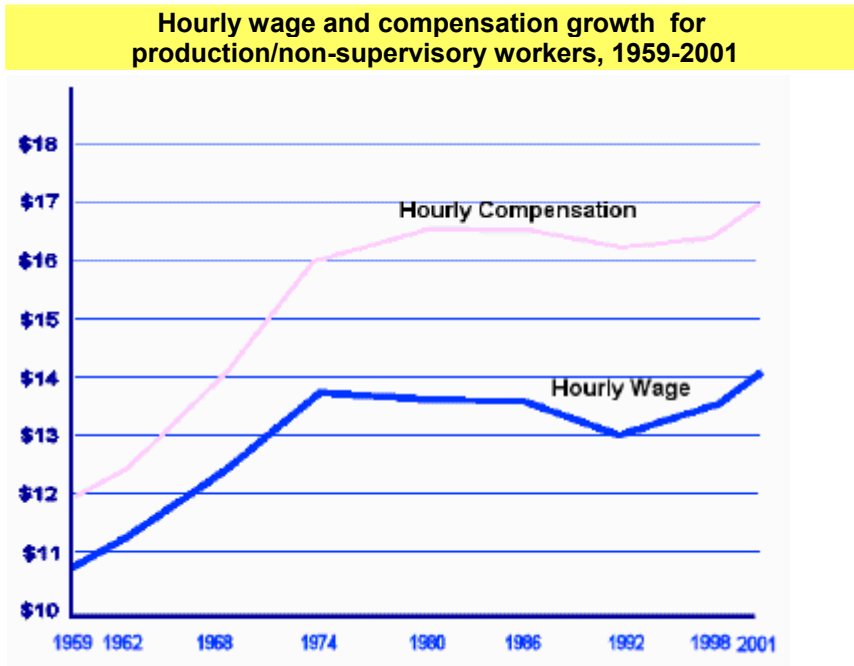


What is the overall trend in wages in the U.S.?

From the early 1970s to 1995 wages were stagnant overall and median wages fell. After 1995 wages rose in response to low unemployment and faster economic growth. Wage inequality grew significantly during the 80s and 90s, especially with respect to the gap between top earners and middle and low wage workers.

The following chart shows wage trends for the 80% of workers who are production and non-supervisory workers. This includes factory workers, construction workers, and a wide variety of service-sector workers ranging from clerical workers to nurses and teachers. It does not include managers and supervisors. Note that compensation grew much faster than wages in the 70s.



Source: *The State of Working America 2002/2003* by Mishel, Bernstein, and Boushey, p. 124

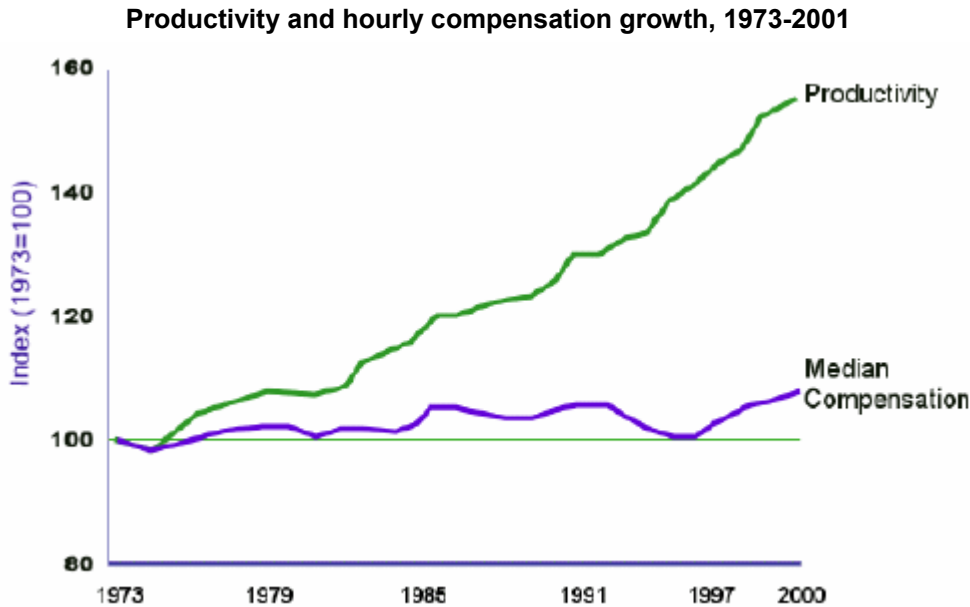
The following table shows the wage rate changes for all workers divided into their relative position on the wage scale. Note the last line, which shows a dramatic difference in wage growth between workers in low wage and high wage jobs.

