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The Stigma of Low-Wage Work: Field- and Survey-Experimental Evidence

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You're listening to a UC Davis Center for Poverty Research Conference podcast. I'm the center's director, Ann Stevens. In October 2015, the center hosted the conference Employment, Earnings and Inequality, Realities and Opportunities in Low Wage Labor Markets. The conference featured experts on labor markets who presented both quantitative and qualitative research on a wide variety of topics, including wages, shifts and occupations, immigration and the lives of low skilled workers.

In this presentation, David Pedulla discusses his work on the stigma of low wage work based on experimental field and survey evidence. Pedulla is an assistant professor in the department of sociology and a faculty research associate of the Population Research Center at the University of Texas at Austin.

>> I mean, it's actually great I think this presentation is gonna follow up really nicely and Steve's presentation rather than looking at people's self-conceptions of downward mobility into low wage work, I'm gonna look at how employers perceive workers who are downwardly mobile into low wage jobs.

So when we think about workers who are downwardly mobile and hold low wage jobs, two narratives generally emerge and they become clear in this article from the Kansas City Star, written by Diane Stafford. So she begins this article by posing the question, should you take a job that's underneath your skill?

And then she moves through the article and the first thing she talks about is she says, low wage jobs may give perspective employers a false sense of your skills, interest and ambition. So this is the first narrative that taking a job beneath your skill level may have some sort of penalizing affect.

It may send negative signals about who you are as a worker, your ability, your skills kinda your underlying motivation or ability. The second narrative is then discussed later in the article when she writes, the positives of bridge or subsistence jobs customarily transcend the negatives, long-term joblessness presents severe reemployment challenges to many workers.

And that's why doing something, anything is better than having an extended blank on your resume. So these are the sets of issues I'm gonna think about today are these two narratives. On the one hand, being downwardly mobile into a low wage job may have some sort of stigma or penalizing effect compared to workers who remain in jobs at their skill level.

But there could also be a protective force at these types of low wage jobs that provide a balance or a protection against what it would mean to remain out of the labor market or to be unemployed for an extended period of time. So against this backdrop, I'm gonna post three discreet empirical research questions.

The first is gonna be does downward mobility into low wage work effect workers ability to obtain employment and I'm gonna look against two counterfactuals. So one against people who remain in jobs at their skill level, but then also against the counterfactual of workers who are unemployed. Second, I'm gonna look for sociodemographic variation in these effects.

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So does the effective downward mobility look different for men and women, as well as different for African American workers and white workers? And then finally, I'm gonna try to think about the content of the potential stigma of being downwardly mobile into low wage work. So when employers see a worker who's down with the robot, what does that mean to them across a bunch of different dimensions?

So in terms of skill perceptions, confidence perceptions, productivity perceptions as well as perception of commitment to work. So just to briefly sketch the overarching argument or thinking about downward mobility into low wage work, I think this penalize versus protective framework is useful. So as a non-controversial hypothesis, I'm putting out this idea that compared to remaining in the job at your skill level.

There's gonna be some sort of penalty in terms of trying to be able to obtain a job in the future if you move into a low wage job, I think that's probably pretty uncontroversial. I think what's interesting is thinking about comparing down with mobility into low wage work to unemployment and I think this could work in a couple ways.

On the one hand, there may be this kind of protective force against the stigma of long-term unemployment. So we know from a bunch of research that long-term unemployment is severely penalizing. It has real scarring consequences both in terms of earnings, but also in terms of your probability of getting an interview or a job offer and so there may be something about taking any job that's better than not having a job at all.

On the other hand, low wage work may be really penalizing and stigmatizing. So if you are downwardly mobile and drop beneath your skill level, employers may see that as equally as bad as being unemployed. What was wrong with you that you were unable to keep a job at your skill level?

Why did you end up in this low wage job? I'm not gonna hire you, you're just as bad as being unemployed. So before moving on, just to give you the sense of what the presentation today is gonna look like. I'm gonna begin with a bit of background in theoretical grounding.

This will be relatively short, so I can move into the empirical study for today. I'm gonna present evidence from two different studies. The first is a large scale field experiment or audit study where I sent out thousands of fake job applications to apply for real job openings in five different cities, but I'm gonna pair the field experimental work with survey, experimental work.

