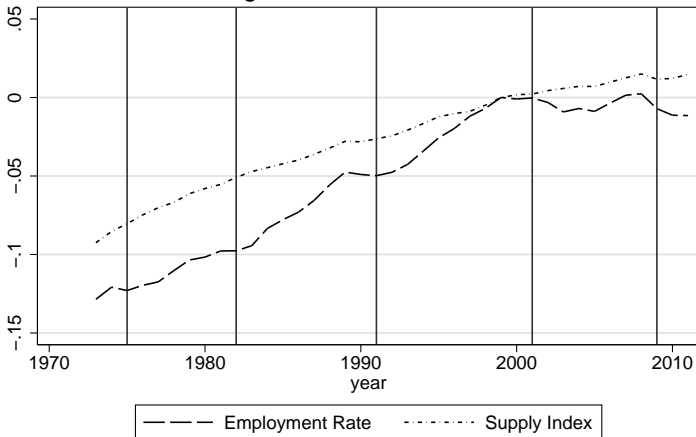


- Why is the employment rate currently so low in the US (especially among lower skilled workers)
 - Claim: An important little noticed force is the reversal in the demand for more cognitive task (management, professional and technicians) that happened around 2000.
 - While the reduction in demand directly affected more educated workers, these workers adjusted by accepting employment in less skill jobs thereby pushing out less educated workers.
 - Conjectured Reason: the timing suggests an adoption cycle, ie., initial high need for skill jobs during an implementation stage (nineties) followed by a reversal as implementation needs recede
 - The following figures are from “The Great Reversal in the Demand for Skills and Cognitive Tasks” (by Beaudry, Green and Sand)

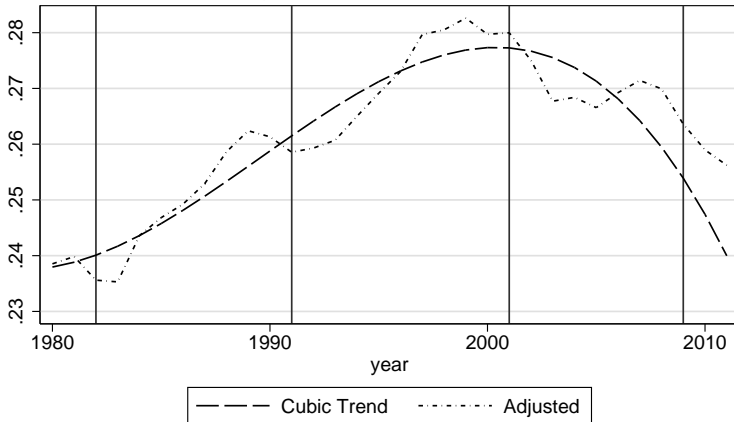
Model Implications: US Employment Rate by Task Group

Occupational Employment Rate and Supply Index:
 Management, Professional, Tech.



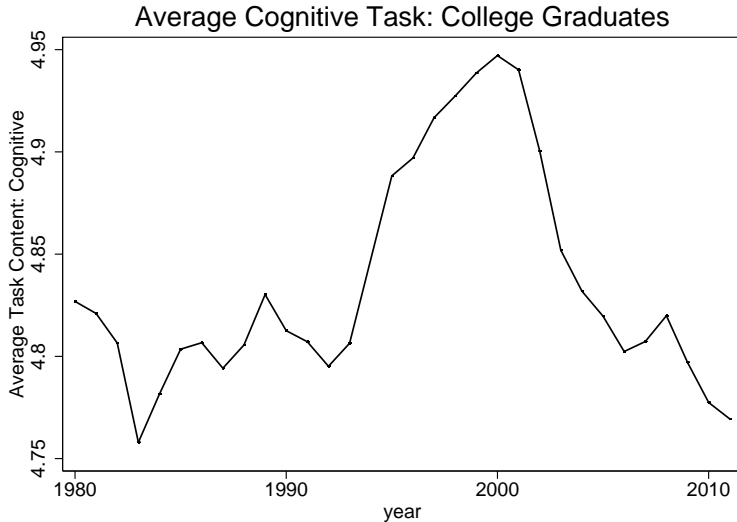
Demand Index by Task Group

Adjusted Employment Rate vs Trend:
 Management, Professional, Tech.



Time Trend is cubic. Morg. ER is hours/pop.
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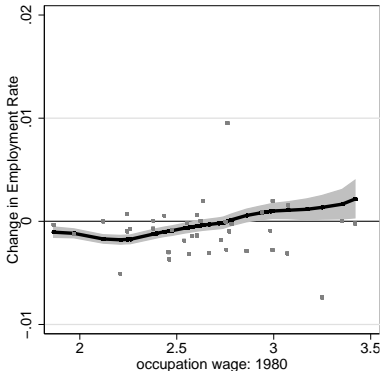
Occupation Changes by Education Group



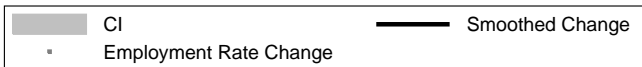
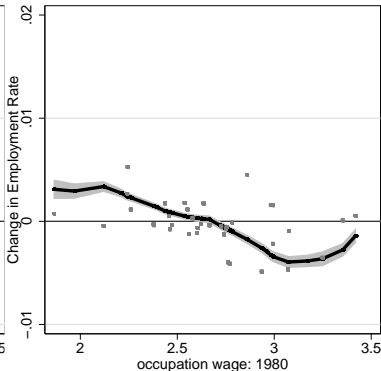
Employment Changes by Education Group

Occupational Employment Rates: Young BAs

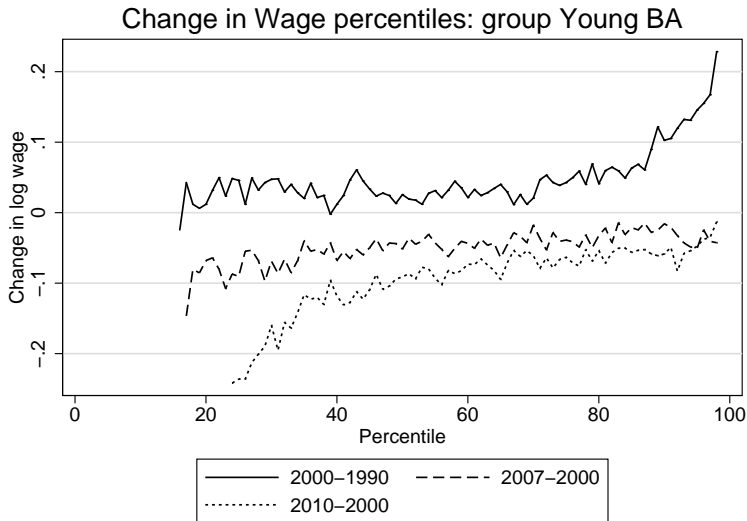
2000–1990



2007–2000



Wage Changes by Percentile



Wage Changes by Percentile

Change in Wage percentiles: group Young HS