Wages for all workers by wage percentile (2001 dollars)										
Wage by percentile										
	10	20	30	40	50	60	70	80	90	95
Hourly wage										
1979	\$6.68	7.61	8.94	10.52	11.89	13.79	16.30	19.00	23.24	28.38
2001	\$6.69	8.07	9.63	11.03	12.87	15.06	17.94	21.71	28.97	36.56
Percent Change										
1979-2001	0.2%	6.0	7.7	4.9	8.2	9.2	10.0	14.3	24.7	28.8

Source: *The State of Working America 2002/2003* by Mishel, Bernstein, and Boushey.

Have wages kept up with productivity gains?

No, wages lagged far behind. While productivity increased steadily during the last quarter century, median wages were stagnant or grew very little. In other words, workers did not share fully in the economic gains produced by increases in productivity. This chart gives an overall picture of the trends:



Source: *The State of Working America 2002/2003* by Mishel, Bernstein, and Boushey.

How does education affect wages?

Obviously, wages increase with education. However, this "education/wage differential" has increased significantly during the past quarter century. In the following table, note that the wages of workers with college degrees and advanced degrees increased significantly, while the wages of all others were stagnant or declined.

Change in real hourly wages for all workers by education, 1973-2001					
	Less than high school	High School	Some college	College	Advanced degree
<i>Hourly wage</i>					
1973	\$11.66	\$13.36	\$14.39	\$19.49	\$23.56
1979	11.62	13.04	13.94	18.27	22.31
1989	9.99	12.17	13.67	19.16	24.71
1995	9.04	11.95	13.37	19.84	26.18
2000	9.40	12.65	14.3	22.10	27.9
2001	9.50	12.81	14.60	22.58	28.14

Source: *The State of Working America 2002/2003* by Mishel, Bernstein, and Boushey.

How does one's race affect wages?

On average, a white man with a college diploma earned about \$65,000 in 2001. Similarly educated black and Hispanic men earned 30 percent less. Differences in wages were slightly lower for other educational levels.

The following table shows hourly wage rates at all educational levels for major racial and ethnic groups:

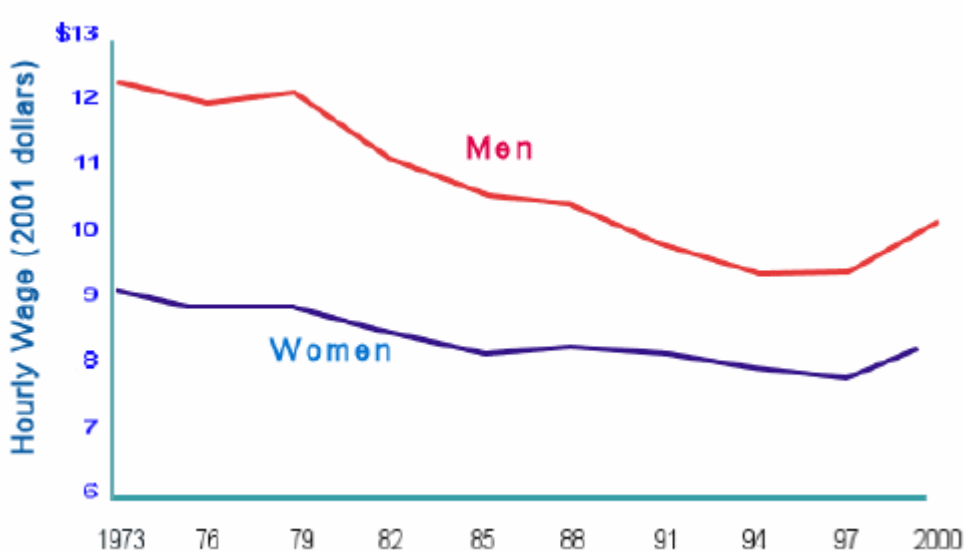
Hourly wage growth among men by race/ethnicity, 1989-2001 (2001 dollars)								
	Median Hourly Wage				Changes			
	1989	1995	2000	2001	1989-2000	1989-1995	1995-2000	2000-01
White	\$14.96	\$14.40	\$15.62	\$15.	4.4%	-3.7%	8.5%	1.8%
Black	10.82	10.5	11.46	11.83	5.9	-2.8	8.9	3.2
Hispanic	10.06	9.17	10.11	10.11	0.4	-8.9	10.2	0.0
Asian	13.98	13.86	15.59	16.17	il.5	-0.8	12.5	3.7

