup>

The period to which the SIPP data relate represent the final years of the economic expansion after the recessions of the early 1980's. Economic growth, as measured by changes in the gross national product, was continuing, and the Nation's unemployment rate continued to drift lower.<sup>8</sup> With respect to employment, various cross-sectional measures, as shown in table A, suggested that the economy was continuing to generate jobs at a rapid pace between

the first quarters of 1987 and 1989. Total civilian employment as measured by the BLS's household survey—the Current Population Survey, or CPS, conducted by the Census Bureau—increased by 5.6 million persons and wage and salary employment was up by 5.2 million<sup>9</sup>; the BLS's establishment survey of nonfarm payroll employment registered a 6.5 million pickup.<sup>10</sup> In other words, these various employment estimates clearly indicate that employment in the U.S. had grown by approximately 5.2 to 6.5 million persons over roughly the same period for which job accession data are available from SIPP's 1987 panel. The SIPP data can provide some information about the persons who moved into jobs and about the characteristics of the jobs they took.

**Table A. Estimates of Employed Persons From Selected Surveys: First Quarter 1987 and 1989**

(Numbers in thousands)

Survey	First quarter 1989	First quarter 1987	Change
<b>Household survey-CPS</b>			
Total employment . . . . .	115,218	109,592	5,626
Wage and salary employment . . . . .	105,100	99,950	5,150
<b>Establishment survey-790</b>			
Nonfarm payroll employment . . . . .	106,330	99,840	6,490

Table B shows that, according to SIPP, 41.5 million persons age 16 and over went from not having a wage and salary job in one month to having such a job in the following month during the 1987-89 period.<sup>11</sup> This may appear to be an extremely large number of job entrants in a two-year period, however, other sources of information on job mobility would suggest large estimates could be anticipated. For example, the BLS reported that 10 million persons had changed occupations between January 1986 and January 1987.<sup>12</sup> Furthermore, unpublished data on "gross" labor force flows suggest that millions of persons every month enter jobs from the ranks of the unemployed

<sup>6</sup> For many years the BLS measured labor turnover through an establishment survey, called the Monthly Report on Labor Turnover. Job accessions were defined as permanent or temporary additions to the employment payroll, including both new and rehired employees. For more information, see Carol M. Utter, "Labor Turnover in Manufacturing: The Survey in Retrospect," Monthly Labor Review, June 1982, pp. 15-17.

<sup>7</sup> Actually, this may not be an individual's first job accession in the 1987-89 period. Conceivably, a person may have previously moved from one job to another during a month and this accession would not have been counted because of the way a job accession has been defined for this report. See Appendix B for more discussion of the job accession definition.

<sup>8</sup> The gross national product, in real terms, rose by 4.5 percent between 1987 and 1988 and by 2.5 percent between 1988 and 1989. The civilian unemployment rate averaged 6.2 percent in 1987, 5.5 percent in 1988, and 5.3 percent in 1989. See The Economic Report of the President, 1991, U.S. Government Printing Office, 1991, Table B-5, p. 293 and Table B-39, p. 330.

<sup>9</sup> For the first-quarter 1987 estimates, see Employment and Earnings, U.S. Department of Labor, Bureau of Labor Statistics, April 1987, Table A-58, p. 58 and Table A-60, p. 60. For the first-quarter 1989 estimates, see Employment and Earnings, U.S. Department of Labor, Bureau of Labor Statistics, April 1989, Table A-58, p. 58 and Table A-60, p. 60.

<sup>10</sup> Quarterly averages of nonfarm payroll employment were provided by the BLS.

<sup>11</sup> A rough estimate of the number of persons moving from one job to another during a month derived from the SIPP data would be over 15 million.

<sup>12</sup> See, James P. Markey and William Parks II, "Occupational Change: Pursuing A Different Kind of Work," Monthly Labor Review, September 1989, pp. 3-12.

or from outside the labor force.<sup>13</sup> Table B also shows that the majority of these 41.5 million persons—or 67 percent—had only one job accession. Another 24 percent of the total experienced two accessions, while the remainder, less than 10 percent, experienced three or more job accessions in the 1987-89 period.

**Table B. Frequency of Wage and Salary Job Accessions: 1987 to 1989<sup>1</sup>**

Frequency	Number (thousands)	Percent
Total persons.....	41,485	100.0
1 only .....	27,821	67.1
2 only .....	10,106	24.4
3 only .....	2,680	6.5
4 only .....	742	1.8
5 only .....	84	0.2
6 only .....	51	0.1

<sup>1</sup>The 1987-89 period spans the period from roughly the end of 1986 and beginning of 1987 to the opening of 1989.

## CHARACTERISTICS OF PERSONS WITH JOB ACCESSIONS

Six characteristics of individuals with job accessions in the 1987-89 period are discussed: age, sex, race and Hispanic origin, marital status, educational attainment, and family income. While some of these characteristics are obviously fixed, some can change over time. In this report, the marital status and family income are identified as of the time of the job accession. Age and educational attainment characteristics, however, were fixed as of the beginning of the survey because of the design of the SIPP data file used in the analysis. The characteristics of sex, and race and Hispanic origin were assumed not to change.

### Age and Sex

More women and young persons age 16 to 24 moved into a job in one month after a month without a job during the 1987-89 period than did men and older persons, respectively. Table C indicates that 22.9 million women entered jobs (some more than once) in the 1987-89 period compared to 18.6 million men. Women accounted for 55 percent of the total persons with job accessions.

<sup>13</sup>According to the CPS gross flow data, in the average month of 1985, for example, approximately 2.0 million persons moved from unemployment to employment and 2.9 million moved from outside the labor force to employment. The gross labor force flow data, however, are well known for overstating flows into and out of the labor force for a variety of reasons, such as the misclassification of labor force statuses. (See James M. Poterba and Lawrence H. Summers, "Adjusting the Gross Changes Data: Implications for Labor Market Dynamics," Proceedings of the Conference on Gross Flows in Labor Force Statistics, Bureau of the Census and Bureau of Labor Statistics, June 1985, pp. 81-95.) But even if the overstatement were as much as 50 percent, the CPS inflows to employment would still be very large relative to the net changes.

