...Decline of unions, offshoring jobs contribute to losses

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ices in eight major groups, including food, housing, clothing, transportation and health care.]

In effect, last year 37 million Americans were living on less than $5,000 to $10,000 per person. At the federal minimum wage of $5.15 an hour, a year-round full-time (40 hours a week) worker would earn $10,712 — enough to escape poverty only if he or she had no dependents.

Income Up, By Some Measures

The U.S. Census Bureau reported that inflation-adjusted median household income rose 1.1 percent between 2004 and 2005, reaching $46,326. It was the first year since 1999 in which real median household income showed an annual increase. [Median means midpoint, so half the households earned more, and half less.]

Oregon's median was $43,262, while Washington's was $49,262.

Black households had the lowest median income in 2005 ($30,858) among race groups. Asian households had the highest median income ($61,094). The median income for non-Hispanic white households was $50,784. Median income for Hispanic households was $35,967.

For those who believe in equal pay for equal work, the good news is women are getting equality in the workplace. The bad news is that it's because men's wages are falling faster than women's, said the EPI. Real median earnings of males age 15 and older who worked full-time year-round declined 1.8 percent between 2004 and 2005, to $41,386. Women with similar work experience saw their earnings decline by 1.3 percent, to $31,858. Women now earn 77 cents on the dollar compared to men. The wage gap increased from 2002 to 2003, but shrunk over the last two years.

Of course, many workers' experience can be different than the overall trend. Most workers' earnings grow over their lifetime as they age and gain experience, even though workers as a group, by education or occupation, might have lost ground. The EPI report illustrates this. Workers entering the workforce today generally start at a lower point and advance more slowly than their predecessors did, the report says: "In 1970, a 50-to-54-year-old worker with some college (but not a degree) earned about $48,000 per year (in 2005 dollars) and a 20-24 year-old entering the workforce that year was paid about $23,000. But by 2000, when that same young worker reached the age of 50-54, his annual wage was just under $44,000 — substantially higher than his entry-level earnings but some $4,000 per year less than a similarly educated person in his parents' generation 30 years earlier."

"Another view yields the same conclusion: Starting wages (in 2005 dollars) for two different groups of workers (high school-educated workers and those with some college but not a degree) peaked in 1970 at $30,903 and $33,550, respectively, and in 2000, despite ups and downs, still remained below that peak (at $25,944 and $29,180)."

In recent times, economics has become a truly dismal science for working people in America. Most indicators of shared prosperity are down. But then, the state of owning America, a.k.a. the ownership society, is doing quite well.

EPI says the decline of unions, the rise of offshoring jobs, the changes in tax policy, and the freeze in the federal minimum wage have contributed to this inequality. All of those factors are political, and reversible.

Median family income by age of householder, 1947-2004 (2004 dollars)

Year	Under 25	25-34	35-44	45-54	55-64	Over 65	45-54 compared to 25-34 relative incomes
1979	$31,370	$46,552	$55,247	$60,999	$52,838	$27,298	1.31
1989	25,103	45,418	59,142	67,820	55,377	33,958	1.49
1995	23,086	44,336	57,269	67,734	55,714	34,835	1.53
2000	29,568	49,769	63,715	74,415	60,816	36,582	1.50
2004	26,451	46,878	62,121	71,002	62,176	35,825	1.51
Annual growth rate							
1979-89	-2.2%	-0.2%	0.7%	1.1%	0.5%	2.2%	1.3%
1989-2000	1.5	0.8	0.7	0.8	0.9	0.7	0.0
1995-2000	5.1	2.3	2.2	1.9	1.8	1.0	-0.4
2000-04	-2.7	-1.5	-0.6	-1.2	0.6	-0.5	0.3

Source: Authors' analysis of U.S. Census Bureau data.

Income inequality in the late 1990s vs. the early 2000s

		Top 10%					
		Next 5%	Next 4%	Next 0.5%	Next 0.4%	Next 0.09%	Top 0.01%
	Bottom 90%	90th-95th	95th-99th	99th-99.5th	99.5th-99.9th	99.9th-99.99th	99.99th-100th
1995-2000	12.5%	15.0%	25.1%	37.9%	52.4%	92.7%	156.0%
2001	-2.0	-3.0	-6.7	-10.9	-15.8	-25.2	-32.1
2002	-3.4	-2.8	-4.7	-6.8	-9.2	-14.7	-19.4
2003	-1.9	-0.5	-0.4	0.2	1.2	3.5	10.4
2004	1.4	2.6	4.7	10.0	12.5	17.8	27.5

Source: Piketty and Saez (2006).

Uninsured increase in number

According to an August U.S. Census Report, the number of Americans with health insurance coverage increased by 1.4 million to 247.3 million between 2004 and 2005, but the number without such coverage also rose by 1.3 million to 46.6 million (from 15.6 percent in 2004 to 15.9 percent in 2005). The proportion and number of uninsured children increased between 2004 and 2005, from 10.8 percent to 11.2 percent and from 7.9 million to 8.3 million, respectively.