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THE ECONOMY & FAMILIES: WHAT'S AHEAD?

This Labor Day weekend, the Economic Policy Institute will release its authoritative book on today's economy and its impact on working Americans and their families. *THE STATE OF WORKING AMERICA 2004/2005* offers an in-depth look at who's winning, who's losing, and where the trends are pointing in an economic cycle that has been unusually hard on working people and their wages. **Please note that this material is embargoed until 12:01 am on Sunday, September 5.**

WHO'S WINNING

In 2003, it took the average CEO less than two days to earn what an average worker made all year. Growing inequality was compounded by tax cuts that averaged \$61 for families in the bottom 20% of the income scale, and \$66,601 to the top 1%.

WHO'S LOSING

After almost three years of recovery, our job market still isn't strong enough to broadly distribute the benefits of the growing economy. Unemployment is essentially unchanged, job growth has stalled, and real wages have started to fall behind inflation.

TRENDS

The contrast between this recession/recovery cycle and the nine others since World War II tells the story. In the seven recoveries of this length, all the jobs lost to the recession had been regained by 20 months, on average, after the recession began. In the "jobless" recovery of the early 1990s, it took about 30 months to reach this break-even point. In this current recovery, 39 months after the peak, we were still 1.2 million jobs short.

JOB QUALITY ERODING

About 13% of jobs created in the past year are temp jobs. Since November 2001, industries that are expanding as a share of the economy pay wages about 41% lower than industries that are shrinking.

U.S. & THE WORLD

The United States leads the world in both per capita income (\$36,102) and in child poverty (21.9%).

THE STATE OF WORKING AMERICA 2004/2005

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The Economic Policy Institute is an independent, nonprofit, nonpartisan research institute – or “think tank” – based in Washington, DC. EPI researches the impact of economic trends and policies on working people in the United States and around the world.