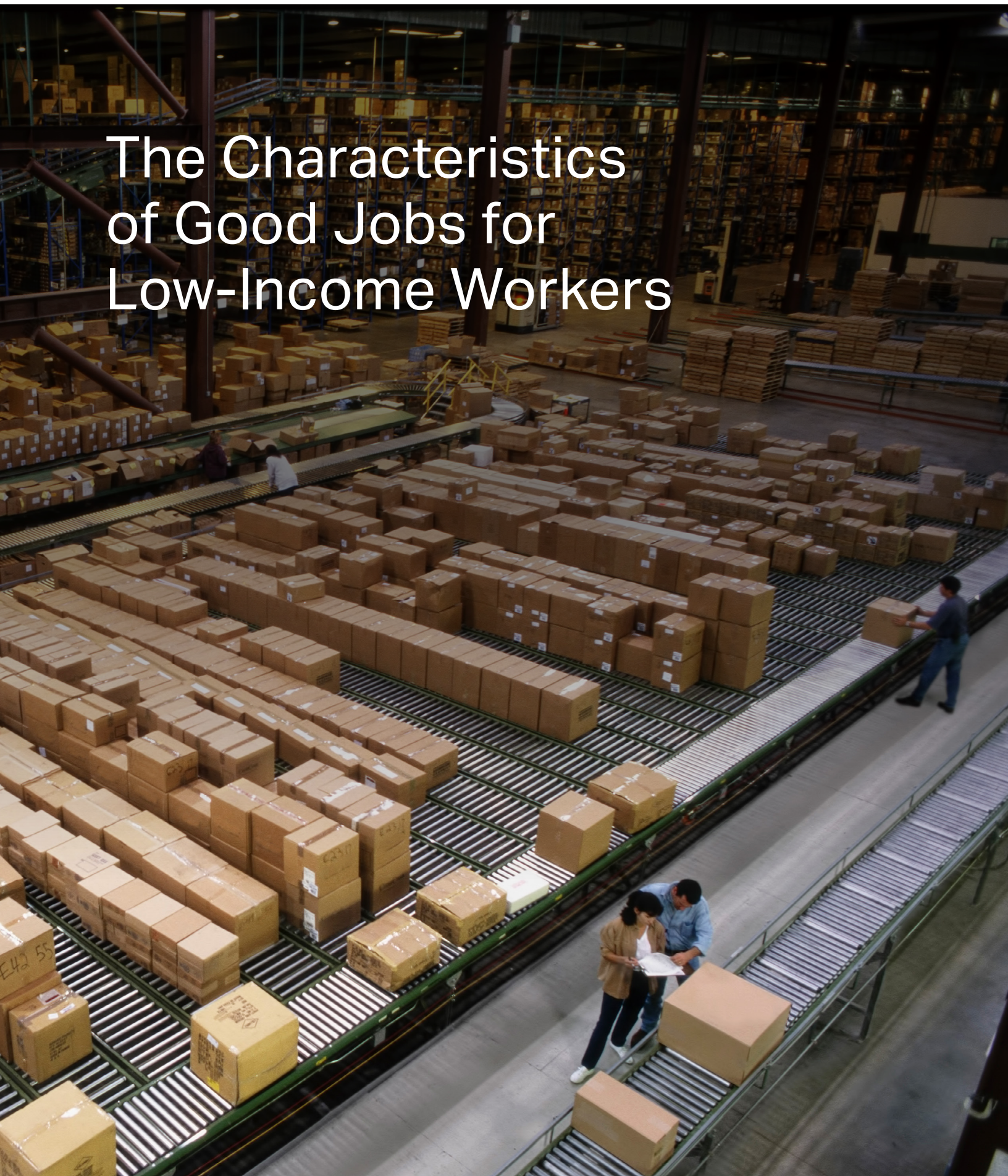


The Characteristics of Good Jobs for Low-Income Workers



COPYRIGHT STANDARDS

This document contains proprietary research, copyrighted and trademarked materials of Gallup, Inc. Accordingly, international and domestic laws and penalties guaranteeing patent, copyright, trademark and trade secret protection safeguard the ideas, concepts and recommendations related within this document.

The materials contained in this document and/or the document itself may be downloaded and/or copied provided that all copies retain the copyright, trademark and any other proprietary notices contained on the materials and/or document. No changes may be made to this document without the express written permission of Gallup, Inc.

Any reference whatsoever to this document, in whole or in part, on any web page must provide a link back to the original document in its entirety. Except as expressly provided herein, the transmission of this material shall not be construed to grant a license of any type under any patents, copyright or trademarks owned or controlled by Gallup, Inc.

No changes may be made to this document without the express written permission of Gallup, Inc. Gallup® is a trademark of Gallup, Inc. All other trademarks and copyrights are property of their respective owners.



Introduction

Rising economic inequality in the U.S. is prompting researchers and policymakers to look more closely at the types and quality of jobs available to low-income workers. Currently, the median personal income among workers in the bottom quintile of the income distribution is just \$13,000 per year, versus \$60,000 for all other workers. Further, a 2019 Brookings Institution analysis finds that 44% of employed Americans currently qualify as “low-wage,” and most are adults working to support themselves and their families.¹

Politicians and policy scholars have increasingly recognized the need to understand not just income inequality but also job quality. This paper extends a previous Gallup analysis of job quality using the 2019 Great Jobs Survey. The survey asked more than 6,500 workers about their satisfaction with 10 job quality characteristics — including the pay and benefits they receive as well as less commonly measured factors like the stability of their pay and hours, their career development opportunities and their ability to change working conditions with which they aren’t satisfied.

Workers were also asked to rate their satisfaction with their current job on these same characteristics, and the results were used to determine whether they are currently in “good,” “mediocre” or “bad” jobs. This report investigates various factors that predict high or low job quality for low-income workers and compares their circumstances to those of higher-income workers.

Gallup’s 2019 [*Great Jobs*](#) report shows that workers in the bottom quintile of the income distribution tend to be dissatisfied with several core attributes of their work, not just the low pay, and are less likely than those with higher incomes to be in “good jobs.”² However, that study also revealed that there is a subset of low-income workers — about 28% — who are nonetheless highly satisfied with and engaged in their work, particularly if they have access to non-salary benefits and learning opportunities.

With this variation in mind, the present study examines the characteristics of low-income workers in more depth to further understand what non-income aspects of their jobs could be improved to enhance their overall satisfaction with their work.

- 1 Ross, M., & Bateman, N. (2019, November 21). Low-wage work is more pervasive than you think, and there aren’t enough “good jobs” to go around. *Brookings*. <https://www.brookings.edu/blog/the-avenue/2019/11/21/low-wage-work-is-more-pervasive-than-you-think-and-there-arent-enough-good-jobs-to-go-around/>
- 2 Rothwell, J., & Crabtree, S. (2019). *Not Just a Job: New Evidence on the Quality of Work in the United States*. Washington, D.C.: Gallup. Research was funded by The Gates Foundation, Lumina Foundation, and Omidyar Network. <https://www.gallup.com/education/267590/great-jobs-lumina-gates-omidyar-gallup-quality-report-2019.aspx>

LOW-INCOME WORKERS ARE DISPROPORTIONATELY LIKELY TO BE YOUNG, UNMARRIED AND BLACK OR HISPANIC.

The Great Jobs Survey finds that U.S. workers with incomes in the bottom 20% of all those employed are more likely to be young and black or Hispanic than are workers in the top four income quintiles. They are less likely than those in the top four income quintiles to be married; however, they are somewhat more likely to have young children in their household.