It is well known that young persons have a greater proclivity to move into and out of jobs as well as into and out of the job market for a variety of reasons (e.g., job shopping, commitments to school and the Armed Forces, starting families, and so forth) than do older persons. Persons age 16 to 24 accounted for approximately 42 percent of all persons with job accessions in the 1987-89 period (figure 1). However, they represented only 36 percent of the persons with one job accession and they comprised 67 percent of all the persons with three or more job accessions.

**Table C. Persons With Job Accessions by Age and Sex and Frequency: 1987 to 1989**

(Numbers in thousands)

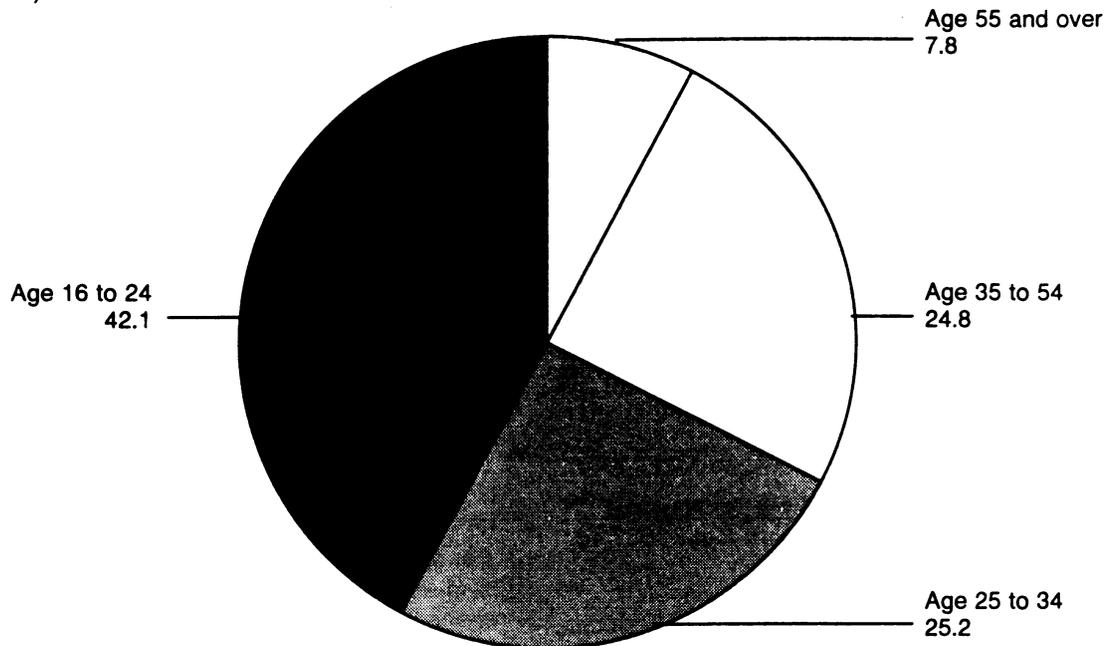
Age and sex	Total persons	Job Accessions		
		1 only	2 only	3 or more
<b>BOTH SEXES</b>				
Total .....	41,485	27,821	10,106	3,558
<b>MEN</b>				
Total .....	18,573	11,931	4,707	1,935
16 to 19 years.....	4,826	2,183	1,647	996
20 to 24 years.....	3,558	2,211	917	410
25 to 34 years.....	4,330	3,109	956	265
35 to 54 years.....	4,125	3,083	875	167
55 years and over.....	1,755	1,346	311	98
<b>WOMEN</b>				
Total .....	22,912	15,890	5,399	1,623
16 to 19 years.....	4,745	2,594	1,553	598
20 to 24 years.....	4,361	2,916	1,064	381
25 to 34 years.....	6,133	4,539	1,235	359
35 to 54 years.....	6,178	4,690	1,250	238
55 years and over.....	1,495	1,151	299	45

A significant proportion of all persons who moved into jobs, however, were also in their middle years, that is, age 25 to 54. About 50 percent of the total—20.8 million—was composed of persons in this age group—with women making up about three-fifths of these. Consequently, job accessions are not necessarily dominated by young persons. In fact, persons in their middle years comprised 55 percent of all those experiencing just one job accession during the period.

### Race and Hispanic Origin

Blacks as well as persons of Hispanic origin (who may be of any race), made up a greater proportion of the persons with job accessions than Whites relative to their compositions of the civilian noninstitutional population age 16 and over. Table D shows that Blacks accounted for 13 percent of all persons with accessions and persons of Hispanic origin 8 percent; in contrast, Blacks made up 11 percent of the population and persons of Hispanic origin made up only 7 percent. For Whites the comparable

Figure 1.  
Persons With Job Accessions by Age, 1987-89  
(In percent)



Persons 16 years of age and over.

proportions were 83 percent of persons with accessions and 86 percent of the population.<sup>14</sup> This disproportionate share of persons with job accessions on the part of Blacks and Hispanics probably reflects the fact that their populations are younger than the White population. Table D also shows that Blacks and persons of Hispanic origin age 16 to 24 years constituted a slightly larger share of their respective groups with accessions than did the 16 to 24 year old Whites (proportions for Blacks and Hispanics were not significantly different).

### Marital Status

As shown in table E, married women were the largest marital status group entering jobs in the 1987-89 period. About 12.0 million experienced job accessions and they accounted for 28 percent of the total. Single men accounted for 23 percent and single women 19 percent of the total, respectively, and both group's large representation is related to the fact that many were young persons. Despite the large concentration of married women and single

persons, a sizeable number of persons with job accessions were married men—7.6 million, or 18 percent. Persons who were divorced, separated, or widowed represented only 11 percent of the total.

Table D. Persons With Job Accessions by Age, Race, and Hispanic Origin: 1987 to 1989

(Numbers in thousands)

Age	Total persons	White	Black	Hispanic origin <sup>1</sup>
<b>BOTH SEXES</b>				
Total .....	41,485	34,541	5,539	3,263
16 to 24 years .....	17,470	14,500	2,450	1,438
25 to 34 years .....	10,463	8,596	1,450	917
35 to 54 years .....	10,303	8,594	1,302	762
55 years and over .....	3,250	2,849	337	145

<sup>1</sup>Persons of Hispanic origin may be of any race.