So field experimental work is great for understanding employer situated behavior in the labor market and how they treat different workers, but it's not very good at getting at the underlying conceptions and the stigma's that come with low wage work. And so, I'm gonna use survey experimental evidence to try to figure out what is actually the perception of these downwardly mobile workers and then I'll wrap up with a bit of discussion and conclusion.

So I said, my talk is closely related to Steve's and as you'll see my first graph is actually a figure that Steve uses as well from National Employment Law Project with the main point being that in the period between 2008 and 2010 we see more jobs being lost in the mid-wage and high wage sector.

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And then in the recovery, looking at between 2010 and 2014, the growth is largely happening in those lower wage jobs. I think it's also important to think about, this is a graph about thinking about the different sectors of the economy. On the x-axis, we have the net change in employment between 2010 and 2014 and then we have the median hourly wage on the y-axis.

And I really want you to focus on these three clusters, this cluster of three industries down here. So you see administrative and waste services, food services and retail trade. So these are the kinds of industries that we saw large growth in between 2010 and 2014 and this is particularly important for the empirical component of my study.

What I'm looking at is downward mobility into jobs in the retail sector. So theoretically, why might it be that being downwardly mobile into a low edge job is gonna be penalizing for workers or potentially of these protective forces. And here, I'm drawing on a bunch of literature from both sociology and economics on unemployment scarring.

So scholars in this tradition as the question, why might a history of unemployment impact workers future employment opportunities, their ability to get a job as well as their earnings? Generally, this literature points to two mechanisms that may link unemployment with worse labor market outcomes. The first is the skill deterioration or stunted skill development argument.

And here the idea is if you're unemployed, you're not gonna be getting skills at the same rate as someone who is employed and you may actually have some deterioration of your skills from not performing tasks on a daily basis. The second mechanism is a signaling mechanism. And here the idea is that, there might be something about unemployment that gives an employer information about your unobservable characteristics.

So you can imagine, employers get dozens' if not hundreds of applications for a single opening and they're trying to figure out quicker as stuck devices to sort workers into good workers and bad workers and maybe there's just an easy way that they see unemployment, bad worker. I'm gonna put you in the pile and I'll call you in for a job.

And so what I wanna do is I wanna think about how these two mechanisms, the skill deterioration mechanism as well as the signalling mechanism may map on to downward mobility into low wage work and I think very similar processes could be at work. So if you're downwardly mobile into a job that's outside of your occupation in the retail trade let's say, you've been a manager for eight years, then you end up in working on the shop floor at target.

You're not gonna be gaining these skills in your occupation anymore, you're gonna be potentially having the same skill atrophy that you would have if you were unemployed. And equally important, the negative signaling dimension here I think is huge. So workers who lose their job or displaced from their job in some way and are downwardly mobile into a low wage job, that potentially provides an employer with really valuable information about your underlying ability.

Maybe there's something just wrong with you, maybe you're a lemon of a worker. I don't want to hire you. Okay? So, there could be these really strong penalizing effects of downward mobility into low wage work that look very similar to unemployment. So, we just briefly wanna pause here and to talk about the empirics.

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So, I conducted this study between November, 2012 and June of 2013. And at the same time, two other groups of researchers were running similar audit studies. And after I collected my data, and I've gotten them out. I've seen working papers of these two other groups. I just wanna quickly mention how this study differs from those two other studies.

There's one US based study by that looks at folks who are just graduating from college and either applying to jobs out of college right as they're graduating versus folks who graduate from college and then move into a job below their skill level, versus folks who graduate from college and then are unemployed and are applying for jobs.

That study finds that under employment or taking a job below your skill level, is actually worse than being unemployed coming directly out of college. Okay, a key distinction between that study and what I'm doing here is they're looking at people who are just out of college, I'm looking at people who are in their late 20s or late 30s who have already established a career trajectory in a professional setting.

And then are downwardly mobile into low wage jobs. So it's a quite different set of issues that I'm looking at there. They also have raised some gender manipulations in their study but don't exploit them in the working paper that I've seen. So I don't know if they find race in gender variation.

