Decent Work in America

The State-by-State Work Environment Index, 2005

JAMES HEINTZ

JEANNETTE WICKS-LIM

ROBERT POLLIN

POLITICAL ECONOMY RESEARCH INSTITUTE

PERI

University of Massachusetts Amherst

Decent Work in America:

Summary of Study

What are the factors that make for a decent work environment and how do the conditions of work vary in different parts of the United States? To address these and similarly important questions in a clear and accessible way, we have developed a new approach for measuring the work environment on a state-by-state basis throughout the United States (including the District of Columbia) — the Work Environment Index (WEI). This is the first installment of the WEI, and we intend to update it every year.

The WEI is a unique social indicator that brings together in one measure a range of factors that, in combination, define the quality of our working lives in the U.S. today. The WEI examines three basic dimensions of the U.S. work environment: job opportunities, job quality and workplace fairness. We rank the 50 states and the District of Columbia according to these three categories.

Based on our measures of job opportunities, job quality, and workplace fairness, we find that, overall, Delaware offers the best relative work environment in the United States. Other states with high WEI rankings include New Hampshire, Minnesota, Vermont and Iowa. The states with the lowest WEI rankings are Louisiana, Texas, Arkansas, Utah, South Carolina and Mississippi.

Our state-by-state WEI ranking enables us to consider a crucial and widely-discussed issue: Do the states that provide a relatively decent work environment end up paying a penalty in terms of their overall economic climate? For example, do states that rank high according to the WEI score poorly in terms of their overall growth rate, the pace at which new businesses are being formed in the state, or their rate of new job creation? In fact, we find that overall economic conditions in states with a high WEI rank are at least as favorable, if not somewhat more favorable, than those with low WEI rankings. Along with this, we also find that poverty rates in states with high WEI rankings are consistently lower than states with low WEI rankings.

About PERI

The Political Economy Research Institute (PERI) at the University of Massachusetts Amherst is actively engaged in research, dissemination, policy advising, and graduate student education. It also regularly sponsors conferences and other public events in its areas of research focus.

Established in 1998, PERI is an independent unit at UMass with close ties to the Department of Economics.
The Institute is committed to addressing basic issues of human and ecological well-being through research written for the general public, policy makers, and academic audiences. PERI researchers are currently involved in three broad and interrelated areas: Globalization and Macroeconomics; Labor Markets and Living Wages; and Development, Peacebuilding, and the Environment.

PERI is co-directed by Gerald Epstein and Robert Pollin, both professors of economics at the University of Massachusetts Amherst. James K. Boyce is Director of the PERI program on Development, Peacebuilding, and the Environment, and is also a professor of economics at UMass Amherst.

Political Economy Research Institute
Gordon Hall, Suite A
418 North Pleasant Street
Amherst, MA 01002

+1 413.545.6355 (Tel)
+1 413.577.0261 (Fax)
E-mail: peri@econs.umass.edu
Website: http://www.umass.edu/peri/

Almost all households in the U.S. depend on someone in the house working at a job. Whether you can get a job, and what that job is like — whether it offers good pay and benefits, a clean and safe work environment, and fair treatment for you and your co-workers — matters a lot to almost everyone. Money is the most obvious consideration. But your job is also crucial for establishing your sense of security and self-worth, your health and safety, your ability to raise a family, and your chances to participate in the life of your community.

What are the factors that make for a decent work environment and how do the conditions of work vary in different parts of the United States? To address these and similarly important questions in a clear and accessible way, the Political Economy Research Institute has developed a new approach for measuring the work environment on a state-by-state basis throughout the United States (including the District of Columbia) — the Work Environment Index (WEI). This is the first installment of the WEI, and we intend to update it every year.

What is the Work Environment Index?

The Work Environment Index is a unique social indicator that brings together in one measure a range of factors that, in combination, define the quality of our working lives in the U.S. today. Using 2004 data for this year's index, the WEI focuses on conditions for adult workers between the ages of 25 and 64, and examines three basic dimensions of the U.S. work environment:

Job opportunities. This measures the conditions people in different states face in terms of getting and keeping a job. This category includes statewide unemployment rates and the duration of unemployment, as well as data on what are termed "involuntary part-timers," people who accept part-time jobs only because they can't get full-time work.

The Work Environment Index brings together in one measure a range of factors that define the quality of our working lives in the U.S. today.

Job quality. We include here the figures on average wages in each state (adjusted for statewide differences in the cost of living) as well as the proportion of workers in each state receiving health and retirement benefits through their jobs.

