

Committee on Ways and Means

A Great Time to Be a Worker

Despite negative news in the press and attacks by Democrats about the situation of American workers, recent Federal statistics show that wages and incomes are on the rise.

Unemployment still low

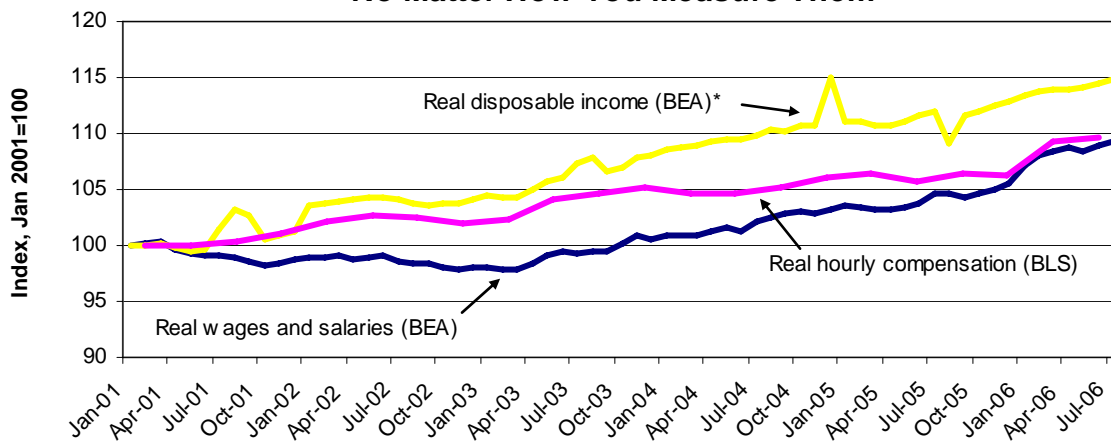
- The current 4.7 percent unemployment rate is estimated to be at or near full employment, and is significantly below the 25-year historical average of 6.1 percent.
- 128,000 new jobs were created in August, consistent with estimates of the job creation needed to keep pace with population growth.
- America continues to lead the world in job creation, with 62 percent of the adult population employed compared to slightly more than half in Europe.

Earnings are up, no matter how you measure them

Despite the negative press reports about the earnings of workers not keeping pace with inflation, recent data show that the average American worker is vastly better off due to the current economic boom:

- The Bureau of Labor Statistics shows that hourly compensation paid by firms is up 3.7 percentage points above inflation over the last four quarters.
- The Census Bureau shows the median income of U.S. households rose 1.1 percentage points above inflation in 2005.
- The Bureau of Economic Analysis shows that real disposable personal income is up 2.5 percent over the last 12 months, while nominal wages and salaries are up 7.6 percent over the last 4 quarters, a level significantly above inflation.

Earnings for American Workers Are Up, No Matter How You Measure Them



*Drop in August of 2005 was due to the effects of Hurricane Katrina