

February 17, 2017

## Fight for \$50,000 careers, not \$15 jobs: Column

*The best part? To a large extent, these \$50,000 careers already exist and are waiting to be filled*

*By: Brad Anderson and Alfredo Ortiz*

New congressional session, same old partisan divisiveness. Not that anyone expected anything less.

But there is one issue that can and should unite the partisan divide: Raising wages for American workers.

Median wages remain below their 1990s levels. Half of 30-year-olds today earn less than their parents did at the same age. That number falls to 41% for men. And poll after poll suggest voters of all stripes want policymakers to relentlessly pursue wage growth and not get sidetracked with divisive social issues that play to the party base.

Progressive activist groups, whose post-election post-mortem calls for a renewed focus on workplace mandates rather than identity politics, plan to address wage growth by doubling down on the fight for a \$15 minimum wage.

But this counterproductive mandate does not address the median earner whose wages are stagnating. Only 395,000 people aged 25 or older earn the minimum wage – roughly half a percent of the national hourly workforce.

Meaningfully raising wages for median earners calls for a fight for \$50 — as in a fight for \$50,000 a year careers. These are the middle-class jobs that don't require a bachelor's degree but do provide salaries necessary for enriching lives beyond a paycheck-to-paycheck existence.

The best part? To a large extent, these \$50,000 careers already exist and are waiting to be filled. The most recent government data shows there are currently 5.5 million job openings, a significant portion of which are in industries that pay approximately \$50,000 or more annually, according to the Department of Labor estimates. The National Skills Coalition expects these to include jobs in middle-skill fields like trades, sales and health care.

For instance, the Labor department predicts tens of thousands of manufacturing sales rep, plumber and HVAC maintenance jobs will be created in the coming years, paying \$59,000, \$51,000, and \$45,000 annually on average, respectively.

These \$50,000 careers can help eliminate the remaining slack in the labor market. Despite a low topline un-

employment rate, the country still has nearly 2 million long-term unemployed, over 5 million who can't find full-time work, and millions more who are underemployed. Overcoming this so-called skills gap — the barrier preventing job seekers from getting jobs offered by employers — is a key component of the Fight for \$50.

How can policymakers help eliminate this skills gap holding back job seekers and employers? This is a complex question that requires a social, economic and educational fight.

But perhaps the simplest step that could be taken immediately to advance the fight for \$50 and reduce the skills gap is protecting the entry-level jobs that largely train the American workforce. In practice this means not pursuing minimum wage increases that destroy these opportunities. While only a small part of the workforce earns the minimum wage at a given time, a giant slice of it got its start at this level. Thousands of CEOs, including Jeff Bezos, Lloyd Blankfein, Warren Buffett, Michael Dell and even Barack Obama, began their careers at entry-level wage jobs.

These entry-level jobs provide skills like customer service, teamwork and a sense of urgency that arm employees with the skills necessary to quickly move on to higher paying positions. In fact, academic research shows that two-thirds of entry-level employees get a raise within their first several months on the job.

These soft skills transcend particular jobs and apply to all forms of higher level employment. That's likely why research shows that those who pick up these basic work skills early in their careers earn 20% more than their counterparts decades later.

Dramatically raising the entry-level wage reduces these valuable training opportunities and impedes the fight for \$50. According to a recent San Francisco Federal Reserve review of minimum wage research, wage hikes cause "job loss for the least-skilled workers — with possibly larger adverse effects than earlier research suggested." The cities and states that have recently experimented with such

minimum wage increase experiments are figuring this out the hard way, as numerous small businesses are closing or reducing job opportunities because of big labor cost mandates.

While specific battle plans to achieve the fight for \$50 still need to be drawn up, now is the time to change the conversation from raising the wage floor to raising the wage

ceiling for middle-skill employees — something that all Americans can get behind.

*Brad Anderson is the former CEO of Best Buy and a member of the Job Creators Network. Alfredo Ortiz is the president and CEO of the Job Creators Network.*