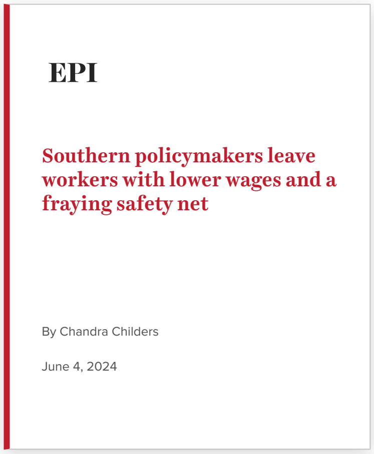
Overview

Southern policymakers leave workers with lower wages and a fraying safety net

Rooted in Racism and Economic Exploitation: Part Three

Summary: For at least the last 40 years, pay and job quality for workers across the South has been inferior compared to other regions—thanks to the racist and anti-worker Southern economic development model.



Read the full report
epi.org/279946

Key findings

- For over four decades, the typical worker in the South has been paid less than their counterparts in every other region of the country.
- The share of workers in the South who are paid less than $15 per hour—22% in 2021—is substantially higher than that of any other region.
- Workers across the South are the least likely to receive employer-provided health insurance or a pension compared with workers in other regions. They are also least likely to have paid sick leave.
- The South has by far the lowest rates of union coverage; the states with the lowest rates in 2023 are South Carolina (3%), North Carolina (3.3%), and Louisiana (5.1%)—compared with 11.2% nationally.

Why this matters

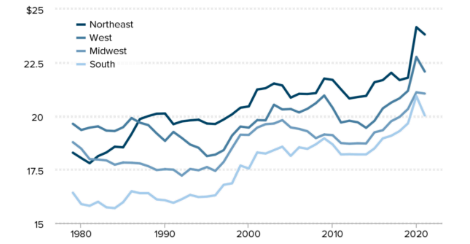
Lower wages and less access to health insurance, pensions, and paid leave for workers are deliberate outcomes of the Southern economic development model. Southerners from all backgrounds—across race, ethnicity, gender, immigrant statuses, and income levels—must come together to demand a new economic model that centers and empowers workers and families.

How to fix it

Policymakers in the South should raise their minimum wage and ensure that workers have access to health insurance, pensions, and paid leave. When workers are free to organize and bargain collectively, they can improve conditions in their workplace, even if politicians are intransigent.

For 40 years, workers in the South have been paid less than their counterparts in every other region

Real median hourly wages($2021) of workers by region, 1979–2021



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

Economic Policy Institute