Table 1: Demographic characteristics of U.S. workers in the bottom income quintile vs. all others

| | Bottom income quintile | Top four income quintiles | | Bottom income quintile | Top four income quintiles |
|-----------|------------------------|---------------------------|--------------------------------|------------------------|---------------------------|
| Age 18-29 | 37% | 16% | Married | 43% | 64% |
| Age 30-49 | 31% | 48% | Single, never married | 38% | 21% |
| Age 50+ | 32% | 36% | Divorced/Separated | 13% | 10% |
| | | | | | |
| White | 59% | 68% | Kids under six in household | 26% | 18% |
| Black | 15% | 9% | No kids under six in household | 74% | 82% |
| Hispanic | 18% | 13% | | | |
| Asian | 3% | 5% | Median income | \$13,000 | \$60,000 |

Notably, job quality ratings among low-income workers are largely unrelated to their demographic background; for example, female and minority workers in the bottom income quintile are at least as likely as male or white workers to be in good jobs. As this report reveals, variation in job quality is more strongly related to low-income workers' employment circumstances, such as whether they work part time or for small versus large organizations.

Findings

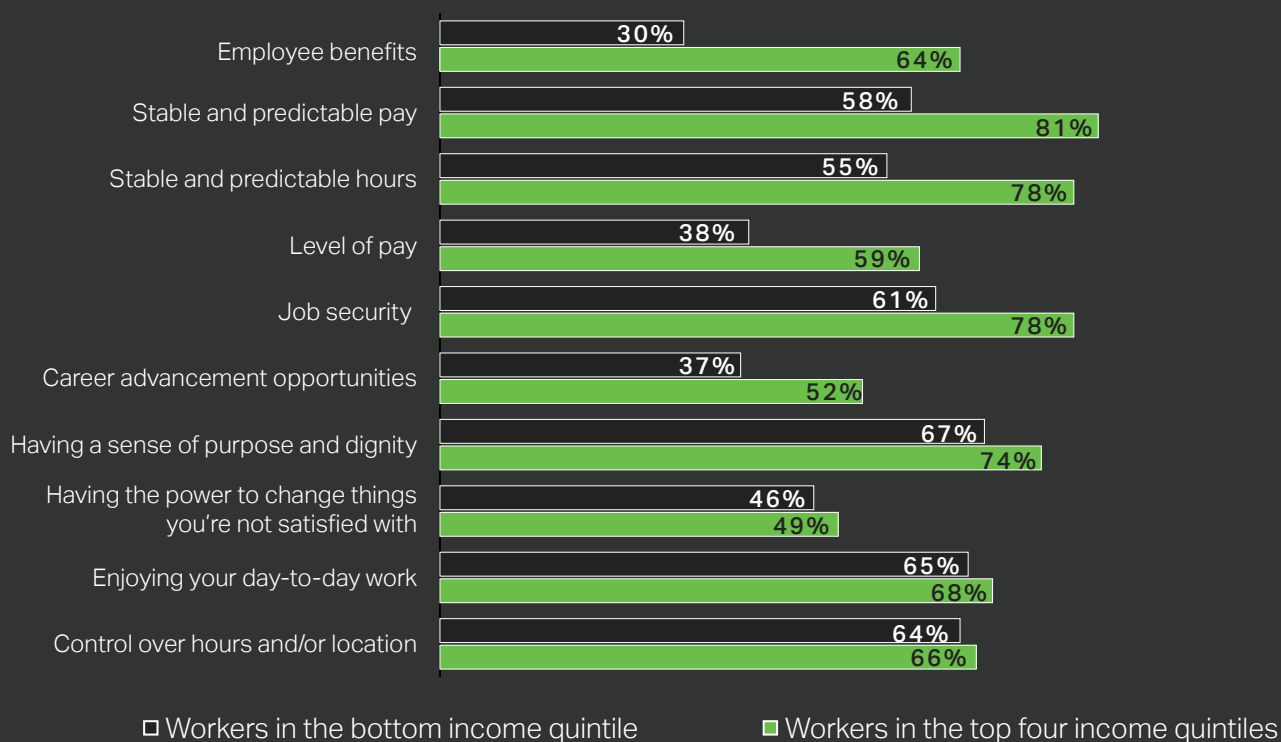
IN ADDITION TO LEVEL OF PAY, LOW-INCOME WORKERS DIFFER MOST FROM HIGHER-INCOME WORKERS IN SATISFACTION WITH EMPLOYEE BENEFITS, STABILITY OF HOURS AND STABILITY OF PAY.

Looking across income groups, the results reveal substantial job quality differences between low-income workers and the rest of the U.S. workforce. Overall, workers in the U.S. are more than twice as likely to be in good jobs (40%) as bad jobs (16%). Those in the bottom income quintile, however, are at least as likely to be in bad jobs (30%) as good jobs (28%), with the remaining 42% falling into the “mediocre” job category.

As Chart 1 reveals, low-income workers are less likely than their higher-earning counterparts to be satisfied with most of the 10 job quality dimensions the survey measures — including several unrelated to compensation, such as stability of hours, job security and career advancement opportunities. The biggest difference between workers in the lowest income quintile and the rest, however, is in satisfaction with employee benefits. Just 30% of low-income workers are satisfied with the benefits they are offered, versus 64% of those in the top four income quintiles.

CHART 1

Percentage of workers satisfied with each job characteristic, sorted by gap between the top four and bottom income quintiles



Type of Employment

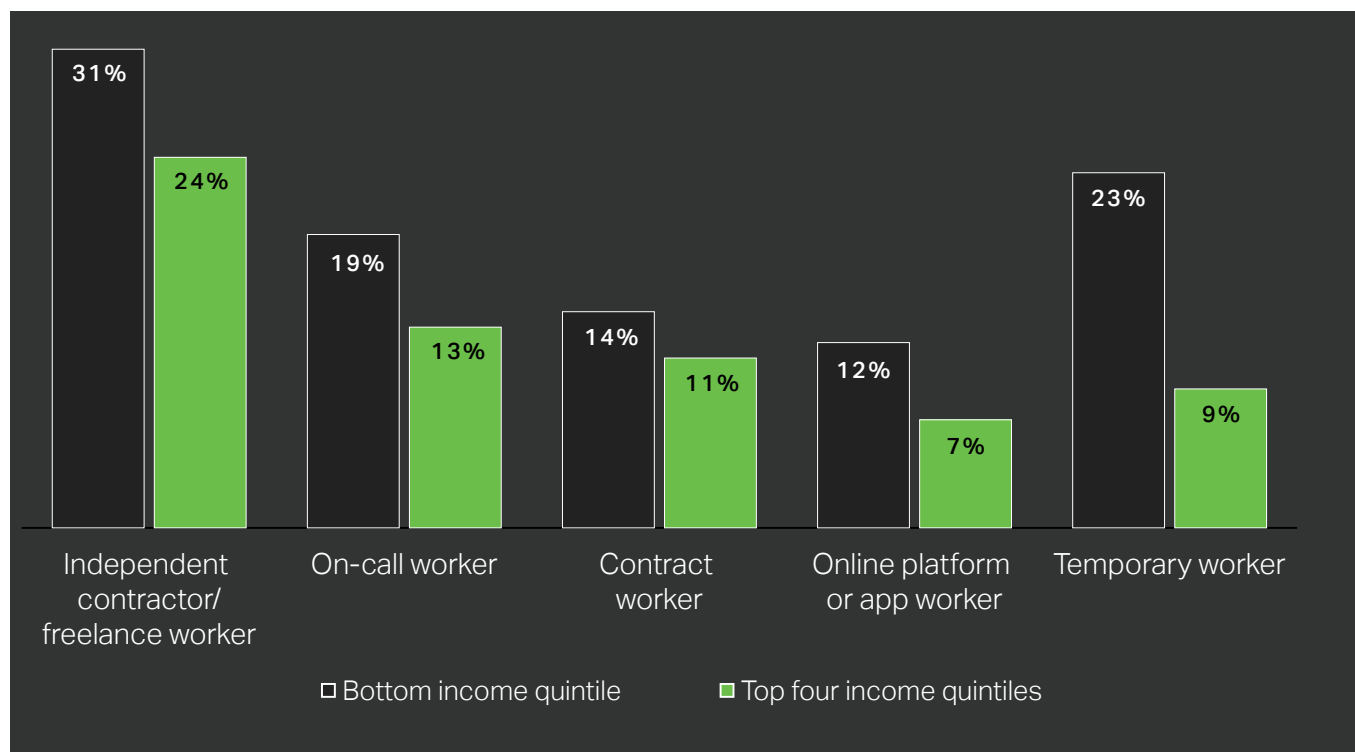
ALTERNATIVE WORK ARRANGEMENTS DO NOT SEEM TO DRIVE WORKERS' SATISFACTION WITH JOB STABILITY AND SECURITY.

