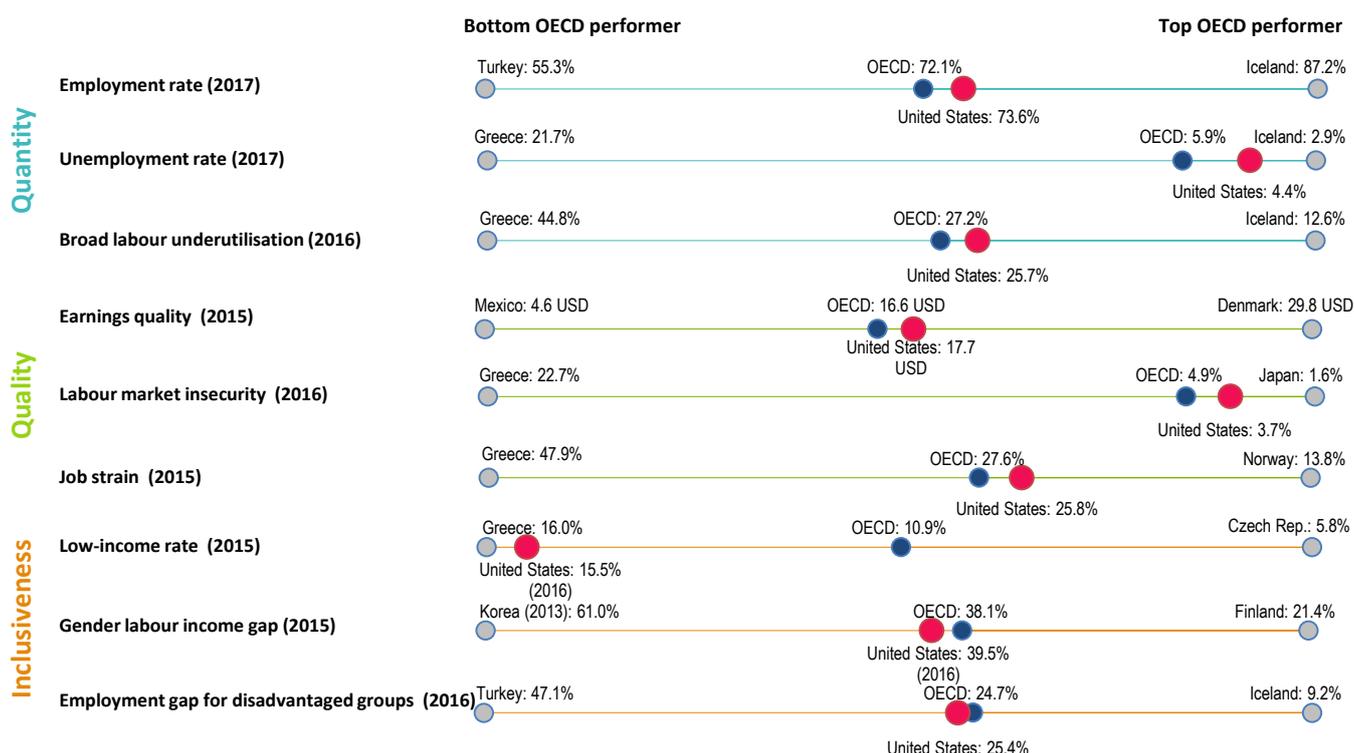


How does the UNITED STATES compare?

The digital revolution, globalisation and demographic changes are transforming labour markets at a time when policy makers are also struggling with slow productivity and wage growth and high levels of income inequality. The new *OECD Jobs Strategy* provides a comprehensive framework and policy recommendations to help countries address these challenges. It goes well beyond job quantity and considers job quality and inclusiveness as central policy priorities, while emphasising the importance of resilience and adaptability for good economic and labour market performance in a rapidly changing world of work.

Dashboard of labour market performance for the United States



Notes: Employment rate: share of working age population (20-64 years) in employment (%). Broad labour underutilisation: Share of inactive, unemployed or involuntary part-timers (15-64) in population (%), excluding youth (15-29) in education and not in employment (%). Earnings quality: Gross hourly earnings in PPP-adjusted USD adjusted for inequality. Labour market insecurity: Expected monetary loss associated with the risk of becoming unemployed as a share of previous earnings. Job strain: Percentage of workers in jobs with a combination of high job demands and few job resources to meet those demands. Low income rate: Share of working-age persons living with less than 50% of median equivalised household disposable income. Gender labour income gap: Difference between per capita annual earnings of men and women (% of per capita earnings of men). Employment gap for disadvantaged groups: Average difference in the prime-age men's employment rate and the rates for five disadvantaged groups (mothers with children, youth who are not in full-time education or training, workers aged 55-64, non-natives, and persons with disabilities; % of the prime-age men's rate).

