

Wages Decline in PA

According to a Labor Day report issued by the Keystone Research Center (KRC), the inflation-adjusted median hourly wage in Pennsylvania during 2003 was \$13.59, down 4 cents per hour from 2002. Female workers as a group beat the overall average as their hourly rate increased from \$12.10 to \$12.16 an hour. But among male workers hourly wages dropped to \$15.21, down from \$15.34 in 2002 and \$15.67 in 2001, and only those with at least a college degree saw an increase in pay.

Low-wage workers – those who earn more than 10 percent but less than 90 percent of workers – saw their wages fall to \$7.07 an hour, down two cents from 2002.

KRC attributes the poor wage report to the slow economic recovery. Compared to March 2001 when the recession started, in July Pennsylvania had 1.4 percent fewer jobs but a working age population that had grown by 1.7 percent. These two trends left the State 181,000 jobs short of where it had been when the recession started. The loss is particularly severe in manufacturing where 151,600 jobs were lost. Most of the new jobs created during the past several years are in sectors that pay lower wages.

Other indicators of distress include a jump in the share of children in poverty from 11.6 to 15.5 percent and a 40 percent rise since 1999 in the number of Pennsylvanians without health insurance. According to the Economic Policy Institute, the cost of benefits is going up by 5 percent a year, causing many employers to restrict hiring.

Steve Herzenberg, KRC's executive director and a member of Hunger Action's Board of Directors, highlighted the connection between these trends and the recent decline in food security. "Despite rising productivity, too many workers find their slice of the economic pie shrinking. In some cases, this means families cannot meet their basic needs, including putting food on the table."

The State of Working Pennsylvania 2004 is available online at a special website (www.stateofworkingpa.org) or via www.keystoneresearch.org.