Given that workers in the bottom income quintile are considerably less likely than those in higher quintiles to be satisfied with the stability of their hours and pay as well as their job security, one might conclude that they are more likely to work in nontraditional employment arrangements such as on-call, temporary or “gig” work.

However, the Great Jobs Survey finds that low-income workers are not much more likely than those with higher incomes to be involved in most such alternative arrangements. For example, 19% of those in the lowest income quintile are on-call workers, versus 13% of all other workers. Temporary work is an important exception: 23% of workers in the bottom income quintile say their primary or secondary job (or both) is temporary, versus 9% of other workers — a notable factor in low-income workers’ uncertainty about job security. Temporary work arrangements are also associated with lower job quality for all workers, including those in the bottom income quintile.

CHART 2

Percentage of workers for whom each work arrangement applies to one or more of their jobs



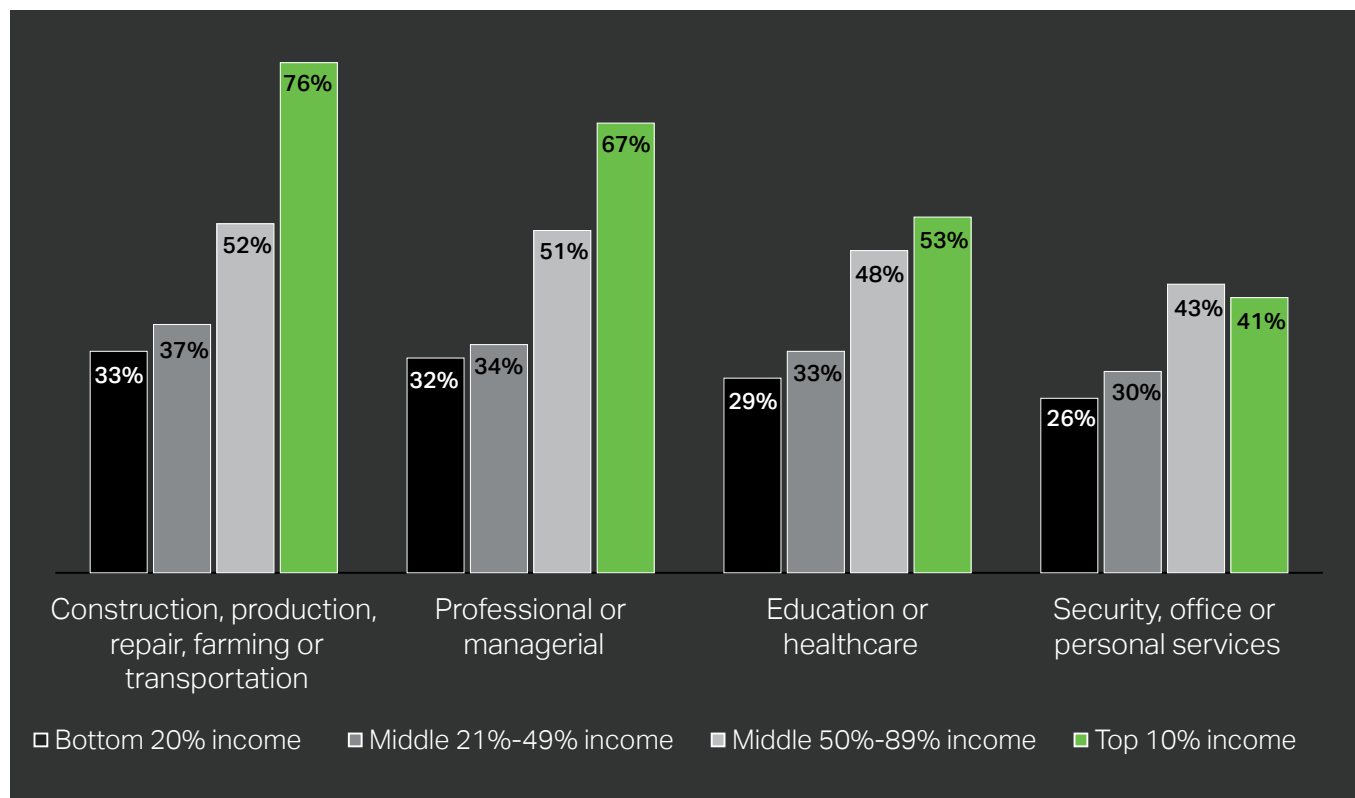
JOB QUALITY VARIES LITTLE BY TYPE OF OCCUPATION AMONG LOW-INCOME WORKERS, THOUGH GOOD JOBS ARE LESS COMMON IN SOME INDUSTRIES.

To understand how sector and occupation may contribute to job quality, this report consolidates industries into large groupings to meet minimum sample size requirements of 100 respondents in each category. There is considerable variation within each occupational group — meaning that workers in each group have the full range of job quality experiences. In this way, workers’ occupational categories do not appear to be strongly linked to job quality.

Among workers across all income groups, however, jobs in “blue-collar” occupations such as construction, production, installation and repair, farming or transportation tend to have the highest percentage of workers in good jobs, whereas jobs in security, office or personal services have the lowest.

