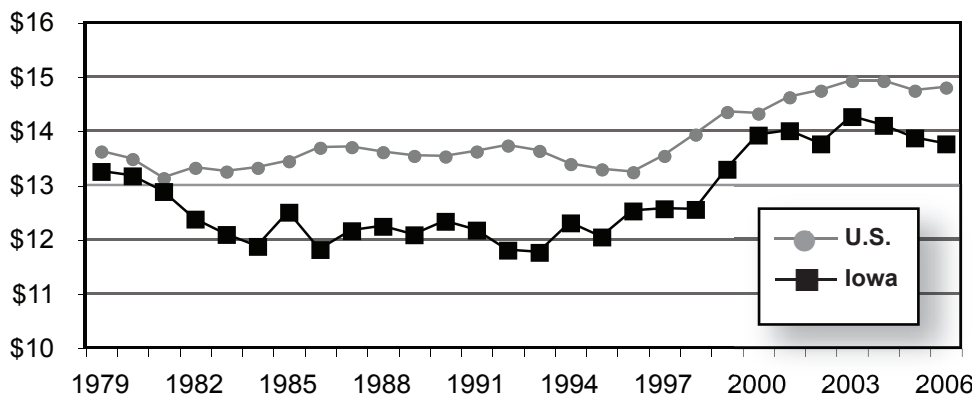


THE STATE OF WORKING IOWA

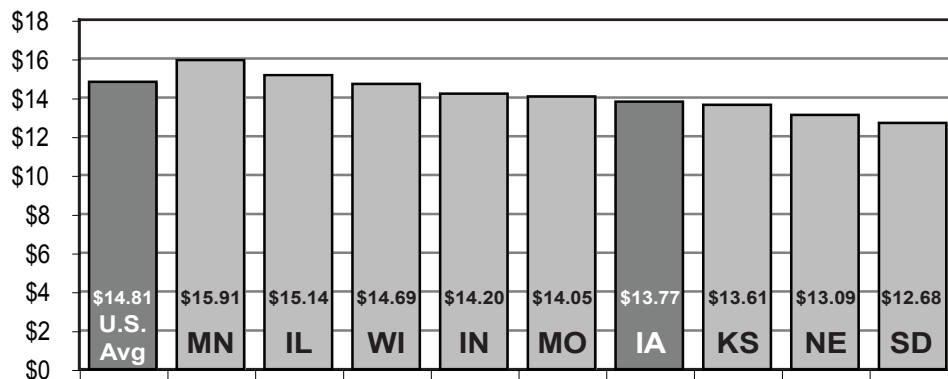
A Look at the Median Wage in Iowa, Neighboring States and U.S.

Iowa has always been a low-wage state. Our median wage — half of workers earn more, half earn less — runs well below the national median, a gap that has narrowed in good times (late 1990s) and widened in bad times, as shown in the first graph below. Iowa's median wage ranks 32nd among the 50 states and the District of Columbia, and sixth of the nine states in our region. Only South Dakota, Nebraska and Kansas are lower.

**Median (50th percentile) Wages,
Iowa and U.S. (1979-2006) (2006 dollars)**



Median (50th percentile) Wages, 2006 (2006 dollars)



Source, Economic Policy Inst./IPP analysis of Current Population Survey.

Median Wage

The median for wages and incomes captures the status of the “middle income” worker because means (or averages) are easily distorted by a few high-earners. Consider a group of workers whose wages, in turn, are \$6, \$10, \$15, \$25 and \$45/ hour. The mean wage for this group is \$20/hr (the sum of their wages divided by the number of workers). The median wage (half of workers earn more, half earn less) is \$15.

A percentile is the point at which a certain percentage of workers make more and a certain percentage make less. The median (half earn more, half earn less) is the 50th percentile.

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Note: The above information is excerpted from
The State of Working Iowa 2007,
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<<http://www.iowapolicyproject.org>>.