### Educational Attainment

Table F shows the persons with job accessions in the 1987-89 period by highest grade of school attended and sex. These estimates of attainment, like those of marital status, are affected by the large proportion of young

<sup>14</sup>Civilian noninstitutional population age 16 and over as of the first-quarter 1987. See Employment and Earnings, U.S. Department of Labor, Bureau of Labor Statistics, Table A-58, April 1987, p. 58.

**Table E. Persons With Job Accessions by Marital Status<sup>1</sup> and Sex: 1987 to 1989**

(Numbers in thousands)

Marital status	Both sexes	Men	Women
Total persons .....	41,485	18,573	22,912
Married .....	19,361	7,618	11,743
Divorced, separated, or widowed ..	4,746	1,531	3,216
Never married .....	17,378	9,425	7,953

<sup>1</sup>As of the first job accession.

persons represented among all persons with job accessions. Approximately two out of every three persons with a job accession had attended 12 years of school or less. A slightly larger proportion of women than men—35 vs. 32 percent—had attended at least 1 year of college.

**Table F. Persons With Job Accessions by Highest Grade of School Attended and Sex: 1987 to 1989**

(Numbers in thousands)

Highest grade of school	Both sexes	Men	Women
Total persons .....	41,485	18,573	22,912
0 to 8 years .....	2,287	1,300	986
9 to 11 years .....	10,038	5,075	4,963
12 years .....	15,249	6,206	9,044
13 to 15 years .....	8,547	3,549	4,997
16 years .....	3,145	1,310	1,835
17 years or more .....	2,219	1,133	1,087

## Family Income

One last characteristic of persons moving into jobs in the 1987-89 period concerns their family income (or personal income). Whether or not the individual lives in a family and the role the person has in the family (e.g., an adult or teenager), of course, can have an impact on family income. As shown in table G, 44 percent of the persons who moved into jobs in the 1987-89 period were from families with incomes of less than \$2,000 a month (or \$24,000 a year). Another 33 percent were from families in the \$2,000 to \$3,999 range, while 23 percent had family incomes of \$4,000 a month or more (\$48,000 a year or more).

## CHARACTERISTICS OF PERSONS' JOBS

Perhaps of somewhat greater interest, from the standpoint of the job quality debate, are the characteristics of the jobs persons moved into. These are the characteristics at the time of the first job accession only and include the industry and occupation which persons moved into and the level of hourly pay or earnings. All of the information was obtained from the individual and not the employer.

**Table G. Percent Distribution of Persons With Job Accessions by Monthly Family Income<sup>1</sup> and Sex: 1987 to 1989**

(Numbers in thousands)

Monthly income	Both sexes	Men	Women
Total persons .....	41,485	18,573	22,912
Under \$1,000 .....	21.0	20.0	21.8
\$1,000 to \$1,999 .....	23.0	23.3	22.8
\$2,000 to \$2,999 .....	20.0	19.1	20.6
\$3,000 to \$3,999 .....	13.3	13.5	13.1
\$4,000 to \$4,999 .....	8.4	8.7	8.2
\$5,000 to \$5,999 .....	5.5	5.8	5.2
\$6,000 and over .....	8.9	9.5	8.3

<sup>1</sup>As of the first job accession.

## Industry

As shown in table H, retail trade and the professional and related service industries were the two primary sources of jobs for persons with accessions over the 1987-89 period. About 26 percent of the total moved into retail trade and 20 percent moved into the professional and related services industries. (Professional and related service industries consist of such varied facilities and enterprises as hospitals, nursing homes, schools, libraries, doctors and dentists offices, and so on.) The table shows that manufacturing industries were also the destination of 13 percent of the persons with job accessions. When persons moving into agriculture, forestry, and fisheries, mining, construction, and manufacturing are combined—the “goods-producing” industries—it is found that this industrial sector accounted for 24 percent of the total, or 9.8 million persons. This proportion is substantially higher than the proportion derived from the changes in cross-sectional estimates over roughly the same period.<sup>15</sup>

Teenagers, of course, were very likely to take jobs in retail trade—43 percent entered this industry on their first job accession in the 1987-89 period. Professional and related services and manufacturing were the next largest industries for teenagers to enter—12 and 10 percent, respectively (not significantly different from each other).

Compared to teenagers, older persons were much less likely to enter retail trade. About 25 percent of the young persons age 20 to 24, 22 percent of those age 25 to 34, and only 18 percent of those age 35 or older entered retail trade. The professional and related service industries, however, were also an important source of employment for older persons. In addition, the manufacturing industry accounted for 15 percent of all the 25 to 34 year olds with job accessions and 14 percent of those age 35 and over (not significantly different from one another).

<sup>15</sup> According to the BLS nonfarm payroll series, of the 6.1 million net increase in the annual averages of nonfarm payroll employment between 1987 and 1989, approximately 10 percent of the total increase occurred in mining, construction, and manufacturing. While agriculture, forestry and fisheries is not included, it is unlikely that these industries would have accounted for the difference given their comparatively small size.

**Table H. Percent Distribution of Persons With Job Accessions by Industry<sup>1</sup> and Age: 1987 to 1989**

(Numbers in thousands)

Industry	Total persons	16 to 19	20 to 24	25 to 34	35 and over
BOTH SEXES . . . . .	41,485	9,571	7,899	10,462	13,553
Agriculture, forestry, and fisheries . . . . .	3.5	4.0	2.8	3.2	3.8
Mining . . . . .	0.6	0.2	0.1	0.9	0.8
Construction . . . . .	6.7	4.0	8.1	7.9	6.8
Manufacturing . . . . .	12.9	9.9	11.9	14.8	14.3
Transportation, communication and public utilities . . . . .	4.0	2.6	2.7	5.2	4.8
Wholesale trade . . . . .	2.9	2.0	2.4	3.7	3.3
Retail trade . . . . .	26.2	43.4	25.4	22.1	17.6
Finance, insurance, and real estate . . . . .	5.2	2.7	6.5	5.6	5.9
Business and repair service . . . . .	8.1	7.2	9.8	8.7	7.4
Personal services . . . . .	5.9	5.7	6.0	4.0	7.3
Entertainment and recreation services . . . . .	2.2	3.7	2.1	1.2	2.1
Professional and related services . . . . .	19.5	11.9	21.0	21.4	22.7
Public administration . . . . .	2.3	2.7	1.2	1.4	3.3

<sup>1</sup>As of the first job accession.

