Introduction

March 2020 saw the United States conclude the longest economic expansion in its history: 121 straight months of growth. A fifty-year low in unemployment lifted the wages of the lowest paid workers faster than those of anyone else.[1] In this, the "miracle economy" of nearly ten years of growth was truly remarkable. But it was not unprecedented. The roaring expansion, low inflation and low unemployment of the Clinton years, the halcyon days of the mid-1960s and, of course, the world wars of the twentieth century were also periods of persistently tight labor markets.

In the fall of 2019, unemployment was down to 3.5 percent. By the spring of 2022, it was very nearly that low again, a remarkable rebound after the devastating and abrupt disruptions wrought by the COVID-19 pandemic.[2] In both periods, low-wage employers from Target to McDonald's began offering health insurance, vacation pay, and subsidized college tuition—benefits that were previously unheard of for this workforce. Starting salaries of $15 an hour—long the goal of the "living wage" movement—became routine. The central question for this book is what economic upswings of this kind—growth that drives unemployment way down—means for the nation's poor. The labor market is at the heart of our understanding of poverty. Poverty takes hold when employment opportunities—especially for less educated workers—are persistently meager. It is amplified when discrimination—by race, gender, immigration status, and age—place these jobseekers at the end of a long queue for available jobs.

Young Black men are the most disadvantaged group in the United States when it comes to unemployment. Their rates of joblessness are routinely much higher than any other group, and it takes them longer to land a job, especially during economic downturns.[3] They were much on the mind of William Julius Wilson when he wrote *The Truly Disadvantaged* (1987) and *When Work Disappears* (1997). In those books, which were best sellers and agenda-setters for both policymakers and social scientists, Wilson argued that poverty was largely a function of persistent joblessness, which was at the root of low rates of marriage, since "marriageable men" who bring home a paycheck are in short supply. Women respond by having children outside of wedlock, which often contributes to subsequent intergenerational poverty. Growing up poor is associated with fewer years of education, higher rates of teen pregnancy, and the marginalization of men from their families, whether as sons or partners.[4]

Wilson's books came on the heels of tumultuous debates over the role of culture in perpetuating poverty, which exploded in the 1960s. Oscar Lewis, who coined the phrase "culture of poverty" in 1959, and the Moynihan Report that followed a few years later, each located the root cause of intergenerational poverty in cultural norms that emerged out of persistent conditions of deprivation and became—in their view—self-perpetuating. This school of thought argued that poverty takes on a life of its own, as children lack role models to support the kind of conventional behavior that might enable them to break free. Widely decried as stigmatizing and victim-blaming, these arguments helped spur decades of research on poor Black communities, families, and individuals. Since then, researchers have explored the connection between poverty and discrimination, incarceration, neighborhoods, families, and culture. In each of these domains, scholars have developed and debated ideas about how life circumstances of the poor differ from those of the working and middle classes and how those differences explain persistent poverty.

In the end, it all comes back to the lack of jobs—or the lack of *good* jobs. Discrimination excludes some groups from employment opportunities, locking them into poverty. Incarceration shuts people with criminal records out of the labor market, increasing the chances that they will remain jobless and broke. Poor neighborhoods arise when a lack of local jobs leaves residents out of work and in deteriorating, often dangerous, communities. Families end up poor when parents can't find a job, or when the absence of securely employed men leads women to raise children on their own, with only a single income. And when people grow up surrounded by this concentrated poverty, scholars tell us, they are socialized in cultures that prove counterproductive.

Given that inadequate employment plays such a powerful role in theories of poverty, it is surprising how little research has been done on whether, or to what extent, tight labor markets reverse these trajectories. Only recently have scholars turned their attention to the impact of tight labor markets on inequality, offering insight into how very tight labor markets have the potential to substantially close the Black-white wage, income, and unemployment gaps.[5] If persistent unemployment or low earnings are indeed the root of most poverty problems, then truly tight labor markets that last long enough to reach those at the bottom of the economic ladder should change the equation in two ways. First, low unemployment should catalyze competition among employers to attract workers, driving them to improve job quality—including raising wages for workers on the bottom rungs. Second, low unemployment should draw jobless workers off the sidelines, transforming applicants with little formal education or employment experience into viable job candidates.

