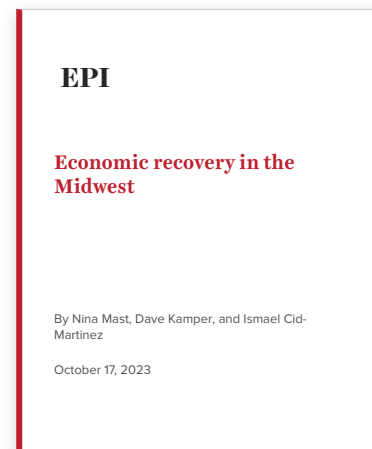


Economic recovery in the Midwest

Challenges and opportunities after the pandemic

Summary: The Midwest has faced a weakened economy in recent decades—brought on, in part, by anti-worker policies. Federal relief efforts during the pandemic gave the Midwest a boost, but the sunseting of those relief programs has put workers and families back in a precarious position. In this report, 31 charts detail the state of employment, wages, poverty, and union density in the region.



Read the full report
epi.org/271267

Key findings

- The Midwest remains the region with the nation's lowest unemployment rate (3.2% as of May 2023) and highest prime-age employment-to-population ratio (81.9% in 2022). However, racial employment gaps remain significant. The Black unemployment rate in the Midwest is more than 2.5 times the white unemployment rate.
- Wage growth has been slow for typical workers in the Midwest.
- The Midwest region lags the rest of the country in the share of private-sector workers with access to paid sick leave.
- Union density has declined in the Midwest more than in any other region since 1979, dropping from 28.9% in 1979 to 11.0% in 2022.
- A strong federal policy response reduced poverty during the pandemic. However, poverty rates are returning to previous levels as pandemic relief programs end.

Why this matters

Historically the Midwest has been a place of opportunity for workers building the core products of the U.S. economy. But decades of relentless attacks on unions, bolstered by anti-worker policies, have undermined working families in the Midwest. Gains made during the pandemic will be lost unless policymakers change course.

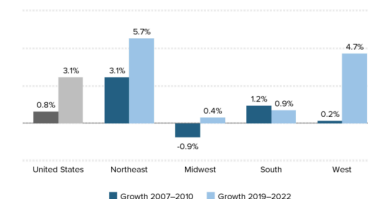
How to fix it

The impact of the federal pandemic response shows clearly that good policy can change people's lives for the better. Midwestern policymakers have an opportunity to reverse course, repealing anti-worker policies and putting worker-friendly policies in their place. Key policies include raising minimum wages, enacting paid sick leave and paid family leave, protecting the right to organize, and investing in the public sector.

Slow median wage growth

Following the last two recessions, median wages in the Midwest have grown less than in other regions

Median wage growth by region, 2007–2010 and 2019–2022



Notes: Midwest, Northeast, South, and West refer to the four geographic regions of the United States as defined by the U.S. Census Bureau. Median (50th percentile) wages are inflation-adjusted to 2022 dollars.

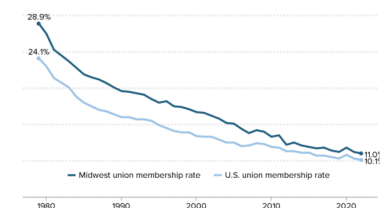
Source: Economic Policy Institute analysis of Current Population Survey Outgoing Rotation Group microdata.

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Erosion of unions

The Midwest's higher-than-average union density has eroded over time

Union membership rates for the Midwest and the U.S., 1979–2022



Notes: "Midwest" refers to the 12 states that make up the region as defined by the U.S. Census Bureau. Data refer to workers 16 and older. Union membership data are not available in the 1982 CPS. Self-employed and self-incorporated workers are excluded from the sample.

Source: Analysis of Current Population Survey, May (1973–1980) and Outgoing Rotation Group (1983–2022) extracts, EPI Current Population Survey Extracts, Version 1.0.32 (2022).

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