Workplace fairness. This includes two broad categories. The first is the degree of equity among workers in each state. We measure this in terms of the proportion of very low-wage workers in each state (defined as the proportion of workers earning less than 50 percent of the national average wage, after adjusting for cost-of-living differences) and the degree of pay equity between women and men. The second is the regulatory environment with respect to labor standards and the right to organize collectively. Here we consider each state's minimum wage level; the degree to which collective bargaining is permitted in the public sector; and whether states operate under a so-called "right-to-work" provision.[1]

We chose these measures for two reasons. The first is that they all represent important dimensions of what makes up a decent work environment in the U.S. The second is that, for the most part, these measures correlate closely with other relevant indicators of a state's work environment. For example, the position of the various states on public sector bargaining, the "right to work," and minimum wage standards correspond closely with whether the states operate with legally required wage floors in the construction industry (what are termed "prevailing wage" provisions). Also, the unemployment rate figures we used for workers between 25 and 64 years old closely track the youth unemployment rate figures, for workers between 16 and 24.[2]

1. "Right-to-work" laws make it illegal to require workers to join labor unions as a condition of employment. According to the *Wikipedia*, 'Supporters of "right-to-work" laws claim that such laws give employees the right to work without joining a union. Opponents argue that the laws prevent free contracts between unions and business owners, making it harder for unions to organize and less attractive for people to join a union.' Opponents refer to them as "right-to-shirk" laws because unions are still legally required to represent all employees within its bargaining unit regardless of whether all such employees are union members or pay dues to the union.
2. In constructing the WEI state-by-state scores, each of the three components of the index are weighted equally; and within each component, each subcomponent, in turn, is also weighted equally. Our technical appendix (available online at http://www.umass.edu/peri/resources/wei/techappendix.pdf) presents a full analysis of how the index was constructed, including details on our choices of indicators and the relationship of these indicators to other relevant measures of a decent work environment in the United States.

The 2005 Work Environment Index rankings, top 25 states

Overall WEI rankings		Overall WEI score (Average of components)	State-by-state WEI component ranks (scores)		
			Job opportunities	Job quality	Workplace fairness
1	Delaware	89	6 (85.2)	2 (89.6)	3 (93.2)
2	New Hampshire	81	4 (89.8)	7 (77.6)	16 (74.1)
3	Minnesota	80	21 (62.0)	1 (100.0)	13 (79.4)
4	Vermont	77	5 (85.9)	36 (46.0)	1 (100.0)
5	Iowa	73	11 (78.5)	6 (82.0)	30 (57.3)
6	Connecticut	72	36 (49.3)	4 (87.1)	14 (79.3)
Tied for 7 - 9	Indiana	71	24 (61.0)	11 (72.0)	12 (80.0)
	Nebraska	71	7 (83.3)	15 (68.1)	28 (61.0)
	Wisconsin	71	29 (56.2)	8 (76.6)	11 (81.7)
10	South Dakota	70	2 (94.4)	25 (54.2)	29 (60.8)
11	North Dakota	69	1 (100.0)	18 (64.0)	33 (42.2)
Tied for 12 - 14	Maine	68	18 (64.7)	29 (49.1)	4 (91.7)
	Pennsylvania	68	28 (56.8)	10 (74.3)	16 (74.1)
	Rhode Island	68	31 (55.4)	21 (58.3)	5 (90.4)
15	New Jersey	67	23 (61.3)	13 (70.5)	19 (70.4)
Tied for 16 - 17	Kentucky	66	17 (65.5)	16 (67.2)	24 (66.6)
	Missouri	66	37 (48.9)	5 (85.2)	26 (63.8)
Tied for 18 - 19	Hawaii	65	9 (80.5)	32 (48.2)	25 (65.0)
	Massachusetts	65	25 (60.7)	27 (52.4)	10 (82.5)
20	Maryland	63	10 (80.0)	39 (40.0)	20 (69.7)
Tied for 21 - 22	Alaska	60	43 (37.1)	33 (47.8)	2 (94.9)
	Washington	60	48 (21.6)	13 (70.5)	7 (88.9)
23	Illinois	58	44 (35.8)	17 (64.4)	15 (75.0)
Tied for 24 - 25	Michigan	56	50 (3.7)	2 (89.6)	18 (73.4)
	Ohio	56	46 (33.3)	12 (71.5)	27 (63.5)

Source: http://www.umass.edu/peri/resources/wei/techappendix.pdf

Through combining these factors into the Work Environment Index, we are able to see which states provide relatively decent employment opportunities and which do not. We are also able to consider a crucial and widely-discussed related issue: Do the states that provide a relatively decent work environment end up paying a penalty in terms of their overall economic climate? For example, do states that rank high according to the WEI score poorly in terms of their overall growth rate, the pace at which new businesses are being formed in the state, or their rate of new job creation? The WEI enables us to provide answers to such questions.

State-by-state Work Environment Index rankings

We present the state-by-state WEI rankings on the accompanying tables. The highest possible score a state can receive in the index is 100 and the lowest possible score is 0. We also present two maps (see page 4) which give the WEI rankings. The first is a standard map of the U.S. which presents the states in five separate color groupings according to their WEI ranking. The second map is a cartogram, which adjusts the area of each state according to their overall WEI score, with the high-scoring states expanding from their actual size while the low-scoring states become smaller.

As we see, the state that clearly ranks highest in terms of the WEI is Delaware, with an overall score of 89. This is true even though Delaware does not rank first in terms of any of the individual components of the overall index. It achieves its top ranking through scoring strongly in all three measures — 6th in job opportunities, 2nd in job quality, and 3rd in workplace fairness.

Indeed, Delaware's score of 89 on a 100 point scale is well above even that of New Hampshire, the next highest-ranked state, with an overall score of 81. The remainder of the top 10 highest ranking states includes Minnesota, Vermont, Iowa, Connecticut, Indiana, Nebraska, Wisconsin, and South Dakota, with overall scores ranging between 80 and 70.

