



FOSTERING SUSTAINED AND SHARED ECONOMIC GROWTH

Government in the Granite State: Past, Present and Future
Concord, NH
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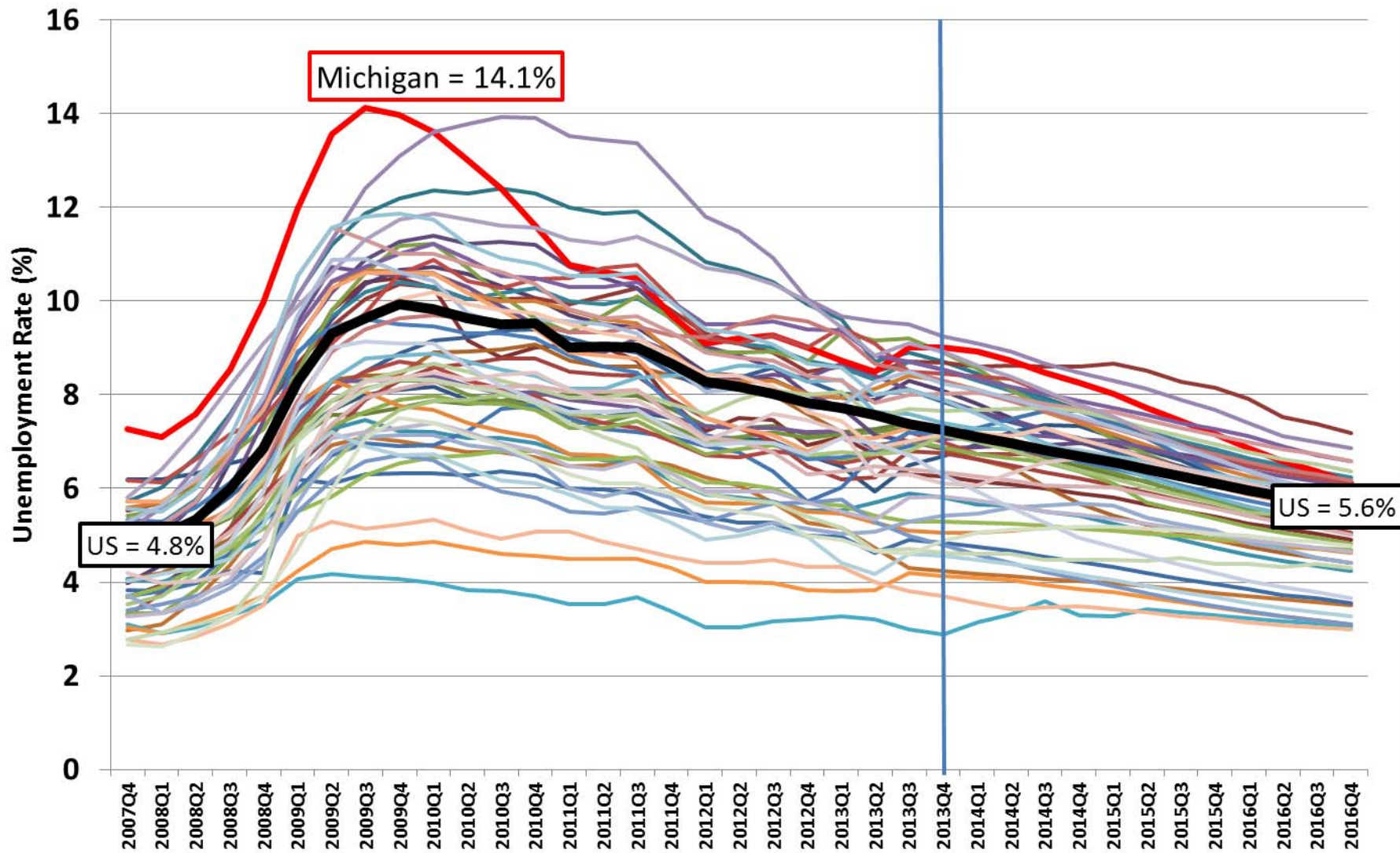




