



Mind the Gap! Women, Wages and the Pay Gap in Wisconsin

Wisconsin's Gender Wage Gap for all workers, and for younger workers

(Median hourly wages, 2006 dollars)



Source: American Community Survey data.

In the 45 years since Congress passed the Equal Pay Act of 1963, women have made enormous strides in educational achievement, access to the workforce, and success in occupational fields once exclusively the domain of men. Nonetheless, pay equity still eludes women and the gender wage gap persists irrespective of age, race, or level of education. In 2006, Wisconsin women earned, on average, about 78 cents for every dollar earned by men.

The women of Wisconsin are a powerful economic force. They are among the most likely in the nation to work and, year after year, achieve gains in earnings and educational attainment. Yet, Wisconsin women continue to experience a substantial gender wage gap. Progress that can be found for Wisconsin women overall masks troubling figures for Wisconsin's women of color in areas of wages and educational attainment. Moreover, this study finds that even young, educated women now entering the workforce can expect to see a pay gap of 10 percent or more compared with their male counterparts. The good news is that women's strong educational attainment may hold hope for helping close this wage gap in the long term.

Women in the Workforce

Wisconsin's women are some of the hardest working women in the nation. According to the Institute of Women's Policy Research, Wisconsin women have a labor force participation rate of 66.6 percent, ranking it fifth in the nation. That is substantially higher than the national rate of 59.2 percent. Though Wisconsin median wages are roughly equal to national wages, Wisconsin families have income substantially above national levels due in part to the strong commitment of our women to work. Wisconsin women's work adds money to family budgets.

Women in Wisconsin are strongly connected to work; still many are unemployed or underemployed. One in twenty women in the state (4.6 percent) are unemployed and actively seeking work; and 8.3 percent are "underemployed"—looking for work, looking for full-time work and only finding part-time, facing a substantial barrier to work, or having recently given up on finding a job.

Although 35.5 percent of working women nationally are employed in managerial and professional positions, Wisconsin ranks a lowly 46th among all states in the category with a rate of only 29.8 percent.

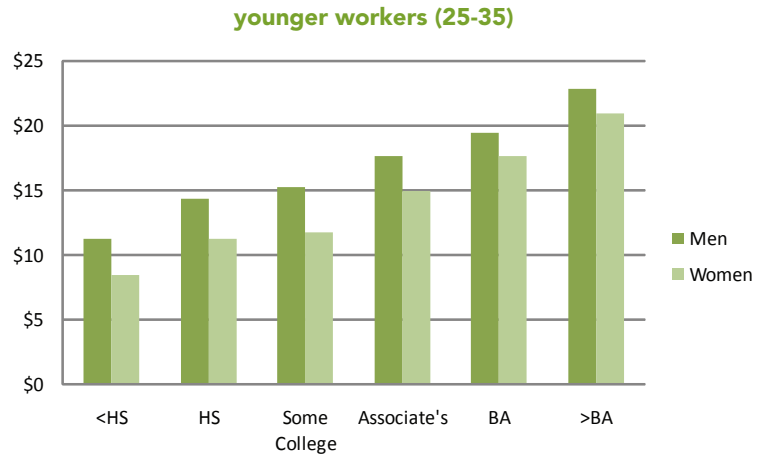
Gender Wage Gap—Not a Thing of the Past

The gender wage gap remains persistent and substantial. With a median hourly wage of \$13.67 in 2006, Wisconsin women's wages were roughly 22 percent lower than men's. At this rate, a full-time, woman worker in the state would earn around \$28,000 per year, on average, compared with over \$36,500 for men.

For women ages 25-35, the 2006 median hourly wage of \$13.89 was 15 percent below the men's median for that age group. This despite the fact that the younger women's median wage was slightly higher than the median wage for all women.

Wisconsin's Gender Wage Gap by Education

(Median hourly wages, 2006 dollars)



Source: American Community Survey data.

Do Young Women Escape the Wage Gap?