The lowest ranked state according to the WEI is Louisiana, with an overall score of 31. Louisiana ranks 41st in terms of job opportunities, 34th in terms of job quality, and 51st in terms of workplace fairness. Overall, workers in Louisiana face the greatest level of inequity and the weakest social protections, according to our workplace fairness standard. It is also in the bottom 10 according to job opportunities. It is slightly stronger by our job quality measure, but not by nearly enough to compensate for its other weaknesses.

The profile is somewhat different with Texas, the 2nd lowest ranking state. Texas is 40th in terms of job opportunities, 46th in job quality, and 43rd in terms of workplace fairness. Texas is therefore not the least desirable state according to any of our categories but is consistently bad by all three measures. The rest of the 10 lowest-ranked states are Arkansas, Utah, South Carolina, Mississippi, Arizona, New Mexico, Alabama, and Nevada. The range of scores among these states is between 34 and 41.

The 2005 Work Environment Index rankings, bottom 25 states and DC

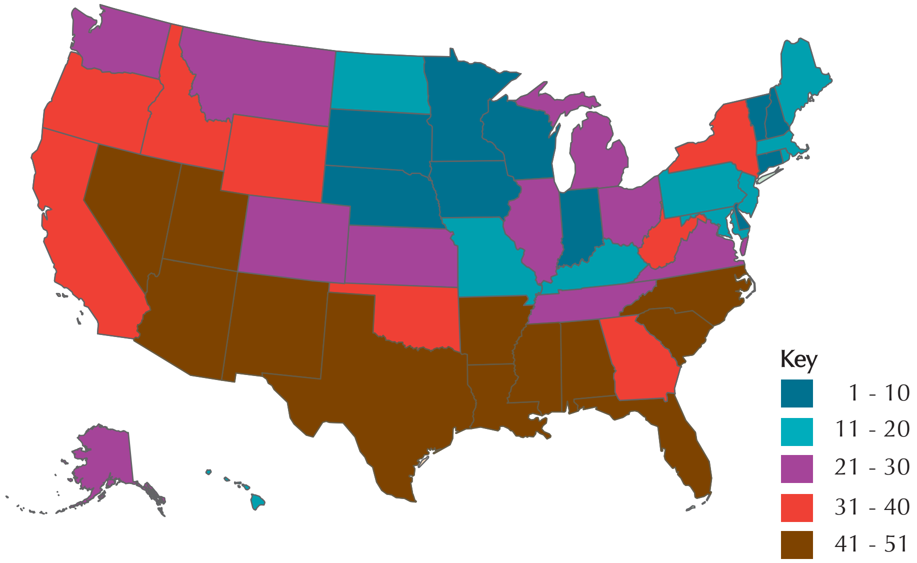
Overall WEI rankings		Overall WEI score (Average of components)	State-by-state WEI component ranks (scores)		
			Job opportunities	Job quality	Workplace fairness
26	Virginia	54	8 (80.8)	19 (62.7)	44 (19.8)
Tied for 27 - 30	Colorado	53	27 (57.3)	30 (48.9)	31 (53.6)
	Kansas	53	35 (51.3)	9 (74.6)	38 (32.4)
	Montana	53	20 (62.9)	47 (27.9)	22 (68.1)
	Tennessee	53	14 (67.8)	23 (55.9)	37 (34.5)
Tied for 31 - 32	Idaho	52	13 (71.3)	37 (43.7)	34 (40.3)
	Wyoming	52	3 (91.5)	41 (37.8)	42 (26.0)
33	California	51	47 (27.6)	40 (38.9)	9 (85.8)
Tied for 34 - 35	DC	49	49 (10.0)	31 (48.4)	8 (88.0)
	Georgia	49	16 (65.7)	24 (54.4)	40 (28.0)
Tied for 36 - 37	New York	48	42 (38.3)	42 (37.3)	22 (68.1)
	Oregon	48	51 (0.0)	26 (53.0)	5 (90.4)
38	West Virginia	45	34 (52.3)	38 (40.9)	32 (43.3)
39	Oklahoma	43	26 (58.3)	43 (34.1)	35 (37.5)
Tied for 40 - 41	Florida	42	15 (67.2)	49 (23.3)	36 (36.3)
	North Carolina	42	39 (45.7)	28 (50.2)	39 (30.4)
42	Nevada	41	12 (78.1)	48 (27.5)	45 (17.3)
43	Alabama	40	33 (52.9)	22 (56.4)	49 (9.8)
44	New Mexico	39	38 (46.3)	51 (0.0)	21 (69.5)
45	Arizona	37	19 (64.4)	45 (33.2)	46 (14.3)
Tied for 46 - 48	Mississippi	36	29 (56.2)	35 (46.2)	50 (6.2)
	South Carolina	36	45 (35.2)	20 (60.4)	47 (12.2)
	Utah	36	22 (61.5)	44 (33.3)	48 (12.1)
49	Arkansas	34	32 (53.9)	50 (21.0)	41 (26.6)
50	Texas	33	40 (44.9)	46 (28.4)	43 (24.4)
51	Louisiana	31	41 (44.1)	34 (47.6)	51 (0.0)

