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Reflections on the Low Wage Labor Market: Facts and Policies
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You're listening to a UC Davis Center for Poverty Research conference podcast. I'm the center's director, Anne 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, Paul Osterman discusses the low-wage labor market and policies that affect low-wage workers. Osterman is the Nanyang Technological University Professor of Human Resources and Management at the MIT Sloan School of Management. As well as a member of the Department of Urban Planning at MIT.

>> I'm actually not gonna give a real talk.

You've had a series of quite really. I've listen to it all, as have you all. You've had a series of really, quite interesting serious papers that people have presented. And I'm gonna do something different. I'm gonna bloviate. Do people know what the term bloviate means? I think Frank Richard invented it, but what.

>> You want me to bloviate louder?
>> Does it have to be loud when you bloviate?
>> No. I mean, it could be a quiet bloviate. So I'm gonna bloviate. As I said, I'm gonna kinda free associate a little bit about these issues. But what I hope to do is to kind of give you a kind of a way of thinking about what you've heard, an exposure to how I think about what's going on in low wage labor markets.

And, I'm gonna talk fundamentally about policy, right, so my assumption is at the end of the day, what we're all interested in, all of the folks in this room is, helping people in bad jobs have better lives, right? Which means, either improving their mobility prospects, or improving the quality of jobs that they have.

And, at the end of the day that's what all this research is about. And so that's the ultimate goal. That's kind of a policy objective that we're all interested in. There was water down here somewhere, yup, if that's the kind of policy objective we're all interested in. Then how do we think about it?

And when you put it in that way, I think it opens up kind of a slightly different way of thinking about it, so for example and I'm gonna come to this, it may well be the case that over the long term, polarization, I'm going to talk about this in more detail, polarization, skilled bodies, technological change is going to shape the distribution of jobs that are available for people.

But what about the next five years? What about the next eight years? That is to say what about the situation of the people that enter the labor market now? What about the situation of middle aged people who are trying to do better in low wage jobs. It's not clear that the long run trends that we study in our academic literature are relevant to that question.

Something else is relevant to that question. So that's the kind of frame that I'm gonna kind of bring to this discussion. It's gonna be kind of a very grounded kind of policy oriented frame. So what am I gonna do? Well, I'm gonna begin for anybody who knows me well the way you'd expect me to begin, by being very cranky.

And I'm gonna complain about some of the ways people are thinking and talking about what's going on in the labor market. And then after I've got that out of my system, I'm gonna offer a framework, what I think is a framework, for thinking about policy, in part, building on what Ken just said.

And I'm gonna talk a little bit about the supply side, the skill issues. And you've already heard a couple of very interesting discussions of skills from Jacqueline, from David Green. I'm gonna act as a discussion of skills a little bit, and then my fundamental point and my real contribution, if there is one to this conference, is to try to force you all, or force us, to think about firms and industries in much more detail.

In a much more analytical way. If you think about all the talks you've heard today. And I'm not being mean when I say this, it's just the descriptive fact. Any detail about employers has been almost non existent, right? Any detail about industry structure has been non, almost non existent.

Right? The conversation is either been about the characteristics of workers or about the characteristics of kind of aggregate numbers. Right? Average wages, average employment levels, employment to population ratios. We haven't really drilled down to talk about why is the restaurant industry different than the hotel industry, different than the hospital industry.

But the case i'm going to try to make to you, after I kind of get cranky for a while, the case I'm going to try and make to you is that at least one way of making progress to improve people's jobs, you've got to understand these industries in more detail than is characteristic of any of the discussions, not just today, but any of the discussions that take place around this stuff.

Okay so, my first crank. Crank one, two presenters show slides drawing from NELP. I love NELP, NELP's a great organization. Saying that there's a trajectory toward bad jobs in the economy. That more bad jobs are being created than good jobs. Coming out of a Great Recession. All of the jobs that are given credit.