QUICK OVERVIEW OF THE ECONOMIC CONTEXT

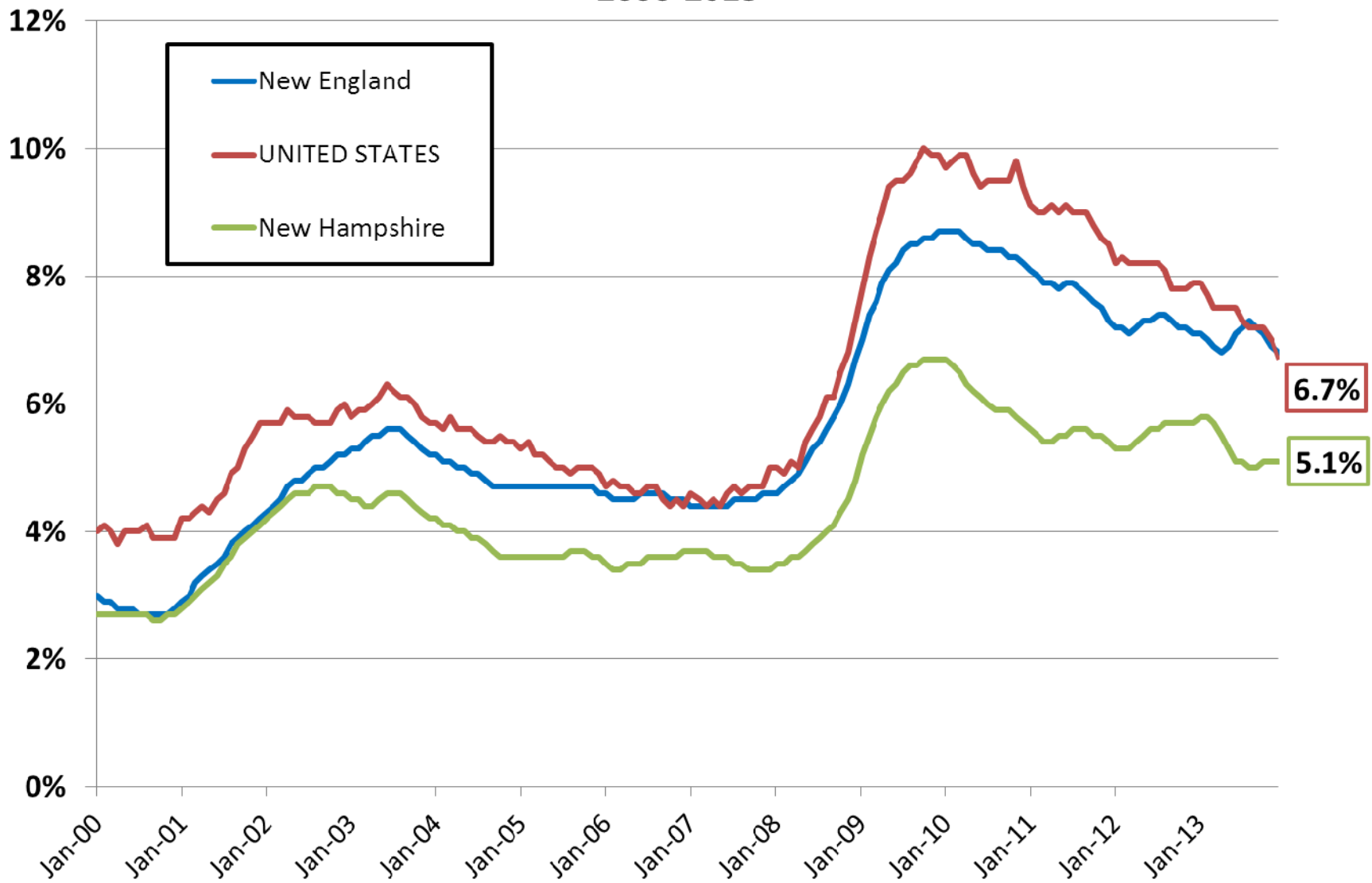


State Unemployment Rates (Actual and Projected), 2007-2016





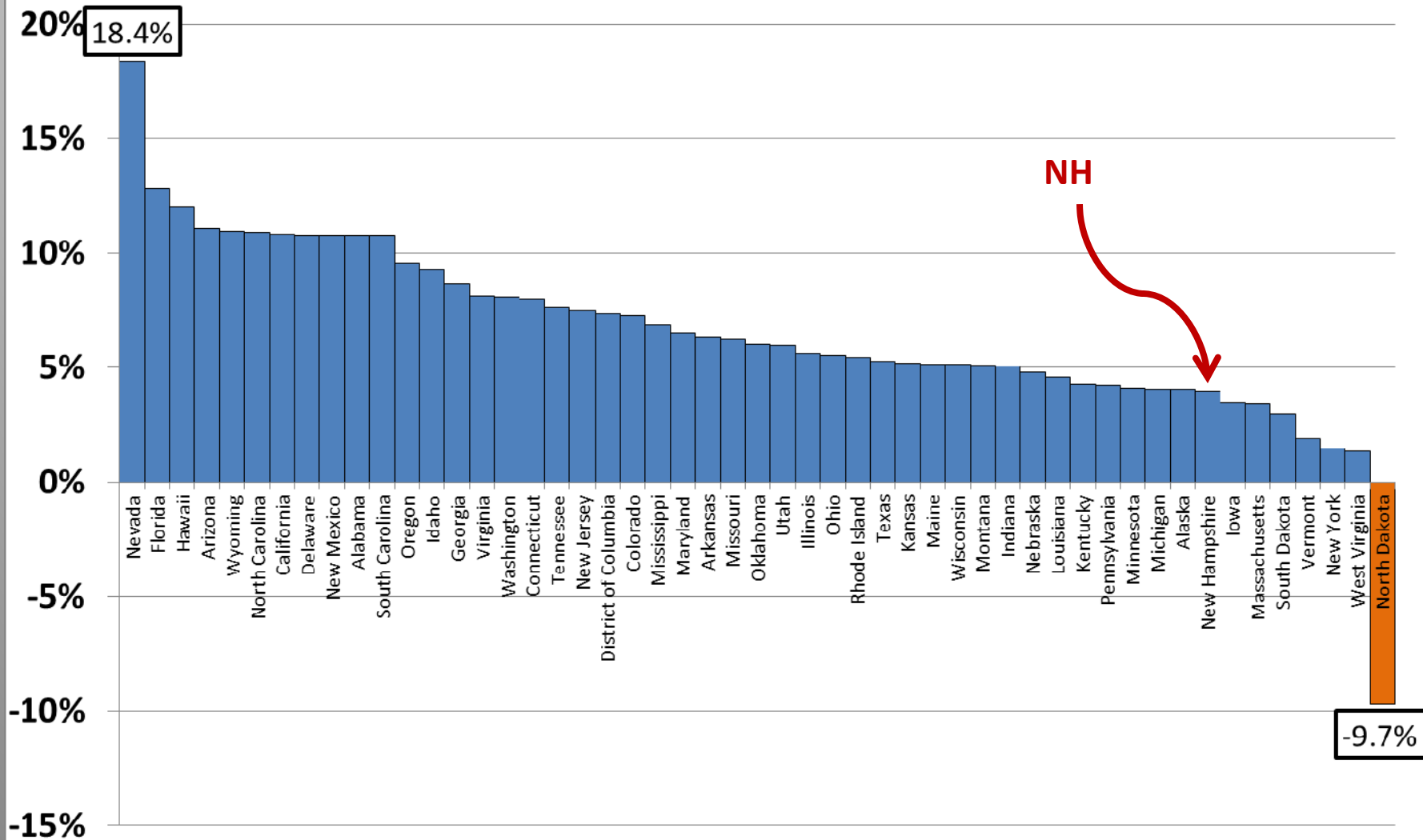
Unemployment Rates, US, New England, and New Hampshire, 2000-2013





August State "Jobs Deficits"

