



NEWS

The United States Conference of Mayors

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U.S. CONFERENCE OF MAYORS RELEASES NEW REPORT SHOWING THAT ECONOMY SURGES, BUT WITH LOWER PAYING JOBS

Mayors and Business CEOs/Leaders Hold Economic Summit, Nov. 12, in New York to Discuss Changing Economy and New Realities Facing Cities and Businesses

Washington, D.C. – Today, The United States Conference of Mayors released a report that reveals recent growth in the U.S. economy, but with lower paying jobs. Mayors and business CEOs/ leaders will discuss the private-sector's involvement in the changing job market and its impact on U.S. cities during the Conference's Economic Summit in New York City on Wednesday, November 12.

The study, conducted by Global Insights, analyzes job loss between 2001-2003 and the expected job gain from 2004 – 2005. Furthermore, the report shows an economic expansion that will end the "jobless recovery" with job growth of 1.3% in 2004 and 1.7% in 2005, resulting in a slowly reduced unemployment rate.

The average wage of new jobs created during the 2004-2005 period is forecast to be \$35,855, which is significantly lower than the \$43,629 average wage of those jobs lost between 2001-2003, resulting in a wage gap of 18%.

Mayor James A. Garner, President of the U.S. Conference of Mayors said, "We are pleased that the economy is recovering, but we have to look at long-term strategies to produce and keep higher wage jobs. As mayors, we recognize that we must respond to the changing economic realities facing cities and businesses. We will begin this discussion at our Economic Summit this week in New York City with mayors and business leaders from across the country."

The report also indicated that in 2004, U.S. employment is expected to recoup the losses experienced over the previous three years. These losses totaled more than 2.3 million jobs. The top three sectors that lost jobs during 2001-2003 were Durable Manufacturers (1.6 million jobs lost at an average wage of \$45,300); Non-durable manufacturers (731,500 jobs lost at an average wage of \$40,600); and Administration & Support (361,000 jobs lost at an average wage of \$26,100). Many of these sectors, such as manufacturing and information, have seen jobs moved overseas due to outsourcing.

However, the expected job gains will not necessarily return in the same sectors where they were lost. The top three sectors for job growth for 2004-2005 are Administration & Support (845,000 new jobs with an average wage of \$26,100); Health Care & Social Assistance (738,000 new jobs with an average wage of \$37,400); and Accommodations & Food (477,000 new jobs with an average wage of \$14,700).

Detroit Mayor Kwame M. Kilpatrick, Chair of the Conference's Council for Investment in the New American City said, "While we recognize that jobs are coming back, we remain concerned that we're gaining back lower paying jobs. Contrary to popular belief, it is not the economy of the 50 states that drives the national economy. It is the 319 metro economies - made up of cities - that are the strength of this nation. As mayors, the issue of lower wage jobs is something we must analyze, because in the long run, wages determine a person's ability to buy a home, pay credit card bills, college tuition, and child care."

Tom Cochran, Executive Director of the U.S. Conference of Mayors concluded, "We need the business community's help to create more high paying jobs faster than we are losing them. Now more than ever, it is critical that we work together to create strong metro economies in order to remain competitive in this global workforce. "

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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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