CHART 3

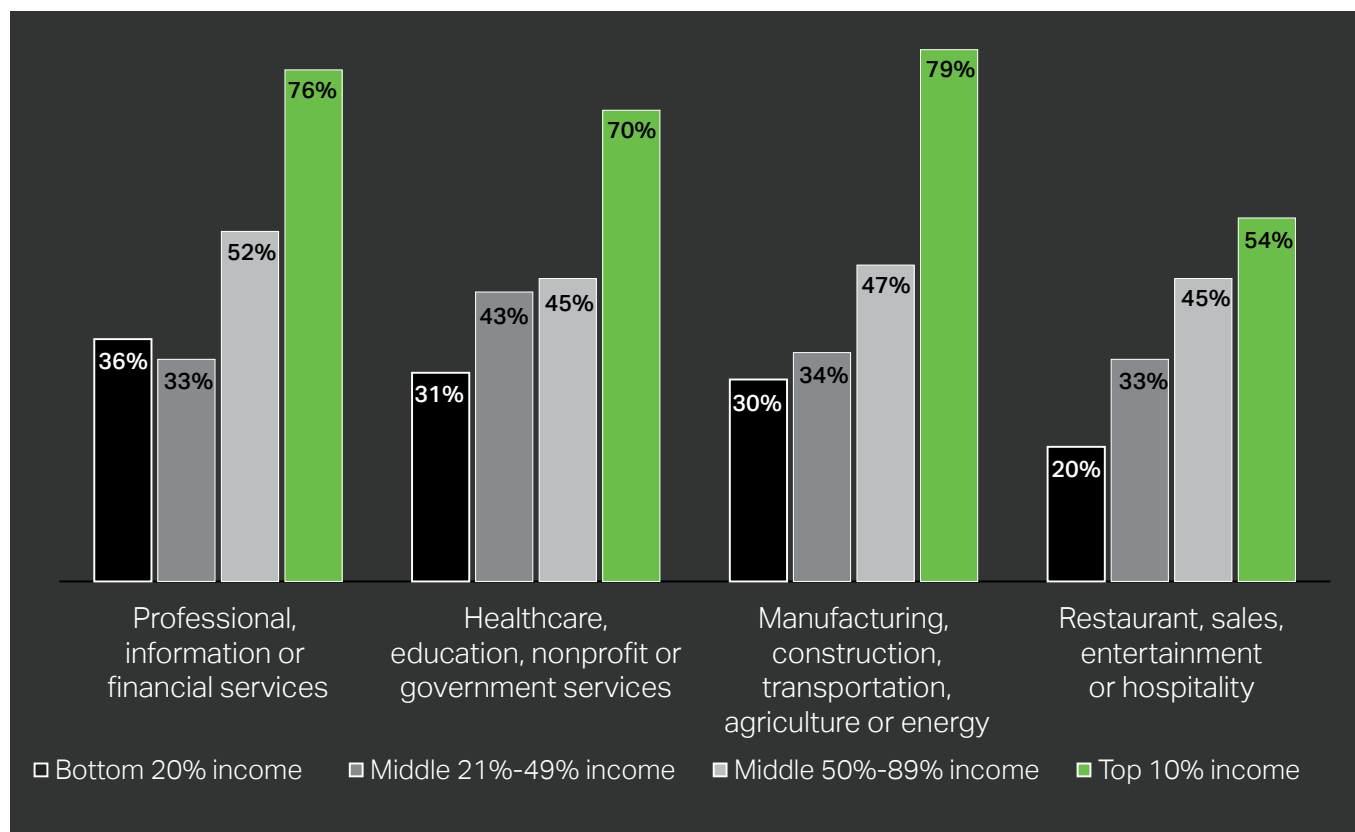
Percentage of workers in good jobs, by income level and major occupational category



As with occupational groups, job quality experiences vary widely within each broad industry grouping. Generally, low-income workers are least likely to be in good jobs if they work in the restaurant, retail, wholesale, entertainment or hospitality sectors, at 20%, versus at least 33% of low-income workers in all other industry groups.

CHART 4

Percentage of workers in good jobs, by income level and industry group



Low-income workers in the restaurant, sales, entertainment or hospitality group are less likely than those across other industry groups to be satisfied with most of the 10 job quality dimensions measured. However, their satisfaction relative to other industry groups is lowest with regard to four characteristics:

- About one in four low-income workers in restaurants, sales, entertainment or hospitality (24%) indicate they are satisfied with their level of pay (by selecting “4” or “5” on the five-point satisfaction scale), versus 43% of all other low-income workers.
- Less than half in this group (44%) are satisfied with the stability and predictability of their hours, versus 62% of low-income workers across other industry groups.
- About half (51%) are satisfied with their control over their hours or location, versus more than two-thirds (69%) of other low-income workers.
- Similarly, 48% are satisfied with their job security, versus 66% of those across all other industry groups.

Benefits Access

ONE-THIRD OF LOW-INCOME WORKERS HAVE ACCESS TO HEALTH INSURANCE AND RETIREMENT PLANS.

Low-income workers' lack of access to employment benefits such as health insurance and retirement plans diminishes their ability to manage adversity and work toward greater financial security. When the Great Jobs Survey asked about eight different types of benefits, workers in the bottom income quintile were much less likely than others to say their employer offers any of them. Overall, slightly more than a third of low-income workers are offered health insurance (37%) or retirement benefits (36%), compared to at least three-fourths of those in the top four income quintiles.

Low-income workers' greater likelihood to work part time may explain these discrepancies. Among workers in the bottom income quintile, those who work at least 40 hours per week are much more likely than those who work fewer than 40 hours to say their employer offers them each benefit asked about in the survey. Thus, workers who rely on part-time income to make a living are caught between a greater need for benefits that provide security (since they generally earn less than full-time workers) and lower incentive among employers to provide them with benefits (since employers may view part-time employees as less essential than full-time workers).

Notably, even employees in the bottom income quintile who do work at least 40 hours a week are considerably less likely than workers in the top four income quintiles to say they have health insurance (54% vs. 83%, respectively) or retirement benefits (49% vs. 76%).

Table 2: Thinking about your primary job, does your employer offer you each of the following benefits? (Percentage "yes")

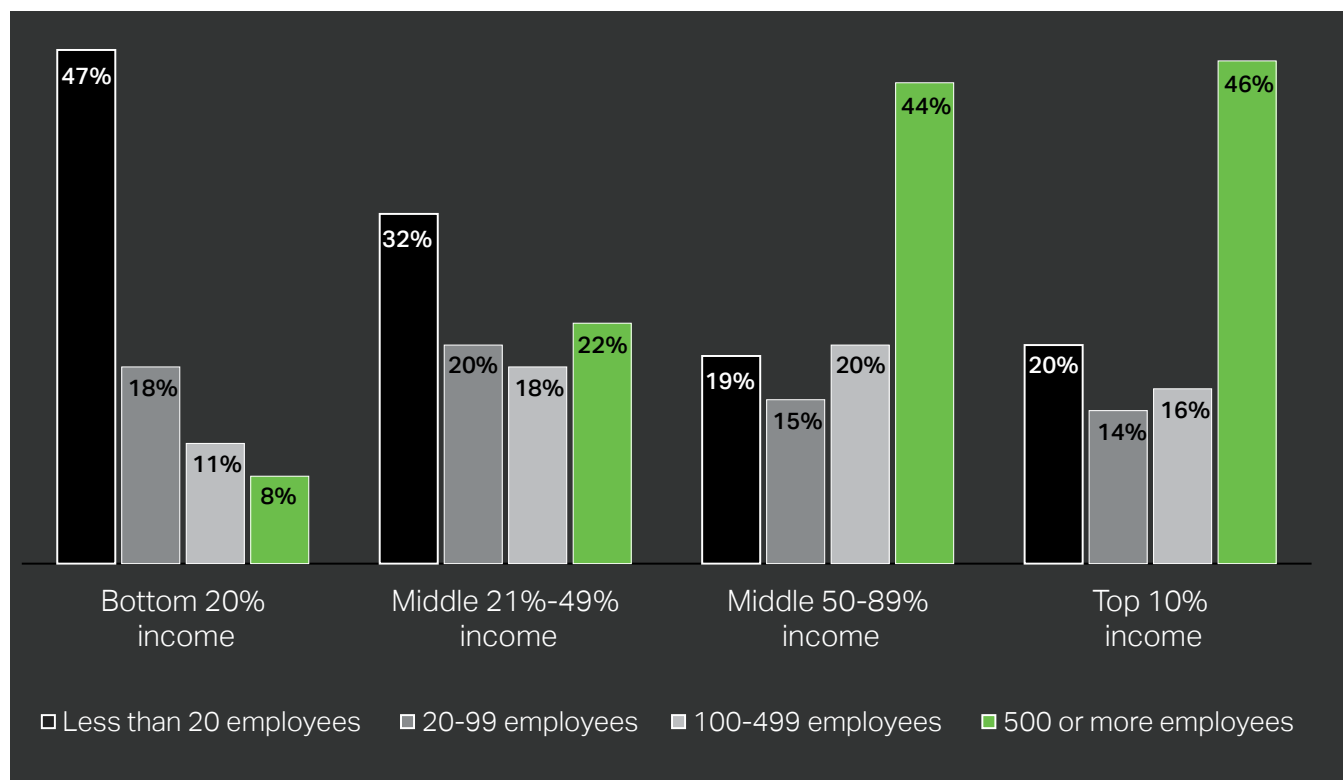
| | Workers in top four income quintiles | All workers in bottom income quintile | Bottom-quintile workers who work at least 40 hours a week | Bottom-quintile workers who work less than 40 hours a week |
|---------------------------------|--------------------------------------|---------------------------------------|---|--|
| Paid vacation/personal leave | 83% | 39% | 57% | 31% |
| Health insurance | 83% | 37% | 54% | 30% |
| Retirement benefits | 76% | 36% | 49% | 30% |
| Disability insurance | 74% | 33% | 48% | 26% |
| Paid sick leave | 73% | 31% | 44% | 26% |
| Life insurance | 71% | 26% | 46% | 18% |
| Paid maternity /paternity leave | 59% | 21% | 36% | 15% |
| Tuition assistance | 51% | 21% | 35% | 13% |

