Not Your Father's Pay: Why Wages Today Are Weaker
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American men in their 30s today are worse off than their fathers' generation, a reversal from just a decade ago, when sons generally were better off than their fathers, a new study finds.

The study, the first in a series on economic mobility undertaken by several prominent think tanks, also says the typical American family's income has lagged far behind productivity growth since 2000, a departure from most of the post-World War II period.

The findings suggest "the up escalator that has historically ensured that each generation would do better than the last may not be working very well," says the study, which is scheduled for release today.

The study was written principally by John Morton of the Pew Charitable Trusts, which is leading the series, called the Economic Mobility Project, and Isabel Sawhill of the Brookings Institution. Other participating think tanks are the Heritage Foundation, American Enterprise Institute and the Urban Institute.

In 2004, the median income for a man in his 30s, which is a good predictor of his lifetime earnings, was $35,010, the study says, 12% less than for men in their 30s in 1974 -- their fathers' generation -- adjusted for inflation. Just a decade ago, median income for men in their 30s was $32,901, 5% higher than 30 years earlier. The median is the midpoint: half of men earn more, half earn less.

Ms. Sawhill said she isn't sure why men's wages have stagnated. "It seems there's been some slowdown in economic growth, it's possible that the movement of women into the labor force has affected male earnings, and it's possible that men are not working as hard as they used to."

The study suggests that absolute mobility -- the rate at which an entire generation's lot improves relative to previous generations -- has declined in recent years. But within a particular generation, individuals can still get ahead if relative mobility, the rate at which the rich and poor trade places, remains high. Poor fathers, for example, may have rich sons, and vice versa. To determine whether relative mobility is high would require studying specific parents and their children rather than broad categories. Mr. Morton said the group will tackle that in a later analysis.

The report also found that between 1947 and 1974, productivity, or output per hour, and median family income, adjusted for inflation, both roughly doubled. Between 1974 and 2000, productivity rose 56% while income rose 29%. Between 2000 and 2005, productivity rose 16% while median income fell 2%, challenging "the notion that a rising tide will lift all boats," the report says.

Ms. Sawhill said several factors could explain the divergence: a growing share of income going to the highest-paid workers, or to profits; an increased share of labor compensation going toward benefits such as health care; or a decline in the number of wage earners, or hours worked, in the typical family.

Bill Beach of the Heritage Foundation said increased immigration could also have pulled down median wages, since most immigrants at first earn less than native-born workers. But he said their incomes may also move up more rapidly in subsequent years.