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# Economic Policy Institute

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1660 L STREET, NW • SUITE 1200 • WASHINGTON, DC 20036 • 202/775-8810 • FAX 202/775-0819

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**CONTACT:** Nancy Coleman, Karen Conner or Stephaan Harris at 202-775-8810

**Wage analysis available online:** <http://www.jobwatch.org> and click on "Economic Snapshot"

## **JOB QUALITY ON THE DECLINE, NEW ANALYSIS SHOWS** **Wages weaker in growing industries than in those losing jobs**

On the heels of disappointing news about the inadequate *quantity* of new jobs being created by this economy comes evidence that we should also be concerned about the *quality* of the jobs that are being created.

A newly identified trend points to trouble for working people across the country. Two Economic Policy Institute experts surveyed earnings data from all 50 states and the District of Columbia. They found that in all but two of these jurisdictions, the industries whose share of jobs in the state is growing pay less – in many cases much less – than the industries whose share of jobs is shrinking.

The analysis, by Michael Ettliger, director of the Economic Analysis and Research Network (EARN), and Jeffrey Chapman, economic analyst, was made public today on the organization's JobWatch.org website.

"As trends go, this is not the direction anyone would want to see our economy going," Chapman said. "Jobs are shifting from high-paying industries to industries that pay less – and often far less."

"It's bad enough that we've lost so many jobs, but this shows that the jobs lost were good jobs," Ettliger explained. "Over time, unless we can find a way to keep good jobs from disappearing or to create new ones of comparable quality, this degradation of the quality of jobs will affect more and more working people."

The analysis identifies a number of states where this shift toward lower wages in new jobs combines with substantial declines in the number of jobs to create a particularly worrisome mixture. These states, which still have fewer jobs than at the end of the recession, include:

- New Hampshire, where growth industries pay 35% less than shrinking industries;
- Delaware, with a wage gap of 43%;
- Colorado, with jobs down 2% since the end of the recession and the wage gap at 35%;
- West Virginia, with 1.7% fewer jobs and a 33% wage gap.

Between November 2001 and November 2003, 32 states showed a wage gap of 25% or more between shrinking and expanding industries; in 16 states, that gap was 33% or more.

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