LOW-INCOME WORKERS ARE DISPROPORTIONATELY EMPLOYED BY SMALL BUSINESSES.

Low-income workers' greater likelihood to be employed by small businesses is another factor that likely limits their access to benefits. In the current study, 65% of workers in the bottom income quintile say their organization has less than 100 employees, and almost half (47%) work for businesses with less than 20 employees. The proportion of employees working for larger organizations rises sharply among the top half of income-earners, a finding that is consistent across broad industry groupings.

CHART 5

Percentage of workers, by income level and size of company



As Gallup found in previous work in this series, workers in larger organizations are more likely to be satisfied with several aspects of job quality, particularly employee benefits. Table 3 shows how access to benefits varies by company size for workers in the bottom quintile of the income distribution. There are substantial gaps in access to important benefits like health insurance and retirement for low-income workers. Only 19% in companies with fewer than 20 workers are provided health insurance, compared to 82% in companies with at least 500 workers. Likewise, low-income workers in companies with 500 or more employees are almost four times as likely to be offered retirement benefits as those in companies with fewer than 20 employees.

Table 3: Percentage of workers in the bottom income quintile with access to benefits and in a good job, by size of company

| | Less than 20 employees | 20-99 employees | 100-499 employees | 500 or more employees |
|---------------------------------------|------------------------|-----------------|-------------------|-----------------------|
| Paid vacation | 27% | 45% | 63% | 71% |
| Disability insurance | 22% | 31% | 55% | 69% |
| Paid sick leave | 21% | 37% | 53% | 54% |
| Retirement plan | 20% | 39% | 60% | 76% |
| Health insurance | 19% | 42% | 64% | 82% |
| Life insurance | 14% | 19% | 50% | 69% |
| Paid maternity/paternity leave | 9% | 28% | 40% | 55% |
| Tuition assistance | 9% | 23% | 36% | 61% |
| | | | | |
| Percentage in good job | 29% | 19% | 24% | 42% |

Data from the U.S. Bureau of Labor Statistics confirms that among private-sector employees, those who work for organizations with less than 100 employees are far less likely to have retirement plans or health insurance.³ Recognizing the higher costs that provision of benefits imposes on small employers, the Affordable Care Act explicitly requires large but not small businesses to pay a tax penalty if they do not provide health insurance, while the recently passed SECURE Act includes tax credits to smaller employers that extend retirement plans.⁴

LOW-INCOME WORKERS WORKING 40+ HOURS TEND TO HAVE BETTER JOBS THAN THOSE WORKING LESS THAN 40 HOURS A WEEK, BUT THE BIGGEST DIFFERENCE SHOWS UP IN BENEFITS SATISFACTION.

The likelihood of working part time is an important factor in low-income workers' job quality ratings. In the current study, two-thirds of workers in the bottom income quintile (66%) say they work less than 40 hours a week, versus 15% of those in the top four quintiles.

Workers in the bottom income quintile are more likely to be in a good job if they work between 40 and 54 hours a week (39%) — whether in one job or across multiple jobs — than if they work fewer than 40 hours (24%). In particular, low-income workers are twice as likely to be satisfied with their benefits if they work at least 40 hours a week (47%) than if they work less than 40 hours (23%). Regulations like the Affordable Care Act's employer mandate may be a factor in these differences, as it requires larger employers to offer health insurance only to full-time (or full-time equivalent) workers. Low-income employees are also more likely to be satisfied with their career advancement opportunities, job security and stability of pay if they work between 40 and 54 hours a week than if they work less than 40 hours.

³ *Employee Benefits in the United States - March 2019.pdf*. (n.d.). <https://www.bls.gov/news.release/pdf/ebs2.pdf>

⁴ Iacurci, G. (2019, December 23). *Here's how the new retirement legislation could fall short*. CNBC. <https://www.cnbc.com/2019/12/23/the-secure-act-could-fall-short-in-these-ways.html>

Table 4: In your current employment situation (across all jobs), on a five-point scale, where 5 means extremely satisfied and 1 means not at all satisfied, how satisfied are you with each of the following characteristics? (Percentage satisfied (4 or 5) among workers with incomes in the bottom 20%)

| | Work less than 40 hours | Work 40-54 hours |
|---|-------------------------|------------------|
| Employee benefits | 23% | 47% |
| Career advancement opportunities | 35% | 47% |
| Job security | 58% | 69% |
| Stable and predictable pay | 54% | 65% |
| Having a sense of purpose and dignity | 65% | 75% |
| Stable and predictable hours | 57% | 65% |
| Level of pay | 37% | 44% |
| Enjoying your day-to-day work | 65% | 68% |
| Control over hours and/or location | 63% | 63% |
| Having the power to change things at work | 46% | 45% |