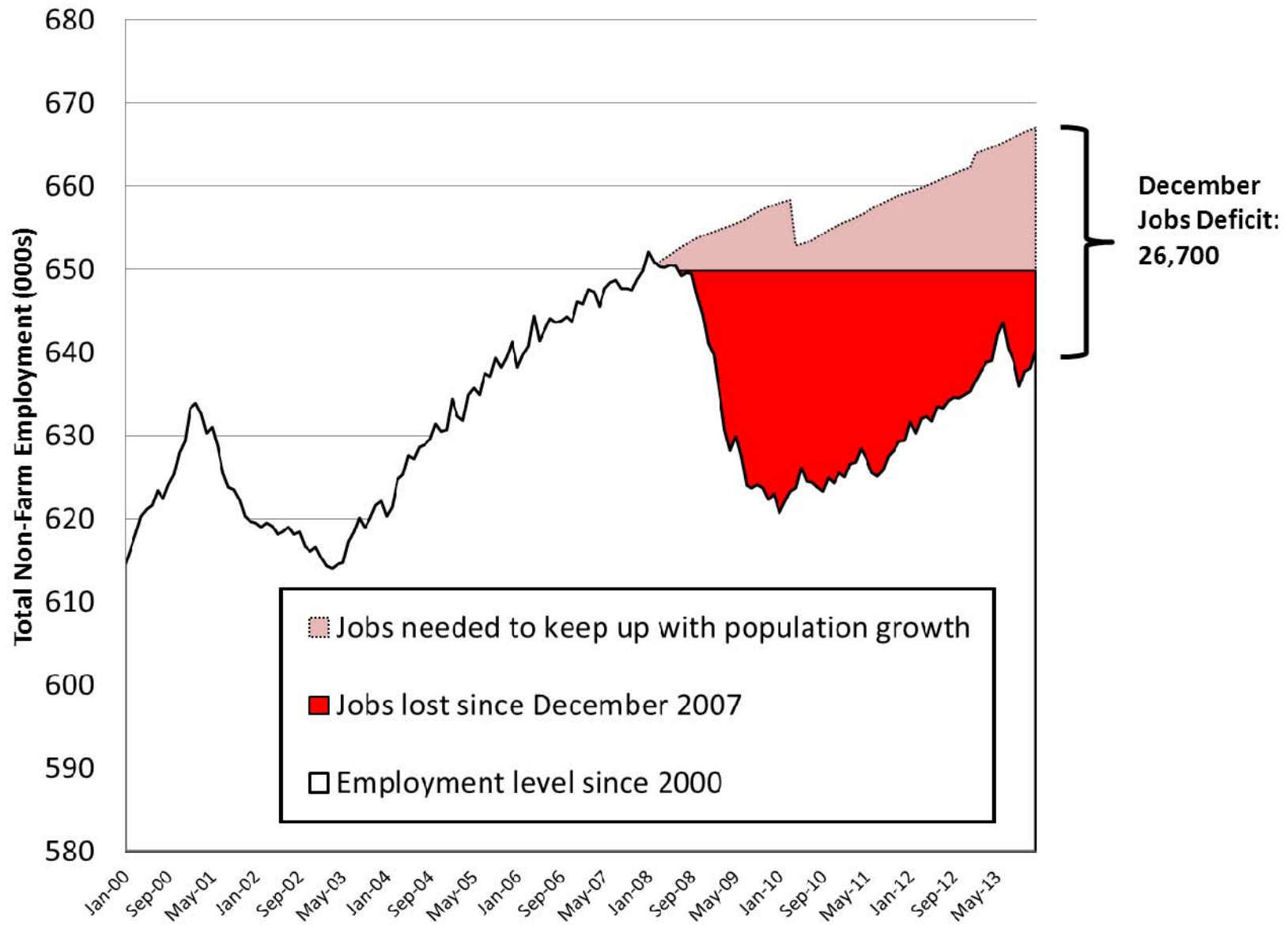
(as share of pre-recession employment levels)



Source: EARN/EPI Analysis of BLS data, September 2013.

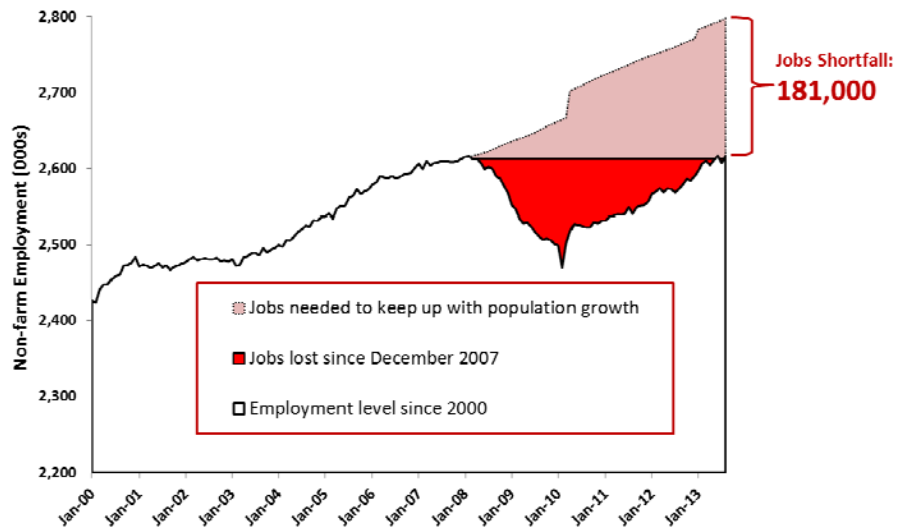


The New Hampshire Jobs Deficit (December 2013)