ASSESSING JOB QUANTITY, QUALITY AND LABOUR MARKET INCLUSIVENESS

The new *OECD Jobs Strategy* presents a dashboard of labour market performance that provides a comprehensive overview of the strengths and weaknesses of different national labour markets, going well beyond the standard measures of employment and unemployment rates. These include measures of job quantity (employment, unemployment and broad underemployment), job quality (pay, labour market security, working environment) and labour market inclusiveness (income equality, gender equality, employment access for potentially disadvantaged groups). Some countries score well on most or all

indicators, implying that there are no hard trade-offs that prevent countries from performing well in all areas.

- The United States scores above OECD average on all three indicators of job quantity. The long job recovery after the global financial crisis has brought the unemployment rate down to record low levels. However, the employment rate (the share of people of working age in employment) is still below the pre-crisis level, albeit somewhat higher than the OECD average.



- The different indicators of job quality are also somewhat higher than the OECD average. Earnings quality - as measured by hourly earnings adjusted for earnings inequality - is above average, largely thanks to comparatively high hourly earnings. Labour market insecurity is amongst the lowest among OECD countries. While the replacement rate of unemployment insurance and assistance is somewhat lower than the average for the OECD, the low risk of staying unemployed mitigates the expected earnings loss associated with unemployment by reducing the expected average duration of unemployment spells.

Finally, the United States has a share of workers experiencing job strain below the OECD average.

- The United States scores below the OECD average on the different indicators of labour market inclusiveness. The measure of relative poverty after taxes and transfers for working-age persons living in households with less than 50% of the median income is amongst the highest in the OECD. The gender labour income gap in the United States is around average when measured by annual average earnings. In addition, the employment gap for mothers with children, youth, older workers, foreign-born, and persons with partial disabilities, is close to the average for OECD countries.

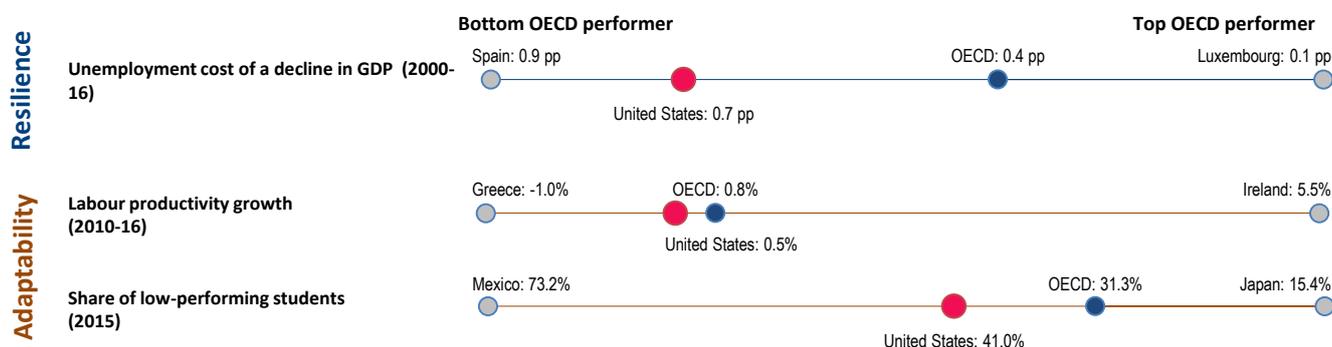
FRAMEWORK CONDITIONS FOR RESILIENCE AND ADAPTABILITY

Labour market resilience and adaptability are important to absorb and adjust to economic shocks and make the most of new opportunities. Resilience is crucial to limit the short-term costs of economic downturns. Labour productivity is a key precondition for high growth of output, employment and wages and central to long-term growth in living standards. Finally, skills are key to improving workers' productivity and wages and provide an indication of the readiness to respond to future challenges.

- The United States scores below the OECD average in indicators of labour market resilience and adaptability, suggesting that the labour market often bears the brunt of economic downturns in the short run and takes time to adjust to new economic opportunities.

- The United States scores below the average of OECD countries in terms of the unemployment cost of economic downturns, reflecting the large initial impact of the economic and financial crisis of 2008-09 on unemployment and the slow albeit protracted period of declining unemployment.
- Labour productivity growth has been slightly lower than the OECD average, partly reflecting depressed investment over 2010-16 but also barriers to doing business and burdensome regulation.
- The measure of student skills is below the OECD average, which masks heterogeneity in student performance with a share of students excelling but others doing less well.

Framework conditions for the United States



Notes: Resilience: average increase in unemployment rate over 3 years after a negative shock to GDP of 1% (2000-16); Labour productivity growth: annual average productivity growth (2010-16), measured in per worker terms. Share of low performing students: Share of 15-year-olds not in secondary school or scoring below Level 2 in PISA (%) (2015).