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ESSAY

A Prettier Jobs Picture?

By VIRGINIA POSTREL

Productivity has risen rapidly over the past year, to the astonishment and delight of most economists. But a lot of people are still worried. What if increased productivity means that jobs disappear? Could the economy get *too* efficient? All over the world, even in China, factories are producing more stuff with fewer workers. On the Internet, visionaries fret over the rise of robots, while programmers denounce American companies for "outsourcing" their once-secure jobs to Indian engineers. Is this the recession -- or the recovery -- that does away with American jobs for good?

Many of the jobs that disappeared in the recent recession have indeed vanished forever, according to a recent study by the Federal Reserve Bank of New York. Those workers will not be recalled as the economy improves. New jobs will have to be genuinely new, created in new or expanding enterprises.

But where will they come from? In a quickly evolving economy, in which increased productivity constantly makes some jobs redundant, we notice the job losses. It is much harder to spot where new jobs are emerging. Our mental categories tend to be behind the times. When we think of jobs, we see factories, secretarial pools, police officers, lawyers. We forget all about jobs we see every day.

The official job counters at the Bureau of Labor Statistics don't do much to overcome our blind spots. The bureau is good at counting people who work for large organizations in well-defined, long-established occupations. It is much less adept at counting employees in small businesses, simply because there are too many small enterprises to representatively sample them. The bureau's occupational survey, which might suggest which jobs are growing, doesn't count self-employed people or partners in unincorporated businesses at all. And many of today's growing industries, the ones adding jobs even amid the recession, are comprised largely of small companies and self-employed individuals. That is particularly true for aesthetic crafts, from graphic designers and cosmetic dentists to gardeners. These specialists' skills are in ever greater demand, yet they tend to work for themselves or in partnerships.

Consider the ubiquitous granite counter top. The slabs are imported, but the counter tops are made in the United States, and the shops that do the work are proliferating rapidly. "It's an explosive trend," says Michael Reis, editor of the industry magazine *Stone World*. In 2002 alone, the magazine added 2,000 fabricators to its 20,000 subscribers. Reis estimates that there are 8,000 to 10,000 fabrication shops in the country.

Equipping a fabricating business can cost less than \$30,000, thanks to relatively inexpensive machinery developed over the past decade. Sales are holding strong. Seventy-three percent of *Stone World* subscribers said their business was up in 2002, and nearly 60 percent of those reported an increase of more than 16 percent. The fabricators are small local shops, usually with fewer than 10 employees, which makes stone fabrication the sort of industry job prognostications tend to overlook. The Bureau of Labor Statistics survey doesn't have a separate category for this burgeoning construction craft. It is lumped under "cutting and slicing machine setters, operators, and tenders," a production category dominated by people slicing paper in mills and printing plants. So losses in those fields mask the growth among stone crafters.

Or take Denise Revely, just the sort of worker that people who worry there will be no jobs in the future have in mind. She is in many ways a typical middle-class American, with skills, experience and some formal training but no college degree. Divorced with two grown daughters, she owns a house, pays her taxes, supports herself. Far from a tale of woe, Revely's resume is a good place to find the resilience of the American economy. She used to work in an electronics factory. Now she gives facials. She used to draw a paycheck from a day spa. Now she works for herself. Her business has been in the black ever since she opened last July. But as far as official statistics are concerned, she doesn't exist.

Neither do a lot of people in her rapidly growing field. In 2002, spas in the United States employed 176,000 people full time and another 106,000 part time, up from 50,000 full-time employees and 26,000 part-timers five years earlier, according to the International Spa Association. (These numbers do not include independent contractors, some of whom rent space inside spas.) Some of those spa employees show up in the bureau survey, which counts 15,580 skin-care specialists, 31,350 manicurists and 27,160 massage therapists. But a lot are still missing.

The American Massage Therapy Association counts more than 46,000 members -- nearly 20,000 more massage therapists than the bureau could locate for the profession as a whole. The association estimates that there are between 260,000 and 290,000 massage therapists in the United States, including students, compared with 120,000 to 160,000 in 1996. The bureau count thus overlooks some 200,000 massage jobs.

Similarly, the bureau has missed more than 300,000 manicurists. It puts the total at around 30,000, compared with the count of 372,000 -- up from 189,000 a decade ago -- by Nails magazine, using private survey and state licensing data. Even if not all licensed manicurists are practicing, the bureau number is off by an order of magnitude. There are 53,000 nail salons in the country, most of them with more than one manicurist. The industry supports two major trade magazines, each with about 60,000 subscribers.

Compared with stone crafters, gardeners or graphic designers, manicurists should be easy to track. "This is not a gray market business," says Cyndy Drummey, the editor of Nails. "It is licensed and regulated." Yet because this business is wildly decentralized and doesn't fit traditional categories of what constitutes a job -- most manicurists are independent contractors or shop owners -- it can add tens of thousands of jobs without catching the government's notice. And behind each manicurist are people making the tools of the trade.

It is tempting, of course, to treat these undercounts as trivial. After all, what do 200,000 massage therapists or 300,000 manicurists matter in a country of 290 million people? But this list of occupations is hardly comprehensive. In every booming job category I looked at, official surveys were missing thousands of jobs. As the economy evolves, however, this bias against small enterprises and self-employment becomes more and more significant. By missing so many new sources of productivity, the undercounts distort our already distorted view of economic value -- the view that treats traditional manufacturing and management jobs as more legitimate, even more real, than craft professions or personal-service businesses. But the truth is, value can come as much from intangible pleasures as it can from tangible goods.

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