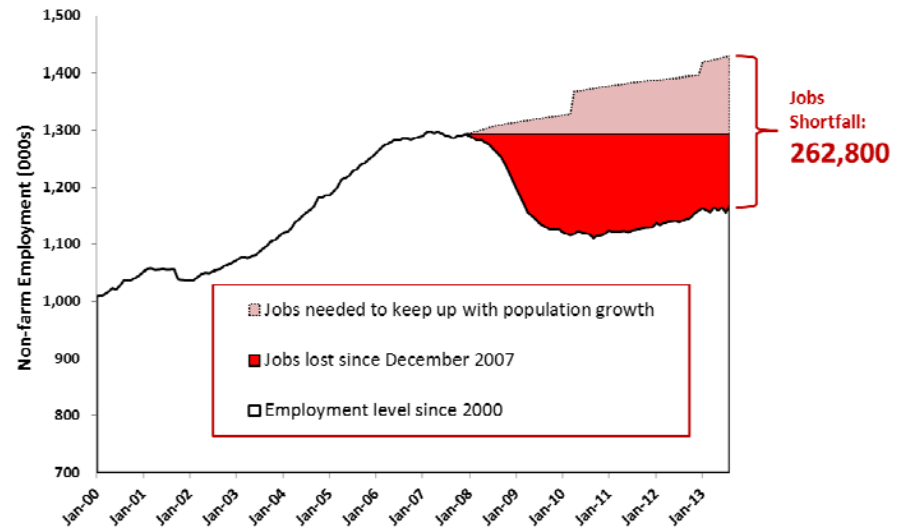




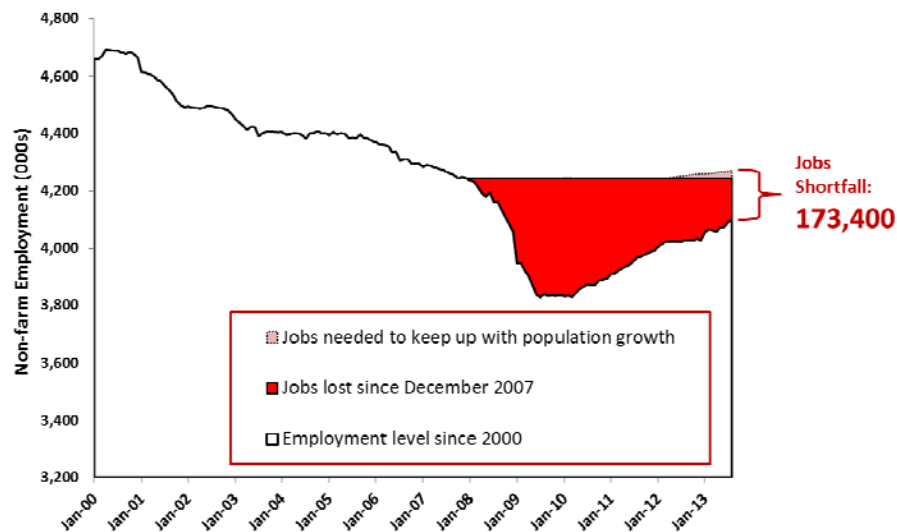
The Maryland Jobs Deficit, August 2013 (000s)



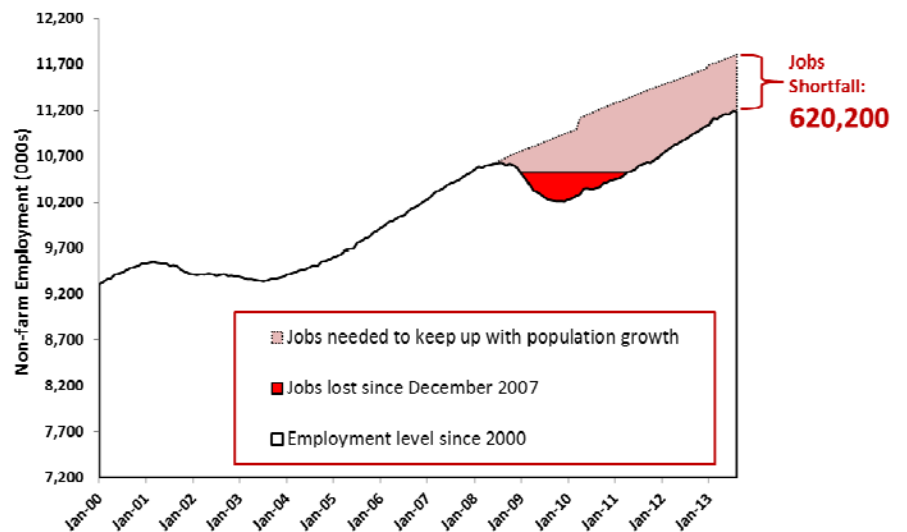
The Nevada Jobs Deficit, August 2013 (000s)



The Michigan Jobs Deficit, August 2013 (000s)

