

## **Wages Decline in Pennsylvania**

After improving steadily from 1995 to 2001, Pennsylvania wages in all but the best jobs were flat in 2002. Moving into 2003, wages began dropping. The median hourly wage during the first six months of 2003 was \$13.09, a drop of 56 cents from the same period in 2002.

Those are the key findings of the Keystone Research Center in *The State of Working Pennsylvania 2003*, an annual publication released Labor Day weekend.

Low-wage workers (those earning more than 10 percent of all Pennsylvania employees but less than 90 percent) earned \$6.91 in 2002, down three cents from 2001. On the other hand, high-wage workers (those earning more than 90 percent of all employees) saw their earnings move up by \$1.24 to \$29.88 an hour.

The report attributes the overall decline in wages to the loss of good-paying jobs. Since March 2001 Pennsylvania has lost nearly 120,000 manufacturing jobs, over half since the end of the recession in November 2001. Meanwhile the job sectors that are growing (health, hospitality, education) include many lower-paying jobs.

In its discussion of solutions, the report focuses on state investment in "public goods" essential to economic development on a region or industry-wide basis. It is critical of the approaches that have dominated in recent years: cutting business taxes and giving targeted tax breaks to selected businesses. It also is critical of recent federal policy in regard to the minimum wage, noting that the gap between the minimum wage and worker productivity is now at its highest level in at least 50 years.

Wages and salaries account for the great majority of family income. When wages fall, as they have these past 18 months, more families are at risk of hunger.