

# Why the Economy Isn't Working for Workers



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# Workers in the US: Losing Ground

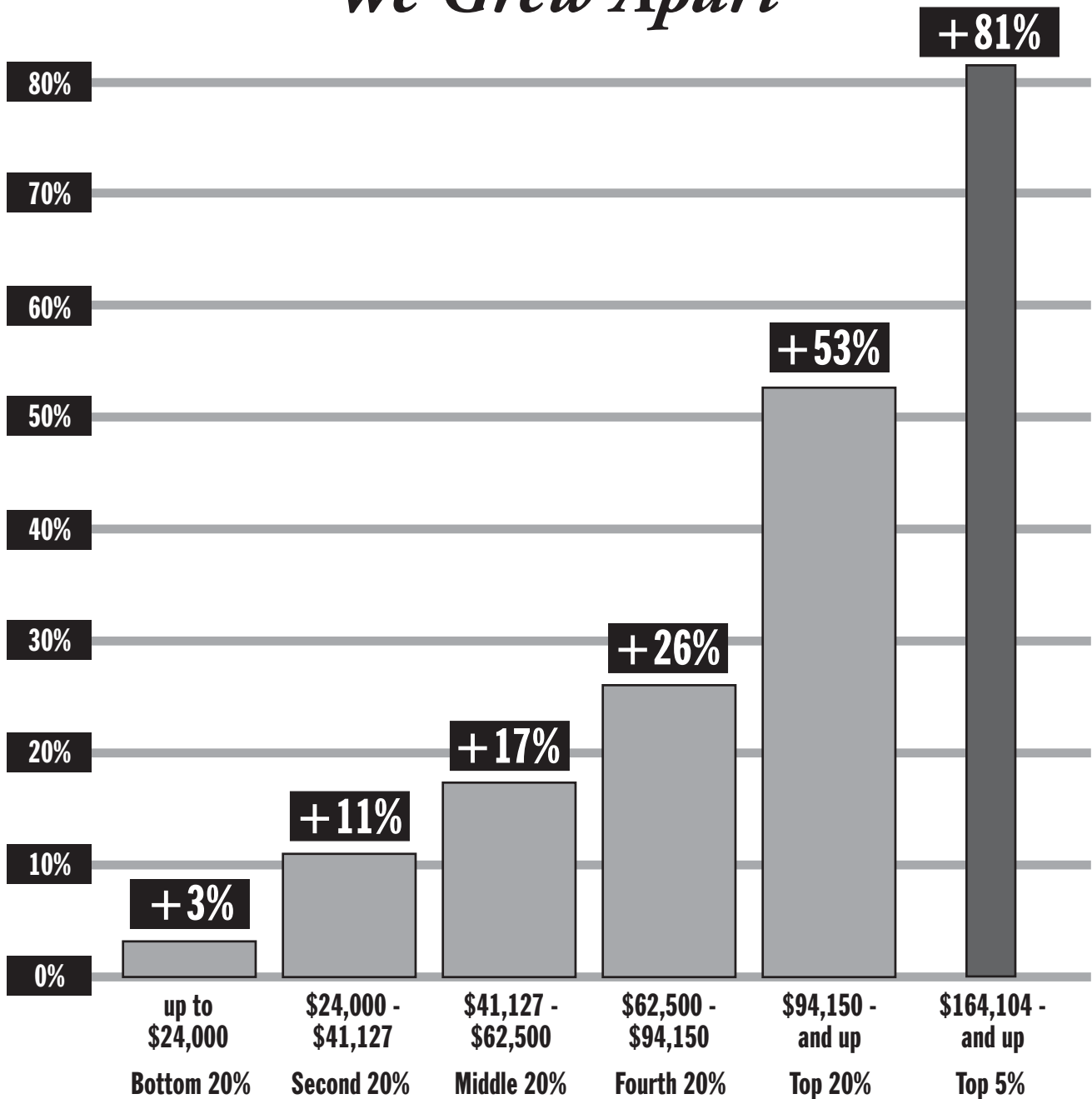
- ★ **Income:** Stagnant
- ★ **Job Security:** Layoffs, part-time, temporary
- ★ **Health Benefits:** Paying more for less
- ★ **Pensions:** Fewer people covered
- ★ **Costo of Living:** Rising for housing, utilities, education, child care
- ★ **Working Conditions:** Deteriorating; exploitation of immigrant labor