There's one study also out of Belgium by Bear and colleagues that's now an IZA working paper, and they actually find the opposite of the US study. They find that unemployment is penalizing for workers who are just graduating from college, but that there is no negative effect of taking a job beneath your skill level.

So I just wanna kind of give that as a background before moving on to my empirical work. Okay, so this is kind of the overarching framework of how I'm thinking about why downward mobility into low wage work may matter, but I'm also really interested in thinking about gender and race.

So, why might it be that women who are downwardly mobile into low wage positions are treated differently than men? I think there's two potential ways to think about this. And the first is that employers may be more forgiving of non traditional labor market trajectories for women than they are for men.

So in some of my other work I show that employers are actually very forgiving of women who take part time jobs, that there's no penalty for women who move into a part time job, but there are huge penalties for men who take on part time work. So this points to the idea that there may be something about female labor force participation and female labor market trajectories that employers are more forgiving about things that don't follow kind of a standard linear trajectory through the labor market.

It's also quite possible if these types of non-standard trajectories signal something about motherhood. We may pick up some sort of motherhood penalty. So we know that employees are less likely to offer interviews and callbacks to women who are mothers. And so maybe if we think of downward mobility into low-wage work as some sort of proxy for parenthood status, or something like that where we may see penalties.

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Actually, I'm not super convinced that that's gonna happen. I think we'd much more likely see part-time status or temp work as a proxy for motherhood. Taking a job in a low-wage sector I don't think is necessarily gonna prime that as much as these other types of employment, but it's a possibility.

Race may also be really important here, so I ask how many African Americans who are downwardly mobile be treated differently than whites. And again I think there are two competing perspectives here. So on the one hand, it's possible that employers' stereotypes of African Americans are so strong and so negative that actually it's not gonna matter that much.

If you're an African American worker who's downwardly mobile, and employers may not actually care or it may not offer them much additional information about you as a worker. Because their stereotypes about African Americans' employment trajectories, motivation, and skill are already so distorted. Of course it's also possible that when you reinforce stereotypical information.

So if employers have these stereotypes of African Americans as not being good workers, not having good employment trajectories, to reinforce that with an observable signal. Hey, this person was downwardly mobile, maybe that's going to exacerbate racial discrimination. For both the race and gender component, I feel there is likely to be some sort of moderating effect, but the direction of that effect could be either way.

Okay, so I'm quickly gonna lay out my empirical predictions, and then I'll move on to the two empirical studies. So the first empirical prediction again probably not super controversial is that job applicants in low wage positions are gonna be penalized in terms of their labor market opportunities compared to applicants who maintain jobs at their skill level.

Okay that's kind of the baseline hypothesis. The second hypothesis is, as I mentioned I think that downward mobility into low wage jobs is actually going to be as penalizing for workers as being unemployed. So we're not actually gonna see much variation there between low wage work and unemployment.

We're gonna see similar kind of employer responses to workers with those two types of characteristics. We're gonna see, or I'm positing that we're gonna see some race and gender variation. And that's gonna moderate these effects, but those effects, our priority could go either direction. And then lastly. In terms of thinking about the actual underlying content of the stigma of being in a low wage job, I'm gonna look at four different dimensions.

So I'm gonna look at perceptions of skill, perceptions of competence, perceptions of productivity, and then perceptions of commitment. And again arguing that they're gonna be worse for low wage workers and comparable perceptions to workers who are unemployed. All right, so that's kind of the backdrop for the study.

I'm now gonna move in and talk briefly about my data and methods. So as I mentioned at the beginning, I'm gonna present two experimental studies. The first is a large scale field experiment. Where I sent out all these fake job applications to apply for real jobs where I'd randomly assign some of the applications I sent out a trajectory where they're downwardly mobile for one year before submitting their application into a low wage job.

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And then I can track employer's responses to those different types of applications. But as those of you who have read audit city work, it's really often a black box of what goes on there. So you put in some experimental manipulation, like race or employment history. And then you pop out some employer treatment.

But what's going on in between largely remains under-explored in the audit city literature. And so by pairing field experimental work with survey experimental work using similar manipulations in both contexts, you can actually begin to think about how might employers see and perceive workers with these different employment histories because in a survey context you can let them evaluate the worker along a host of different dimensions like skill, competence, commitment, perceptions.

