

After the Wreckage

Economic Security and the New Labor Standard

Pavlina R. Tcherneva

Levy Economics Institute of Bard College

May 8, 2026 · Levy Economics Institute 40th Anniversary Conference

PRECARITY IS THE ECONOMIC MODEL

48%

of hourly workers earn less than \$20/hr

24% of all working Americans

69%

earn less than \$25/hr

35% of all working Americans

NELP Study of all low wage employees, large cities

76.3%

OVERTIME VIOLATIONS not paid legally required overtime

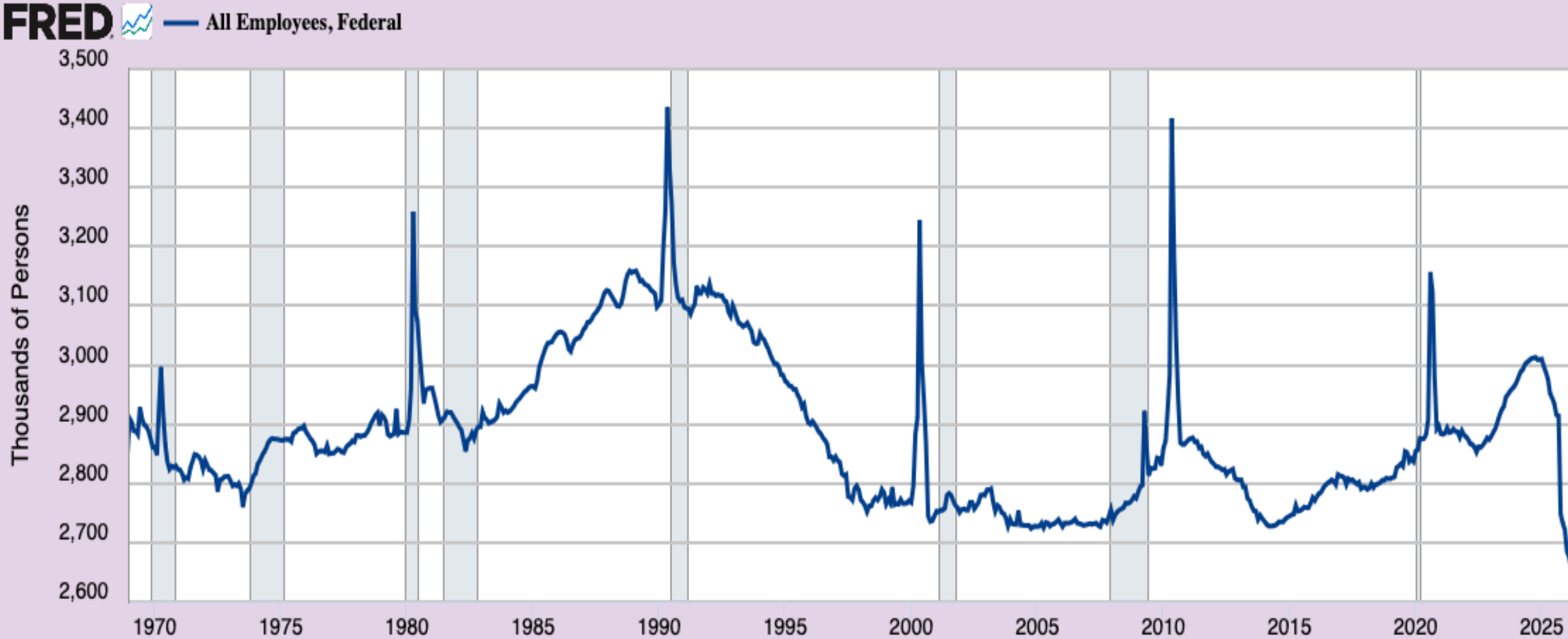
67%

OFF-THE CLOCK VIOLATION; came-early/stayed late and under- or uncompensated work outside of shift

