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**WAGE GROWTH HAS SLOWED AND BECOME MORE UNEQUAL  
SINCE PRESIDENT BUSH TOOK OFFICE**

Dear Democratic Colleague:

I want to call your attention to the attached chart, prepared by the Joint Economic Committee (JEC) Democrats, showing that wage growth has slowed and become more unequal since President Bush took office.

Wage inequality – the gap between the highest and lowest earners – has started widening again, reversing the trend of the late 1990s when a very strong labor market kept the earnings of low- and high-wage workers growing at a similar pace.

As the chart shows, from the end of 1996 to the end of 2000, full-time workers saw their usual weekly earnings grow substantially faster than inflation, and those gains in real (inflation-adjusted) wages were evident for both higher- and lower-wage workers. In contrast, from the end of 2000 to the end of 2003, real weekly earnings in the lower half of the distribution stagnated while those in the upper half have continued to grow. Real earnings at the exact middle of the distribution (half of all workers earn more, and half earn less) rose 1.7 percent per year from 1996 to 2000, but only rose 0.2 percent per year from 2000 to 2003.

President Bush's tax cuts have aggravated this growing inequality by giving larger benefits to those in higher income brackets. Moreover, with a weak labor market and President Bush's failure to close a 2.2 million jobs deficit, workers have not seen recent productivity gains reflected in their paychecks.

All of the JEC Democrats' "Economic Points-of-Interest Charts" or E-PICs can be viewed at <http://jec.senate.gov/democrats>. These charts are downloadable for use on the floor or in newsletters.

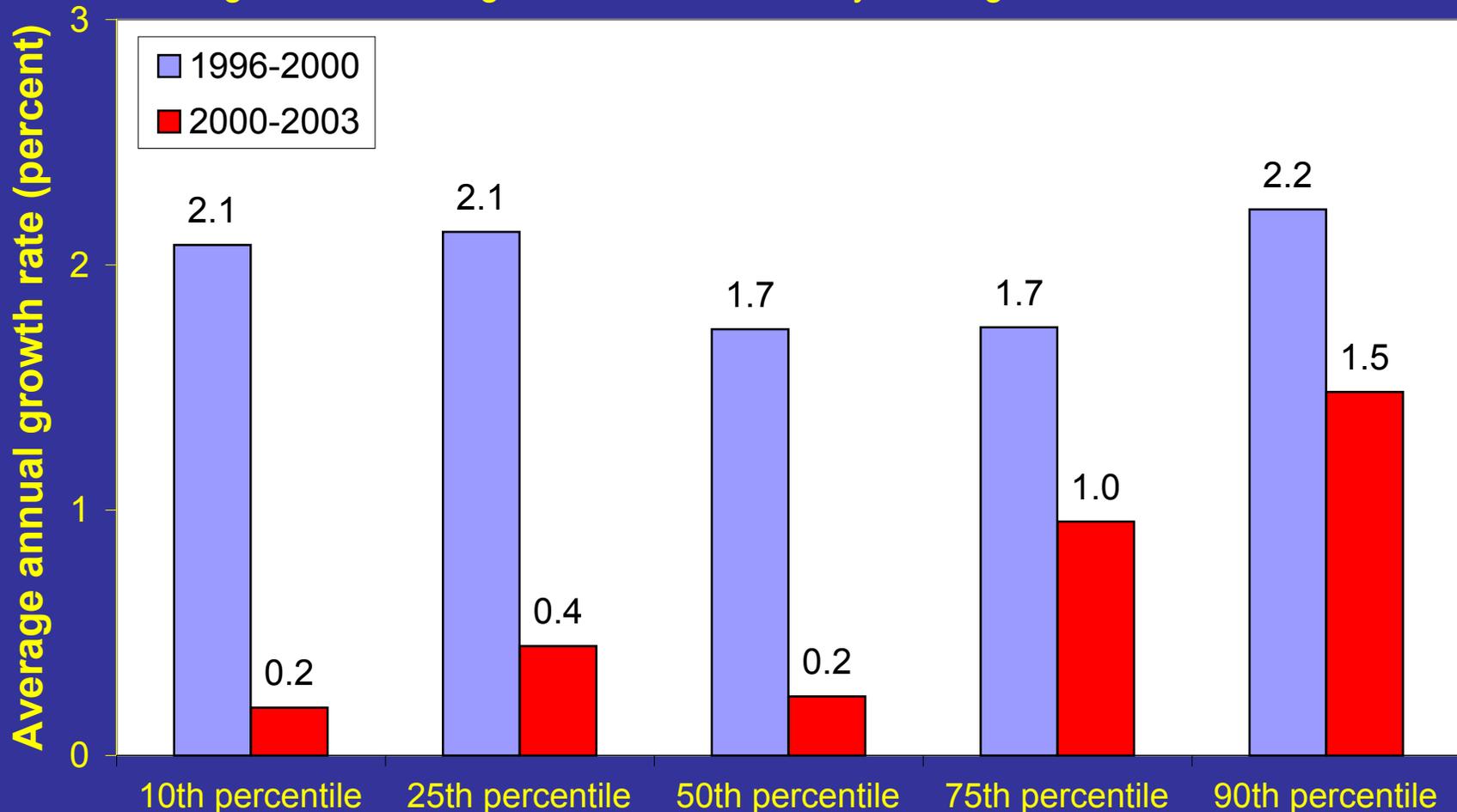
Please take the time to view the chart and to understand how wage growth has slowed and inequality has grown under President Bush. If you have questions about this E-PIC, please talk to me or have your staff contact JEC economist Matt Salomon at 202-224-0372 or e-mail him [Matt\\_Salomon@jec.senate.gov](mailto:Matt_Salomon@jec.senate.gov).

Sincerely,

Pete Stark

# Real Earnings Growth Has Slowed and Become More Unequal under Bush

Average Annual Change in Real Usual Weekly Earnings of Full-Time Workers



Note: Growth rates are fourth quarter to fourth quarter average annual rates.

Source: U.S. Department of Labor, Bureau of Labor Statistics