## Occupation

Another important characteristic of the job is the nature of the work to be performed. As table I shows, just over half of all the persons with job accessions entered only three occupational fields—service occupations, excluding protective service occupations, administrative support and clerical occupations, and sales occupations. The first category, service occupations, excluding protective services, includes such varied jobs as food counter workers, waiters and waitresses, dental assistants, nurses aides, janitors, barbers, hairdressers, and child care workers; administrative support and clerical occupations are made up of computer equipment operators, receptionists, order clerks, postal clerks, messengers, and so forth; and the sales occupations range from cashiers and retail sales clerks to stock brokers and real estate agents. While the earnings in some of the above occupations can be extremely high, most of these occupations are traditionally thought of as low paying.

Occupations which pay relatively well—executive, professional, and technical occupations and the precision production, craft and repair occupations—were also the source of employment for almost 25 percent of the persons with job accessions. Specifically, the executive, administrative, and managerial occupations, the professional specialty occupations, and technicians and related support occupations, accounted for 16 percent of all the persons with job accessions and the precision production, craft,

and repair jobs 8 percent. These two latter proportions are substantially lower than those obtained from cross-sectional estimates for 1987 and 1989.<sup>16</sup>

The age of persons, of course, influenced the occupations they entered. Teenagers were highly concentrated in the service occupations (28 percent) and sales occupations (19 percent). These concentrations declined significantly with age with only 14 percent of the persons 35 and older moving into service occupations and 13 percent into sales occupations (the latter two were not significantly different from one another).

As might be expected, a significantly higher proportion of persons age 35 and over entered executive, professional, and technical occupations than did young adults age 20 to 24 and teenagers—20 percent vs. 16 percent and 3 percent, respectively.

**Table I. Percent Distribution of Persons With Job Accessions by Occupation<sup>1</sup> and Age: 1987 to 1989**

(Numbers in thousands)

Occupation	Total	16 to 19 years	20 to 24 years	25 to 34 years	35 years and over
BOTH SEXES . . . . .	41,485	9,571	7,899	10,462	13,553
Executive, administrative, and managerial . . . . .	4.8	0.1	4.0	6.4	7.2
Professional specialty . . . . .	8.8	3.0	9.8	10.3	11.2
Technical and related support . . . . .	2.0	0.3	2.6	3.3	1.7
Sales . . . . .	14.5	19.3	12.9	12.5	13.4
Administrative support and clerical . . . . .	16.7	14.5	18.8	16.0	17.5
Private households . . . . .	1.6	0.8	1.5	1.5	2.2
Protective service . . . . .	1.0	1.8	0.7	0.3	1.2
Service occupations . . . . .	19.4	26.3	20.4	17.7	13.9
Farm, forestry, and fishery . . . . .	3.5	4.7	2.6	3.3	3.5
Precision production, craft, and repair . . . . .	8.2	4.5	9.0	10.4	8.5
Machine operators, and inspectors . . . . .	7.1	5.4	6.6	7.8	8.0
Transportation and material movers . . . . .	4.0	2.5	2.5	4.5	5.6
Handlers and Laborers . . . . .	8.4	14.4	8.6	6.0	6.0

<sup>1</sup>As of the first job accession.

## Hourly Rate of Pay and Weekly Earnings

For persons with job accessions in the 1987-89 period, information is available on the hourly rate of pay of those paid by the hour, as well as the weekly earnings for those not paid by the hour, or "nonhourly" paid workers. The

<sup>16</sup>These proportions, when combined, are much lower than the one obtained from the BLS's household survey. Of the 4.9 million net increase in total employment between 1987 and 1989, 2.9 million of it occurred in these occupations, or 59 percent of the total. The SIPP estimates are probably so low because they reflect the large numbers of young workers entering the service, administrative support, and sales occupations, occupations which have high turnover.

data presented in tables J-1 and J-2 relate to the hourly rates and weekly earnings of the first job accession of both groups of individuals.

Approximately 31.9 million persons who entered jobs in the 1987-89 period were paid at an hourly rate, or approximately 76.8 percent of all persons with job accessions. This percentage is higher than the percentage derived from the BLS household survey which indicated that 60.0 percent of all wage and salary workers were paid by the hour.<sup>17</sup> Most likely, the large proportion of young workers included in the SIPP job accession data accounts for this difference.

The average hourly wage for the 31.9 million persons who experienced their first job accession in the 1987-89 period was \$5.63. (The Federal minimum wage in effect during these years was \$3.35 an hour.) This average, of course, masks great variation by age and sex, as is shown in table J-1.

**Table J-1. Percent Distribution of Persons With Job Accessions Who Were Paid by the Hour, by Their Hourly Rate of Pay,<sup>1</sup> Age, Sex, Race, and Hispanic Origin: 1987 to 1989**

(Numbers in thousands)

Hourly rate of pay, sex, race, and Hispanic origin	Total	16 to 19 years	20 to 24 years	25 to 34 years	35 and over
<b>BOTH SEXES</b> .....	31,856	8,881	6,331	7,705	8,938
\$1 to \$3.49 .....	18.0	31.6	14.4	13.8	10.7
\$3.50 to \$3.99 .....	13.2	18.5	12.4	10.1	11.2
\$4.00 to \$4.99 .....	21.9	24.2	24.7	19.7	19.6
\$5.00 to \$5.99 .....	17.1	14.5	19.9	17.8	17.1
\$6.00 to \$6.99 .....	8.7	5.6	10.4	8.6	10.5
\$7.00 to \$9.99 .....	12.0	4.4	13.0	16.6	14.7
\$10.00 or more.....	9.2	1.3	5.2	13.4	16.2
<b>MEAN HOURLY RATES OF PAY</b>					
Both sexes .....	\$5.63	\$4.33	\$5.33	\$6.33	\$6.54
	(.06)	(.06)	(.12)	(.14)	(.14)
Men .....	6.38	4.54	5.65	7.72	8.30
	(.11)	(.07)	(.14)	(.26)	(.28)
Women.....	5.07	4.11	5.06	5.43	5.51
	(.07)	(.09)	(.18)	(.14)	(.12)
White .....	5.76	4.41	5.44	6.56	6.66
	(.07)	(.07)	(.14)	(.16)	(.15)
Black .....	5.05	3.96	4.89	5.29	6.14
	(.12)	(.10)	(.18)	(.26)	(.31)
Hispanic origin .....	5.17	4.36	5.36	5.38	5.91
	(.16)	(.12)	(.37)	(.35)	(.38)

<sup>1</sup>As of the first job accession.