I think, this is wrong. Now, what I'm saying is not over the edict and I'm not god. Nope, we tell you that I'm wrong. So, I mean, this is open to discussion. But, I think, the weakness in the kind of charts and then, so forth, that get produced on this.

If you put on your real economist hat and you wanna say, what's the trajectory of job quality over time? You would wanna control for the business cycle. You wanna look at peak-to-peak or trough-to-trough. But, NELP is looking, and the other folks are doing this. They were tending to look at trough to peak.

Right, so if you look at peak to peak, and I did this last year but 2001 was a peak, 2007 was a peak, 2013 was as close to a peak as I could get in 2013. And you look at either ways of thinking about this. Just ask about the percentage of people of work.

Adults, not kids. Adults who are holding jobs that 150% of the poverty line or below. Or you do the discounted thing by signing a wage level to a job at the beginning of the period 2001 and looking at the distribution over time. Either way there's not a trend towards more bad jobs in the economy.

Now, the fact that 30% of American adults hold poverty level jobs is a shocking number. I'm not telling you that it's not a serious problem out there. But I do think we're not doing ourselves a service. By saying, oh my God it's getting worse. Oh my God its getting worse.

Oh my God it's getting worse. And we can talk about this. But I think we wanna be more careful about that kind of claim. More cranks. The labor market, in my view, in a medium run, is not rapidly becoming more polarized. I'm gonna give you some data on this.

But this is a really important point because if we're becoming a barbell economy or whatever metaphor you want to use, these are really great jobs. Brain surgery or professor of economics. Or maybe I should be in the lousy jobs. Or really lousy jobs, then people who are in the lousy jobs don´t really have anywhere to go, right?

Because people aren't gonna go from working as a barista or, or cleaning rooms in a hotel. To professional jobs, that's just not gonna happen realistically. But in fact, as I'll show you. That's not the world we live in. And so all this discussion about polarization and barbel economy, I think is.

First, I think, it's empirically wrong but it's also doing a disservice. All this high road and low road discussion, can mention Zenith Tom, a wonderful person that's a colleague of mine. But she does what a lot of people do. They're, oh, you should look at Costco, or you should look at SAS, or you should look at the five good firms that I can think of that are really in some industry and are high road firms.

I would claim to you, that if you do that, all these firms are idiosyncratic in some way. They've got a founder whose got a vision. They are not publicly traded. There's something about those firms that make them generalizable. I find the high road, low road, let me show you this bakery that really treats its workers well.

Zinger meant or whatever. I found that a misleading discussion, cuz I don't think it characterizes the economy. And then finally, and this is not relevant to my talk at all, we are not becoming a gig economy. And I think what Ken said about Uber and taxi drivers is exactly right.

It's taxi drivers who we're feeling sorry for also. Independent contractors and they make lousy wages. So why are we picking on Uber? I don't mean to defend Uber but you know. But, if you look at the data on multiple job holdings, if you look at the data on independent contracting, you look, they don't show, they simply don't show the trends that people talk about.

Okay, those are the cranks. Now, on to the real stuff, and what I wanna talk about. If you think about how to improve jobs, how to improve the circumstances of people in low wage jobs, this is kind of a framework for thinking about strategy. One is mobility, and that involves skills.

So, you work with the schools, you work with the community colleges and you work with second chance systems. And then, another conversation, I'd have a ton to say about this particularly bad. Actually, about community college systems and second chance systems. But, it's a skill focused strategy. The other strategy is improving job quality and there's two sub pieces to that.

One is power. Power through our government, power through regulation or organized power through unions, for worker standards to living wage campaigns and the like. And, the other way of improving job quality is by thinking deeply about how to change, how jobs are organized and structured. Make them into better jobs.

Now, I'm really gonna focus mostly on that last thing. Ken did a very good job focusing on the power piece. I'm gonna come back to the very end, and talk about how the two integrate, how the two fit together. But a few quick words on the skill. There's a lot of literature on skill.