How does gender affect wages?

College educated white women earned about 40 percent less than college educated white men in 2001.

The following graph shows hourly entry-level wage rates of mail and female high school graduates:

Hourly wages 1973-2001 (2001 dollars)



What is the minimum wage in the U.S.?

The federal minimum wage now stands at **\$5.15**. It was last increased on September 1, 1997.

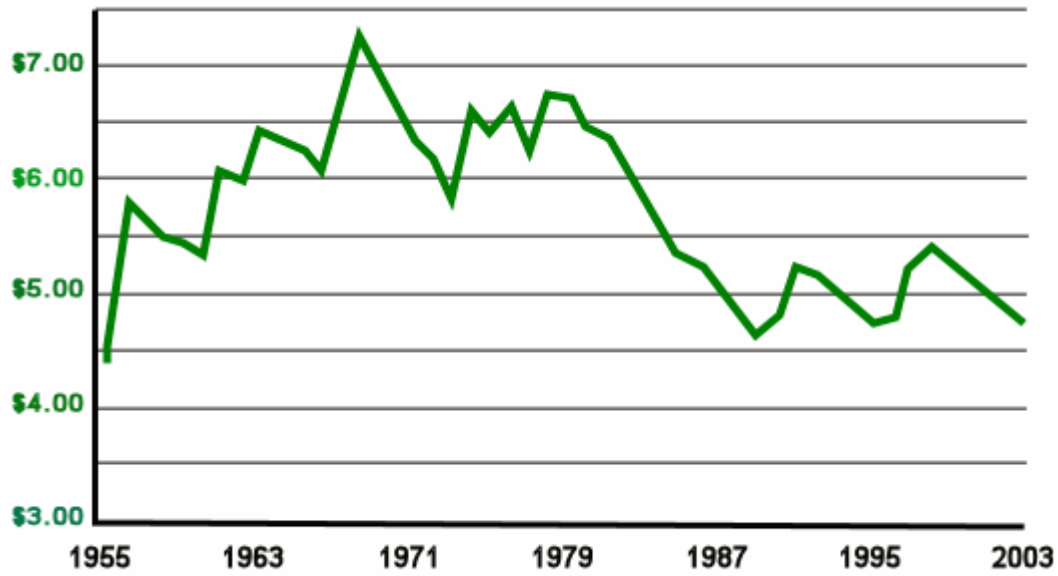
Who would benefit from an increase in the minimum wage?

- An estimated 6.9 million workers (5.8% of the workforce) would receive an increase in their hourly wage rate if the minimum wage were raised to \$6.65.
- Due to "spillover effects," the 10.5 million workers (8.7% of the workforce) earning up to a dollar above the minimum would also be likely to benefit from an increase.
- Adults make up the largest share of workers who would benefit from a minimum wage increase: 68% of workers whose wages would be raised by a minimum wage increase to \$6.65 by 2003 are adults (age 20 or older).
- Close to half (45.3%) of workers who would benefit from a minimum wage increase work full time and another third (34.0%) work between 20 and 34 hours per week.
- Over 60% of wage earners in poor families would benefit from an increase in the minimum wage from \$5.15 to \$6.15.
- Women are the largest group of beneficiaries from a minimum wage increase: 60.6% of workers who would benefit from an increase to \$6.65 by 2003 are women. In 1998, an estimated 12.6% of working women would have benefited from a one dollar increase in the minimum wage.
- A disproportionate share of minorities would benefit from a minimum wage increase. African Americans represent 11.7% of the total workforce, but are 18.1% of workers affected by an increase. Similarly, 11.3% of the total workforce is Hispanic, but Hispanics are 14.4% of workers affected by an increase.