About half the persons age 16 to 19 received hourly rates of pay of less than \$4.00 an hour, while approximately 30 percent of the persons age 25 to 34 years and 35 years of age and over earned \$7 or more an hour.

<sup>17</sup>See, Steven E. Haugen and Earl F. Mellor, "Estimating the Number of Minimum Wage Workers," *Monthly Labor Review*, January 1990, pp. 70-74.

Among men age 35 and over the hourly wage rate averaged \$8.30; for women in the same age category the average was only \$5.51.

White persons had higher hourly rates of pay in the jobs they entered than did Blacks and persons of Hispanic origin. Overall, the White average was \$5.76, compared to \$5.05 for Blacks and \$5.17 for persons of Hispanic origin (the hourly rates of pay for Blacks and persons of Hispanic origin were not significantly different from one another).

To determine the weekly earnings of the 7.7 million persons who were not paid by the hour on the first job they moved into, reported monthly earnings were divided by the number of weeks worked in the month.<sup>18</sup> (Almost 2.0 million persons reported not receiving any earnings, probably because of deferred pay periods or because of entering jobs late in the month.) According to the SIPP data, weekly earnings averaged \$336. If it were assumed that hourly paid workers were employed for 2,000 hours a year (40 hours a week for 50 weeks a year) and nonhourly paid workers were employed 52 weeks a year, the nonhourly paid workers would have had higher annual earnings (\$17,472 vs. \$11,260).

While a large proportion of these persons had weekly earnings of under \$100—25 percent—an almost equally large proportion had weekly earnings in excess of \$500—20 percent. The former, of course, was affected by the high concentration of young workers and the latter by the high concentration of workers age 35 and over. Teenage boys with nonhourly earnings jobs earned on average only \$77 compared with \$525 a week for men 35 years of age and older.

## **JOBS IN GOODS-PRODUCING VS. SERVICE-PRODUCING INDUSTRIES**

The industrial restructuring of the economy from basically a goods-producing economy to a service-producing economy has been going on for many years, but recently it has become a cause of concern among some economists.<sup>19</sup> This is because earnings, on average, tend to be lower in the service-producing industries than in the goods-producing industries. Furthermore, earnings in the service-producing industries are subject to greater variation. Indeed, the growth in income inequality among the Nation's households has been linked to these developments.<sup>20</sup> The SIPP

<sup>18</sup>Weekly earnings, in some instances, may be biased downward for those workers who had only part-week employment.

<sup>19</sup> See, for example, Barry Bluestone and Bennett Harrison, *The Deindustrialization of America*, New York: Basic Books, 1982.

<sup>20</sup> See Paul Ryscavage, Gordon Green, and Edward Welniak, "The Impact of Demographic, Social, and Economic Change on the Distribution of Income," presented at the 13th Annual Research Conference of the Association for Public Policy Analysis and Management in Bethesda, Maryland, October 26, 1991. Copies of the paper can be obtained by writing to: Paul Ryscavage, Housing and Household Economic Statistics Division, U.S. Bureau of the Census, Washington D.C. 20233

**Table J-2. Percent Distribution of Persons With Job Accessions Who Were Not Paid by the Hour by Their Average Weekly Earnings,<sup>1</sup> Age, Sex, Race, and Hispanic Origin: 1987 to 1989**

(Numbers in thousands)

Weekly earn., sex, race, and Hispanic origin	Total persons	16 to 19 years	20 to 24 years	25 to 34 years	35 years and over
<b>BOTH SEXES.....</b>	<b>7,672</b>	<b>496</b>	<b>1,357</b>	<b>2,182</b>	<b>3,637</b>
\$1 to \$99.....	24.6	60.4	29.3	19.9	20.8
\$100 to \$199.....	20.6	25.7	27.3	18.7	18.4
\$200 to \$299.....	15.3	8.5	11.9	16.8	16.6
\$300 to \$399.....	10.5	1.9	11.3	11.4	10.9
\$400 to \$499.....	8.7	3.4	10.8	11.2	7.1
\$500 to \$599.....	6.5	-	1.4	9.9	7.2
\$600 or more.....	13.9	-	8.0	12.2	18.9
<b>MEAN WEEKLY EARNINGS</b>					
Both sexes.....	\$336	\$101	\$238	\$325	\$411
	(16)	(14)	(19)	(19)	(30)
Men.....	430	77	310	403	525
	(27)	(15)	(35)	(30)	(47)
Women.....	233	127	184	244	266
	(14)	(23)	(17)	(22)	(26)
White.....	354	103	244	348	433
	(17)	(15)	(21)	(22)	(33)
Black.....	198	(B)	(B)	(B)	(B)
	(20)				
Hispanic origin.....	334	(B)	(B)	(B)	(B)
	(57)				

-Represents or rounds to zero.

B Base less than 200,000.

<sup>1</sup>As of the first job accession.

data on persons with job accessions provide an opportunity to examine the hourly rates of pay and weekly earnings of individuals who took jobs in the goods-producing and service-producing industries in the 1987-89 period.

