

# US manufacturing wages plummet

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Wages for manufacturing jobs in the United States have declined sharply in the past decade, three times faster than the general decline in workers wages, according to a new study released Thursday by the National Employment Law Project (NELP). The report's authors warn that the "degradation" of millions of manufacturer workers' jobs across America have, and will continue to have, far-reaching ramifications on the entire US economy, leading to "increasing inequality as middle class jobs do not return."

The report gives numbers and words to what life is actually like under the so-called "recovery" of President Barack Obama. Autoworkers, for example, once some of the highest paid workers in the United States, have had their livelihoods crushed by the Obama administration's bailout package, which entailed a 50 percent pay cut to all new hires.

According to the NELP report, autoworkers have been at the forefront of the massive decline in manufacturing wages. For instance, vehicle manufacturing workers make 21.05 percent less in 2013 than they did in 2003. And even these statistics mask the growing use of temporary workers who, on average, make 29 percent less than their counterparts, do not receive benefits, and are not counted in the manufacturing wage statistics.

The Obama administration's bailout of 2009 reduced the wages of new auto workers—literally cutting new hires' pay in half. The bailout led to tens of thousands of layoffs and the cuts of pension benefits and health care. According to the report, auto part workers saw their real wages decline by 14 percent between 2003 and 2013. The report notes that now "new hires in auto earn less than \$10 an hour."

By slashing the pay and benefits of workers, auto manufacturing jobs have increased after a period of mass layoffs. As opposed to "outsourcing" abroad,

companies are "in-sourcing." "Production and labor costs are no longer that different between international and US-based facilities," the report notes. There has also been a "wage convergence" inside the United States, driven by new low-cost production that drives all wages down. "In 5 of the 10 'Auto Alley' states," the authors write, "Michigan, Indiana, Ohio, South Carolina, and Tennessee—new hires at auto parts plants are paid roughly one-quarter less than the other auto parts workers in the states."

However, this attack on wages is in no way confined to auto workers. It is a general policy of the ruling class—the White House, big banks and corporations—to eliminate any gains workers have made over the past hundred years.

As a whole, the median wage in manufacturing in the US was \$15.66 an hour in 2013. The median wage of such workers has sunk by 4.4 percent since 2013. A full quarter of the manufacturing workforce makes less than \$11.91; however, again, this does not include the growing number of temp workers who count as service workers. According to the report, 14 percent of auto parts workers are now employed by staffing agencies.

What has taken place is a massive restructuring of working class life in America. The loss in pay and benefits affects workers, their families, the communities they live in, having a resonating effect across the entire working class, driving down wages and the quality of life. The NELP's report on manufacturing jobs joins a chorus of recent statistics that showcase the degradation of working class life under Obama's "recovery" and beyond.

- Between 2007 and 2013, the income of a typical US household fell 12 percent. The median American household now earns \$6,400 less per year than it did in 2007.

- Between 1989 and 2013 the share of wealth held by the bottom 90 percent fell from 33.2 percent in 1989 to

24.7 percent in 2013.

- In 2013, 2.5 million American children were homeless at some point in the year—a historic high, and one out of every 30 children in the country. During the Obama “recovery” between 2010 and 2013, the total number of children who had experienced homelessness each year grew by almost 1 million.

In a 2013 speech, Obama declared “The American auto industry is back.” Obama told his audience that, “as long as there’s more work to do to restore opportunity and broad-based growth for all Americans, that’s what we’ll keep doing to reach the brighter days ahead.”

Where is this “broad-based growth for all Americans?” Who has had their opportunity restored? Auto workers and manufacturing workers have been permanently imprisoned in low-paying jobs by Obama’s own policies—trying to pass this off as “broad-based growth” shows contempt for the intelligence of working people.

Who is Obama actually referring to? Ninety-five percent of all income gains between 2009 and 2012 went to the top 1 percent of income earners. Between 2009 and 2014 the wealth of the Forbes 400 list increased by 90 percent, now their known fortunes total \$2.29 trillion. Globally, the 2,325 billionaires across the world are worth \$7.3 trillion, 4.5 times the wealth held by the bottom half of all humanity, 3.5 billion people. It is these bank owners and stockholders who are the real recipients of the “recovery.” Obama’s policies promoting wage cutting and the inflation of the stock market have, without a doubt, helped to “restore opportunity” to these modern-day kings and queens.



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