



# The United States Conference of Mayors

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## **Michigan Residents Lose \$13.2 Billion of Wages in 2003, New Jobs Gained Have Wage Gap of Over \$1.1 Billion**

Washington, D.C. – A new report released today by the U.S. Conference of Mayors and its Council for Investment in the New American City, reveals that Michigan residents lost over \$13.2 billion in wages due to unemployment in 2003 alone; and 282,000 jobs were lost between 2000-2003.

Sectors that lost the most jobs included Durable Manufacturing (144,289 lost jobs), Administration and Support Services (36,043 lost jobs), and Non-durable Manufacturing (29,044 lost jobs).

The three sectors that are expected to lead hiring over the next three years in Michigan are Professional, Scientific & Technology (27,900 new jobs); Health Care and Social Assistance (22,560 new jobs); and Administration and Support Services (21,919 new jobs).

The report, prepared by economic forecasting firm, Goba Insight, calculates that jobs gained in Michigan over the next three years will have a **14.3 percent lower wage** than jobs lost during the recession. This represents a **wage gap equaling over \$1.1 billion** annually of lost wages for Michigan residents by 2006. The report also finds that Michigan will not regain its peak level of jobs that were achieved in 2000 until 2008.

U.S. Conference of Mayors Executive Director Tom Cochran said, "This report documents that Michigan residents have suffered significantly during the recession and that new jobs returning during the recovery will be at lower wages. We will continue to analyze the issue of lower wage jobs because in the long run, wages determine a person's ability to buy a home, pay credit card bills, college tuition, and child care."

Last month during the 72<sup>nd</sup> Winter Meeting of the U.S. Conference of Mayors in Washington, D.C., Detroit Mayor and Chair of the Council for Investment in the New American City, Kwame M. Kilpatrick, called for a Metro Economic Investment Initiative that includes a national infrastructure development plan, the creation of a 21<sup>st</sup> Century transportation system, brownfields redevelopment incentives, and affordable health care to help businesses create new jobs.

The investment initiative is part of the U.S. Conference of Mayors '04 Presidential Agenda for America's Future, called ***Keeping America Strong***. The five-point plan calls for a stronger Homeland Security system, Smart Investment in Infrastructure, Jobs for the Future, Tax Incentives for Public/Private Partnerships, and Affordable Health Care for All.

Kilpatrick said, “With global competition and a new economy based less on manufacturing, we need a new vision for keeping America strong; and that means keeping our metro economies strong.”

Kilpatrick told his colleagues that a strong America depends on the future of the nation’s metro economies. “Contrary to popular belief, it is not the economy of the 50 states that drive the national economy. It is the 319 metro economies – made up of cities – that are the strength of this nation. Our metro economies represent over 85 % of the nation’s jobs, labor income and economic output. In the last decade our metros generated over 87% of the nation’s growth, adding over \$8.3 trillion to the economy.”

Nationally, employment gains will pick up in 2004, expanding at a national rate of more than 2% by mid-year. As the U.S. economy achieves its potential rate of expansion for the first time since 2000, real gross domestic product (GDP) will expand by 4.7% in 2004, and 4% in 2005. This expansion will, at last, end the ‘jobless recovery’ with payroll growth of 1.5% in 2004 and over 2% in 2005.

“America’s strength has always been locally driven, in cities and its communities. With the presidential election underway, it is imperative that all the candidates address the need for jobs and sustained economic growth,” Cochran concluded.

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*The U.S. Conference of Mayors is the official nonpartisan organization of cities with populations of 30,000 or more. There are more than 1,100 such cities in the country today. Each city is represented in the Conference by its chief elected official, the Mayor.*

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