These benefits should flow into the other domains tied to poverty. As hiring managers are forced to look further afield for workers, the stigma attached to a having a criminal record, especially a nonviolent one, should be less of a barrier. In theory, when men can claim steady salaries, young women have more choices in the partnership "market."[6] Tight labor markets provide women with more options as well, including raising children on their own in more economically secure households. As unemployment declines, neighborhood peace should be easier to secure since economic security begets residential stability, which increases social capital and peaceful streets. While these assumptions are plausible, we know surprising little about what the empirical record shows. There is scant scholarship, particularly of the ethnographic variety, on the changes that come about when unemployment is persistently low. That gap is the genesis of this book: to enrich our understanding of tight labor markets and their impact on the nation's poor.

In the chapters that follow, we explore the gains that can accrue for people living in poverty when labor is scarce and jobs are going begging. But that is only part of the task. Equally critical is to understand whether those gains stick or fade over time, and for whom. The time span of our qualitative research—by accident rather than by design—put those questions in stark relief. We began the fieldwork for this book in the glory days of the most robust labor market of the past fifty years. The bulk of our interviews with employers and labor market intermediaries were undertaken before anyone had ever heard of COVID-19, the pandemic that spread relentlessly beginning in 2020, driving workers and consumers into their homes, which in turn sparked a dramatic increase in unemployment. Fortunately the labor market rebounded with astounding speed. National rates of unemployment zoomed up from 3.5 percent to 14.5 percent and back down to 3.6 percent within the space of twenty-four months.

This unprecedented turn of the business cycle compressed the phenomena that motivated this book and gave us an opportunity to witness ups and downs that ordinarily unfold over months and years. But we were fortunate in that the tight labor market at the front end of our fieldwork developed without reference to the pandemic and gave us a chance to understand how extraordinarily robust job opportunities unfold and inflect the lives of both the working poor and the bystanders who sit on the edge of the economy until their options are sufficiently compelling to warrant jumping in with both feet.

Innumerable books, academic articles, white papers, news stories, and op-eds trace the impact of slack labor markets on individuals, families, and the broader economy. But the benefits of tight labor markets have not been the subject of much sociological research. And, critically, low unemployment environments are not merely the inverse of slack labor markets—particularly for low-income workers, would-be workers, and their families. If the difference were simply quantitative—for instance, if labor market outcomes for workers were just a mechanical matter of years of education—then the effects of the labor market would be consistent, and the benefits of tight labor markets would be the exact inverse of the drawbacks of slack labor markets. This is not the case, because poor Americans are caught in *qualitatively* different circumstances compared with their working-class and middle-class counterparts.[7]

Poor workers are instead marked—by race, criminal records, or past unemployment—in ways that are often stigmatized by employers. Our research shows that these qualitative distinctions mean that these workers are categorically excluded from work opportunities until the labor market becomes *especially* tight, around 4 percent unemployment, at which point opportunities open up. And once they get a foot in the door—which might only happen under these exceptional conditions—opportunities for future jobs increase dramatically. We can't know what a tight labor market will do by looking at a slack labor market and calculating its opposite. We must examine empirically what happens under the particular conditions of extremely low unemployment.

It might be argued that these favorable moments happen so rarely that there is little point in investigating their impacts. We disagree. First, we show the United States has entered periods of significantly tight labor markets more often than we generally credit. Second, we believe that even though these conditions are not the norm, they hold important insights. If we can harvest meaningful observations about employment and its implications for economic security and mobility from the best of times, we may be able to avoid some of the losses that follow during economic downturns.

We recognize that even when employment conditions favor workers, they do not solve all problems. Far from it. Indeed, nearly a half-century of rising inequality in the United States means that these sporadic-yet-significant improvements at the bottom of the labor market have been accompanied by stratospheric wealth accumulation at the top. Accordingly, absolute improvements for poor workers do not close relative gaps. Moreover, they can be undone by three trends that we touch on only briefly in this book: automation, immigration, and inflation. They deserve, and receive, far more attention than we can provide here. Suffice to say that until these forces run the economy into recession, millions more people at the bottom of the pyramid have jobs when they didn't before. Their wages are higher. And their neighborhoods reflect the benefits of a more stable employment base. They enjoy bargaining power from scarcity that translates into greater job security. At least that's the theory. The question is whether that's also the fact.