*Still waiting for trickle-down . . .*

# 1979 to 2001 – Real Family Income Growth by Quintile & for Top 5%

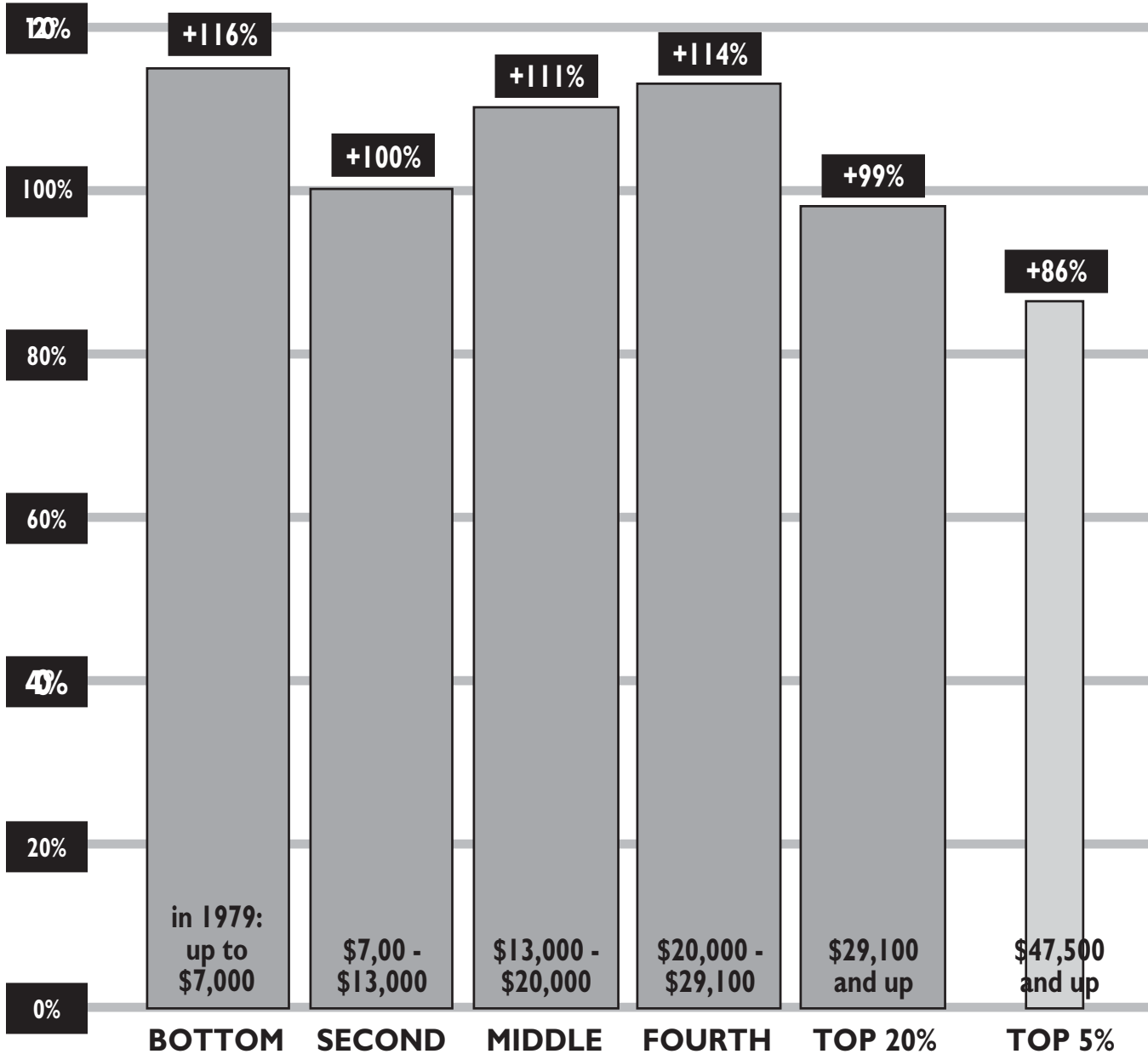
## *We Grew Apart*



**Source:** U.S. Census Bureau, March 2001 Census, Current Population Survey, Table F-1 and F-3. Income ranges in 2001 dollars.