As was indicated earlier, the goods-producing industries comprise agriculture, forestry, fisheries, mining, construction, and manufacturing. The service-producing industries, however, have been classified into two groups for the purposes of this analysis, high paying and low paying. This classification is based on the earnings of men employed full time (35 hours or more a week), year round (50 to 52 weeks a year) in 1987.<sup>21</sup> The high paying service-producing industries consist of transportation, communication and public utilities, wholesale trade, finance, insurance, real

<sup>21</sup>In 1987, according to the March 1988 CPS, the mean annual earnings of men employed full time, year round was \$29,866. The comparable mean earnings levels for men in the component industries are as follows: Goods-producing—agriculture, forestry and fisheries, \$17,261; mining, \$35,800; construction, \$25,960; manufacturing (durable goods), \$31,049; manufacturing (nondurable goods), \$29,863; high paying service-producing—transportation, communication, and other public utilities, \$31,547; wholesale trade, \$30,352; finance, insurance, and real estate, \$41,211; professional and related services, \$36,413; public administration, \$30,898; low paying service-producing—retail trade, \$23,242; business and repair services, \$28,390; personal services, \$19,485; entertainment and recreation services, \$26,257.

estate, professional and related services, and public administration; the low paying service-producing industries consist of retail trade, business and repair services, personal services, and entertainment and recreation services.

Table K shows that of the 41.5 million persons entering wage and salary jobs in the 1987-89 period, almost one out of every four went into a goods-producing industry and about three out of every four went into a service-producing industry. But when the service-producing industries are divided into high-paying and low-paying industries it can be seen that the former accounted for 34 percent of the total persons entering jobs and the latter 42 percent.

**Table K. Percent Distribution of Persons With Job Accessions by Broad Industry Group<sup>1</sup> and Age: 1987 to 1989**

(Numbers in thousands)

Industry group	Total persons	16 to 24 years	25 to 34 years	35 to 54 years	55 and over
<b>BOTH SEXES.....</b>	<b>41,485</b>	<b>17,469</b>	<b>10,463</b>	<b>10,303</b>	<b>3,250</b>
Goods-producing industry.....	23.7	20.3	26.8	25.0	27.8
Service-producing industry (high paying).....	33.9	27.3	37.3	40.6	37.8
Service-producing industry (low paying).....	42.4	52.4	35.9	34.4	34.4

<sup>1</sup> As of the first job accession.

Over half of all the persons age 16 to 24 entered the low paying service-producing industries. Older persons with job accessions, however, were considerably less likely to enter these industries. Only approximately one-third of the persons in the older age groups displayed in the table entered low paying service-producing industries. Indeed, among the 10.3 million persons age 35 to 54 who moved into jobs, 65 percent found them in either the goods-producing or high paying service-producing industries. And almost the same proportions (not significantly different from each other) of persons age 25 to 34 entered these industries as well.

In examining the broad industrial sectors in which persons find jobs, it is important to distinguish between workers who agree to work at a specific hourly rate of pay and those who contract their labor on some other basis. Hourly paid workers differ in many characteristics from nonhourly paid workers.<sup>22</sup> Table L shows, for example, that nonhourly paid workers were much less likely to enter the low paying service-producing industries than hourly paid workers—33 vs. 46 percent (figure 2). In addition, nonhourly paid workers were more likely to move into the high paying service-producing industries than hourly paid workers—46 percent vs. 30 percent.

<sup>22</sup>See Earl F. Mellor and Steven E. Haugen, "Hourly Paid Workers: Who They Are and What They Earn," Monthly Labor Review, February 1986, pp. 20-26.

Hourly and nonhourly paid workers are similar, however, in how pay levels vary across these broad industrial sectors. On average, the hourly rate of pay and weekly earnings were highest in the goods-producing industries and in the high paying service-producing industries and lowest in the low paying service-producing industries (see table L). The hourly rate of pay in the low paying service-producing industries was \$4.62 compared to \$6.96 in the goods-producing industries, while weekly earnings averaged only \$246 in the former industries and \$406 in the latter.

In the following discussion, men and women between the ages of 25 and 54 who entered hourly paid jobs and nonhourly paid jobs are examined. Persons in these age

**Table L. Percent Distribution of Persons With Job Accessions by Broad Industry Group and Mean Pay Levels:<sup>1</sup> 1987 to 1989**

(Numbers in thousands)

Industry group	Hourly paid workers		Nonhourly paid workers	
	Total	Mean hourly rate	Total	Mean weekly earnings
BOTH SEXES .....	31,856	\$5.63 (.06)	7,672	\$336 (16)
Goods-producing industries ..	24.9	6.96 (.14)	21.2	406 (39)
Service-producing industries.. (high paying) .....	29.5	6.08 (.12)	45.5	367 (26)
Service-producing industries.. (low paying) .....	45.6	4.62 (.07)	33.3	246 (17)

<sup>1</sup>As of the first job accession.

groups are more likely to be in search of relatively permanent employment than persons at the ends of the age distribution.

**Hourly Paid Job Entrants**

Table M shows that the broad industry groups that hourly paid workers moved into varied greatly by sex. Approximately 55 percent of the men entered the goods-producing industries but only 15 percent of the women did so. Not only were the goods-producing industries the primary source of jobs for men, they were also the highest paying. About 35 percent of all the men moving into goods-producing industries made \$10 or more an hour and the average hourly rate of pay of men taking jobs in these industries was \$8.85.