Source: http://www.umass.edu/peri/resources/wei/techappendix.pdf

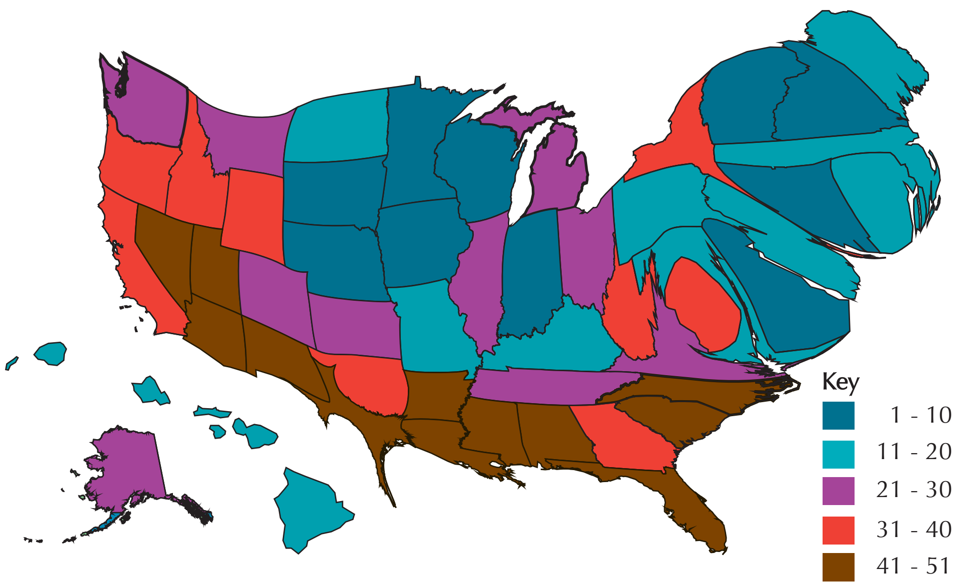
What the WEI rankings mean for people's working lives

What did it mean, in 2004, to be between 25 and 64 years old, and working or looking for a job in Delaware, New Hampshire, Minnesota, or another high-ranking state, as opposed to being in a low-ranked state like Louisiana, Texas, or Arkansas? How were people faring in middle-ranked states, such as Michigan, Ohio, or Virginia? To show this with some specifics, we present some of the underlying raw data on Delaware, Texas and Ohio in the table on page 5.

Work Environment Index. Colors show rankings in five groups.



Cartogram adjusts size of states by overall WEI score.



Source: http://www.umass.edu/peri/resources/wei/techappendix.pdf

Job Opportunities. As the table shows, in Delaware, the unemployment rate was 3.2 percent in 2004 for people between 25 and 64 years old, including 0.7 percent who are long-term unemployed, which we define as people who have been out of work for more than 26 weeks.[3] Another 1.1 percent of Delaware workers were involuntary part-timers.

The contrast with Texas is quite sharp: 4.9 percent of the workforce were unemployed in 2004, of whom 1 percent were long-term unemployed. Another 2.1 percent of the Texas workforce was involuntary part-timers. In other words, your chances of being either unemployed or an involuntary part-timer were 63 percent higher in Texas than Delaware, and 43 percent higher to be unemployed long-term.

In our mid-range state of Ohio, the unemployment rate, at 5.1 percent, the rate of long-term unemployed, at 1.3 percent, and the rate of involuntary part-timers, at 2.2 percent, were all higher than Texas as well as Delaware. As these figures show, a state like Ohio can end up in the middle of the overall WEI rankings by combining very bad performances on some measures with favorable standings on others.

Job Quality. The average worker in Delaware was paid \$16.69 per hour in 2004 (after adjusting for cost of living) while in Texas, the average worker earned \$14.61, 12 percent less. In addition, 65 percent of workers in Delaware received health insurance benefits from either their employer or

3. We use the 26 week cut-off because unemployment insurance generally covers the first 26 weeks of joblessness.

	Delaware 1st in WEI Ranking	Texas 50th in WEI ranking	Ohio 25th in WEI Ranking
Job Opportunities			
Unemployment rate	3.2%	4.9%	5.1%
Long-term unemployed	0.7%	1.0%	1.3%
Involuntary part-timers	1.1%	2.1%	2.2%
Job Quality			
Average hourly wage (adjusted for cost of living)	$16.69	$14.61	$15.54
Percentage with health insurance benefits	65%	55%	63%
Percentage with retirement benefits	58%	48%	56%
Workplace Fairness			
Female wage as percentage of male wage	84%	84%	79%
Percentage of very low-wage workers	3.4%	9.3%	5.4%
Public sector bargaining laws	Supportive	Opposed	Supportive
"Right-to-work" state	No	Yes	No
Statewide minimum wage rate	$6.15	$5.15	$4.25

Source: http://www.umass.edu/peri/resources/wei/techappendix.pdf

union and 48 percent had employer-provided retirement plans.

For Ohio, our mid-range state, the average worker earned $15.54 (after adjusting for cost of living), seven percent below the Delaware average but six percent higher than Texas. Ohio does come close to Delaware in terms of benefits, with 63 percent of workers receiving employer- or union- provided health insurance benefits and 56 percent getting employer-provided retirement plans.

Workplace Fairness. In terms of our equity measures, Delaware and Texas exhibited identical male-female wage gaps in 2004, with an average full-time woman worker receiving 84 percent of an average man's earnings. But Texas had a far higher proportion of very low-wage workers — 9.3 percent of their overall workforce as opposed to 3.4 percent in Delaware.