So I'm gonna pair these two today for the empirical component. Maybe for this audience I don't need to have this slide. I usually do use it because, in sociology, we don't use experiments quite as much and so it's useful. There's this thing about like why in this particular context is an experimental design useful?

So the first thing it's useful for is that we can get exogenous variation and work histories, gender and race. And so this removes concerns about selection omitted variables bias on the laborers supply side. So if we think things like human capital, social capital are gonna be correlated with movements into low age work as well as employers treatment of those workers, this removes that set of concerns.

So that's kind of obvious but I think equally important is that by randomly assigning the different types of employment histories across my sample of employers, I remove concerns about omitted variable bias in selection on the labor demand side. So if we think that something like firm sectors, size, or formalization are gonna be correlated with the types of workers who apply for those jobs and how those workers are treated.

We remove that concern through this randomization process. And so ultimately what we're able to do, which is the goal of this study, is to recover unbiased causal estimates of how, low wage work or downward mobility into low wage work, affects workers' hiring outcomes. And then how race and gender moderate that process.

So let's start with the field experimental evidence, kind of give us a picture of what's going on, how are these workers actually treated in the real labor market when they're going out and applying for jobs. And so I sent fictitious applications to apply for real job openings between November 2012 and June of 2013.

I sent out 3,470 applications, 2,411 job openings. I wanted to make sure I had some geographic variation here. So I have New York, Atlanta, Chicago, Boston and L.A., I also wanted to make sure I have occupation variation. I don't want this to be a story about like one particular occupation in the labor market.

So I look at sales, administrative assistant, accounting/bookkeeping and project management jobs. There are twelve cells in the experiment I'm gonna present today. So you can see along the top axis, I used names to signal workers, yes?

>> Just a clarification.

>> Of course.

>> Where are you getting the jobs from?

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>> So I will get there in a minute it's from, I can't say the name because of IRB protocol. But it's a large online job posting database that everyone's heard of, so yeah I'll talk about that in one second.

>> Okay. So to look at the demographic variation, I'm gonna use standard protocol for audit studies.

I'm gonna manipulate them using names. So the white male names are John Murphy and Matthew Stevens. The white female names are Catherine Murphy and Emily Stevens. And here I use the term white, I am very aware that racializing names is super complicated. It's more likely that these names have kind of default employer responses, rather than actually being perceived as white.

I doubt that employers are seeing this name and thinking, oh, this is a white applicant. But the heavily racialized names, so the African American names Darnell Washington, Tyrone Jackson, Kimora Washington and Kenya Jackson likely do prime an African American racial identity, okay? And just to be real clear about how I selected these names because one of the big concerns with using racialized names in audit study work is that it compounds race and class.

So heavily racialized names also take on a class component. So how I dealt with this, which is imperfect as all the methods are to deal with this, I got all the live birth data from New York State by child's name, maternal race, and maternal education. So what I can do is find heavily racialized names in terms of maternal race, but then standardized by maternal education to try to net out some of these class effects.

Oh, I should mention too, so the key access of variation is actually this one here, so the different employment history. So either folks remain in jobs at their skill level for their entire employment trajectory post-college, or one year before applying for the job that you'll see that I applied for they're downwardly mobile into a low wage retail job.

Or that one year before applying for a job they're unemployed. There's a gap on their resume. So this is what the employment trajectories look like. So everyone's a college graduate which is an important scope condition of the research. They move into their first job for about two years, then everyone transitions to a second job for four and a half years.

And then this is where the randomization happens. So in the one year before applying for a job folks either transitioning to a new job at their skill level, into a low wage job, or into having an employment gap on their resume. And this just gives you a sense of what the actual professional experience component of the resumes look like.

So I had a few different resume templates, but this is just from one template where you can see job one from July 2005 to 2007. The second job July 2007 to May 2012. And then they move into being a sales rep at a large retail store. I should also say that this isn't one of the resumes I submitted in the Boston labor market.

All of the job trajectories were local labor market specific because I didn't want to confound effects of moving to a new labor market with my treatments. Okay, so in LA they all had local LA labor market trajectories. So the implementation, to answer your question, so everything's from one leading online job posting website.