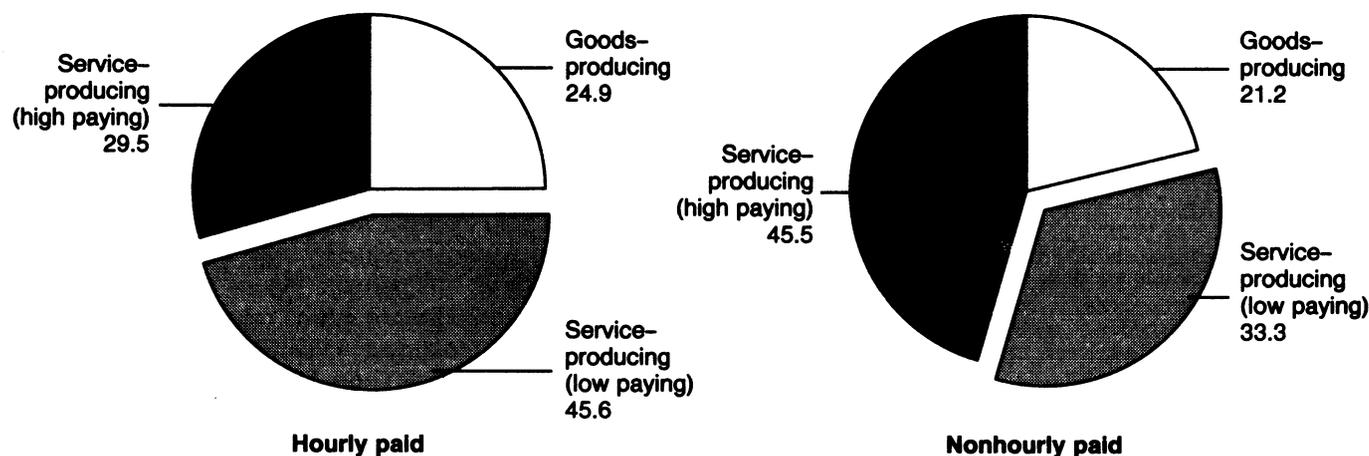
The most important sector for women who found hourly paid jobs was in the low paying service-producing industries. Roughly 45 percent of the adult women moved into these industries, and as is shown in table M, the average hourly rate of pay for them was the lowest of the three industrial sectors, \$4.84 an hour. Slightly less than two out of every five earned less than \$4.00 an hour. Another 40 percent of the women with job accessions in the 1987-89 period, however, entered the high paying service-producing industries. Hourly paid jobs for women in these industries averaged \$6.29 an hour—the highest level of the three broad industry groups. Overall, the pay for women entering hourly paid jobs was about 69 percent as much as that for men (\$5.55 vs. \$8.06).

**Nonhourly Paid Job Entrants**

The primary source of employment for both men and women age 25 to 54 who were not paid by the hour was

**Figure 2. Job Accessions of Hourly and Nonhourly Paid Workers by Broad Industry Group, 1987-89**

(In percent)



Persons 16 years of age and over.

**Table M. Percent Distribution of Persons With Wage and Salary Job Accessions, Age 25 to 54, Who Were Paid by the Hour by Their Hourly Rate of Pay, Broad Industry Group,<sup>1</sup> and Sex: 1987 to 1989**

Industry group and sex	Total (thousands)	Hourly Rate of Pay							Mean
		\$0.01 to \$3.49	\$3.50 to \$3.99	\$4.00 to \$5.99	\$6.00 to \$7.99	\$8.00 to \$9.99	\$10.00 to \$14.99	\$15.00 and over	
<b>MEN</b>									
Total .....	5,310	6.5	6.5	28.9	14.4	15.9	18.8	9.0	\$8.06 (.20)
Goods-producing industry .....	2,917	3.6	2.5	24.7	15.5	18.4	23.8	11.5	8.85 (.26)
Service-producing industry (high paying) .	1,125	8.1	8.3	31.5	15.0	13.7	17.5	5.9	7.61 (.44)
Service-producing industry (low paying) ..	1,269	11.8	14.2	36.3	11.2	12.1	8.6	5.9	6.62 (.45)
<b>WOMEN</b>									
Total .....	9,068	14.7	13.4	41.3	16.3	6.5	6.4	1.3	5.55 (.10)
Goods-producing industry .....	1,347	14.1	12.2	38.2	25.5	4.6	4.0	1.4	5.70 (.31)
Service-producing industry (high paying) .	3,606	8.4	9.5	38.9	19.6	10.9	11.2	1.6	6.29 (.17)
Service-producing industry (low paying) ..	4,114	20.3	17.4	44.5	10.5	3.3	3.0	1.1	4.84 (.12)

<sup>1</sup>As of the first job accession.

the high paying service-producing industries. Table N shows that among the men age 25 to 54 the high paying service-producing industries accounted for 44 percent of all men's first job accessions. Among women these same industries were responsible for the majority of the first job accessions, or 58 percent of the total. The average weekly pay of men entering this industrial sector was \$518 compared to \$307 for women. Almost 25 percent of the men had weekly earnings of \$600 or more a week and 17 percent of the women had weekly earnings of \$500 or more a week (these percentages were not significantly different from one another).

The goods-producing and high paying service-producing industries were the best paying industrial sectors for men not paid by the hour. Approximately one-third of the men who entered the goods-producing industries had weekly earnings of \$600 or more a week.

A significant proportion of women not paid by the hour entered the low paying service-producing industries—35 percent. Weekly earnings, of course, are low in this industrial sector and for the women who entered these industries the weekly pay averaged only \$196. About 59 percent earned less than \$200 a week.

**Table N. Percent Distribution of Persons With Wage and Salary Job Accessions, Age 25 to 54, Who Were Not Paid by the Hour by Their Weekly Earnings, Broad Industry Group,<sup>1</sup> and Sex: 1987 to 1989**

Industry group and sex	Total (thousands)	Weekly Earnings							Mean
		\$1 to \$99	\$100 to \$199	\$200 to \$299	\$300 to \$399	\$400 to \$499	\$500 to \$599	\$600 and over	
<b>MEN</b>									
Total .....	2,611	11.5	14.8	16.0	13.2	10.2	8.8	25.6	\$490 (36)
Goods-producing industry .....	764	6.4	20.3	8.3	13.0	9.7	8.7	33.7	552 (71)
Service-producing industry (high paying) .	1,153	12.8	10.2	17.3	16.3	8.6	11.1	23.7	518 (62)
Service-producing industry (low paying) ..	694	14.8	16.4	22.4	8.3	13.4	5.0	19.7	374 (42)
<b>WOMEN</b>									
Total .....	2,446	28.0	20.7	19.3	10.7	8.5	7.0	5.8	263 (19)
Goods-producing industry .....	186	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)
Service-producing industry (high paying) .	1,410	23.1	19.7	20.9	10.4	8.8	9.4	8.0	307 (31)
Service-producing industry (low paying) ..	851	37.3	21.9	17.3	9.9	6.7	3.7	3.4	196 (19)

B Base less than 200,000.

<sup>1</sup>As of the first job accession.

