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## Little To Celebrate On Labor Day

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Labor Day, 2003. A national celebration of working people that extends the summer for one last day of swimming, picnics and sales. But what are we celebrating this year? We're supposed to be in an economic recovery. But to the nearly six percent of Wisconsin workers who are currently out of a job, that news doesn't mean much.

Officially, the 2001 recession began in March 2001 and ended in November, so we've been in "recovery" now for almost two years. Unfortunately, it has been a phantom recovery for Wisconsin workers. Unemployment is still up. We're hemorrhaging manufacturing jobs. And for those still employed, wages have barely moved. Correcting for inflation, they went up a measly one percent over 2001-2002. Of course, stagnating wages is not a new story. Over the past 30 years, while productivity of American workers has grown 66 percent, median wages have only increased 7. That breaks with a long history, stretching back as far as records are kept (well into the 19th century), that saw productivity and wage increases go hand in hand.

But in Wisconsin these new unemployment numbers are distinctive. For a longtime, from the late 1980s to the start of this past recession, Wisconsin's unemployment rate was well below the national average. We may not have been getting paid much, as we worked longer hours and more productively than ever, but at least we were employed!

Not anymore. Male workers were almost twice as likely to be unemployed in 2002 -- after the recession was supposedly "over" -- than in the year before the downturn began. Black Wisconsin workers, as usual, are doing worst. Nearly one in five is out of work, which is close to four times the unemployment rate for whites. What's distinctively Wisconsinite about this is that black unemployment here is almost twice the national rate.

What's the source of so much pain in Wisconsin?

One big part of it is manufacturing, which is disproportionately important here. In the two years since the recession began, we've lost 54,000 manufacturing jobs, almost 10 percent of our entire manufacturing base. Those jobs will keep disappearing unless we do something about the health-care costs that are hurting manufacturers (and other employers too), and sharply increase the productivity of our small and medium-sized firms.

There are ways to do both. Other states are finally beginning to

develop the "single payer" health schemes that can finally constrain costs while getting everyone covered. Consider Maine. And from Michigan and other heavily industrial states, as well as our own experience here with supplier upgrading programs like the Wisconsin Manufacturing Development Consortium and Wisconsin Regional Training Partnership, we know how to increase manufacturing productivity and workers' skills, to the point that companies can beat firms abroad despite the vast difference in wages.

So if we know how to do these things, you might ask, why don't we?

That's a really good question. Maybe we should ask it of our politicians and business leaders in the state. If we come up with the right answers, maybe we'll have something real to celebrate next Labor Day.

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