

# Facts & Figures

State of Working America 2004/2005

## U.S. & the World

The International Comparisons chapter of *The State of Working America 2004/2005* compares the economic performance of the United States to the 19 other rich, industrialized countries that also belong to the Organization for Economic Cooperation and Development (OECD).

Countries in this comparison are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States.

Income & Productivity	<ul style="list-style-type: none"><li>❖ United States ranked highest in per capita income, as measured by purchasing power parity exchange rates, for 2002 at \$36,102. Ireland ranked second at \$33,736 and Portugal ranked last among the 20 OECD countries measured at \$17,759.</li><li>❖ In 2002, the latest data available, seven OECD countries had higher productivity than the US: Norway (131% of the US level); Belgium (111%); Netherlands (106%); Italy (105%); Ireland and France (both at 103 %); and Germany (101%). France exceeded US productivity, even as it lowered the standard workweek to 35 hours.</li></ul>
Wages & Compensation	<ul style="list-style-type: none"><li>❖ The growth of average real compensation (wages plus benefits) in the US from 2000-03 was 0.3%, below the OECD average of 0.5%; 13 countries fared better than the US. Norway's growth rate, 4.3%, was the fastest.</li><li>❖ Income inequality is high and rising in the US compared to the rest of the OECD. At the bottom of the income scale, US poverty rates are higher and living standards are lower than for those at the bottom of comparable economies. Moreover, income mobility appears to be <i>lower</i> in the US than in other OECD countries.</li><li>❖ CEOs in the US are paid about three times as much as their counterparts abroad. Only in Switzerland did CEO pay reach even 50% of the US pay.</li></ul>
Poverty	<ul style="list-style-type: none"><li>❖ The US had the highest overall poverty rate (17.0%) of the 17 OECD countries where data was available. Australia (14.3%), Italy (12.7%), the United Kingdom (12.5%), and Ireland (12.3%) had the next highest poverty rates after the US.</li><li>❖ The US had the highest child poverty rate (21.9%) and the second-highest elderly poverty rate (24.7%). Finland (5.4%), Norway (6.4%), and Sweden (6.5%) had the lowest overall poverty rates.</li><li>❖ US poverty was the most persistent, with a much higher share of people who were poor continuously over three years, according to the latest data (between 1993-1995). At 9.5%, the US rate was over twice as high as most other countries, which range from 0.8% (Denmark) to 7.8% (Portugal).</li><li>❖ The US had the highest rate of permanent poverty (14.5%) among OECD countries. The relatively large numbers of people in poverty for long durations in the US</li></ul>

indicates that mobility out of poverty is more limited here than in other OECD countries.

- ❖ OECD countries with higher social expenditures as a percentage of GDP had lower poverty rates among children. The negative relationship between social expenditures and child poverty is clearly evident. The US stands out as the country with the lowest expenditures and the highest child poverty rate.

Where the  
US Ranks

<b>Per-Capita Income</b> (using purchasing power parity exchange rate)	<b>Productivity</b> (GDP per hr worked US set to 100)	<b>Total Poverty</b> (No data for Japan, New Zealand, or Portugal)	<b>Child Poverty</b>
<b>2002</b>	<b>2002</b>	<b>2004</b>	
<b>1. US, \$36,102</b>	1. Norway, 131	<b>1. US, 17.0%</b>	<b>1. US, 21.9%</b>
2. Ireland, \$33,736	2. Belgium, 111	2. Australia, 14.3%	2. Italy, 16.6%
3. Norway, \$31,753	3. Netherlands, 106	3. Italy, 12.7%	3. Australia, 15.8%
...	...	...	...
18. New Zealand, \$21,971	<b>8. US, 100</b>	15. Sweden, 6.5%	15. Sweden, 4.2%
19. Spain, \$21,792	...	16. Norway, 6.4%	16. Norway, 3.4%
20. Portugal, \$17,759	18. Japan, 72	17. Finland, 5.4%	17. Finland, 2.8%
	19. New Zealand, 61		
	20. Portugal, 51		

Leave &  
Hours Worked

- ❖ It is more difficult for parents to afford time off to care for their children in the US than most other OECD countries, since it is one of just three (the others are New Zealand and Australia) that do not mandate paid maternity or paternity leave.
- ❖ In 2002, US workers, on average, put in 1,815 hours per year, more than workers in any of the other OECD country except Australia (1,824 hours) and New Zealand (1,816 hours).

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