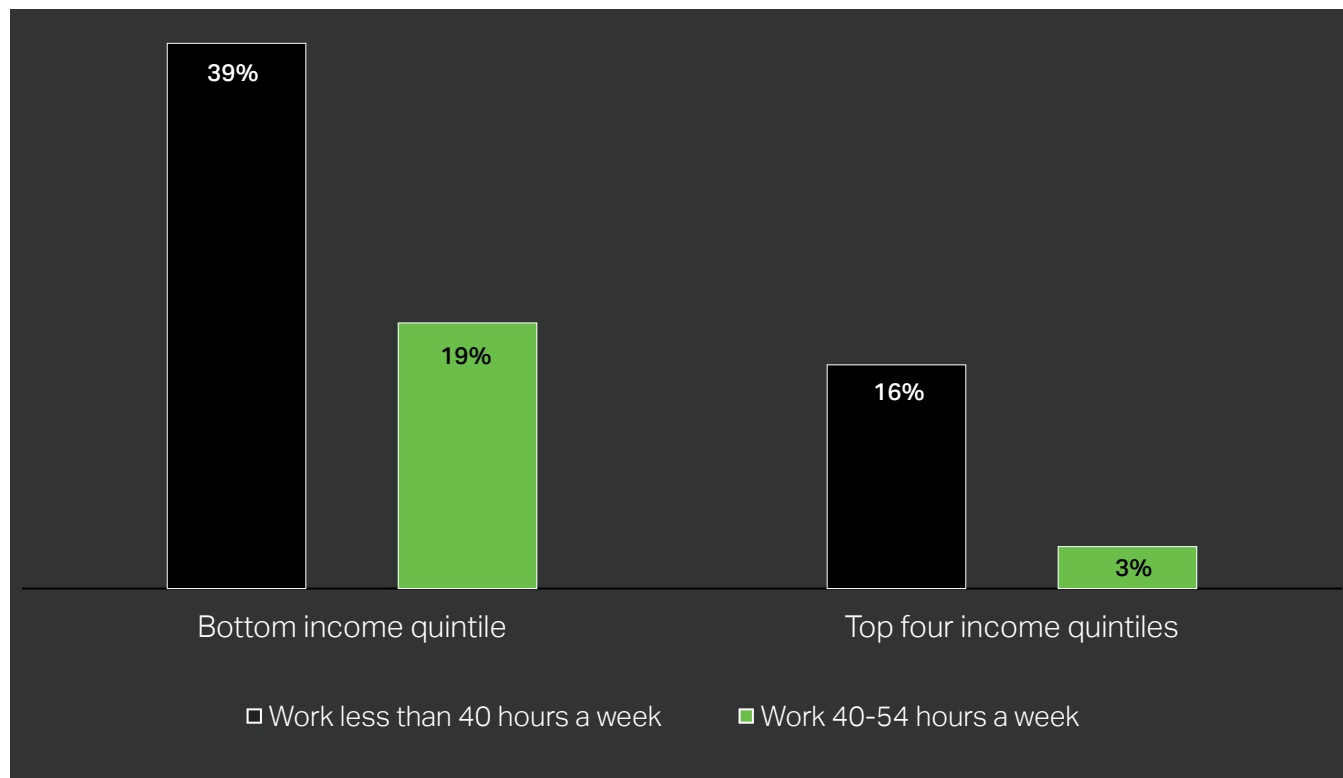
Notably, higher-income workers' likelihood to be in a good job is far less contingent on being employed full time. Among those in the top four income quintiles, those who work less than 40 hours a week are not statistically less likely than those who work 40-54 hours a week to be in good jobs (43% vs. 45%, respectively). One reason for their higher satisfaction ratings may be that part-time workers in higher-income groups are more likely to work fewer hours by choice: While 39% of those in the bottom income quintile who work less than 40 hours a week say they would like to work more hours, this number drops to 16% among those in the top four quintiles.



CHART 6

How does your typical number of weekly work hours (across all jobs) compare to your desired number of work hours?

(Percentage “too few hours, I’d like to work more”)



The difference, to some extent, likely reflects variation in life circumstances by income group. Most notably, 67% of part-time workers in the top four income quintiles are married, and therefore may be more likely to have a partner with a full-time job and access to benefits. Among part-time workers in the bottom income quintile, just 44% are married, suggesting they are more likely to rely on income from part-time work to support themselves.

LOW-INCOME WORKERS WITH MULTIPLE JOBS AND AT LEAST ONE ALTERNATIVE WORK ARRANGEMENT EXPERIENCE LOW JOB QUALITY.

Many low-income workers also take more than one job to get by; 35% of those in the bottom income quintile say they have more than one job, versus 25% of those in the top four quintiles. Further, 45% of low-income workers who hold multiple jobs say they do so because they are not able to meet their financial needs with just one, or they are not able to find a full-time job. Among workers in the top four quintiles with more than one job, 27% indicate it is out of necessity, while 43% say it is because they want to make extra money.

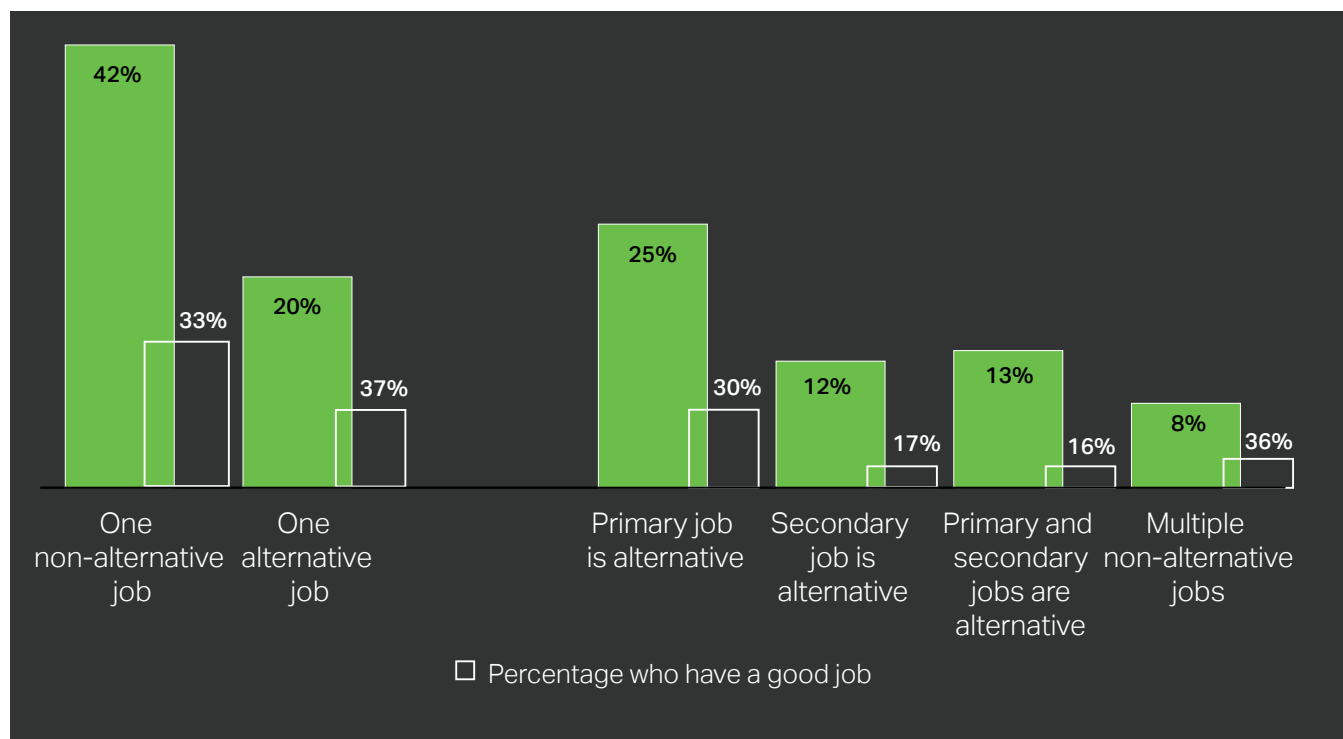
Low-wage workers tend to experience lower job quality when they hold more than one job, and at least one is an alternative or contingent relationship with an employer. This finding is true for many in the bottom income quintile who have multiple jobs. Half (50%) of these workers say their primary or secondary job (or both) is as an independent or freelance worker, while 36% say one or more of their jobs is as an on-call worker, and 43% say one or more is a temporary position.

