

SEN. JACK REED (RI)
RANKING DEMOCRAT

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REP. LORETTA SANCHEZ (CA)
REP. ELIJAH E. CUMMINGS (MD)

Congress of the United States
Joint Economic Committee
Democrats

109TH
CONGRESS

804 HART SENATE OFFICE
BUILDING
WASHINGTON, DC 20510-6602
202-224-0372
FAX 202-224-5568
www.jec.senate.gov/democrats

CHAD STONE
STAFF DIRECTOR

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Contact: Nan Gibson
office: 202-224-0377
cell: 202-320-4545

EARNINGS INEQUALITY GROWS DURING BUSH ADMINISTRATION
Typical Worker's Real Earnings Have Failed to Keep Pace with Inflation

Washington, D.C. – The distribution of usual weekly earnings of full-time wage and salary workers has become more unequal during the Bush Administration, according to data released today by the Bureau of Labor Statistics (BLS). Calculations by the **Joint Economic Committee Democrats** show that after adjusting for inflation, growth in earnings at the middle of the distribution and below has failed to keep up with inflation since President Bush took office, while earnings in the upper half of the distribution have grown faster than inflation.

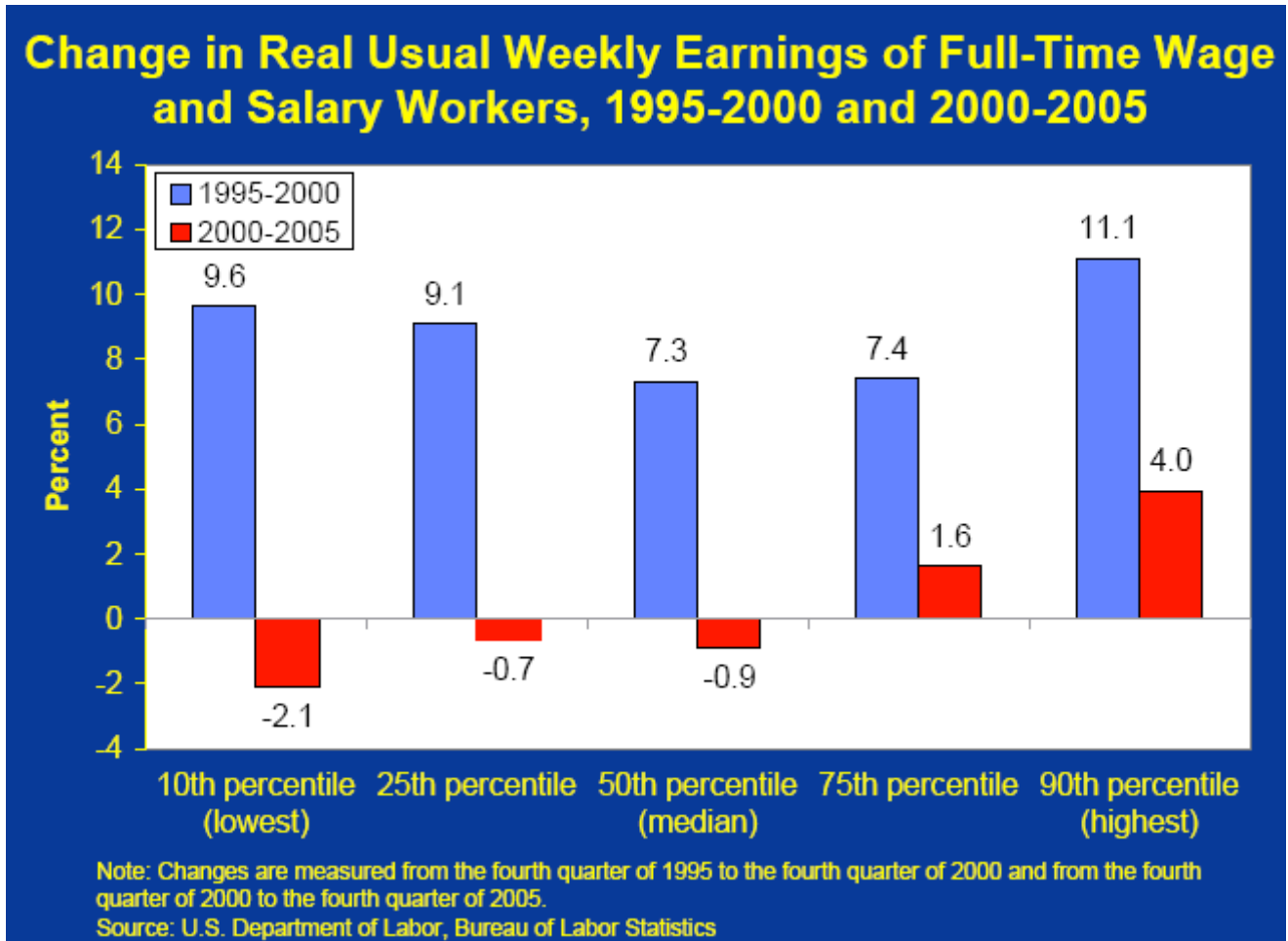
“President Bush is ignoring the squeeze that high prices for energy, health care, and other necessities is putting on the earnings of average families,” said **Sen. Jack Reed** (D-RI), Ranking Democrat on the **Joint Economic Committee (JEC)**. “Middle- and lower-income wage-earners have been hit particularly hard, but the President’s tax cuts mainly benefit those much farther up the income scale.”

The BLS published data today on the usual weekly earnings of full-time wage and salary workers at different points on the wage ladder. Median usual weekly earnings—the earnings at the exact middle of the distribution—were \$659 in the fourth quarter of 2005. Earnings at the 10th percentile were \$316, while those at the 90th percentile were \$1,535. (Only 10 percent of earnings are lower than those at the 10th percentile, while 90 percent of earnings are lower than those at the 90th percentile.)

The attached chart by the Joint Economic Committee Democrats shows the following:

- After adjusting for inflation, median usual weekly earnings—the typical worker’s earnings—were 0.9 percent lower in the fourth quarter of 2005 than they were in the fourth quarter of 2000.
- Real earnings at the 10th percentile were 2.1 percent lower, while those at the 90th percentile were 4.0 percent higher.
- This disparity contrasts with the strong and widespread earnings growth in the previous five years under President Clinton.

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The Joint Economic Committee, established under the Employment Act of 1946, was created by Congress to review economic conditions and to analyze the effectiveness of economic policy.

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