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I picked just one website cuz I wanted to have standardization across the five cities. Each job opening was randomly assigned to receive one demographic category, so white male, white female, black male, or black female names. And then I randomly selected different employment histories to send to each opening.

So this is part, I should mention this is part of a much larger experiment. I'm having to talk about the other sets of conditions, so in some cases received employers received two resumes, in some cases they only received one. That process was entirely random, so I'm not worried about confounding.

But every employer saw at least one kind of job at someone's skill level or one unemployed resumes and some of them saw two including one of the downwardly mobile low wage work resumes. One or two resumes were sent to the employer. They were separated by one day if I sent two, just to remove concerns about employers seeing these as fictitious.

And then all of the other stuff, the names, the resume designed were totally random and counter balanced to make sure there was no confounding with my key treatments. The key outcome is a positive response from the employer via phone or email. So I had hundreds of email addresses, dozens of different phone numbers that employers could call.

And I would check those and clear them, and then code them into a database to track responses. Automated responses were not counted as callbacks. My independent variables are the employment history, so job at your skill level, low wage work, unemployment, and then worker race, and worker gender. So, any questions about the design at this point before I move into the findings?

Okay, cool. So, I'm gonna present the findings as callback rates broken down by employment history, and I'm gonna start with aggregated by race and gender. And then I'll kind of break stuff out and show. I'm not gonna show regression results here, I have them as appendices if people actually wanna look at the regression results.

I'm gonna present the statistical significance findings that I present are from logit models with controls for the labor market, as well as the occupation that I applied to, as well as the interaction between the two, with clustered centered errors. Model specification doesn't matter regardless of what I use, whether it's a linear probability model with random effects or fixed effects.

It's all the findings look the same. Is there a question in the back?

>> Yeah, in the process how did you verify that the employer even saw the application?

>> I could not. There's no way to know that the employer saw the application. The assumption of this research design is that that process would be randomly distributed across all of my treatments.

And so in some ways it doesn't matter if the employer saw all of them or not because it would be the same for all the different treatments. Okay, so the callback rate in the jobs at your skill level, again these are aggregated across race and gender, is 8%, which is a little bit higher than some of the other studies which are kinda 4 to 6% call-back rate.

So I was actually pleasantly surprised to see something around 8%, indicating that employers or at least some set of employers found these job applications to be interesting and worthy of further inquiry. So

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next I'm gonna present the callback rate for the low wage work condition and again we're expecting this to be less than 8%, and as we see it is.

So the callback rate drops down to 4.5%, which is statistically significantly different from being in a job at your skill level. And then with unemployment we see a slight tick up to 5.9%. I should say this difference between low wage work and unemployment is not meaningful, so we see kind of a standard penalty across being in low wage jobs or being unemployed.

All right, so this is the aggregated data. What does it look like when we break things down? So breaking them down is really complicated with these data because everything interacts three ways. And so, I've done my best to try to present graphically and as simply as possible the different sets of comparisons that I think are interesting.

So first I'm gonna compare white men and black men. So for white men things look very similar to the overall sample. We see a 10.4% callback rate, and then we see strong penalties for being in a low wage job or being unemployed. For black men we see kind of the standard story from this literature.

We see massive racial discrimination. Okay, so this 10.4 compared to that 4.4 is the effect of having a black male name on your resume, and is highly significant, and is consistent with all the previous literature that's used these sets of manipulations. What I think is interesting is that you kind of see for black male applicants there's just not much variation here.

So if you're a black male applicant kind of with a job at your skill level in downward mobile into low wage work or with a year of unemployment, employers really don't differentiate amongst those different conditions, okay? So here's kind of for white men versus black men, it's kind of a story of race as the dominant category right.

Once you've been labeled, then the stereotypes of employers about black men are activated, there's not much more damage you can do. Now I'm gonna look at comparing white men versus white women. And what you can see here is interesting where we see actually identical callback rates for white men and white women who remain in jobs at their skill level.

But then we see strong penalties for both of them in terms of low wage work. And we see actually a much more muted penalty for women who are unemployed for a year than we do for men. And this difference between the 4.2 and 7.5 is Marginally significant. The p values like .056 so there's something going on there.

And then lastly I'm just gonna compare the call back rates for white women versus black women and what's interesting here. So these are the numbers for white women that you just saw and for black women what's interesting is that the racial discrimination against black women exists but it's diffuse.

