

Sign of the Times? 63% of All U.S. Jobs Created Since 1990 Have Been Low-Wage Jobs

If you have a good-paying job, you should probably try to hold on to it as hard as you can, because those types of jobs are steadily becoming rarer. Since 1990, the U.S. economy has produced millions of jobs, but as you will see below nearly two-thirds of them have been low-wage jobs. Of course, this is one of the biggest factors causing the systematic erosion of the American middle class. Today, half of all U.S. workers make less than \$33,000 a year, but meanwhile the cost of living has been steadily increasing. Housing costs, health insurance and other basic necessities have been rising much faster than our paychecks have, and this has put an enormous amount of financial stress on hard-working American families.

A job making chicken sandwiches at Popeye's is not equivalent to a structural engineering job. In other words, the quality of the jobs that we create is perhaps even more important than the number of jobs that we create.

Yes, the U.S. has been creating a lot of jobs in recent years, but meanwhile the overall quality of our jobs has degraded rapidly:

Although the U.S. is on a record streak for job creation, many Americans still feel like they can't get ahead. It's not their imagination. The past three decades have seen the economy churn out more and more jobs that offer inadequate pay, a group of researchers found.

"The history of private-sector employment in the U.S. over the past three decades is one of overall degradation in the ability of many American jobs to support households – even those with multiple jobholders," they wrote.

In fact, if you go back to 1990 about half of all jobs in the U.S. were good jobs.

But since that time, a whopping 63% of the jobs that have been created have been “low-wage, low-hour jobs”:

“In 1990, the jobs were pretty much evenly divided,” said Daniel Alpert, a founder of Westwood Capital and one of the creators of the index. In the process of running the numbers, he said, “we discovered that 63% of all jobs that were created since 1990 were low-wage, low-hour jobs. That was a pretty stunning statistic.”

So what is the answer?

In the past, you could make good money in America even if you just had a high school education. There were millions upon millions of high-paying manufacturing jobs in this country, but at this point most of those high-paying jobs have been shipped to other nations where wages are far, far lower.

Today, our young people are being greatly encouraged to get a college education so that they can compete for the dwindling number of good-paying jobs. Of course, there aren't enough good-paying jobs for all of our college graduates, but at least with a college degree you have a better chance of landing one.

Unfortunately, getting a college education has become oppressively expensive, and our young people have been taking on enormous amounts of debt as a result.

In fact, *Time* Magazine says that the total amount of student loan debt in the United States is now over 1.5 trillion dollars:

Today more than 44 million Americans have outstanding student loan debt, which has become one of the biggest consumer debt categories. All told, student debt in the U.S. now totals

more than \$1.5 trillion.

Sadly, that number has almost doubled over the past decade. We have never seen a student loan debt bubble of this magnitude in the entire history of this country, and student loan debt delinquency rates are soaring.

And even though there has been a national uproar about this, the cost of a college education continues to rise much faster than the overall rate of inflation:

As the issue of college affordability continues to be a prominent talking point on the campaign trail ahead of the 2020 presidential election, a new study shows that the cost of a college education is still increasing at a rate that far outpaces inflation.

The study, put out by the financial technology company Self, found that on average, college costs have risen \$2,835 since 2015, increasing 112% more than the rate of inflation during the same period.

At this point, you are probably asking one very important question.

Where in the world is all of that money going?

Well, one recent study discovered that “administrative bloat” is the biggest factor that is driving up costs:

“Administrative bloat contributes enormously to the high and rising cost of tuition. In recent years, non-teaching personnel in higher education have exploded,” Mark Pulliam said. “At some colleges bureaucrats outnumber faculty. The ‘diversity bureaucracy’ has proliferated at many schools. UT employs nearly 100 people in its diversity department, some of whom are paid in the six figures. Unnecessary and overpaid administrators are responsible for much of the increased

overhead borne by students in the form of tuition increases.”

So as you pay off your student loan debt for decades to come, you can be comforted by the fact that the associate provost for diversity and inclusion at your college is bringing home more than \$100,000 a year.

And perhaps that is the solution for the U.S. economy as a whole. If we just create enough “diversity” and “inclusion” administrative jobs, then we can all make six figures a year and the U.S. middle class will be restored.

Of course, I am being facetious. The truth is that if we ever want to restore the U.S. economy to greatness, we need to start making things in this country again. We need jobs that add real value to our society, and we need an economic environment that respects and encourages innovation.

Unfortunately, what we have today is just the opposite. We are consuming far more wealth than we are producing, many of our “good-paying jobs” are administrative or government jobs that add very little value to our society and our small businesses are being strangled to death by rules, regulations and oppressive levels of taxation.

The only way that we have been able to maintain our debt-fueled standard of living is by piling up the biggest mountain of debt in the history of the world, and if we continue on the path that we are on there is no way that our story is going to end well.

We desperately need a return to common-sense economics, but unfortunately common sense appears to be in short supply in America today. {eo}

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