You've heard a couple of good talks about skill. Traditionally, we measure skill by education. In fact, track in the field, even economists have become more subtle, right? So you heard David talk about this routine, non routine discussion, the O*NET is out there with a lot of different ways of measuring skill.

And there are some surveys out there. And I'm gonna present briefly one of them, that directly ask employers about what skills they're looking for. But the question is, in the context of low wage work, how important is lack of skill? In explaining why some people are poor? So there's clearly a strong relationship between education and hourly earnings.

That's clear. Everyone knows that. There's also a lot even holding out education constants. This is among young people between the ages of 31 and 39. There's quite a distribution, so here's the people who have only a high school degree. And we're between 31 and 39 and you can see, that there's a substantial earnings distribution among these people.

You're just saying that the R square is not that great, right? There's a lot going on beyond education levels, in driving earnings outcomes. If we ask about the nature of job openings, are jobs becoming polarized? Are we moving to this barbell economy driven by technology or whatever else you care about?

A really important distinction and one I think is often lost in the discussion, is the distinction between net jobs and gross jobs. So the discussion is often about two endpoints. What percentage of jobs today are brain surgeons, and what percentage of jobs in ten years are gonna be brain surgeons?

That's net, right? What percentage of jobs today are gonna be production line workers, and what percentage of jobs are gonna be production line workers? And that shows somewhat of a dramatic change. But guess what, everybody my age except me, is gonna retire.
>> Okay? And get older. I'm just gonna lose more hair.

>> And, so there's gonna be a lot of gross job openings. That people can move in to. So here's just an illustration of that point. This is BLS numbers. Net employment change for production workers to the year 2022, plus 75,000. No growth in production line workers, no surprise.

Replacement openings, because people are gonna retire, 1.8 milion. Lots of opportunities for people to move into jobs. Now remember what I said, I´m interested in the five year horizon, the eight year horizon. Getting people who are in crappy jobs into good jobs. And for those people, that 1.8 million figure is a more important number than the 75,000 figure.

So if you think about polarization that way, I would want to argue to you that it's been substantially exaggerated in the public debate, with respect to skill. Okay. Are the, final point about skill, are the skills that are being demanded within the reach of most people? You know, I'm gonna throw this in.

I did a survey last year of what's called advanced manufacturing firms, random national survey of about 1,000 events and manufacturing firms as the very, very concrete questions about scales. You need someone to read a manual of one page, two pages, three pages, do they have to do algebra trigonometry?

Do they have to be able to do CAD/CAM, blah, blah, all very concrete skills about production workers. The skill demands were basically, community college, advanced high school community college level skills. They were not brain surgery skills. They're not skills from most jobs are in the reach of most people.

That's the only point I'm trying to pound down here. Because it's really important. Okay. Okay. Moving on to what I really wanted to talk about which is, this point about industries. So this is a chart for some industries, it tells you two things. The first column is, among those industries, what percentage of low wage work, total low wage work in the economy.

I define low wage work as 150% of the poverty line for the hourly wage. What percentage of low wage work do these industries account for? So you can see for example, that retail jobs account for almost 18% of our low wage jobs in the economy. You can see that education is 7%, healthcare 12%, and so on.

The second column is, among the jobs in those industries, what percentage are low wage, and you can see that some industries are very heavily low wage industries. Right? So, retail is almost half are low wage jobs. Food services and drinking establishments, almost three quarters are low wage jobs.

So what this suggests is that if you want to think about a strategy that's kind of a strategy, that's strategic about where you're going to go after, what industries you're going to think about, you want to understand about how industries vary along these dimensions. There's also economics literature that tells you the firms and industries that are important, so anytime there's a worker, an employee, an employee survey out there, there's always a very substantial residual for the firm.