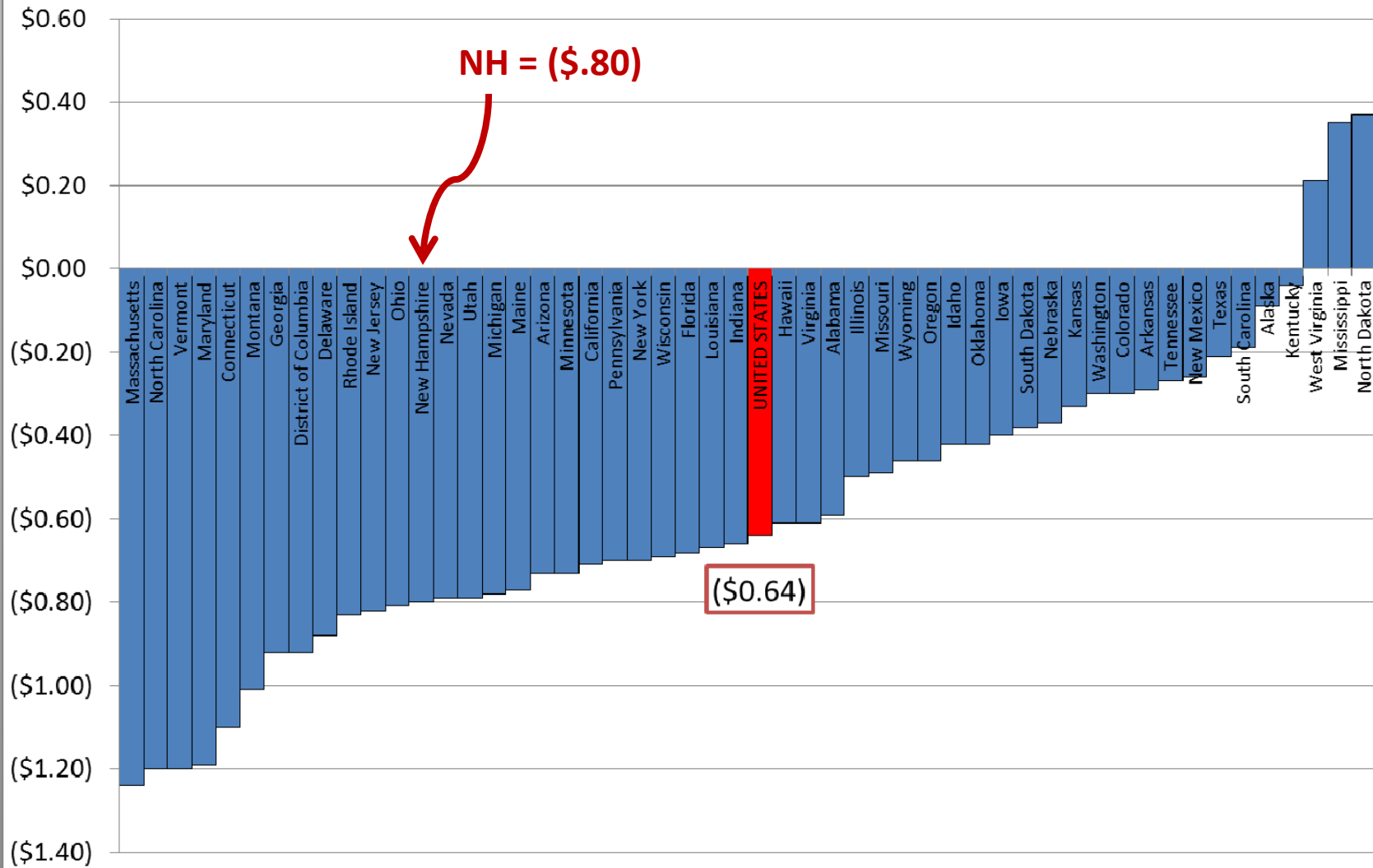


The Texas Jobs Deficit, August 2013 (000s)





Low (20th Percentile) Wage Erosion, 2009-2012



Source: EARN analysis of US Census Bureau Current Population Survey data.



**MOVING FORWARD WITH POSITIVE,
PROACTIVE POLICIES FOR SHARED
PROSPERITY**



1. First Do No Harm

- Avoid policy choices that promise a quick fix
- Don't chase smokestacks, or participate in "race to the bottom" shell-games for the sake of short-term job creation [note, but don't surrender to tension here with political cycles]
- Don't jeopardize your state's future prosperity by focusing on the wrong things, or by adopting policies that have a known upside, but either unknown or ignored downsides.



2. Recognize and honor what you're doing right

- Among lowest child poverty rates
- Among lowest “Asset Poverty” levels (CFED Asset and Opportunities Scorecard)
- Educational achievements
- Relatively restrained in terms of economic development “incentives” (grants and loans).
- Among states with lowest levels of income inequality