Overall, one-fourth of low-income workers report having some type of alternative employment arrangement for both their primary and secondary jobs (13%) or as a secondary job (12%). Among these workers, only about one in six are in good jobs.

CHART 7

Percentage of low-income workers by work arrangement, and percentage in each arrangement who have good jobs

(Categories are mutually exclusive)



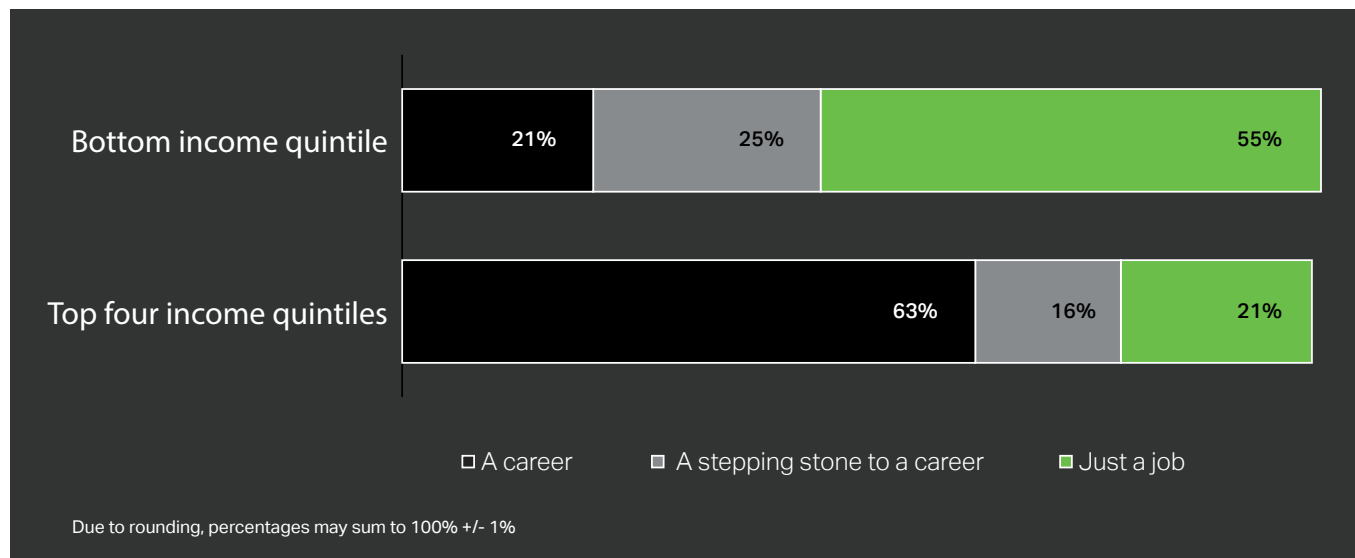
Career Advancement

LOW-INCOME WORKERS ARE LESS LIKELY TO VIEW THEIR JOB AS A CAREER OR STEPPING STONE TO A CAREER.

One crucial factor in determining whether low-income workers rate their current employment highly enough to consider it a “good job” is whether they view it as an early step on the path to a better future rather than a “dead end.” Across income levels, workers are more likely to be in a good job when they view their current position as a career or stepping stone toward a career. However, low-income workers are more likely than those in the top four quintiles to say their primary job is “just a job” — 55% versus 21%, respectively.

CHART 8

Do you consider your primary job to be ...?



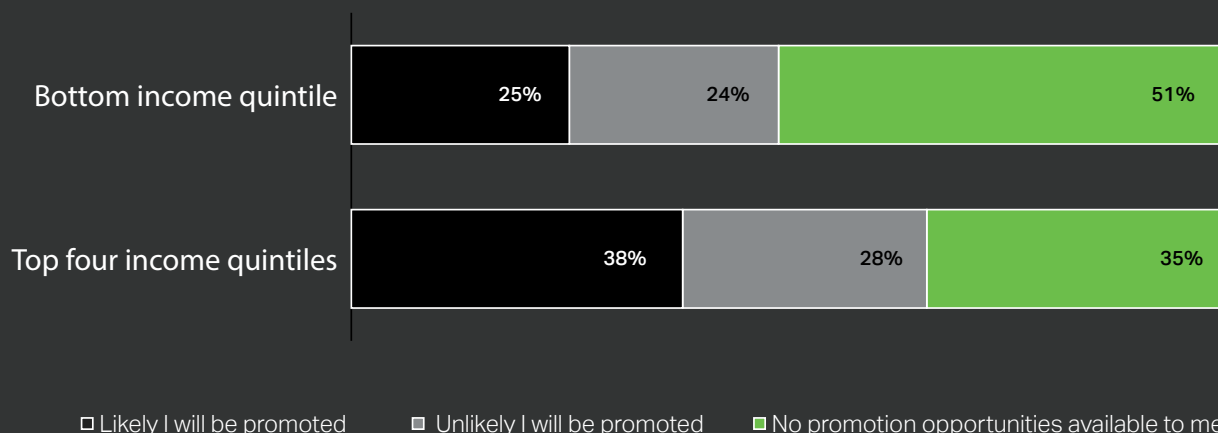
The 17% of low-income workers who work as an independent contractor, independent consultant or freelance worker are much more likely to see their primary job as a career than others: Almost half (45%) consider their job to be a career, while an additional 21% say it is a stepping stone to a career. Differences in their daily working lives may influence these responses; those who are contractors in their primary jobs are considerably more likely than low-income workers overall to “strongly agree” that their job requires them to be creative or innovative — 49% versus 29%, respectively.

One general job quality that strongly predicts whether employees view their current employment situation as a job or a career is whether or not they have the opportunity to learn new skills that will be valuable to them. Among low-income workers, more than 80% of those who consider their job a career or a stepping stone to a career say they have this opportunity, compared to 42% who consider their job “just a job” (see Chart 10).

Finally, just one in four workers in the bottom income quintile (25%) say it is likely they will be promoted at their primary job, while half (51%) say there are no promotion opportunities available to them. Among all other workers, more than one-third (37%) feel they are likely to be promoted, while 35% say there are no opportunities available. Some of this difference is likely driven by firm size, as low-income workers disproportionately work at small businesses, and workers at small businesses are less likely to say they are likely to be promoted.

CHART 9

Which of the following best describes your career advancement opportunities at your primary job?