There are examples of firms in the same industries that organize work in different ways. Human resource practices cluster together. There's a lot of literature, academic literature suggesting that it makes sense to focus on firms and industries as kind of an analytical category. So I'm going to kind of illustrate this point briefly with two industries.

And what I want to hope to do, is to show you, and this is going to be very quick. I´m going to be done in a few minutes, you´re going to have your beer really soon. I´m going to show you very quickly, that these are, these are two industries with a lot, a lot of low wage workers.

That they´re structured very differently, and that points to a different way of thinking about how to improve the jobs. Those industries, hotels and home health. So what can you say about hotels? Hotels are organized by quality segments. There's very different quality segments in the hotel industry. The hotel industry, there's a substantial separation between ownership and management.

And a lot of the ownership is very distant, sometimes it's private equity. Okay, and management is very different. So, owners hire managers to run them. There's a lot of outsourcing of low wage jobs in a hotel industry. There's national chains and brands, and brands are important. And in the internal labor market, the job letters and hotels are fairly flat.

There's not a lot of places for someone who cleans a hotel room to go, okay? Unlike, say, hospitals, which I'll talk about in another context in a few minutes, which are very substantially longer potential job ladders. So what are the implications of that very quick and dirty analysis of the hotel industry?

Particularly in the upper segment, there's margins for improvement. There's money out there. You can pressure the brand image. The internal labor markets are flat, so developing and trying to create career ladders may be a relatively problematic strategy in the hotel industry. National campaigns are feasible, so you can go after Hyatt.

You can go after Hyatt in Chicago and change your practices in Boston, actually is what recently happened in a particular case. And it's important the hotel industry to think about the owners as well as the managers, in terms of where you're going after, and who you're talking to, and who you're putting pressure on.

So that's, if there's anyone in the room who really knows the hotel industry, you're embarrassed for me, but that's a quick and dirty analysis of the hotel industry, and kind of what it suggests and why you want to have an industry analysis. Now the home health aid industry is one that I'm obsessed about.

You know, I'm writing a book about it, I spent the last year studying it. And now I'm writing a book about how to improve these jobs. There's about three million of them in America today. There's going to be about six million of them in America in ten years, and they pay on the average about nine dollars an hour.

They're about 85% women, maybe 90%. It's an extraordinarily complex industry. So the demand, there's two sources of demand, old folks and disabled folks, and that's very different kinds of demand from those two categories. If you're a home health aid, you may be working for elderly, or you may be working for disabled, younger disabled, or you may be working for both, and the skills are needed, but also the trajectory of demand is quite different.

The industry structure is incredibly complicated. So when I say two worlds, California is a world. California, Washington, and Oregon, and then a few smattering of places around the country have what's called consumer directed systems, in which the client hires the aide, pays the aide, supervises the aide, and can fire the aide.

Pays the aide's complicated. But suit hires, and can fire the aide. Most of the rest of the country have agencies. You call up the agency and say, my mother needs an aide, and the agency sends an aide. Very, very different. Because in a consumer directed world, about 75% of these aides are relatives of the client.

Or relatives of the client. Which has tremendous implications for regulation, and for job quality, and all kinds of things. In the agency world, that's just not the case. Most agencies are non-profits. There are now, there are some for-profit chains. And, since this is Silicon Valley. There's now a few online for profit chains that have had that are moving towards IPOs, what all would you expect.

But most of the world is non profit agencies. There's a large sub terrain market out there, but no one knows how big it is. Unregulated and unknown in terms of its size. The non-profit agencies and much of the consumer directed world are paid out in Medicaid. And as Ken pointed out, if there's no money, there's no money.

So if you, for example, raise the minimum wage and this has happened, just happened last two months ago, put home health aides under the Fair Labor Standards Act, and there's no adjustment on state appropriations and guess what, in most states, there's not going to be an adjustment. What happens?

Either hours get cut for the aides, or the state becomes much tougher on eligibility standards for the clients. So that's a huge constraint on this industry. Failure to internalize. For the old folks, most of them are what's called duels, they're on both Medicaid and Medicare. But, guess what?