This year, we focus special attention on younger women in Wisconsin's labor market. Like their mothers, these women, in their late 20s and early 30s, face a gender gap in wages at every level of education. One sign of progress is that the gap for young women is narrower than in the overall population, meaning that younger women earn wages closer to young men's wages. Even so, young women start out with a significant gap, one that is present at all levels of educational attainment. Women ages 25-35 with a high school diploma earned 25 percent less than their male peers in 2006. Women with a bachelor's degree did better, earning wages just 10 percent below men's. So for young women the story is mixed. Wage differences are smaller, but stubbornly present. And we can expect the gender wage gap to persist as long as young women start out in the workforce lagging in wages compared with their male counterparts.

Regardless of Education, Women Earn Less

For Wisconsin women and men, education, particularly securing a four-year degree, has a payoff in increased wages. While the gender wage gap diminishes with higher levels of education, men earn more than women at all education levels. Women with a high school diploma could expect a 24 percent gap in wages in 2006 (that is, about 76 cents for every dollar earned by a man) when compared with men of the same education. This diminishes to an 18 percent gap (about 82 cents on the dollar) for women with a bachelor's degree or more education. Wisconsin women that experience the largest pay gap—28 percent, or 72 cents on the dollar—are those with some college but who have not earned a degree, compared with men of similar educational experience.

Strong Educational Attainment Bodes Well for Women's Wage Growth

Wisconsin women continue to make strong gains in education (see table on next page), one fact that could hasten a decrease in the gender wage gap over time. Nearly one-fourth of Wisconsin women have at least a four-year college degree, on par with men. In some areas of educational attainment, particularly among younger women in the workforce, women have outpaced men for degrees earned. Among younger workers ages 25-35, for example, white women were more likely than white men have obtained at least a bachelor's degree in 2006—40.1 percent of women versus 32.0 percent of men.

However, educational attainment among women varies considerably by race and ethnicity. In 2006, 28.1 percent of Wisconsin white women had at least a four-year degree, compared with 14.4 percent for African American women and 14.2 percent for Hispanic women. Among younger African American women (ages 25-35), four-year degree attainment grows to 17 percent, while it falls slightly for young Hispanic women (13.6 percent). For more detailed information about women and educational achievement by racial and ethnic group, see our 2007 report, *Wisconsin Women and Economic Opportunity*.

Educational Attainment of All and Younger Workers, 2006

	<HS	HS	Some College	Associate's	BA	>BA
White Men	5.8 %	34.2 %	22.7 %	10.3 %	18.9 %	8.2 %
White Women	3.6	29.3	26.1	11.9	20.9	8.3
Black Men	12.9	38.7	28.7	3.4	11.5	4.9
Black Women	11.2	40.7	27.7	6.0	8.5	5.9
Hispanic Men	23.6	41.9	18.3	4.3	7.1	4.9
Hispanic Women	13.0	39.3	23.6	10.0	10.1	4.1

	<HS	HS	Some College	Associate's	BA	>BA
White Men	5.2 %	30.2 %	22.0 %	10.7 %	25.5 %	6.5 %
White Women	2.9	21.1	22.4	13.4	31.0	9.1
Black Men	10.3	38.5	29.7	1.4	15.6	4.5
Black Women	7.0	42.8	26.5	6.7	14.7	2.3
Hispanic Men	18.8	44.7	18.9	4.4	5.9	7.2
Hispanic Women	10.3	47.0	18.8	10.3	11.3	2.3

Source: American Community Survey data.

Please note that ACS data were not sufficient to report educational attainment levels for Asians and Native Americans in Wisconsin.

For More Information About Women in Wisconsin

The State of Working Wisconsin, Center on Wisconsin Strategy
www.cows.org/soww

Wisconsin Women and Economic Opportunity (March 2007)
www.cows.org/pdf/ds-women_030707.pdf

The Gender Wage Ratio: Women's and Men's Earnings (February 2008)
 Institute for Women's Policy Research
www.iwpr.org/pdf/C350.pdf

The Status of Women in WI Counties, WI Women's Council
www.womenscouncil.wi.gov

The Center on Wisconsin Strategy

The Center on Wisconsin Strategy (COWS), based at the UW-Madison, is a nonprofit, nonpartisan "think-and-do tank" dedicated to improving economic performance and living standards in the state of Wisconsin and nationally.

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The Wisconsin Women's Council

The Wisconsin Women's Council is state government's statutory commission on the status of women and works to develop long-term solutions to barriers and inequities that prevent women in Wisconsin from participating fully and equally in all aspects of life.

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