What has been the historical trend of the minimum wage rate?

The value of the minimum wage has not kept up with inflation. When adjusted for inflation, the value of the minimum wage is 21% lower than it was in 1979.

Real Value of Minimum Wage (2000 dollars)

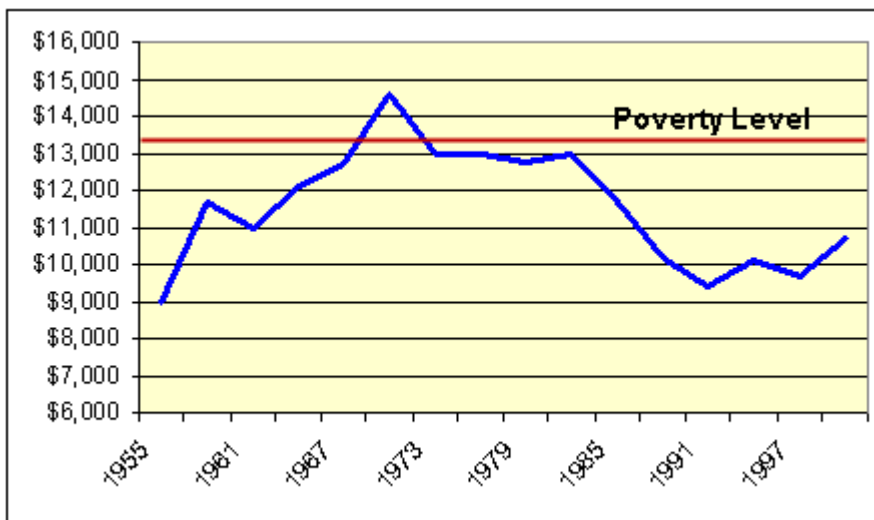


Source: Economic Policy Institute

Wage inequality has been increasing, in part, because of the declining real value of the minimum wage. Between 1979 and 1992, the declining real value of the minimum wage contributed 22% of the growth in wage inequality between men at the 90th percentile of the wage scale and men at the 10th percentile of the wage scale and 42% of the growth in wage inequality between women at the 90th percentile of the wage scale and women at the 10th percentile of the wage scale.

The following chart demonstrates the minimum wage trend in relationship to the poverty line.

Annual minimum wage earnings in 1999 dollars and the poverty level for one-parent, two-child family



What is a "living wage"?

A "living wage" is a term used to refer to a wage that produces an income sufficient to provide for a family's basic needs. These "living wages" are generally much higher than the minimum wage. Living wages also commonly refer to wages set by local ordinances that cover a specific set of workers, usually government workers or workers hired by businesses that have received a government contract or subsidy.

What wage level is required in Minnesota to enable a family to pay for basic necessities?

Living costs for a family of 3 in Minnesota (2 adults, 1 child)			
	Metro	Greater MN	Statewide
Food	\$406	\$406	\$406
Housing	912	564	757
Health Care	293	293	293
Transport.	344	445	389
Child Care	0	0	0
Clothing/Other	249	249	249
Net Taxes	322	115	225
Monthly Total	\$2,526	\$2,073	\$2,319
Annual Total	\$30,313	\$24,873	\$27,830
Hourly Wage	\$14.57	\$11.96	\$13.38

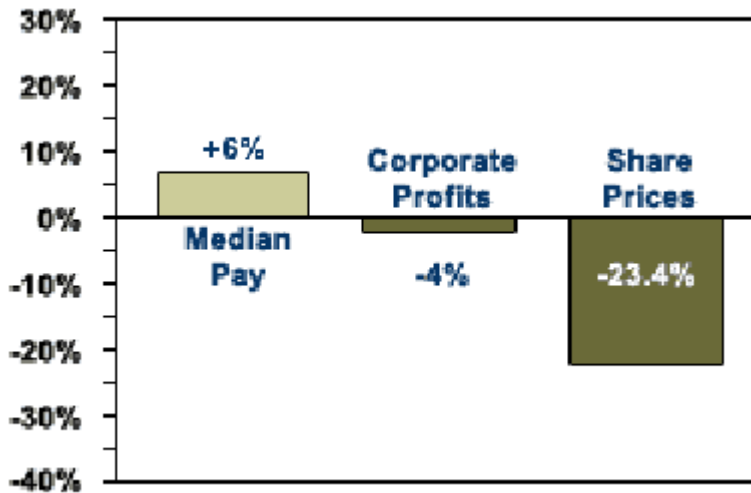
Living costs for a family of 4 in Minnesota (2 adults, 2 child)			
	Metro	Gr MN	Statewide
Food	\$509	\$509	\$509
Housing	1233	730	1009
Health Care	339	339	339
Transport.	344	445	389
Child Care	0	0	0
Clothing/Other	290	290	290
Net Taxes	380	23	308
Monthly Total	\$3,095	\$2,336	\$2,845
Annual Total	\$37,138	\$28,036	\$34,135
Hourly Wage	\$17.85	\$13.48	\$16.41