Medicaid doesn't care about Medicare, and vice versa. So, if Medicaid pays an aide who does something, and sends the person, has to call 911 and send them to the emergency room, that's paid for by Medicare. So, Medicaid for example, doesn't face a positive incentive to provide better care that reduces healthcare cost, because that's somebody else's problem.

Their friends over at Medicare. So the system is extremely bizarre, in terms of its structure, of its incentive structure. There's a movement to managed care, which may internalize those incentives, we'll see if that happens. The politics are very complicated, and in a few states, in about six states, there's unions.

The unions are quite different. So in New York, the home health aide union is part of the hospital workers union and the nursing home union. And this is me speaking my view, I just spent a year talking. Who is on the bottom of that totem pole, in terms of the union politics?

It's the home health aides. California and Washington have strong unions. It's a different circumstance. But the unions are back on their heals due to a recent Supreme Court decision which has cut their legs out in terms of their ability to get agency fees to collect dues. And, finally, Madison is dominated by a medical culture in which it's totally credtentialized and aides are totally at the bottom of the totem pole and they have an enemy.

Who do you think the enemy of aides are? Guess, guess, guess, guess. Nurses. So there's tremendous wars over what aides can and cannot do. And pushing back against aides are nurses. So, I love this industry. Buy my book.
>> If I ever write this book. But it's incredibly complicated.

And therefore, that then has a whole set of issues about how you make these jobs better. You can imagine what they are. So, this is just a couple of them, right? Or I told you about the Medicaid incentive problem. The consumer directed world, when the Fair Labor Standards Act kicked in, all hell broke loose because it doesn't fit the consumer directed world.

Because the consumer directed world, you've hired your cousin to take care of you, and you're connected to that person. And if you're cousin is working 12 hours a day, you're gonna pay her overtime or the state's gonna force you actually to only let her work eight and have a stranger come in for those other four to avoid the overtime.

It doesn't work. Whereas in the agency world, it does work. So, it's just okay. So what I hope I've done is to kind of make the case that, if you really wanna go after this low-wage problem. Beyond kind of a regulatory broad brush, you really need to understand your industry.

Understand what's going on. So, the two strategies that I would talk about are standards and intermediaries in central programs. Ken just did an excellent job in talking about standards, I'm not gonna talk about standards. Intermediaries and central programs are essentially, Programs around the country that have what's called a dual client perspective.

They work- their clients are both the firms, or the industry, and the workers. They do training, but they also work with firms to kind of improve their human resource practices. They develop industry expertise, they act as a surrogate HR department. They provide support to the trainees, they do long term training, blah, blah, blah.

There's best practices out there. And there's a lot of this out there. So, some are done by business associations, unions, community organizations, other nonprofits, are engaged in these sectoral programs, these partnerships to kind of upgrade low wage jobs. Funding comes from foundations, from federal moneys, from state training funds and then in some cases, from private sources.

Here are just some examples, there's a lot of in hospital industry, where job ladders are long. There's a lot of efforts to build these career ladders, move you from the laundry to being some kind of patient care technician, which is a form of a CNA. To maybe a phlebotomist.

I'm obsessed about home health aides. Internal training. There's efforts to upgrade training. In manufacturing firms, changing firm's recruitment patterns, getting friends to recruit from neighborhoods which historically they've ignored. There's a lot of different kind of tactics and strategies for these intermediaries. It's very tough. These are small, 100, 200 clients, very hard to work with firms.

Getting firms to play ball is difficult. In this current environment, it's difficult. But these are models that are out there, their models throughout the country and in some respects they are quite promising on their kind of work reference and hold their hands to make their jobs better. So, what's the sweet spot?

This is my last line. What's the sweet spot in terms of this? The sweet spot is using in my view, using power and pressure. Namely, organizing. Plus, these intermediate sectoral programs, the power and the pressure brings employers to the table. And these intermediary sectoral programs then makes it worth while for them to be at the table and does something for them.

