Workers lose traction over past 10 years

Despite strong productivity growth, wages don't keep pace and fewer workers receive health and pension coverage.

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NEW YORK (CNNMoney.com) -- Working for The Man may never have been an overpaid joy, but it has offered a decent way to make a living.

Yet it's become less decent, especially considering how strong productivity growth has been, according to findings from the 2006 edition of The State of Working America from the Economic Policy Institute, a liberal nonprofit research group.

Between 1995 and 2005, productivity -- a measure of the quantity and quality of what workers produce per hour -- grew 33.4 percent. But hourly wages rose only 11 percent, with almost all of that increase coming during the late 1990s, according to EPI.

Looking back even farther, the disparity is greater. Since 1979, productivity rose 67 percent, while wages rose only 8.9 percent.

"The economic expansion continues to bypass most working families," said EPI economist Jared Bernstein, a coauthor of the report.

Wage growth, of course, will vary depending on several factors, including gender and education.

From 1973 to 2005, the median wage for women with a high school degree rose 7.4 percent. By contrast, the median wage for men with a high school degree fell nearly 14 percent.

For men with college degrees, they're now earning 12.8 percent more than they did in 1973 while women with college degrees are taking home 26 percent more pay.

Since 2001, however, the median wage for both genders with college educations remained essentially flat.

And among young college graduates, their entry-level wages have fallen since 2000 -- 79 cents per hour for men and 33 cents per hour for women.

In terms of income mobility as workers age, "people can get ahead," said EPI President Lawrence Mishel, just not as quickly as previous generations, according to EPI findings.

Families headed by workers in their prime earning years saw their income more than double in real terms between the mid-1950s and mid-1970s. The same group starting out in the mid-1960s saw their income grow by 75 percent by the mid-1980s, while for families starting out in the mid-1980s, their income grew 63 percent over the next 20 years.

Benefits reduced

When it comes to benefits, pension and health coverage has fallen in the past five years.

The percentage of full-time private-sector workers whose employer sponsors a retirement plan fell from 66.3 percent in 2000 to 59.7 percent in 2005, according to the Congressional Research Service (CRS).

Among part-time private-sector workers, the percentage covered fell from 45.3 percent to 39.9 percent during the same period.

In terms of health insurance, coverage for all private-sector workers fell from 58.9 percent in 2000 to 55.9 percent in 2004, according to EPI's report. In 1979, by contrast, 69 percent of workers had health coverage from their employers.

Employers who do provide coverage are picking up a greater percent of the premiums than they did in 2003. However, even though the percentage of the premium that workers must pay has declined, dollar-wise they
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are shelling out more since premium costs have risen so steeply -- by 73 percent since 2000, according to the Kaiser Family Foundation.

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