Source: Jobs Now Coalition

What is the average compensation for a top CEO?

In 2002, the average CEO compensation package equaled \$10.83 million according to The New York Times. While pay cuts for the most richly rewarded CEOs reduced the size of the average compensation package, most CEOs actually got pay raises. Median CEO pay increased by 6 percent in 2002—more than twice the growth of workers' paychecks. And while shareholders—including workers who depend on the stock market for their retirement savings and pensions—have lost \$7 trillion since the stock market peak, today's CEO pay packages are roughly equal to their pre-bear market levels.

Median CEO Pay Grew in 2002 While Profits, Stocks Declined

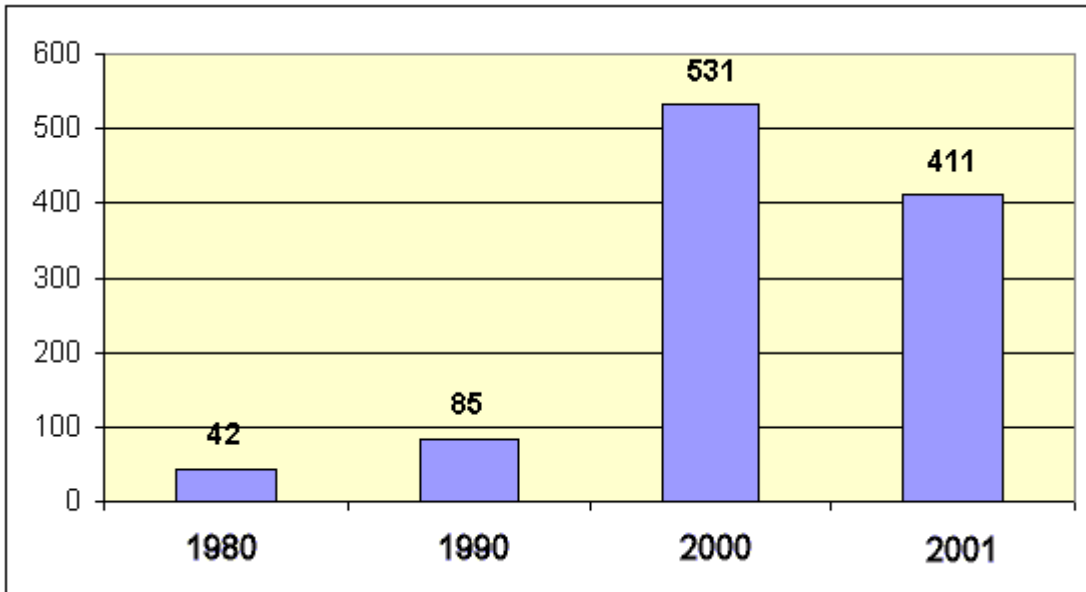


Source: New York Times

How does the executive compensation of CEO's compare with the hourly wages of average workers? How has this pay ratio changed over time?

Average CEO pay is over 400 times that of the average worker. This gap has grown dramatically during the past two decades, as shown in the chart below:

Ratio of average worker pay to average CEO pay



Source: Business Week

For the top 100 CEO's the disparity is even greater. During the past 30 years, the average real annual compensation of the top 100 C.E.O.'s went from \$1.3 million -- 39 times the pay of an average worker -- to \$37.5 million, more than 1,000 times the pay of ordinary workers. (Source: Fortune Magazine)