OCCUPATIONAL MOBILITY AND ECONOMIC GROWTH ACROSS THE GENERATIONS

Susan Lee and Frank Stafford June 2017

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Those now age 30-55 have occupations which differ markedly from those of their parents. There has been substantial migration to diverse and emerging occupations as well as substantial mobility both upward and downward in terms of pay. For men 43 percent moved to an occupation with more highly ranked pay than their father while 43 percent moved to an occupation with lower pay. For women, there was substantial upward mobility as the current generation left the householder status held by 44 percent of their mothers and became employed in occupations spanning a wide range of pay. Overall, combining the experience of both men and women, pay has **risen by about 22 percent** across the current generation compared to their parents – a substantial economic growth dividend.

Major changes have occurred at a structural level. For men about one of seven fathers was in a production occupation. About one of fifteen sons is employed in production occupations today. Women, too have experienced a net exit from production occupations. For moms, 6.3 percent were in production occupations, while for daughters 3.5 percent are in production occupations.

The decline in production occupations can be attributed to the impact of international trade, but potentially more significant – the rising importance of science, technology engineering and math (STEM) in a wide range of production and other settings. For the current generation about 6.4 percent of the labor force is in STEM (defined to include mathematical, computer, engineering, architectural, life, physical and social sciences).This exceeds the current 5.1 percent in production occupations.

Across the generations the most dramatic growth in STEM has been for women. While less than 1 percent of the mothers were employed in STEM, now about 4 percent of women age 30-55 are STEM workers. Women have also increased their representation in management, medical and legal occupations.

Mobility from lower to better paid occupations has been greatest in the middle ranges of pay of the parents. For parents at very high levels of pay there is almost necessarily a pattern of movement toward the middle. For those with parents at low levels of occupational pay there is ample room to move up, but family resources appear to be a limiting factor. Daughters whose fathers were in better paying occupations have been more likely to move to better paying occupations.

Looking forward, substantial structural changes are likely to continue. Research indicates a wide range of occupations to be further transformed based on STEM inputs. Under the theory of skill-extensive technical change the technology based labor force extends its domain to new areas of economic activity. Real income grows but these workers realize more than 100 percent of the income gains. To accommodate future growth and to shape a more equal income distribution, a greater share of new generations of workers needs to be trained in quantitative and creative thinking through early and substantial exposure to STEM concepts.

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[1] "How Important Are Parental Occupations to the New Generation's Occupational Mobility?"
Contact fstaffor@umich.edu for a copy.