And so you see that I mean there's a community organizing network around the country that I've done a lot of work with the industrial areas foundation network. Which has a lot of these things in the southwest. And basically uses its organizing power to bring employers to the table, and then runs these kind of sector programs.

They're not unique. Other places do that, too, in different parts of the country, and that, in my view, from the point of view of kind of industry analysis. The kind of policy perspective I'm trying to give you I think is the sweet spot. I'm not claiming to you that this is the only important thing out there.

I think increasing the minimum wage is fundamentally important. Thinking about paid sick leave, the kinds of things that Ken was talking about are fundamentally important. But I'm trying to make the case that it's important to think about other dimensions, and other ways of thinking about improving job quality.

Thank you. I'm done.
>> I know you want your beer, but you've got to ask me at least one question.
>> They go downstairs but I don't remember the name of them.
>> So, you mentioned, in terms of the home health industry, the point of intervention is to change the history structure.

That seemed kind of broad, so.
>> What am I thinking about?
>> Yeah.
>> I think, it all comes down in my view, to changing. So there's these two worlds. There's this consumer directed world and there's this agency world, and what you have to do is different in each of these.

Consumer directed world, there's about, nationally, maybe 600,000 aids working in that. And there's about 2.4 million in the agency world above the table. I don't know how many are below the table. Though I actually have a clever way of trying to figure that out, if it works I'll have an answer to you.

In the agency world, I think what you have to do is change the incentive structure of payers. So you internalize these costs, and what I've described as. And give them an incentive to save money by giving these aids more skill. So, right now, they have no incentive for these aids to do more, because there's no payoff to them for it.

But, if we move to managed care, for example, and we internalize it then, there could be a payoff. Then, the next question is, how do you make that happen? Because maybe, that will change the nature of the jobs and the aids and not pay them anymore. So then, you have to think about how you deal with that problem and if you have to deal with the nurses who will oppose this.

My daughter's in nursing school, I haven't yet discussed this with her really.
>> So, you know there is a strategy but, yeah.
>> So, the first thing is, and I actually a lot. The first point about that we don't pay enough attention to firms.
>> Yeah.
>> I think is really true.

And sort of interesting if you look at. Over time. We used to actually have demand. It's like still, if you teach demand, you've gotta be teaching things that are old. And that's not even at the level that you're talking about. It's just basically along came these individual bubble data sets, and that was the easy thing to study, at least, it's been a long time.

And then the whole Euro point that is even more drilling down. I think, it's really took them. And it's even if you look at that school of biotechnical change literature, those production functions are written down with capital sub-growth. So you get rid of capital. Even at the high level, we don't deal with this capital.

But, I'm sorry, I'm sure, this is a dumb question. One is just, I don't fully understand what your first arrangement point and then second question is
>> My wife says that to me constantly.
>> Crankiness.
>> I don't care more then.
>> So what was the first cranky point?

>> My first one then is this thing about the high road, low road thing you think is like a sideshow. And if it's all very well and good, but then you go on to say, oh we need to change organization exists, but it's true. You can take any case and say, oh here's five examples.

But I mean, as you said later in your confidence firm effects in ways you exist, and they suggest that therefore, it's not just trying.
>> Yeah, no, no, yeah. I think, that is a contradiction when I said that, but here's my problem with the kind of, actually, I should pick on Zenib.

The Jeff Pfeffer if anyone knows who Jeff Pfeffer is. He's written all these books about great firms. There's very little in that literature about the context. Those firms are in a particularly distinctive context. Either they have these visionary founders, or they're not publicly traded. Costco has a visionary founder.

This bakery, yeah and so you can't generalize from those firms. So holding context looking at the convict, holding the kind of typical context within that context, yeah, there are some distribution of firm behavior. I guess what I'm reacting to is the kind of examples that get given. As opposed to, I mean, you refer to the alpha mogul and somebody thing, that high road, low road.