# 1947 to 1979 – Real Family Income Growth by Quintile & for Top 5%

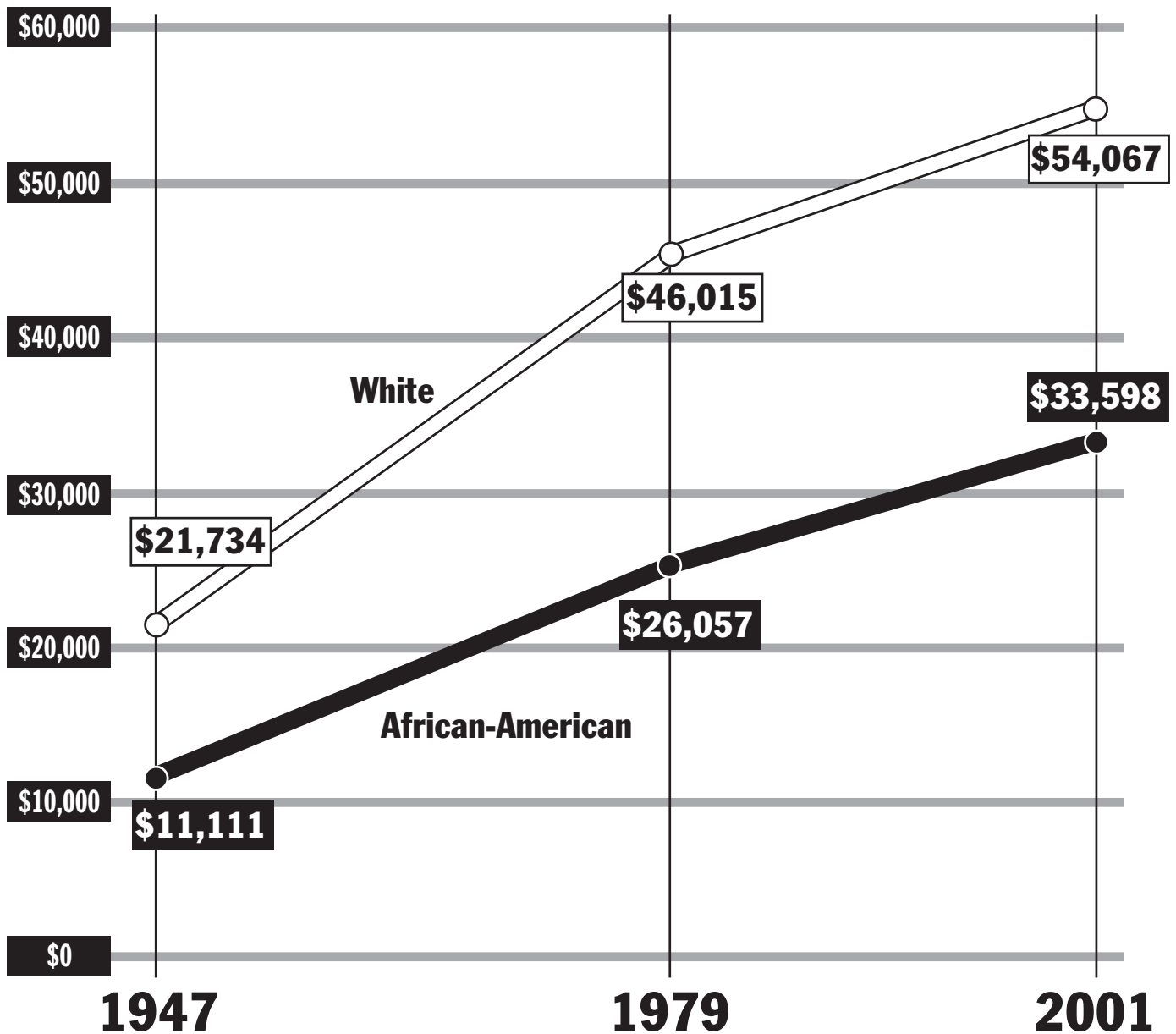
## *We Grew Together*



Sources: Analysis of Census Bureau data from Mishel, Lawrence and Bernstein, Jared, *The State of Working America 1994-95*, p. 37. Income ranges, in 1979 dollars, from March 2000 Census Current Population Survey, Table F-1.

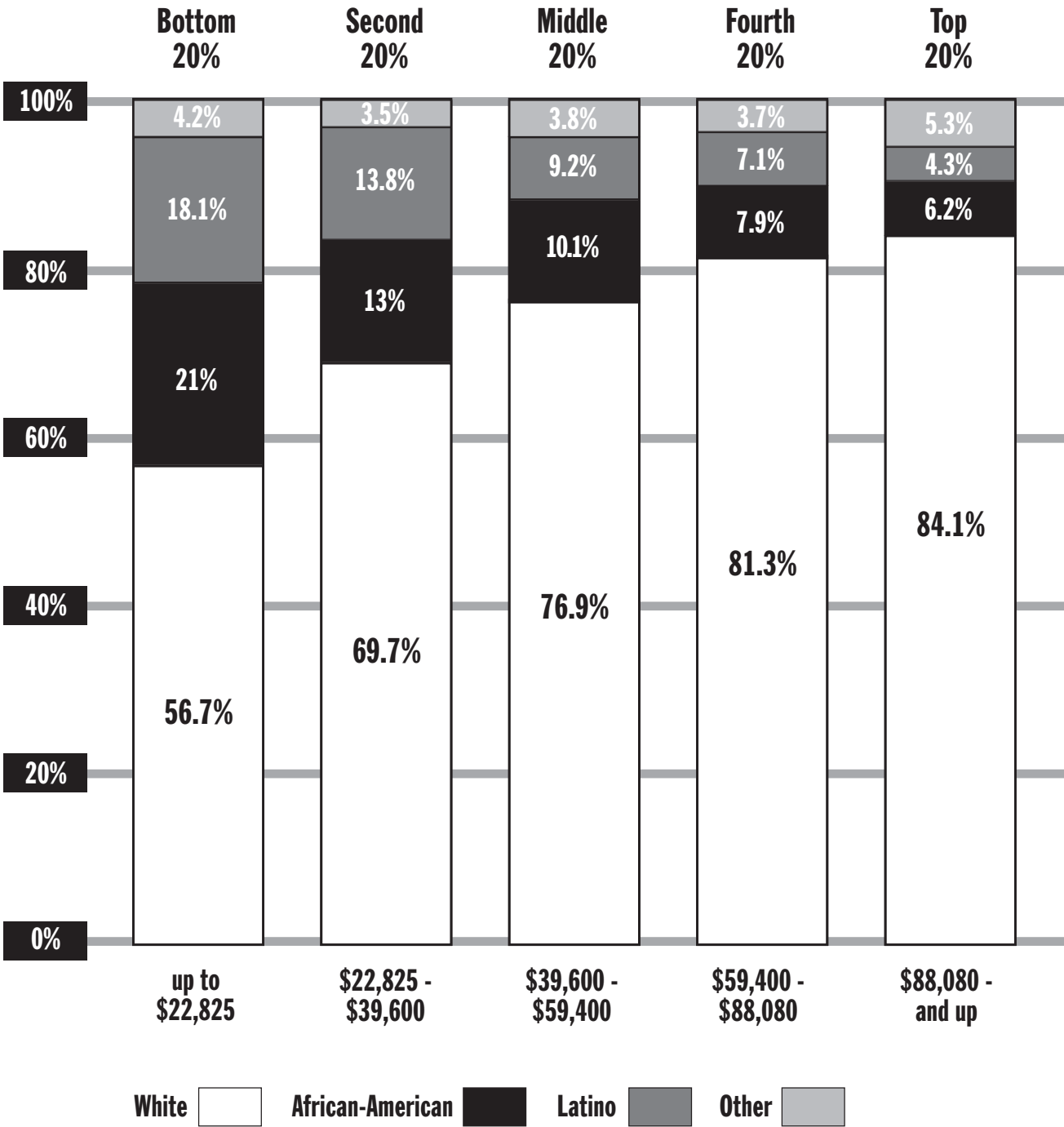
# Median Family Income by Race, 1947-79-01

*Incomes have gone up, but racial income inequality remains.*



Source: U.S. Census Bureau, March 2001 Current Population Survey, Table F-5. All incomes in 2001 dollars.