In terms of regulatory interventions to promote social equity, the two states contrasted sharply in 2004. Delaware was generally supportive of the right of public sector workers to organize and it is not a "right-to-work" state. Delaware also established a statewide minimum wage of $6.15 per hour, a dollar above the federal minimum. Texas regulations are hostile to workers who attempt to organize themselves collectively, and it has not raised the statewide minimum wage above the $5.15 federal minimum.

Ohio offers a mixed picture in terms of the fairness measures. Its male-female wage gap in 2004 was larger than Delaware and Texas, while its share of low-wage workers, at 5.4 percent, was between Delaware and Texas. Ohio is friendly to collective bargaining, but it operates with a minimum wage standard of $4.25 per hour, even lower than the federal minimum.[4]

Overall, then, based on data for 2004, a worker in Delaware has a significantly better chance of getting a job than a worker in Texas,

4. State-level minimum wage laws below the federal standard apply only to workers who are not covered by the federal Fair Labor Standards Act (FLSA).

as well as a better chance that the job will be full-time. The average worker in Delaware will also be earning substantially more per hour than a Texas worker, even after taking account of differences in living costs between the two states, and will be much more likely to get health insurance from their employer or union and an employer-provided retirement plan. Finally, there is generally more equality among different types of workers in Delaware than in Texas, and workers have a far more favorable environment to organize themselves collectively.

Ohio stands in an uncomfortable midpoint between the poles of Delaware and Texas. Unemployment is a severe problem in Ohio. But if you can get a job in Ohio, you will be, on average, significantly better off on all counts than a comparable worker in Texas.

Our findings do not suggest that Delaware offers ideal conditions for workers. Among other considerations, a full 35 percent of Delaware workers do not receive employer- or union-provided health insurance, and 42 percent do not get employer-provided retirement benefits — this even in a state with relatively strong regulatory protections for working people.

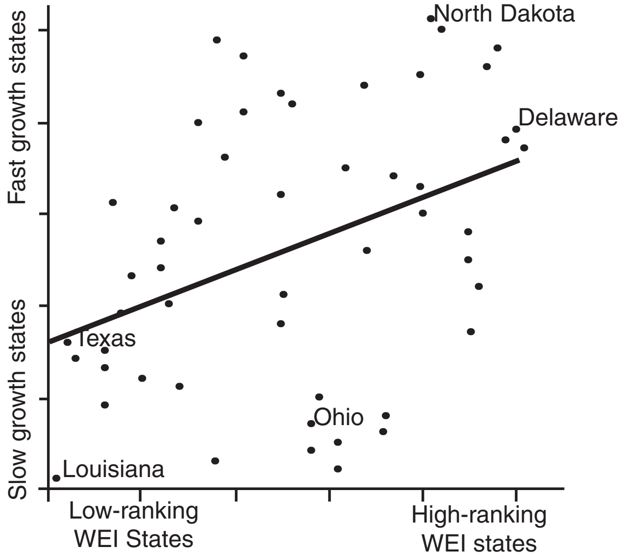
We are also likely to see changes in the rankings for next year. For example, Florida instituted a statewide minimum wage of $6.15 per hour in 2005, which will improve its rankings, while Indiana and Missouri are likely to fall in rank because both sharply weakened the bargaining rights of public sector workers in 2005.

Work environment and overall economic climate

Do states like Delaware, New Hampshire, Minnesota, Vermont and Iowa, which offer their workers a relatively good situation, suffer in terms of overall economic performance? The short, general, ans-wer is no, as we will see below. If anything, as a general conclusion, states that offer a decent work environment also tend to do somewhat better in terms of overall economic performance. But there are also wide variations in these results, with some states with high WEI rankings doing poorly by some measures of business climate while others do well.

Overall Economic Growth

Economic growth and WEI rankings move upward together moderately.



Source: http://www.umass.edu/peri/resources/wei/techappendix.pdf

Note: Figures for both average economic growth and the WEI are the state-by-state rankings, from 1st to 51st.

We can show our overall findings clearly in the three accompanying graphs. These graphs plot the WEI against three basic indicators of a state's business conditions:

1) Overall economic growth from 1999 - 2004;

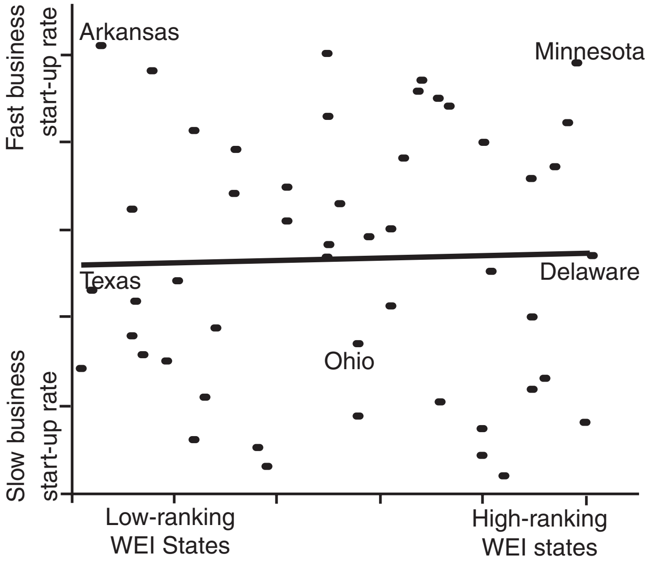
2) The rate of new business formation from 1998 - 2003 (the last year for which data are available for this category); and

3) The rate of job growth for 1999 - 2004.