68%

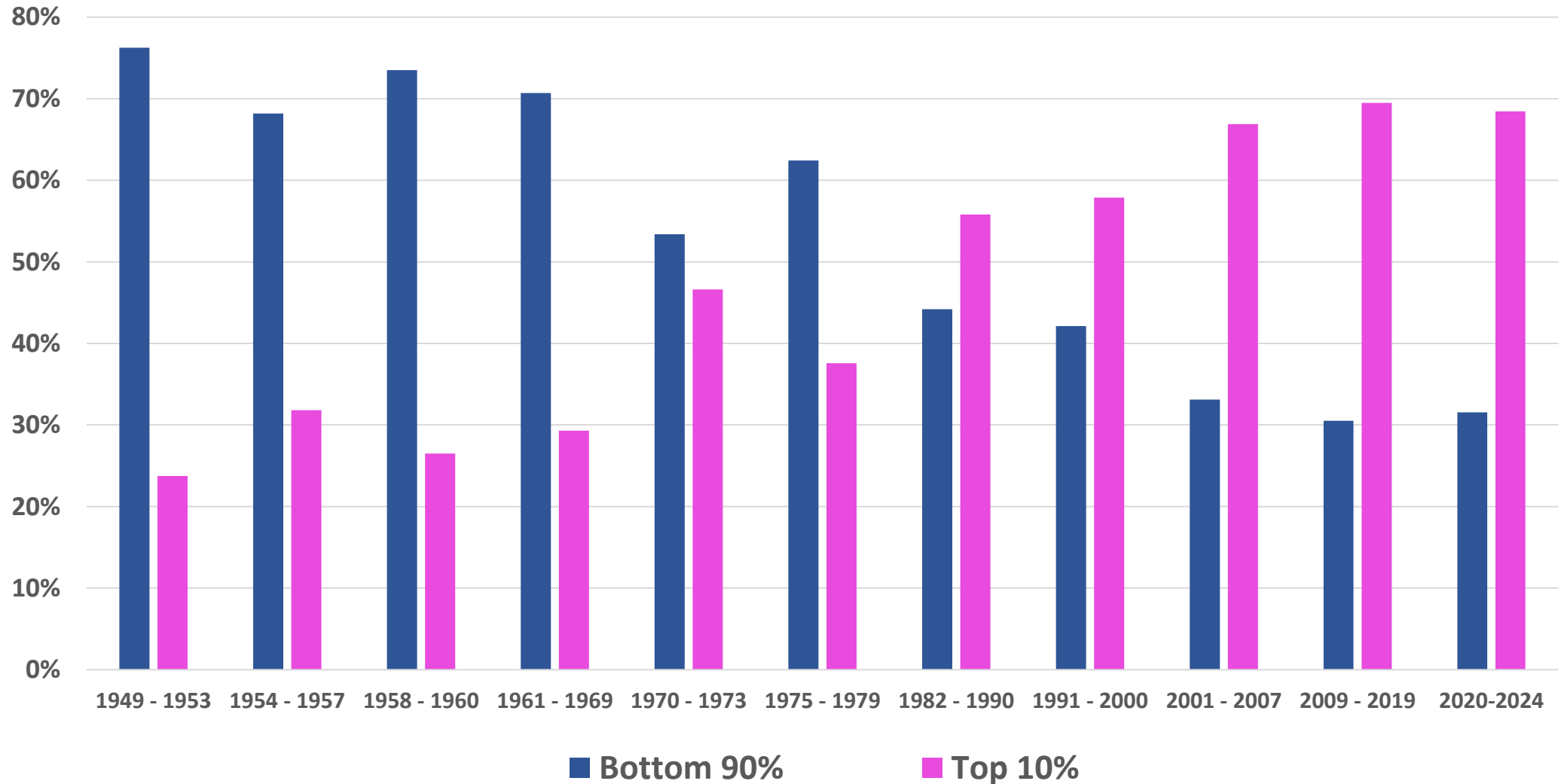
AT LEAST ONE PAY-BASED VIOLATION: unpaid, underpaid, illegal deductions, stolen tips, denied breaks, no overtime, or incorrect rate, illegal retaliation

