

•Self-sufficiency Standard for Delaware Co (slightly above **poverty** level) 1998
\$7.33 single, \$13.72 adult/infant, \$11.91 adult/teenager, \$17.99 adult/2 children

Pay at the 5 lowest job categories at Swarthmore College:

8	5.36-7.02
9	6.24-7.80
10	6.99-8.74
11	7.74-9.67
12	8.53-10.66

Understanding the Economics of Wages: <http://www.epinet.org/>

- Wages for the bottom 10% of wage earners **fell by 10.5%** between 1979 and 1998.
- The number of jobs in which wages were below what a worker would need to support a family of four above the poverty line also grew between 1979 and 1997. In 1997, 28.6% of the workforce earned poverty-level wages, an increase from 23.7% in 1979.
- Over the entire 1989-99 period **very little of the total 20.5%** increase in productivity went to workers—the median hourly wage among men was slightly less in 1999 than in 1989, and for women it was up just 4%.
- Two factors can explain the divergence between wage growth and productivity growth: rising wage inequality and a shift of income from workers to business owners. (Or, how have wages on the lower scales increased at Swarthmore in comparison with the increase in our Endowment--now at **1 billion dollars**.) The wage gap between those at the top and the middle has grown steadily, and the returns to capital have soared to historic highs.
- While a middle-class, married-couple family's income grew 9.2% from 1989 to 1998, a **substantial part of this growth was the result of more family work hours**, up 247 to 3,885 hours total, equivalent to six extra full-time weeks a year.
- Another policy, raising the minimum wage, has helped promote growth at the bottom. But the value of the minimum wage is still **21% below** its level in the late 1970s.

"One by-product of economic inequality is its debilitating effect on social cohesion. Studies show that states and nations with great inequality often have reduced levels of social involvement and trust. These, in turn, are correlated with high rates of illness and death."

*--Gerald Kloby, coordinator, Institute for Community Studies
Montclair (NJ) State University, January 24, 2000*