But that's saying that the average firm can make different decisions within the same labor market, financial structure, capital market structure context. Whereas all of these loose examples just don't embed their example in any, I guess that's what.
>> But isn't there a sense in which, like what you're calling for, in some way, one way you can say is okay, there are examples of firms where we could see how we could organize things better.

What were trying to work with the firm.
>> Yes, that's right. But I want to change the context. So I can't make everybody privately held. Yeah. Okay. I accept your
>> And then the other is a policy question. So some background very long ago. Where, what they did was, they sort of estimated the impact of all the various union rules across provinces.

It's at a provincial level and impacts on immunization rates. So this is like secret ballot. It's the various things Sort of figured out who will be impacted by that. They then took that, and they went back and they said, suppose every province had the most generous rules that we've seen in the last 20 years.

And then what would that do? And the answer was knowledge, partly because of where in the structure it happened in. So it's sort of like playing with union rules, playing with unionization again. And this every province.
>> Yeah.
>> Alberta's very anti-union. Quebec is very pro-union This really makes them.

>> Sure.
>> And it does very well. So then, when you talk about this perceptual pressure, are you calling for a complete reorganization of the notion of unions in the US? Are you talking about going to a model more like a German model?
>> No, no, actually, no, no.

I wasn't clear. You mean my last slide, first off, I think it's important to distinguish between inequality and good jobs. So I'm not necessarily talking about changing the Gini coefficient or changing the 90/10. I'm talking about making sure that there are no jobs that fall below some threshold of decency.

You could still have a lot of inequality cuz you could have a lot of people making a lot more money. But I'm interested in making sure that no one's making nine bucks an hour or. That's a different goal than talking about inequality. And that partly helps answer that question.

Because if you could snap your fingers and unionize all these jobs, you might not have a big effect on a Gini coefficient, or whatever measure you want to use, but you certainly would raise many of these jobs above some level, some threshold. That said, I'm not arguing that the answer to all of this is unionization.

Because I'm not optimistic about the prospects of private sector unions over any time horizon.
>> So then, where's the pressure come from?
>> So the pressure could come politically, it could come through, you've seen these corporate campaigns, you've seen community organizing and communities around living wage campaigns. You've seen workers centers.

You've seen a variety of, I mean, that's one of the most interesting things about the last 15 years in this country, Canadians are much better behaved, so they don't do this. But you know you've proven something that is not true. So I always thought Canadians had no sense of humor but.

>> Do you know how many of your Canadians have
>> It's cuz no one laughed up there. Anyway, there's been a tremendous amount of kind of local energy putting pressure on firms.
>> Just to follow-up on that note.
>> Yeah.
>> The impact of unions goes way beyond any firm impact.

And we look at all of the stuff that's happened, and I present it, The Fight for 15 is a campaign service employee

>> Yeah, sure.
>> And to me, this big irony of what's happening right now work here is we're seeing on some level unprecedented success on the part of labor-

>> No, it's true.
>> Losing wages for low wage workers.
>> No, you are making a very good point.
>> And at the same time-
>> Without increasing membership.
>> Without increasing their own membership and then with the decision coming down in the summer in terms of public sector workers, we could see a significant decrease in union density among public sector workers which has been the real basis behind the support for all of this.

So when I think about the difference on there, the part of that is those individuals will make more money from the union, but the bigger issue is what's the role the union plays over all in terms of power around broader sets of economic changes and policy changes, but also affect larger numbers of people.

And I think all these worker center models are interesting, none of them have figured out how to be self-sustaining financially, and I think that's the big question out there is that.
>> And the other thing that you didn't mention is government purchasing. You talk about government employment. Obama's issued a number of executive orders regarding government purchasing which is another source of pressure.

But yeah, I agree with you.
>> 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.

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