THE WRECKAGE OF THE ADMINISTRATIVE STATE



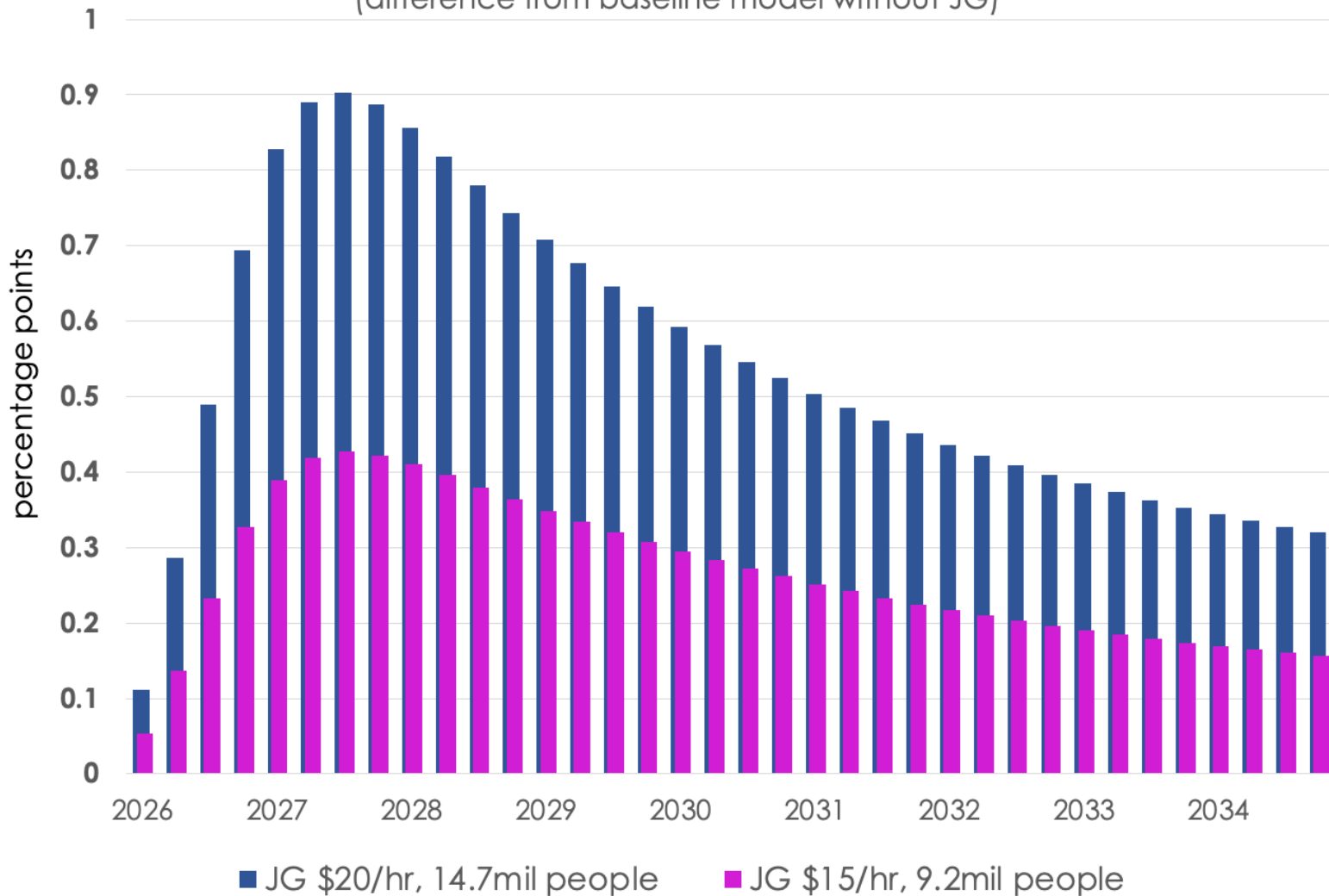
Source: U.S. Bureau of Labor Statistics via FRED®
Shaded areas indicate U.S. recessions.

Who Gains When Income Grows? Distribution of average income growth during expansions



LEVY INSTITUTE MODEL: MACROECONOMIC EFFECTS OF THE JOB GUARANTEE

Inflation Impact
(difference from baseline model without JG)



Average annual impact on:

- Real GDP: \$225b (0.8%) – \$450b (1.7%)
- Nominal GDP: \$1.2T (2.8%) – \$2.4T (5.7%)
- Private Sector Jobs: 1.2. mil – 2.5 mil
- Budget Impact: \$314b – \$626.9b
- As % of GDP: 0.8% to 1.5% of GDP (1.93% at its peak)

Thank you

The Job Guarantee: an institutional foundation for a labor market where decent work and affordability are the default.