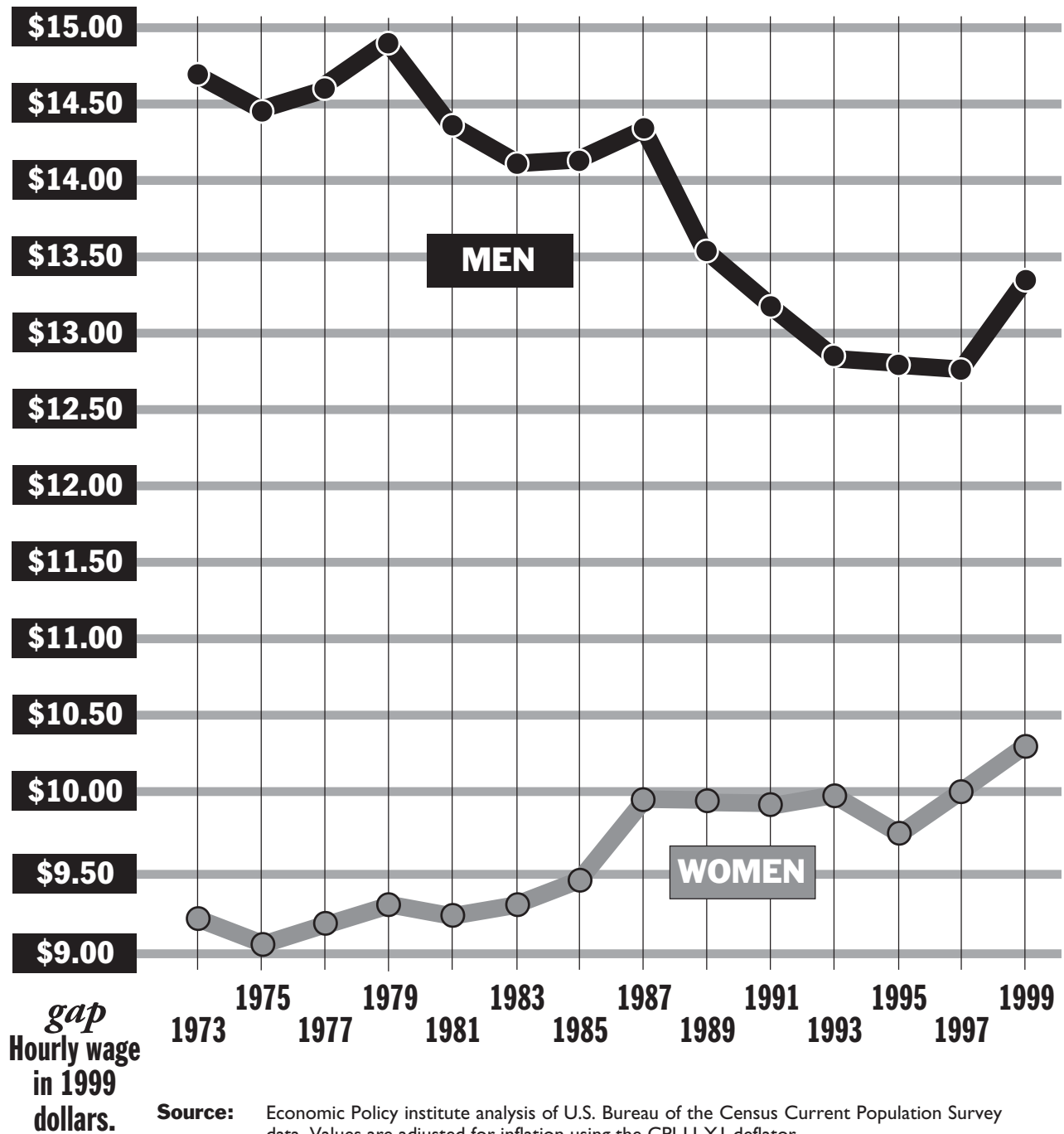
# Racial Breakdown of Family Income by Quintile, 1999