It's the same across all of the different employment categories. Where black women face penalties of about three to four percentage points kind of across the board. Okay. So it's a different story then we saw for white men versus African American men. And then lastly I thought it would be nice to just put up for the down worthy mobile into low wage work across all the different demographic groups.

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No matter how you cut it, none of these callback rates are different from each other. So the callback rates for downward mobility into low wage work are identical, regardless of demographic. Just to sum up the field experimental findings, we see that overall there are severe penalties for workers who move into low wage positions, and that these penalties are very similar to being unemployed for a year.

Interestingly, in counter to my hypotheses. We don't see much gender variation and the racial variation that we do pick up for white men versus black men is really about the main effect of discrimination against black men. Not about kind of some interactive effective black men being more or less penalized for moving into low waged work.

Okay, so as I mentioned, that gives us a sense of how employers treat actual job applicants with these different employment histories. But it doesn't give us a sense of the underlying mechanisms. So I'm gonna move on to that component now by looking at the survey experimental component of my research.

So here, I ran a survey experiment with just over 1800 HR managers, HR associates and assistants, business executives, mid-level managers, and business owners. They were recruited through an online opt-in panel, so I wanna be really clear that it's not a probability sample. I can't generalize to all hiring managers in the United States.

But because of the internal randomization we can recover unbiased causal estimates of how our treatments affect employers' responses within our sample. And one important thing here is most of the research we have that does hiring experimental work with surveys or labs is done on undergraduate or master's business administration students.

And so I think it's nice to have a sample. These are people who are actually hiring on a daily basis, they hire as part of their job, and they have hiring authority in their current position. Okay, so it's a different example than we've seen in a lot of previous work.

The decision makers came into the study, were randomized into one of the four different demographic groups, and then shown one or two of these different resumes that are identical to the ones from the field experiment for the accounting and bookkeeping position. So I just did one occupation in the survey experiment.

Largely because it felt totally overwhelming to try to randomize all that stuff for four occupations within the survey context. So a good thing to keep in mind, these are just findings for accounting and book keeping within the survey context. In terms of dependent variables, so I showed them the same resume that the folks in the field experiment saw, and then I asked them to provide some employment opportunity information to me.

So first, I asked them, how likely would you be to recommend that your company interview this applicant? How likely would you be to recommend that your company hire this applicant? And then I was kind of interested in this promotion idea too. How likely do you think it is that this person would get promoted if they were brought into the organization?

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So the first two are on a five point scale. The last one's on a seven point scale. So these kind of parallel the callback measure from the field experiment. But what I'm really interested in here is the underlying stigma that's associated with this type of work. And so I'm going to look across 4 dimensions.

So I asked them to rate the applicant on. The first question is the applicant competent, the applicant is productive, the applicant is skilled, and the applicant is committed to their job. Okay, so these are 7 point skills. So I'm going to look at all 7 of these outcomes.

Interview, hire, promoted, and then these different. These different perceptions of the workers. And I'm gonna present them first comparing downward mobility into low wage work against remaining at a job at your skill level. And then I'll show the findings comparing downward mobility into low wage work to being unemployed.

So these first set of findings are comparing downward mobility into low wage work with remaining in a job at your skill level. The x axis here is from, so these are point estimates from regression models, and the coefficient, the x axis ranges from -1 to +1. And I'm just going to plot the point estimate on the coefficient and the 95% confidence interval.

And what you can see is that for the interview, hire and promotion, this is very consistent with what we saw from the field experiment, right? If you are downwardly mobile into low wage work, you are penalized in terms of your interview likelihood, your hiring likelihood, and your promotion likelihood.

Okay, and these are all statistically significant. What do we see in terms of perception? It's a very similar story. So these types of mechanisms, the type of stigma that we see for employers has to do with these perceptions of competence, productivities, skill, and commitment. And again, all of these are meaningful.

So what does it look like when we compare low-weight, downward mobility into low wage work with unemployment? Remember, in the field experiment, we didn't see much variation there, so we may expect that everything's just gonna kind of line up along this center line and not be statistically significant.