Due to rounding, percentages may sum to 100% +/- 1%



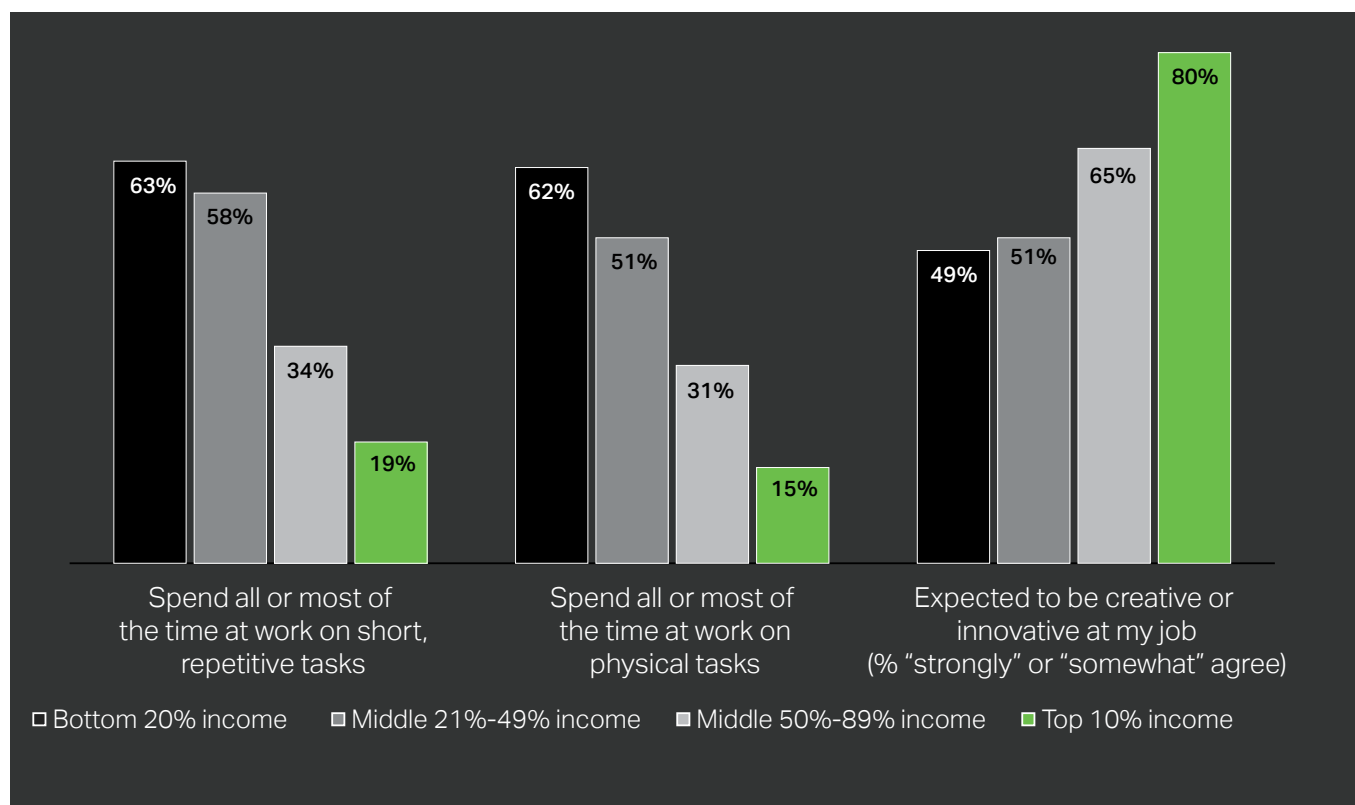
Day-to-Day Work Experience

LOW-INCOME WORKERS TEND TO HAVE REPETITIVE JOBS THAT ARE LESS LIKELY TO PROVIDE ENJOYMENT AND PURPOSE.

Low-income workers' jobs are more clearly distinguished by the tasks they perform, regardless of whether those jobs represent traditional or alternative employment arrangements. Almost two-thirds of those in the bottom income quintile say they spend most or all of their time at work doing short, repetitive tasks, or physical tasks; these figures decline consistently in higher-income groups. Conversely, those in the bottom two income groups are less likely than their higher-paid counterparts to agree that they are expected to be creative or innovative at work.

CHART 10

Differences in the type of tasks performed, by income level



The types of work they perform on a regular basis — particularly, the extent to which they are expected to be creative in their job — have implications for two other aspects of job quality that low-income workers are most likely to consider important: enjoying their work, and deriving a sense of purpose and dignity from their work.

Among all U.S. workers, those who agree that their job requires them to be creative or innovative are considerably more likely than those who disagree to be satisfied with their day-to-day enjoyment at work — 76% versus 50%, respectively. Similarly, 82% of workers who are expected to be creative say they are satisfied with their sense of purpose and dignity at work; among those who are not expected to be creative, just 52% are satisfied. Such results support the idea that opportunities to use distinctly “human” capacities, like creativity at work, have a direct impact on employees’ psychological wellbeing, in addition to making their jobs less vulnerable to automation.

Implications

Our analysis of the Great Jobs Survey highlights various job characteristics associated with low-income work that hinder job quality and economic opportunities. Many low-income workers are employed less than full time for small businesses that provide fewer advancement opportunities. Indeed, many employers of low-income workers fail to provide even basic employment benefits like health insurance and retirement plans that help workers fulfill needs that extend beyond paying routine bills.

Notably, beyond employer size, job quality for low-income workers does not appear to vary significantly by industry or occupation. Similarly, there are few differences between low- and high-income workers in reliance on alternative work forms like freelance, contract, “gig” or on-call arrangements. However, the results of our task-based analysis demonstrate that the majority of low-income workers, regardless of employer type, spend most of their time on physical or repetitive tasks and little time on creative work. Some economists project that in the future, such work may put these roles in direct competition with machines and low-wage workers in foreign countries.⁵ It also limits workers’ opportunity to learn skills on the job that may help their long-term career prospects.

At the same time, this analysis points to opportunities to improve the wellbeing and job satisfaction of low-income workers. Beyond level of pay, low-income workers differ most notably from higher-income workers in their access to employee benefits as well as stable and predictable hours and pay.

What’s more, despite having low pay, a subset of low-income workers report having a “good job” in that they express high levels of satisfaction with core dimensions of their work. These workers tend to have access to opportunities for learning and career development as well as more stable and predictable schedules and pay. They are also more likely to have a strong sense of purpose connected to their work and enjoy their day-to-day activities and relationships. Given the disproportionate share of low-income workers working at small businesses, employers, practitioners, policymakers and advocates should redouble their efforts to consider how to improve job quality at businesses that may be more resource-constrained.

5 Judis, J. B. (2019, October 20). *The Technology Trap: More Than Automation Is Driving Inequality*. The National Interest. <https://nationalinterest.org/feature/technology-trap-more-automation-driving-inequality-89211>

Survey Methodology

Results for this study are based on mail surveys conducted February 8-April 1, 2019, with a random sample of 9,671 adults aged 18 and older living in all 50 states and the District of Columbia. Of the 9,671 individuals who responded to this survey, 6,633 were working adults and were included in the analysis in this report.

Gallup randomly selected individuals to participate in the study using an address-based sample (ABS) frame. Respondents had the opportunity to respond to the survey via web or mail. Surveys were conducted in English and Spanish. The final response rate to this survey was 14.5% (AAPOR 1).

Samples were weighted to correct for unequal selection probability and nonresponse. Demographic weighting targets are based on the 2017 American Community Survey figures for the aged 18 and older U.S. population. The data were weighted to match national demographics of age, education, gender, race, ethnicity, region, labor force participation and population density.

All reported margins of sampling error include the computed design effects from weighting.

- For results based on all working adults (n=6,633), the margin of sampling error is ± 1.9 percentage points at the 95% confidence level.
- For results based on all low-income (bottom 20%) working adults (n=911), the margin of sampling error is ± 5.3 percentage points at the 95% confidence level.
- For results based on all high-income (top 10%) working adults (n=513), the margin of sampling error is ± 7.0 percentage points at the 95% confidence level.

In addition to sampling error, question wording and practical difficulties in conducting surveys can introduce error and bias into the findings of public opinion polls.

GALLUP®

World Headquarters

The Gallup Building
901 F Street, NW
Washington, D.C. 20004

t +1.877.242.5587

f +1.202.715.3045

www.gallup.com