

## ALBANY

# Low-paid workers show few gains

BY MICHAEL HILL  
*The Associated Press*

Wages for lower-paid workers stagnated in recent years even as New York's economy grew mod-

estly, according to a report from a labor-backed group.

The Fiscal Policy Institute reported that while output per worker in New York increased by 6 percent from 2001 to 2004, average wages increased by 1.8 percent. Gains from that increased productivity went into profits and to higher-wage earners, while real wages for lower-paid workers have stayed the same since 2001, according to the report.

"New York's families are treading water, with no real improvement, since 2000, in their economic well-being," according to the report. "Jobs are being recovered and wages are improving, but the pace is slow."

**'New York's families are treading water, with no real improvement, since 2000, in their economic well-being. Jobs are being recovered and wages are improving, but the pace is slow.'**

### FISCAL POLICY INSTITUTE REPORT

The problem is exacerbated by higher costs for housing, health care and pensions, which are gobbling up wages at a faster pace, according to the report.

While the booming housing market has been credited with contributing to economic growth in downstate areas such as the Hudson Valley, James Parrott, the institute's chief economist, said that growth may end as interest rates rise.

The institute's findings dovetail into what other economic researchers have been reporting for years. Kent Gardner of the Center for Governmental Research, which was not involved in the report, said New York is bedeviled by the same economic phenomena affecting the whole country, namely the movement of labor to other areas of the globe.

FPI researchers reported that the state has regained only half of the 273,000 jobs it lost during the recession that stretched from March to November 2001. Since June 2003, New York's 1.5 percent growth rate has been half the national rate.

New York continues to lose manufacturing jobs, a problem that has plagued the state for decades, particularly in upstate cities that had depended on factory jobs. Manufacturing jobs declined by 21 percent since 2000, according to the report.

Binghamton, Elmira and Rochester, three old manufacturing cities, continued to lose jobs in the first part of 2005, according to the report.

The report's authors also contended that New York's hike of the minimum wage by 85 cents to \$6 an hour on Jan. 1 did not slow

"You have a lot more workers with the same amount of capital, so corporate profits are up and wages are down. It's a very, very scary story for the state of New York," Gardner said.

job growth, as critics had predicted. The number of jobs in industries that employ large numbers of low-wage workers, like retail, grew after the wage bump, according to the report.