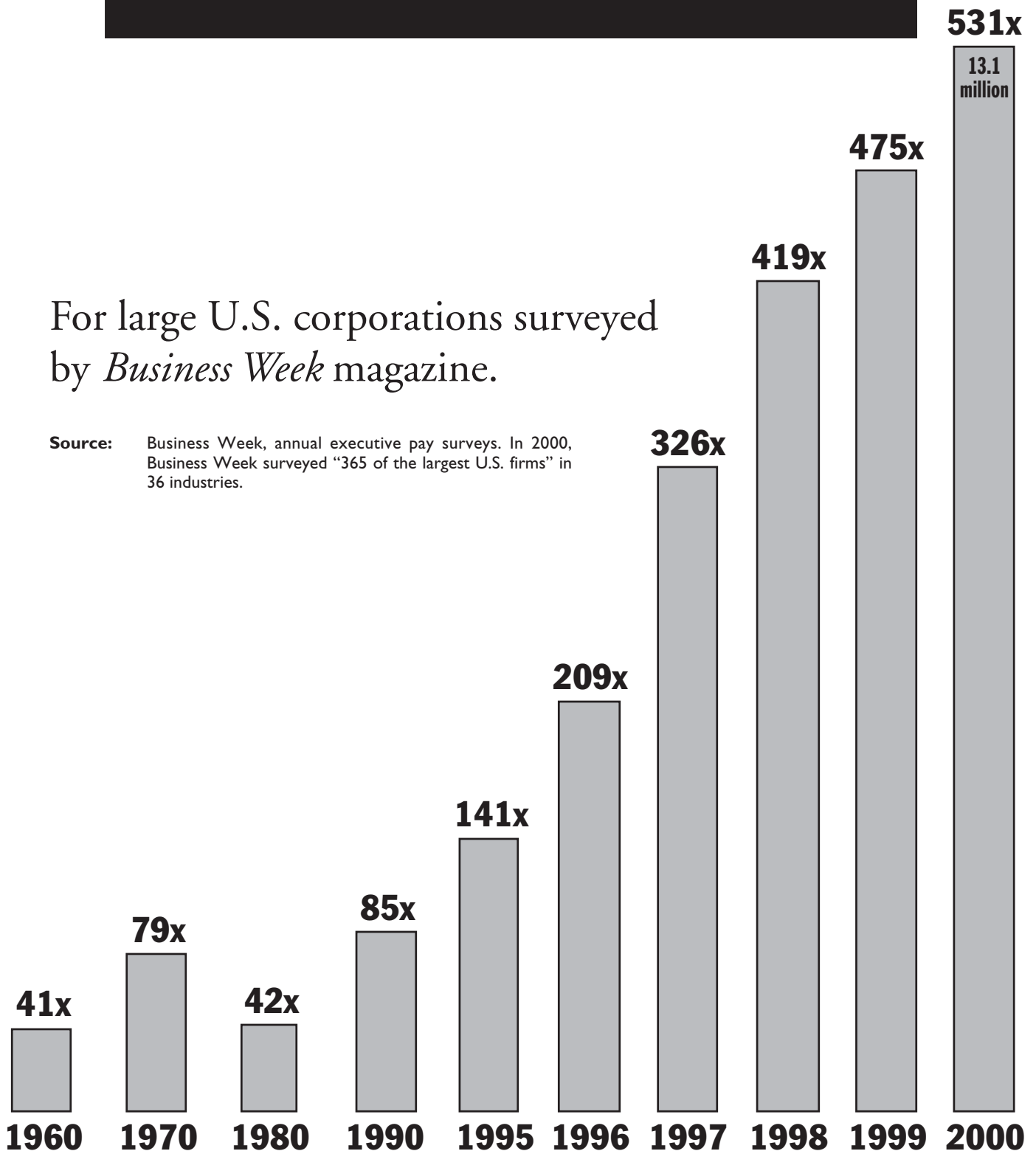
Sources: Analysis of March 1999 US Census Current Population Survey by Heather Boushey, Economic Policy Institute, September 2001.

# Median Wages for Women & Men 1975-1999

*All time periods had one thing in common: a gender income*



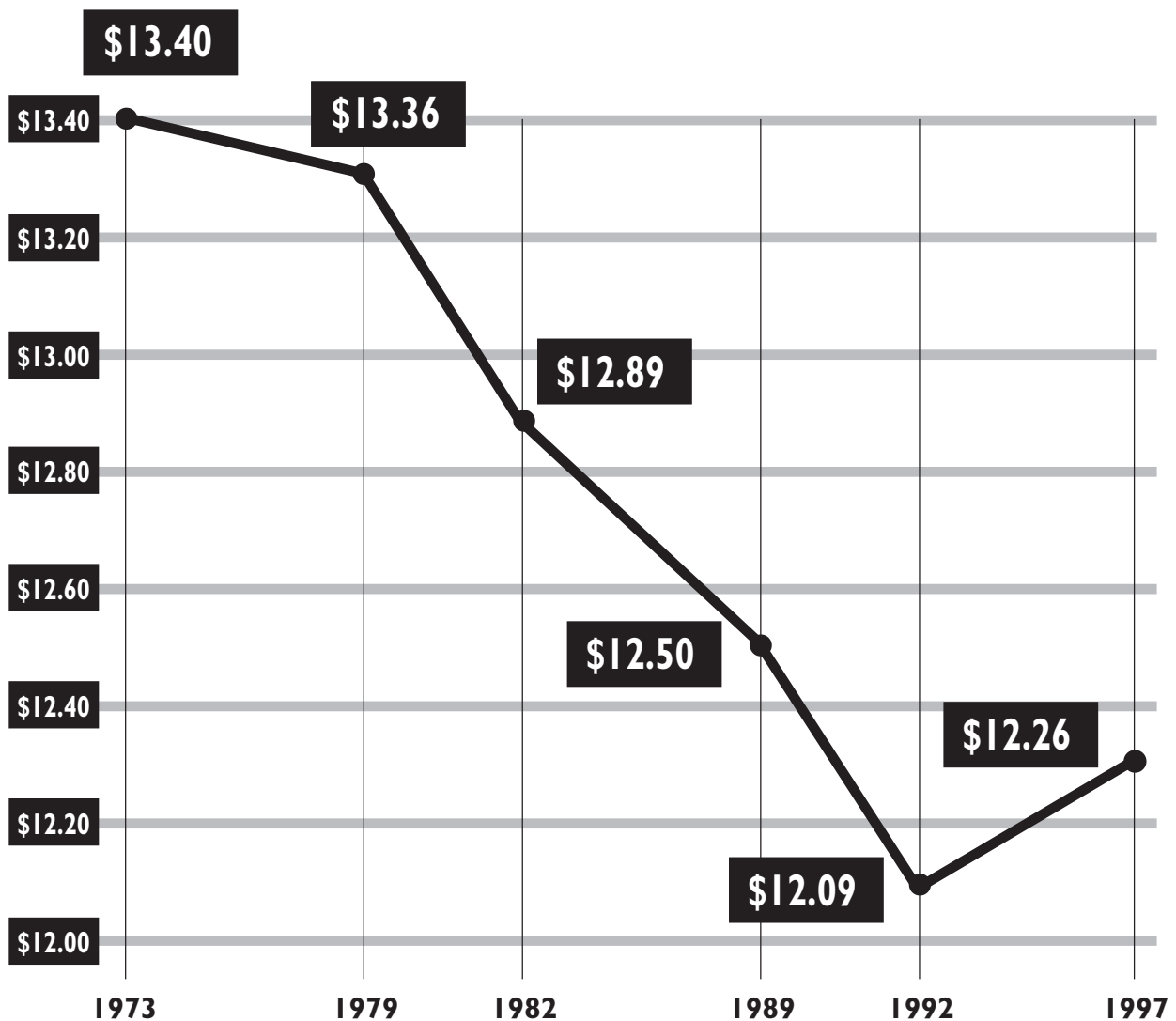
# CEO Pay as a Multiple of Average Worker Pay (1960-2000)