For these graphs, each dot represents one state's data points: its ranking both in terms of the WEI and the given economic indicator. If worse economic conditions (i.e. slower economic growth, slower rates of new business formations, or slower job growth) correspond with a higher WEI ranking, we would then see a pattern to the small dots on the graph running downward from the upper left- to the lower right-hand corners of the graph. In other words, economic conditions would be seen as going down while the WEI rankings are going up. The line in each graph provides a summary measure of the overall pattern of the individual data points. The line would run even more clearly downward from the upper left- to the lower right-hand sides of the graph if business conditions in the states tend to get worse while WEI rankings rise. However, if the data

New business start-ups

No overall relationship between start-ups and WEI rankings

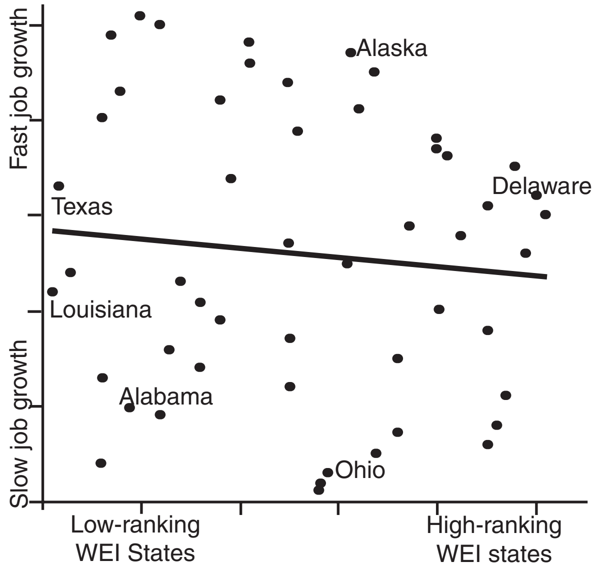


Source: http://www.umass.edu/peri/resources/wei/techappendix.pdf

Note: Figures for both the business start-up rate and the WEI are the state-by-state rankings, from 1st to 51st.

Job growth

No overall relationship between job growth and WEI rankings



Source: http://www.umass.edu/peri/resources/wei/techappendix.pdf

Note: Figures for both the rate of job growth and the WEI are the state-by-state rankings, from 1st to 51st.

points do not bunch up tightly alongside the summary line, it suggests that there is no strong pattern at all to the relationship between the WEI and the business conditions indicator.

But if the relationship between business conditions and a state's WEI ranking is positive — if, for example, states with a high WEI also tend to experience relatively faster economic growth — then the overall pattern of data points and the summary line in the graph will trend upward, from the lower left-hand corner to the upper right hand corner of the graph. Economic conditions will be seen as going up along with the WEI rankings. With each of the graphs, we identify the data points representing Delaware, Texas, and Ohio, as well as a few additional selected states.

Considering first the graph showing the relationship between the WEI and overall economic growth in the states (page 6), there is a clear, if moderate, upward pattern to the data points, and that is reflected in the summary line running from lower left to upper right. This means that the relationship between the WEI and overall economic growth is positive, if moderately so. In other words, as a broad generalization, states with relatively high WEI rankings do tend to experience relatively faster economic growth.

In terms of the graphs considering rate of new business start-ups and job growth, in both cases the series of data points present basically no patterns whatsoever. The summary lines in both cases are almost running horizontal across the graphs (the line runs slightly positive for new business start-ups and slightly negative for job growth). This means there is no general trend at all among the states in the relationship between the WEI and either new business formation or job growth. The states with a higher WEI do not experience faster rates of business formation and job growth, but they also do not experience slower growth, even while overall conditions for workers in these states are better.

Combining all three of our measures of business performance, the overall story, again, is that states with a high WEI are consistent with overall economic conditions that are at least as favorable, if not somewhat more favorable, than those with low WEI rankings.

This overall finding suggests broader considerations as well. In our present era of globalization, it is often argued that the only way for U.S. businesses to compete in the global market is to cut back on providing decent opportunities for workers — to pursue, in other words, what has been termed a "low-road" work environment in the United States. But we have seen from the WEI that those states in the U.S. that provide a relatively decent work environment do not generally perform poorly in terms of overall economic conditions. This pattern within the United States itself invites us to consider ways in which a decent work environment in the United States relative to the rest of the world could also be consistent with a strong U.S. position in the global economy.

The relationship between the WEI and other economic climate indices

Of course, one can measure overall economic conditions on a state-by-state basis through means other than the three indicators we have chosen: economic growth, new business start-ups, and job growth. At least seven different organizations have constructed their own state-by-state indexes, focusing on factors that, in their view, comprise a favorable business climate. These seven indexes are:

1) *Fortune* magazine's "Best States for Business" index;

2) *Site Selection's* "Top 25 State Business Climate" index;

3) The Small Business and Entrepreneurship Council's "Small Business Survival Index";

4) The Tax Foundation's "State Business Tax Climate Index";

5) The Cato Institute's "Fiscal Policy Report Card";

6) The Pacific Research Institute's "U.S. Economic Freedom Index";

7) The Beacon Hill Institute's "Competitiveness Index."

