The State of Working America 2006/07

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Inequality Historically High
Inequality Much Higher than in Other Countries: Mobility Less
Greater Wage Disparities are at Core of Rising Inequalities
It is a Job Quality Problem

- Vast Majority have seen Disappointing Wage Growth and Erosion of Health and Pension Benefits, Even with Rapidly Rising Productivity
Income inequality is back on trend

Share of income (including capital gains) going to the top 1%

Wages and productivity: growing together, growing apart

* Wages and Productivity through first half of 2006.
Recoveries:
They don’t make them like they used to

Average growth:
1960, 1973 and 1981 cycles

1990 Cycle

2001 Cycle

Percent change from peak

Months

Peak 6 12 18 24 30 36 42 48 54 60 66

12.6%

7.6%

2.3%
“Will work for healthcare”

Private employer-provided health insurance

Over 15 percentage point decline

Percent covered by private employer insurance


69.0%

54.9%
“Will work for pension”

Private employer-provided pension coverage

Over a 5 percentage point decline

Percent covered by private employer pension
Entry-level wages of male and female high school graduates, 1973-2005
Entry-level wages of male and female college graduates, 1973-2005

Hourly wage (2005 dollars)

- Men
- Women

Health and Pension Coverage for Recent College Graduates, 1979-2004