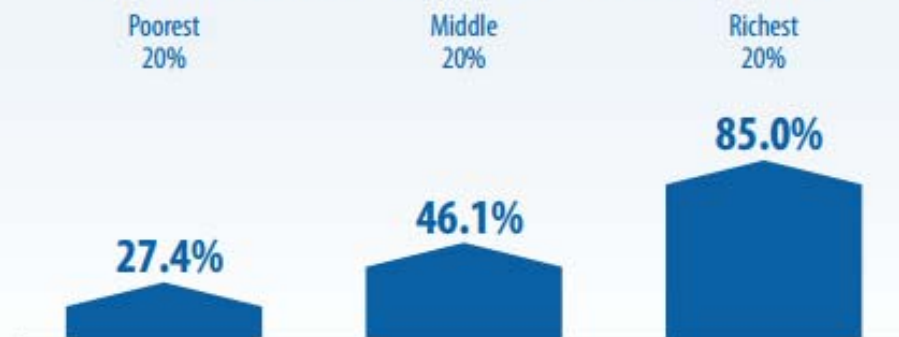


PULLING APART

INCOME INEQUALITY HAS GROWN IN NEW HAMPSHIRE

Inequality Worsening Since the 1970s

Change in income by household income group, late 1970s to mid-2000s



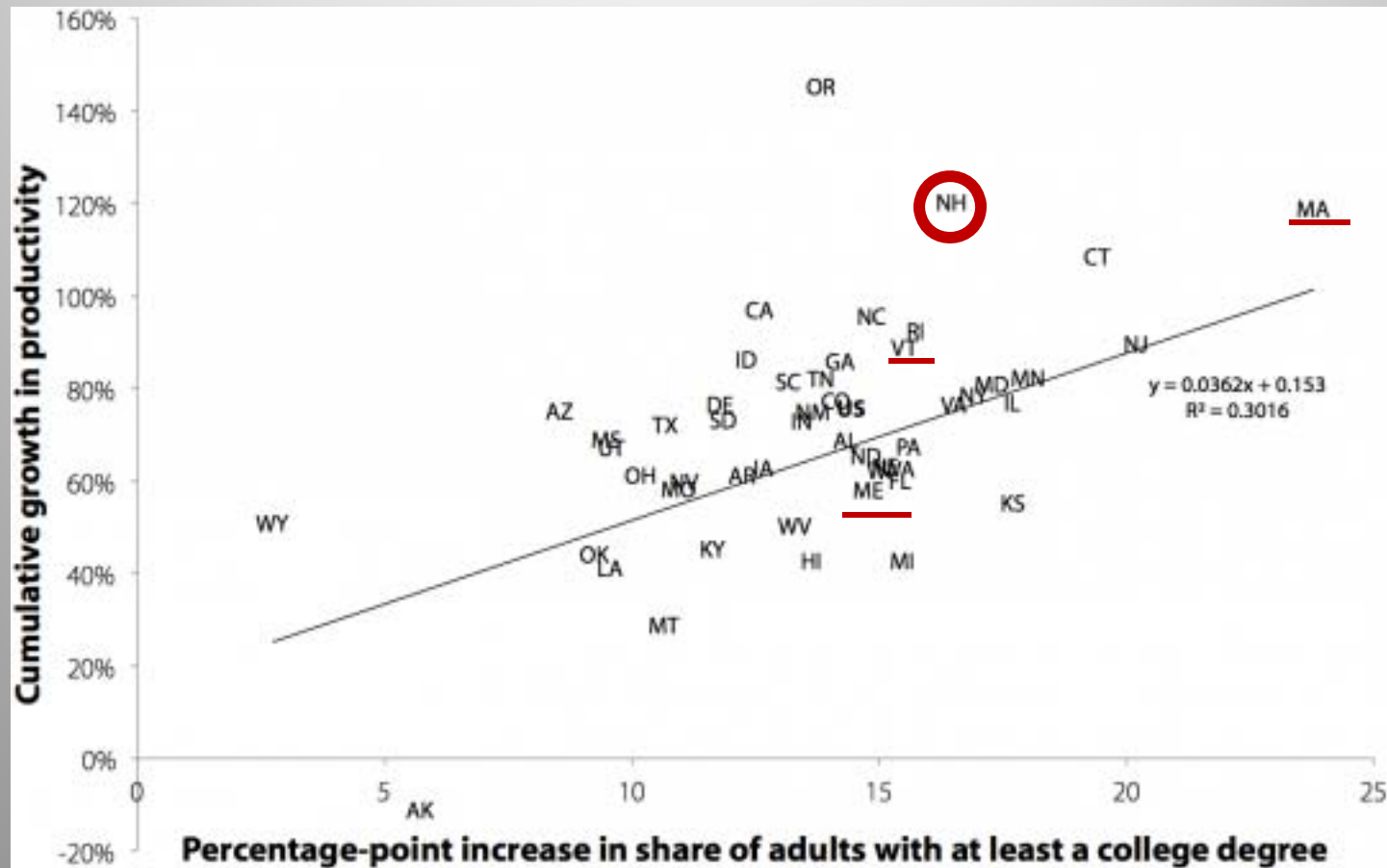
Incomes of New Hampshire's Richest Households Dwarf Those of Its Poorest

After decades of widening inequality, New Hampshire's richest households have dramatically bigger incomes than its poorest households.

The richest 5 percent of households have average incomes 9.6 times as large as the bottom 20 percent of households and 3.6 times as large as the middle 20



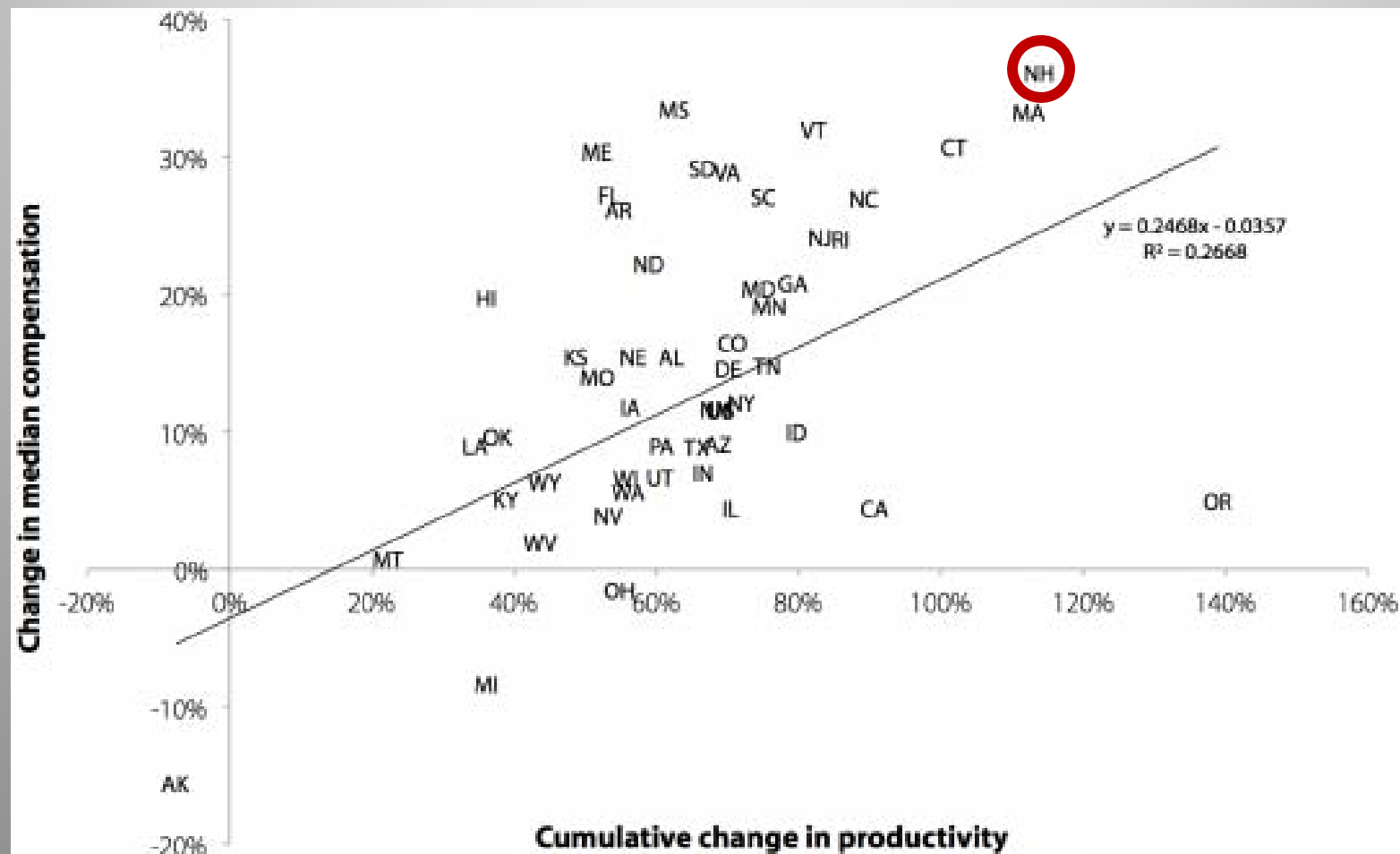
Productivity has grown more in states with greater growth in the educational attainment of their workforce: *Relationship between state productivity growth and increase in college attainment from 1979 to 2012*