States offering a decent work environment provide an overall economic climate that businesses should find at least as attractive as those that don't.

How does the WEI move in relation to these various measures of the states' relative business climates? In fact, there is no single answer to this question. The various business indexes do not measure business climate in consistent ways, and do not produce even broadly similar rankings from state to state.

For example, California is ranked first in the *Fortune* magazine index, probably the most widely publicized of these various measures. However, California is ranked 50th in the Small Business and Entrepreneurship Council's Small Business Survival Index; and it is ranked 49th in the Pacific Research Institute's U.S. Economic Freedom Index. California's ranking ranges between 14th and 38th according to the other five measures.

Given that these businesses indexes offer no consistent view as to what constitutes a favorable business climate, it is therefore not surprising that we get widely varying results when comparing these indexes with the WEI. As such, there is no evidence emerging from these indexes that would suggest a need to alter the conclusion we have reached above: that states offering a decent work environment also provide an overall economic climate that business should find at least as attractive, if not more attractive, than the states that perform poorly according to the WEI.

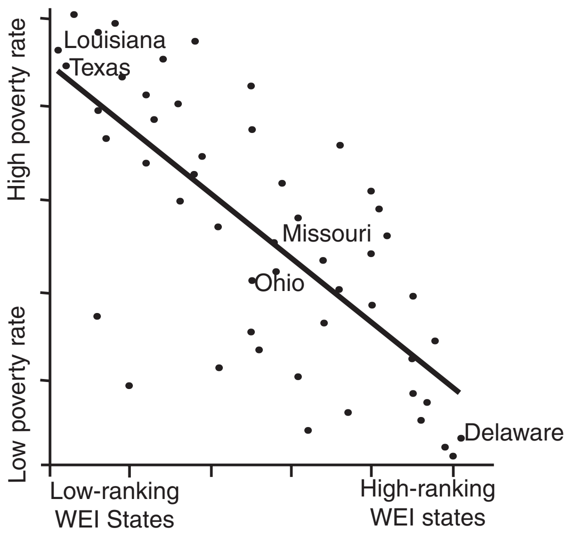
WEI and Poverty

Do the advantages provided by high-ranking WEI states for people in the workforce spill over more generally, to benefit the least advantaged residents of the various states? To be more specific, do states with a higher WEI ranking also have proportionally fewer residents living in poverty? One would expect this to be so. States that offer better average wages and benefits, with lower unemployment rates, and a higher level of workplace fairness should also be relatively more successful in keeping people out of poverty.

To address this question, we provide data in the accompanying graph (page 9) which plots each state's WEI ranking against a ranking based on the percentage of people in each state that live in poverty (according to the U.S. government's official poverty line). The story from the graph is clear. There is a very strong and consistent correspondence between high WEI

WEI and Poverty

High WEI rankings correspond closely with low poverty.



Source: http://www.umass.edu/peri/resources/wei/techappendix.pdf
Note: Figures for both the poverty rates and the WEI are the state-by-state rankings, from 1st to 51st.

rankings and low poverty rates. Of course, the inverse is also true: states with low WEI ranks have proportionally more people living in poverty. Thus, as the graph shows, Louisiana and Texas, the two lowest-ranking WEI states also are among the states with the highest poverty rates. Delaware, by contrast, has both the highest WEI rank and the third lowest poverty rate.

Observers across the political spectrum have long held that creating an abundance of decent jobs is the most desirable strategy for fighting poverty. The point that is suggested by the graph is that an anti-poverty strategy based on jobs is viable as well as desirable. More good jobs will mean less poverty. This point is especially pertinent in the aftermath of Hurricane Katrina, whose impact was devastating on the poor in New Orleans. As the task of reconstructing New Orleans begins, perhaps the single most important aim should be to simply create more decent work opportunities in the region than was evidently the case prior to Katrina.

Conclusion

Of course, the WEI is not a substitute for detailed perspectives on any single aspect of working life in a state, region, or the country as a whole. Nor does the WEI by itself offer an obvious policy agenda either for promoting business growth or reducing poverty in any given state or region. But the WEI should be a useful new tool for illuminating some general features of working life in the U.S. today. Most important, we are able to see clearly from this first installment of the WEI the sharp overall differences between states such as Delaware, New Hampshire, and Minnesota versus Louisiana, Texas and Arkansas in the opportunities available for adults who work for a living, i.e. the overwhelming majority of people in all states. Moreover, we are able to see that states can operate with a healthy overall economic climate – indeed, if anything, a more favorable overall climate – even while maintaining lower poverty rates and a work environment that treats people with a measure of decency.