# Average Real Hourly Earnings for Production and Non-Supervisory Workers, 1973-1997

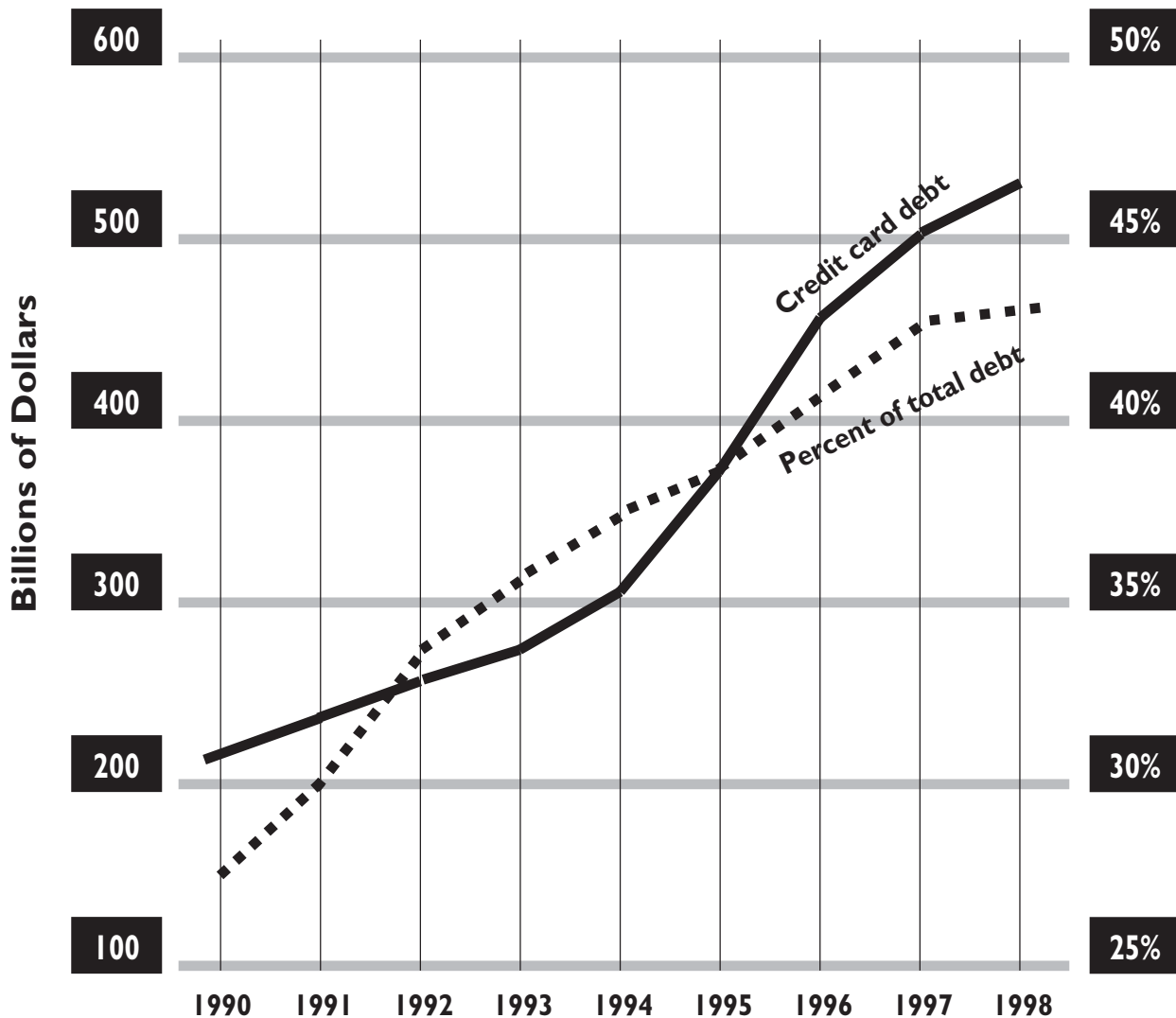
*Working families in the U.S. have fallen behind.*



Source: Mishel, Bernstein and Schmitt, *The State of Working America 1998-99* (Cornell University Press, 1999) p. 127. Wages in 1997 dollars.