Source: EPI analysis of unpublished total economy productivity data from the Bureau of Labor Statistics (BLS) Labor Productivity and Costs program, state employment data from BLS Local Area Unemployment Statistics, and college attainment data from the Current Population Survey basic monthly microdata



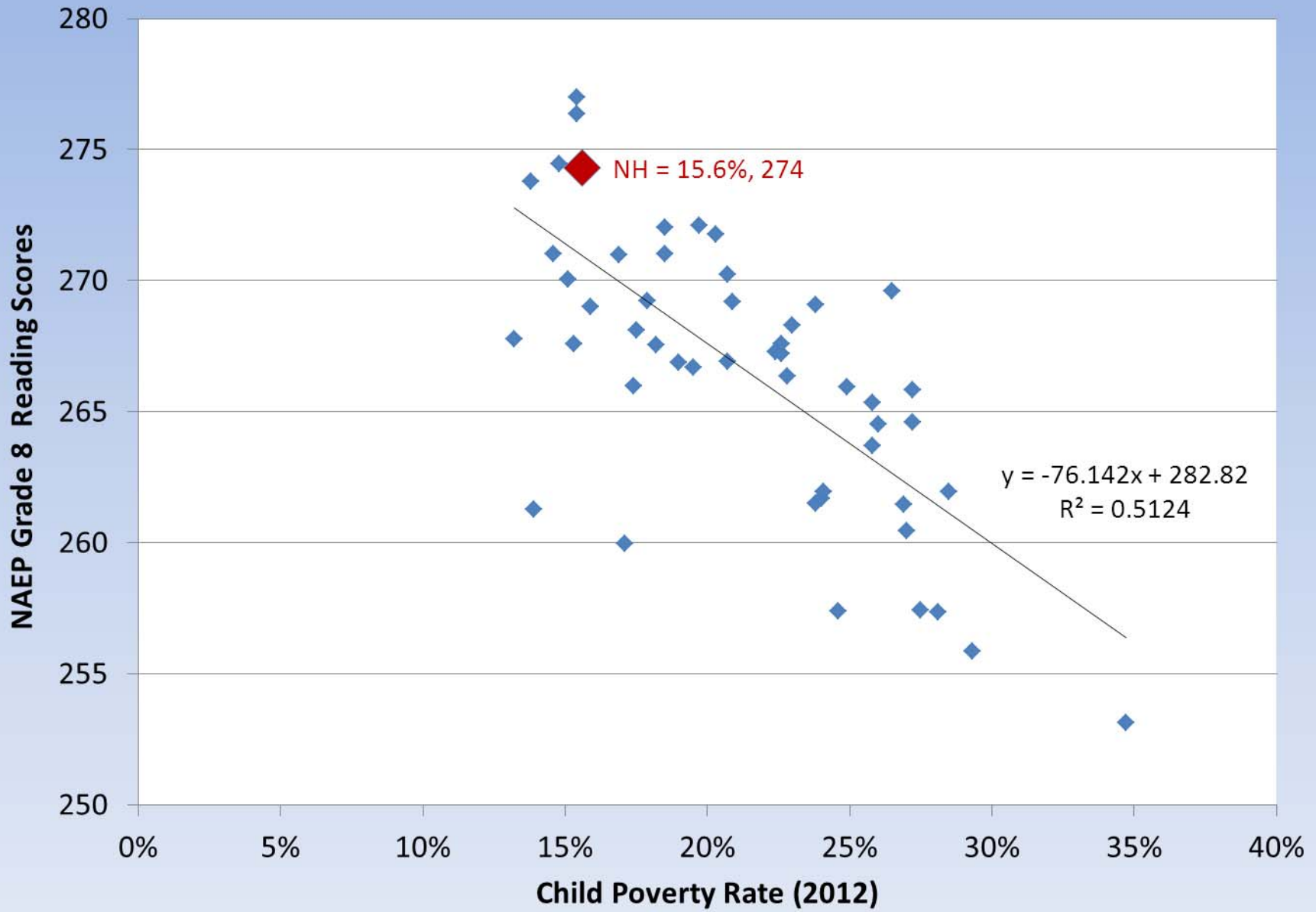
Worker compensation has increased more in states with greater increases in productivity: *Relationship between change in state median worker compensation and productivity from 1979 to 2012*



Source: EPI analysis of unpublished total economy productivity data from the Bureau of Labor Statistics (BLS) Labor Productivity and Costs program, state employment data from BLS Local Area Unemployment Statistics, state compensation data from the Bureau of Economic Analysis State/National Income and Product Accounts public data series, and wage data from BLS Current Population Survey (CPS) Outgoing Rotation Group microdata



Poverty vs NAEP Grade 8 Reading Scores





3. Make Smart Investments in Future Prosperity

A. Education, Education, Education

- Early Care and Education
- K-12 (addressing disparities by race and ethnicity, income)
- Post secondary – accessible and affordable (eg, need-based financial aid)
- Apprenticeships/Lifelong learning



3.Future Prosperity (cont')

B. Smart investments in infrastructure

- Roads, bridges, “green” public buildings, including schools
- Broadband, especially in rural areas

C. Enforcement of Labor Standards to ensure ALL share in prosperity

- Minimum wage
- No wage theft
- Worker safety



“There’s something happening here, what it is
ain’t exactly clear” [Buffalo Springfield]





CONCLUDING THOUGHTS



Thank-You!