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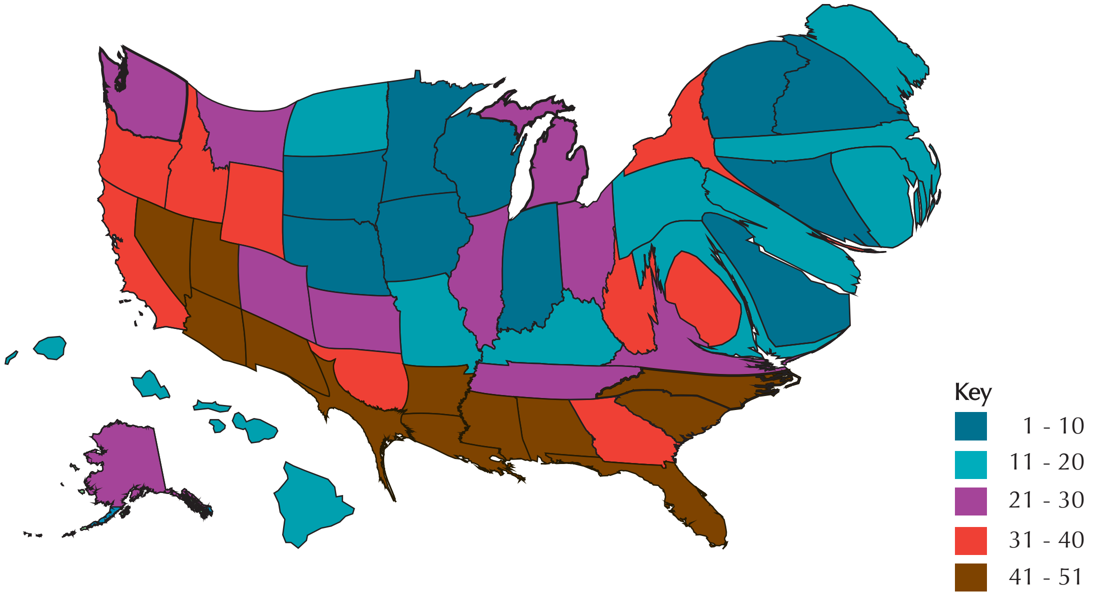
About the authors

James Heintz is Associate Director and Assistant Research Professor at PERI. He holds a Ph.D. from the University of Massachusetts and a master's degree from the University of Minnesota. He has written on a wide range of economic policy issues, including job creation, global labor standards, egalitarian macroeconomic strategies, and investment behavior. He is currently working as an international consultant on projects in Ghana, South Africa and Kenya, sponsored by the International Labor Organization and the United Nations Development Program, that focus on employment-oriented development policy. He is co-author, with Nancy Folbre, of *The Ultimate Field Guide to the U.S. Economy*. From 1996 to 1998, he worked as an economist at the National Labour and Economic Development Institute in Johannesburg, a policy think tank affiliated with the South African labor movement. His current work focuses on global labor standards, employment income, and poverty; employment policies for low- and middle-income countries; and the links between macroeconomic policies and distributive outcomes.

Jeannette Wicks-Lim is a Research Fellow at PERI. She received her Ph.D. in economics at the University of Massachusetts, Amherst in 2005. Wicks-Lim specializes in labor economics with an emphasis on the low-wage labor market. She has been involved in several living wage impact studies and co-authored an impact study of the recently passed Florida state minimum wage with Robert Pollin and Mark Brenner (2004). Wicks-Lim also has published work on affirmative action policies in an edited volume published by the University of Michigan Press (with Lee Badgett, 2001). Prior to coming to PERI, Wicks-Lim worked as a research assistant for the Economic Policy Institute and as a research associate for Monitoring the Future at the Institute for Social Research at the University of Michigan, Ann Arbor.

Robert Pollin is Professor in the Economics Department of the University of Massachusetts and founding co-director of PERI. He received a Ph.D. in economics from the New School for Social Research in New York City in 1982. His research centers on macroeconomics, conditions for low-wage workers in the U.S. and globally, and the analysis of financial markets. His books include *Contours of Descent: U.S. Economic Fractures and the Landscape of Global Austerity* (Verso 2003); *The Living Wage: Building a Fair Economy* (with Stephanie Luce, The New Press 1998); and the edited volumes *Globalization and Progressive Economic Policy* (with Dean Baker and Gerald Epstein, Cambridge 1998), *The Macroeconomics of Saving, Finance, and Investment* (University of Michigan Press 1997), and *Transforming the U.S. Financial System* (with Gary Dymski and Gerald Epstein, M.E. Sharpe 1993). In the area of labor market policies, Professor Pollin has written extensively on the viability of "living wage" policies, including those as proposed by policy makers in Los Angeles and Santa Monica, CA; New Orleans, LA; and Santa Fe, NM. He is currently directing a project on employment-targeted macroeconomic policies for South Africa, under the auspices of the United Nations Development Programme (UNDP). He has worked previously with the UNDP in Bolivia, and has worked with the Joint Economic Committee of the U.S. Congress and as a member of the Capital Formation Subcouncil of the U.S. Competitiveness Policy Council.

STATE-BY-STATE CARTOGRAM OF WORK ENVIRONMENT INDEX: SIZE OF STATES ADJUSTED TO PORTRAY WEI SCORE



"The Work Environment Index maps the climate for workers in America. There are plenty of rankings showing which states provide the best climate for business; the WEI shows which are best for workers. It's a useful tool for legislators and other policy makers looking to improve the lives of American workers and their families."

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GORDON HALL / 418 N PLEASANT ST / AMHERST MA 01002
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