# Credit Card Debt 1990 - 1998

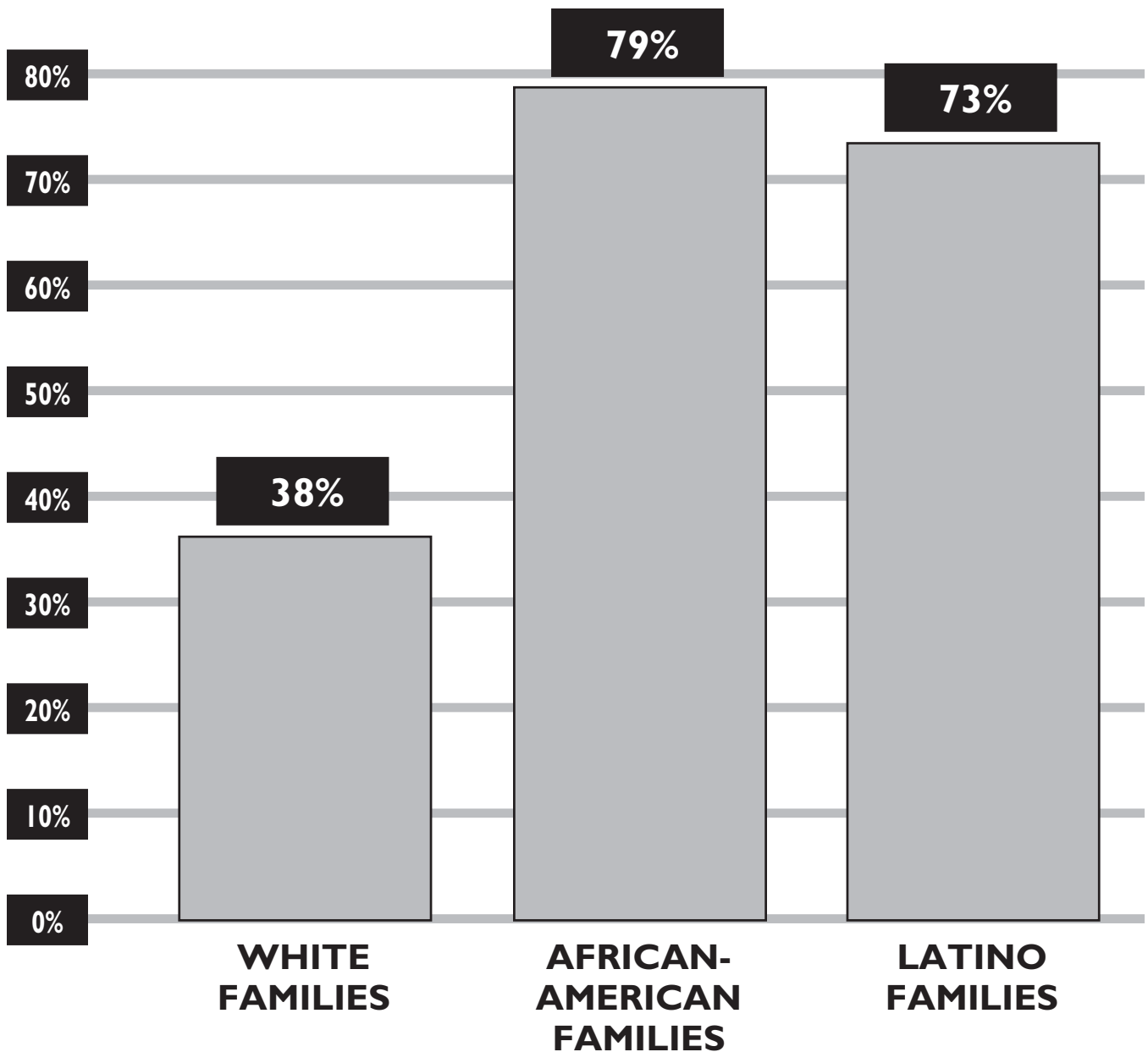
*Families sinking in a sea of debt*



Source: Data from Federal Reserve Bank of Cleveland. Economic Trends (July 1998).  
Graph from Scher, Abby, "Credit Card Pushers Pump up Profits — and Risk",  
*Dollars and Sense*, Nov/Dec 1998.

# Percentage of Families Whose Savings Would Run Out in 3 Months or Less

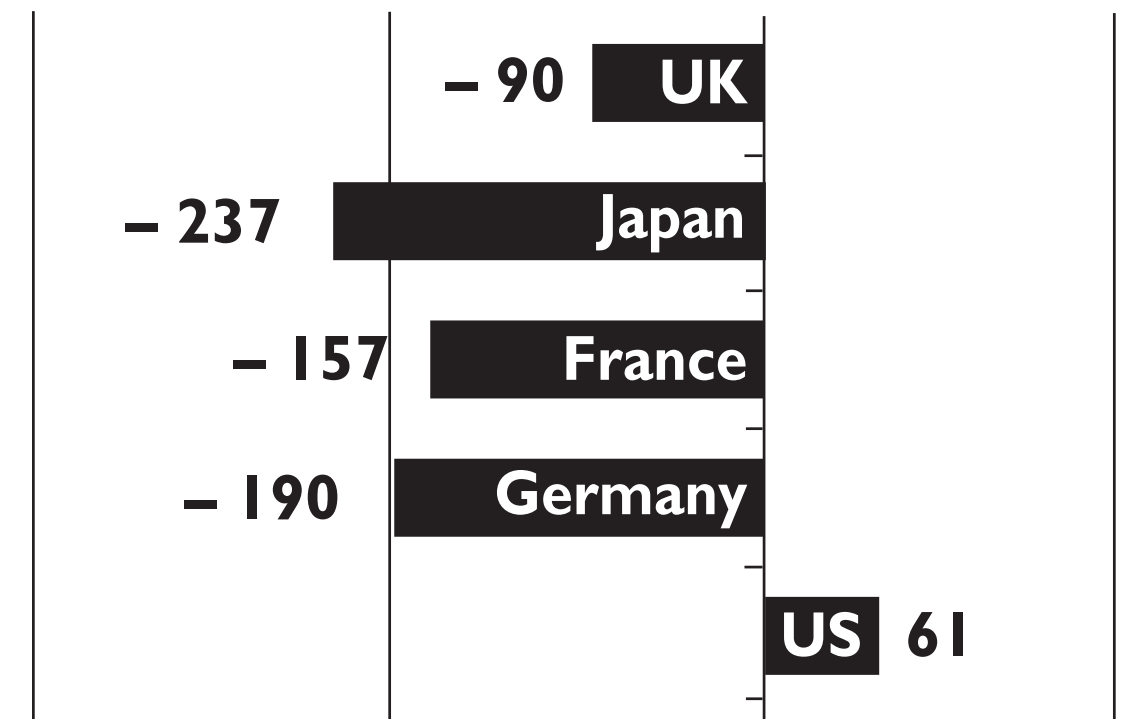
*Many families are forced to live on the edge*



Source: Oliver, Melvin and Shapiro, Thomas M., *Black Wealth, White Wealth* (1995), p. 87.

