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State of Working PA: Lagging Wages for All Race, Ethnic, Gender Groups

Report Shows Need for Policies Less Rigged to Benefit Only Group Doing Well –The Top 1%

HARRISBURG, PA – At a divisive moment in America, in the context of a campaign which has exploited electoral anger borne in part from economic difficulty, the Keystone Research Center today released the 21st edition of its report [The State of Working Pennsylvania](#). The report finds that most groups in the state, whatever their race, ethnicity, gender, or education level, have experienced wage stagnation or decline in recent decades.

This report presents data on the common economic struggles of different groups of Pennsylvania workers to encourage shared understanding and to help advance an agenda to raise Pennsylvania's pay.

"As well as validating the felt experience of economic struggle that cuts across groups of Pennsylvanians, our findings make clear that, if Pennsylvanians believe some 'other' group is unfairly receiving more of the economic benefits of a growing economy, benefits those folks see as rightfully theirs, that is incorrect—unless that 'other' group is the top 1 percent," said report co-author and **KRC labor economist Mark Price, Ph.D.**

Below are some of our main findings. By far the largest group of working-age Pennsylvanians (69%) do not have a bachelor's degree so we begin with findings for this group.

- **WORKING CLASS WHITE MEN NOT SEEING GAINS:** White men without a bachelor's degree experienced a dramatic decline in their wages in the early 1980s in Pennsylvania from which they still have not recovered. The inflation-adjusted median wage for white Pennsylvania men without four-year degree in 2013-15 remained \$2.18 per hour below the 1979-81 level, which is \$4,500 less a year for a full-time, full-year worker.
- **WORKING CLASS AFRICAN-AMERICAN MEN FARING EVEN WORSE:** Black men without a four-year college degree experienced a larger dollar decline in hourly wages (\$3.90 per hour). In addition, a third of prime working-age black men are out of the labor force.
- **WAGES FOR WOMEN STILL LAGGING:** White and black women without a bachelor's degree have not experienced as big a plunge in earnings since the early 1980s, but their median earnings remain far below their male counterparts. White women with less than a bachelor's degree have median earnings now equal to 76% of white men with the same education. Black and Hispanic women have median earnings equal to 69% and 60% of white men with the same education level.

- **COLLEGE GRADS NO LONGER MAKING GAINS:** The experience of college graduates in Pennsylvania up to the early 2000s was better in terms of earnings for both men and women than that of their less educated counterparts. However, since the early 2000s wages for men and women, white and black have fallen.

The report also outlines “The Agenda to Raise Pennsylvania’s Pay” that would restore more broadly shared prosperity in Pennsylvania. That agenda is contrasted with the policy priorities of Pennsylvania’s self-described “free market” think tank, the Commonwealth Foundation, and its legislative allies.

“Stunningly, after nearly four decades of wage stagnation and decline, a significant part of the Pennsylvania legislature favors ‘an agenda to lower Pennsylvania’s pay’ even further,” said economist and **KRC executive director Stephen Herzenberg, Ph.D.** “Here a proposal to lower construction workers’ pay—mostly white men in Pennsylvania. Here opposition to a higher state minimum wage—an increase would especially benefit women and people of color. Here a proposal to cut corporate taxes further and to keep taking the biggest tax bite from middle-class and lower-income families, which especially hurts rural areas. And here a proposal to weaken working families in politics and in bargaining with employers generally—an equal opportunity slam for all race, ethnic, gender, and educational groups.”

“If divisiveness in our state wins the day,” added **Price**, “Pennsylvania workers may get stuck with an economy even more rigged to benefit the 1 percent. If Pennsylvanians from every group and part of the state recognize their common challenges, adopting an agenda to raise Pennsylvania’s pay could quickly restore shared prosperity.”