## AVERAGE "ENTERING" PAY VS. AVERAGE PAY

Despite all of the information that has been presented on the characteristics of persons moving into jobs and the characteristics of the jobs themselves, it may still be difficult to place it all in perspective. One possible way to do this is to compare the average pay of persons with job accessions with the average pay of persons who have been actually employed full time, year round during the year. The following presents such a comparison of the pay of men and women age 25 to 54 who entered jobs during the 1987-89 period to the CPS data on the annual earnings of men and women of comparable ages who worked full time, year round in 1988.<sup>23</sup>

To make such a comparison, however, a number of assumptions are required. First, it is assumed that hourly paid workers who took jobs would have worked 2,000 hours in a year (or 40 hours a week for 50 weeks) and that nonhourly paid workers would have worked 52 weeks a year. Multiplying these work amounts by the average hourly rate of pay and average weekly earnings of persons who moved into jobs according to SIPP yields "annualized" earnings amounts. Second, it is assumed that the first job that was entered and the corresponding hourly rate of pay or weekly earnings would be representative of all jobs that were entered in the 1987-89 period. And third, it is assumed that workers reporting their annual earnings in the CPS have had more experience in their jobs than the

<sup>23</sup>Obviously, the time periods in the comparison are different, although the earnings data for 1988 are roughly midway through the 1987-89 period. In addition, the earnings of self-employed workers are included in the CPS data. The CPS annual earnings data used in the comparison are derived from Money Income of Households, Families, and Persons in the United States: 1988 and 1989, Current Population Reports, Series P-60, No. 172, U.S. Bureau of the Census, table 59, 288-315.

SIPP persons reporting job accessions. As was discussed earlier, some persons experiencing job accessions may represent nothing more than "call-backs" to jobs previously held. Despite these assumptions, the comparison provides some perspective on the quality of jobs that persons entered compared with the jobs in which persons had some tenure.

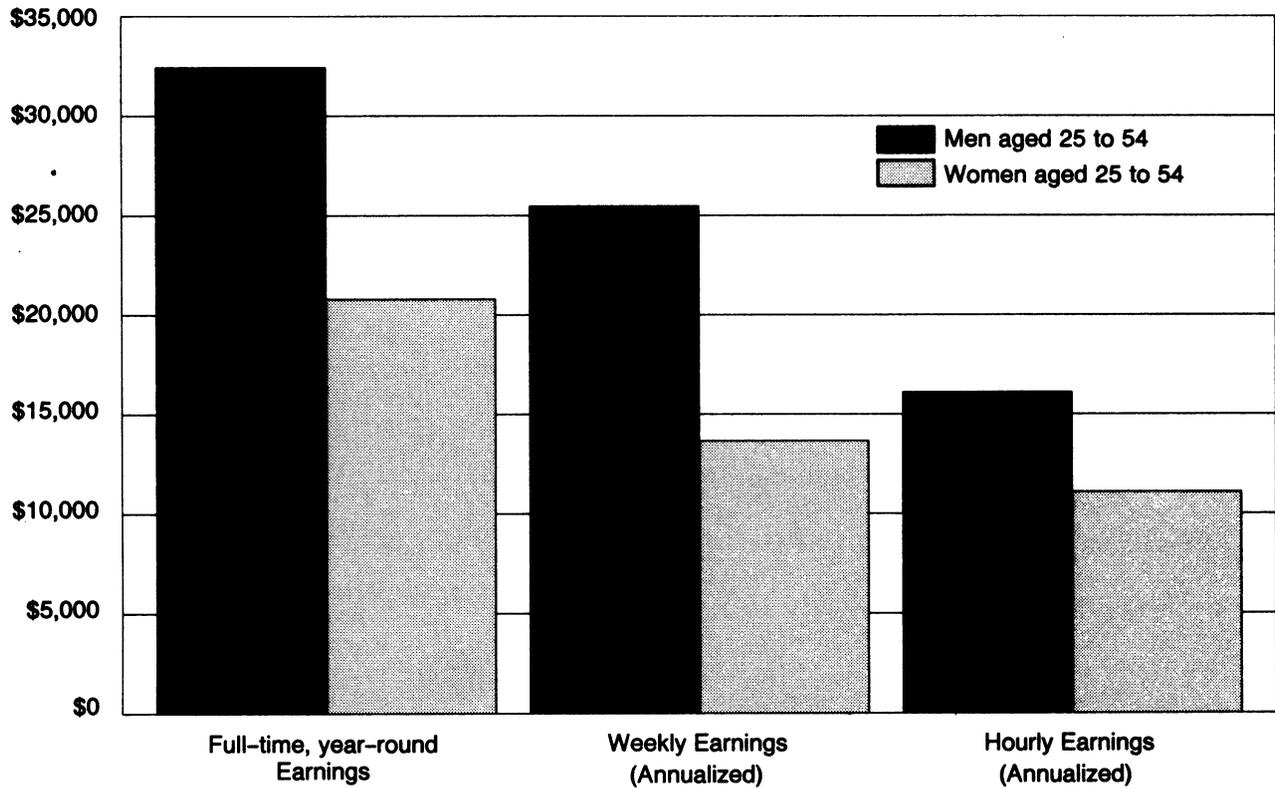
Table O shows that the annual earnings of men employed full time, year round in 1988 derived from the CPS averaged \$32,452 and for women with the same amount of work experience, \$20,828 (figure 3). The annualized average weekly earnings of men and women finding nonhourly paid jobs derived from the SIPP were \$25,480 for men and \$13,676 for women. Annualized average hourly rates of pay of men and women age 25 to 54 who entered jobs were lower—\$16,120 for men and \$11,100 for women.

**Table O. Average Annual Earnings in 1988 Compared to Hourly Rates of Pay and Weekly Earnings<sup>1</sup> of Persons With Job Accessions in the 1987-89 Period**

Earnings series	Age 25 to 54 years	
	Men	Women
Average annual earnings of full-time, year-round workers.....	\$32,452 (200)	\$20,828 (136)
Annualized average weekly earnings .....	25,480 (1,872)	13,676 (988)
Annualized hourly rates of pay.....	16,120 (400)	11,100 (200)

<sup>1</sup>As of the first job accession.

Figure 3.  
Average Full-Time, Year-Round Earnings and Average  
"Entry" Earnings (Weekly and Hourly) of Men and Women



Full-time, year-round earnings as of 1988; weekly earnings and hourly pays as of the 1987-89 period and are annualized.