# Change in Hours Worked per Year 1979 - 1997

*In the industrial world, only Americans are working more hours than they worked in 1979. In nations where unions are strong, parents have more time to spend with their kids.*



Source: OECD, *Annual Employment Outlook*, 1998.

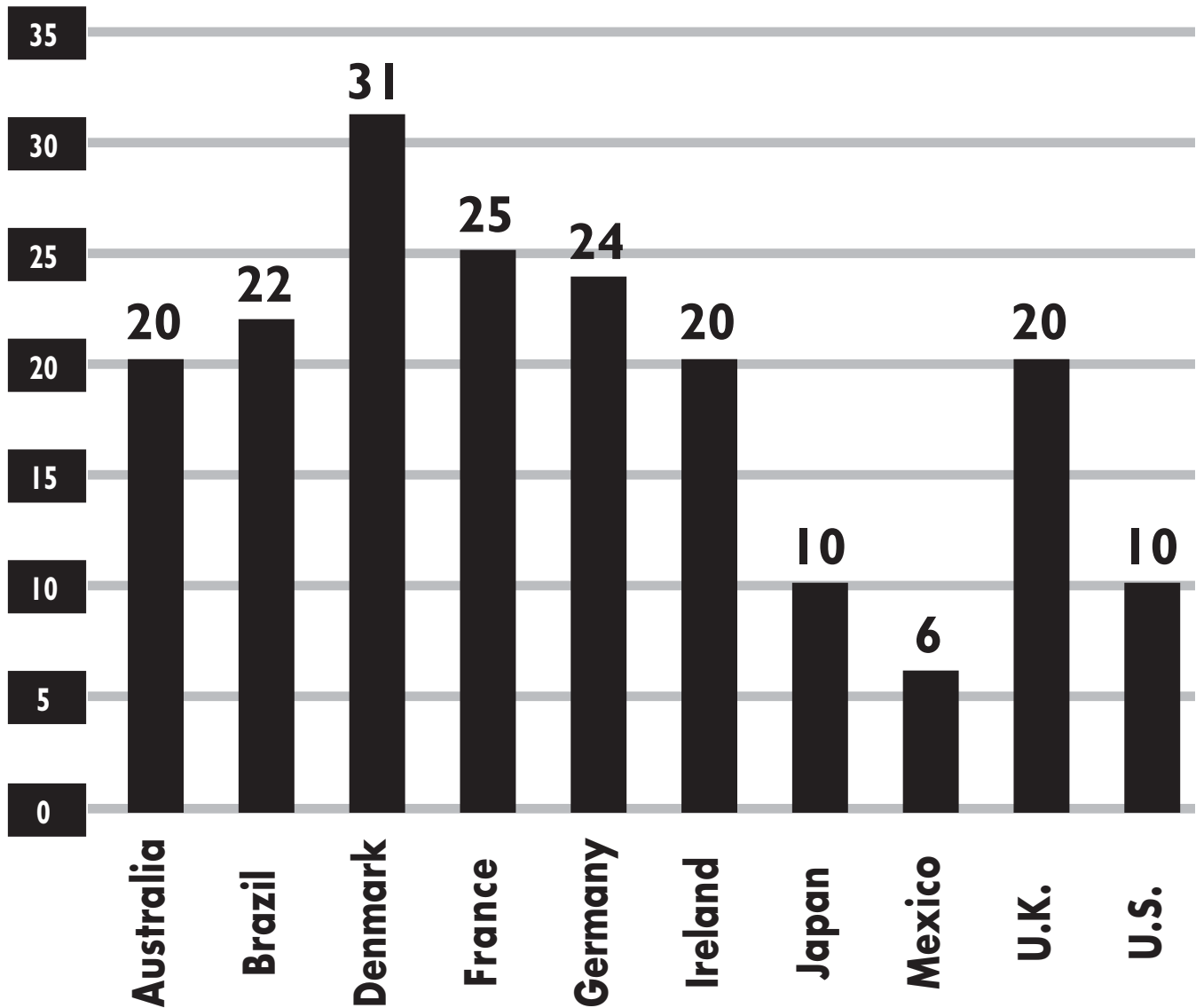
# National Family Leave Policies 1998

<b>United States:</b>	12 weeks unpaid leave, only if company has at least 50 employees
<b>Germany:</b>	14 - 18 weeks paid leave at 100% salary
<b>France:</b>	16 weeks paid leave at 60% salary
<b>Italy:</b>	24 weeks paid leave at 80% salary
<b>Sweden:</b>	52 weeks paid leave, first 39 paid at 90% salary

Source: *Boston Globe*, September 9, 1999.

# Time for Vacation 2000

## Vacation Days for Employees with One Year of Service



Source: Hewitt Associates LLC

# We Need New Rules to Reduce Wealth & Income Inequality

## Lift the Floor for Lower Income People

- ★ Higher minimum wage
- ★ Adequate incomes so families can save
- ★ Greater access to homeownership
- ★ Individual Development Accounts

## Level the Playing Field for Everyone

- ★ Equal access to education and training
- ★ Publicly-funded asset accounts at birth
- ★ Fair trade policies that benefit wage-earners, consumers, communities, and the environment as well as investors
- ★ Fair taxes that treat income from investments and work the same
- ★ Expansion of business and corporate ownership

## Address Concentrated Wealth & Power

- ★ Reduced subsidies for excessive pay & inequality
- ★ Progressive taxation of wealth & income
- ★ Campaign finance reform to get big money out of politics