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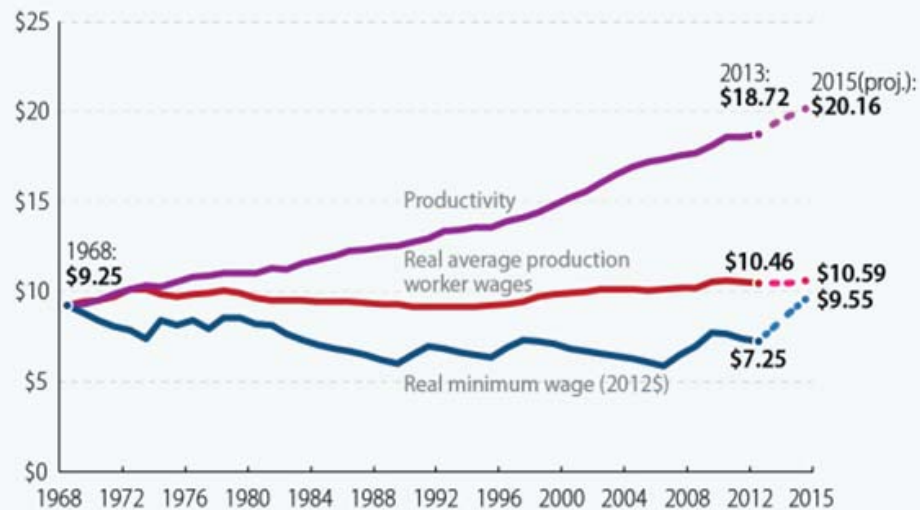




BONUS SLIDES



Real value of the minimum wage, actual vs. hypothetical at growth rate of average production worker wages and productivity (2012\$)



IF THE FEDERAL MINIMUM WAGE GREW SINCE 1968 WITH:

Productivity
it would be

\$18.72



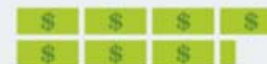
Real average production worker wages
it would be

\$10.46



Instead, the real minimum wage
is

\$7.25



Note: Inflation calculated using CPI-U-RS. Productivity used is total economy productivity. Wage and productivity projections based upon average annual growth rate for each series from 2002-2006, the last full regular business cycle. Inflation projections from the CBO.
Source: Author's analysis of Fair Labor Standards Act and amendments, total economy productivity data from the Bureau of Labor Statistics Labor Productivity and Costs program, Bureau of Labor Statistics Current Employment Statistics, and the Congressional Budget Office.



WHO'S HELPED BY RAISING THE MINIMUM WAGE?

WHAT PEOPLE THINK

Teenager

Works part time
after school

Lives with parents

Earning extra
spending money



THE REALITY

Average age:
35 years old

88% are not teens.
They're 20 or older

36% are
40 or older

56% are
women

28% have children

55% work
full time

On average, they
earn half of their
family's total income

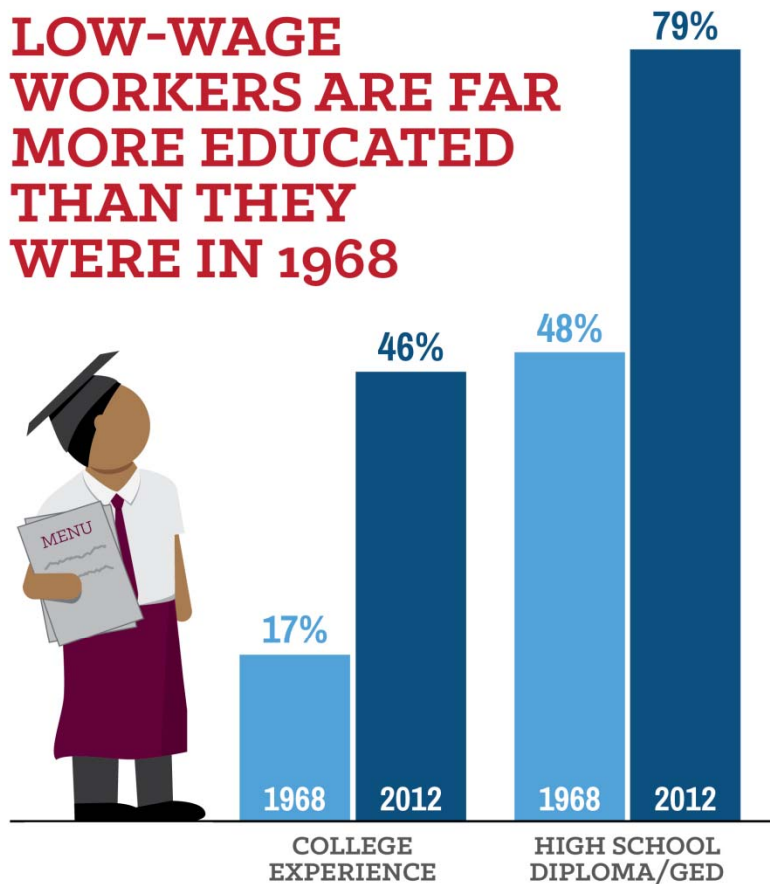


Note: Statistics describe civilian workers, ages 16+, that would be affected by an increase in the federal minimum wage to \$10.10 over three years, as explained in *Raising the federal minimum wage to \$10.10 would give working families, and the overall economy, a much-needed boost*. The median age of affected workers is 31 years old. [Visit **epi.org/issues/minimum-wage** for more details.](http://epi.org/issues/minimum-wage)

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LOW-WAGE WORKERS ARE FAR MORE EDUCATED THAN THEY WERE IN 1968



BUT WE'RE PAYING THEM LESS

From 1968 to 2013, the federal minimum wage has decreased:

↓ 23%

Source: EPI analysis of education attainment from March CPS for 1968 and 2012.

Note: Data for bottom fifth of wage earners. "College experience" means went to "some college" or had college or advanced degree.

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