Our mission is to understand what the historical record can tell us about what happened to poor workers and jobseekers who benefited from tight labor markets in the 1960s and the 1980s when strong economies weakened. Did the opportunities they claimed in the good years stick? Or were they a flash in the pan? We answer the same questions for the Roaring 1990s when, once again, unemployment dropped, inflation disappeared, and economic growth was high. We can find out whether people who moved up the ladder kept on climbing upward or whether they tumbled back down, and how far they fell, when the economy began to weaken. We follow that historical quantitative analysis with an exploration of how tight labor markets work on the ground. For that we need fieldwork in communities, workplaces, nonprofit organizations, and government agencies where we can learn about adaptations that unfold in a tight labor market: changes in behavior, expectations, and real experience that help to explain how the outcomes visible in business cycles come about.

That fieldwork was undertaken throughout the 2019–21 period in the city of Boston. To properly situate the fieldwork, it is important to briefly explore the special nature of the time period and the place. In 2019 the spectacular decline in unemployment motivated the core ideas of this book. At that point, COVID-19 was a virus multiplying oceans away in Wuhan, China. Interviews with the employers, jobseekers, labor market intermediaries, and residents of the two neighborhoods we discuss in detail in the qualitative chapters were largely completed by February 2020. In fall 2019 we interviewed seven major Boston employers, the leaders of six labor market intermediary organizations, and ten jobseekers who were mainly "returning citizens" participating in monthly meetings sponsored by the mayor's office that drew together another fifteen jobseekers who had been formerly incarcerated, using a common interview instrument for each category. To understand the implications of tight labor markets for neighborhoods and families, we interviewed eleven leaders of community organizations and fifteen longtime residents of two Boston neighborhoods. In these ways the project that became this book was a conventional mixed-methods sociological endeavor.

By March 2020 the virus that began in Wuhan arrived in Boston.

Within a few weeks every university in the United States shut down fieldwork completely. It would be nearly two years until we were able to visit with anyone face to face. Accordingly, the rest of the interviews (approximately 20 percent of the total) moved into the Zoom world of virtual video and phone calls. No one would call that an ideal research method. But it was that or nothing, and we were determined to complete the research. Because we got the bulk of the work done before the pandemic—and, critically, because unemployment fell dramatically before COVID-19 was a factor in the United States—we believe that our observations of the dynamics of tight labor markets are reasonably generalizable to other periods of very low unemployment. But we dwell at length on the history and granularity of other business cycles over a seventy-year period, to calibrate the distinctive qualities of the relevant downturns and upswings and to discern the patterns we believe are compelling evidence of the advances that accrue to the poor when labor markets tighten.

As noted in chapter 1, every recession has its own victims and every recovery unfolds differently. The Great Recession of 2008 erupted first in the housing market and quickly put real-estate agents, mortgage underwriters, banks, and other white-collar financial sector employees (who are disproportionately men) out of work. As it gathered steam, the workers who serve the upper-middle class—the dry cleaners, shopkeepers, and hotel staff—began to feel the pain. By contrast, the sharp contraction that accompanied the COVID-19 pandemic hit service workers (especially women) harder and faster than anyone else. The pandemic shuttered day-care centers, restaurants, hotels, and millions of other service professions where work depends heavily on face-to-face contact. Downtown business districts turned into ghost towns. The white-collar professionals that normally inhabit those office buildings moved their work online, into their home office suites and bedrooms and dining room tables. It was the frontline service workers who were laid off, save those in critically important industries like health care who had no choice but to show up and risk contracting the plague.

The city of Boston was chosen for the fieldwork for the simple reason that this is where one of us works and could manage the team described below. But it is fair to ask whether there is anything distinctive about Bean Town that makes it somehow suspect as a place from which to generalize