We actually see a smaller effects than we saw for full time work. But we see negative and statistically significant effects across the board that downward mobility to low wage work is more stigmatizing than being unemployed in the survey context, okay? And so I think this was an important finding.

When employers are thinking about a workers downwardly mobile, their perceptions of competence, productivity, skills, and commitment are really, really low. So just sum up the findings, we said that downward mobility into low wage work produces worse interview hiring and promotion evaluations than remaining in a job at your skill level.

And this is consistent with what we would expect, but we also see actually that it's worse than being unemployed. And that this pattern holds, not just for these employment outcomes, like being interviewed and hired, but also for these key dimensions of social perception around the quality of the worker.

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Okay, so just to wrap up with a bit of discussion and conclusion, to revisit the research questions. So the first research question was does downward mobility into low wage work affect workers' ability to obtain employment. And I think the evidence indicates yes, and it's generally much more penalizing than remaining in a job at your skill level which is not surprising.

And is generally equivalent to or even worse than being unemployed. Importantly, we don't really see any race or gender variations of the workers. So in the survey experiment I should have mentioned there's no race or gender variation in the survey experiment either. We see very little race and gender variation in the field experiment.

And so this is interesting to think about. What is it about downward mobility where we're not seeing the same types of race and gender biases that we may see in other types of context. And then last thing when we think about the dimensions of the stigma of being downwardly mobile into low wage work, it seems like it really has to do with these perceptions of skill, competence, commitment, and productivity.

Okay, so I think it's always important to talk a little bit about the limitations of this study. So with this type of work and these types of experiments I think there are real strengths but there are also really important limitations. So first in the field experimental work I can only look at that preliminary applicant's screening.

So I just noted the person got a callback. I don't know anything about hiring, wage setting, promotions, terminations, the other key dimensions of the labor process. It's only formal applications so we know that informal networks lead to different sets of job opportunities than the formal application process through online settings.

And so we may pick up variation there that I can't see and there may be scope conditions around the sets of labor markets that I'm looking at in the field experiment. These are five major US labor markets. Things may look different in smaller areas. And then also for both experiments I'm just looking at workers of a particular age and then selected occupations, which are important scope conditions.

And also I just have one low wage work treatment. Okay, so people are just downwardly mobile into a retail sector job on the shop floor at a large retail store that you've all heard of. But things may look really different if we had other types of downward mobility and the content of the occupation that people ended up in.

So thinking about avenues for future research, I think thinking about variation across industries could be really interesting here. So do we see different patterns by the type of industries that folks are working in. And then also variation by the type of low wage work as well of the degree of discordance between where someone ends up after being downwardly mobile, and where they were before.

So I think there's actually potentially really interesting work to develop some kind of continuous measures of how downwardly mobile someone was and how different their current job is from their previous job, and seeing if that has explanatory powers for employers hiring. And then lastly, an avenue for future research that's actually the research being funded by the poverty center is thinking about how organizational characteristics, so organizational policies practices as well as the demographic compositions of organizations moderate the effects that I find here, right.

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So these are average effects across all of the employers in my study but you can imagine that different types of employers are gonna treat workers differently both by race and gender but also by their employment histories. And so a bunch of my future work is trying to think about what are those axis of variation at the employer level around policies and practices and demographic composition that may give us traction on this set of issues.

So this is the last slide just to wrap up. We see downward mobility into low wage work is severely penalizing and its actually not- it doesn't look like its any better then being unemployed. And we see strong stigma of being downwardly mobile in terms of skill, competence, productivity, and commitment.

We see limited demographic variation. And then I think importantly, in terms of thinking about what this means, given the types of jobs that were lost during the Great Recession and the types of jobs that people ended up in, many workers are likely trapped in these types of jobs, right?

They're applying to try to get out of whatever low wage position they ended up in, and are not having luck in being able to move up the occupational ladder. And so with that, thank you, and I'll be interested in any questions that you have.

>> I'm Ann Stevens, the Director of the Center for Poverty Research at UC Davis and I want to thank you for listening.

The center is one of three federally designated Poverty Research Centers in the United States. Our mission is to facilitate nonpartisan academic research on domestic poverty to disseminate this research and to train the next generation of poverty scholars. Core funding comes from the U.S. Department of Health and Human Services.

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