THE STATE OF WORKING WISCONSIN 2016
The long shadow of the Great Recession is finally lifting in Wisconsin. The state has more jobs than ever before, unemployment rates have fallen to pre-recession levels, and workers that want full-time work are having an easier time finding it. To be sure, recovery here is incomplete and comparatively unimpressive. Many populations and places remain isolated from opportunity, and Wisconsin’s growth is slow relative to the national pace. Still, labor market opportunities are more clear and consistent than they have been in nearly a decade. Given the brutality of the Great Recession and the slow recovery from it, this is welcome news for working Wisconsin.

The longer-term challenges that Wisconsin faces, and that COWS has long documented, remain daunting. Wages have been stagnant over the last three and a half decades and workers have very little to show for increasing productivity. Women earn less than men and the gap is slow to close. African Americans have suffered declining wages and growing disparity. The wage reward for higher education is evident, as is the difficulty of making ends meet without completing some post-secondary education. One-in-four workers toils in a poverty-wage job and low-wage sectors are growing faster than better-paying ones. Racial disparities, while hardly unique to Wisconsin, are particularly extreme here. A variety of economic and social indicators of racial inequality consistently identify us as among the most racially unequal states in the nation.

**Wisconsin Jobs: Slower Growth than Population**

Wisconsin’s labor market is growing steadily and the state now has 2.94 million jobs. That’s a record high and 57,500 more jobs than in December 2007, before the Great Recession. However, since the start of the recession, our working age population has grown faster than our job base. The figure shows that to get back to the level of opportunity and employment of December 2007, Wisconsin needs to add 75,600 jobs.

**Wisconsin Jobs: Slower Growth than Nation**

From January 2011 to June 2016, jobs in Wisconsin grew 7.1 percent while the national labor market grew 10.1 percent. If Wisconsin had matched the national pace of growth, the state would have 87,319 more jobs. Over the last five years, every time Wisconsin’s share of national growth would have been three jobs, the state only added only two.

Four key sectors account for Wisconsin’s slow growth: professional and business services; education and health services; leisure and hospitality; and trade, transportation, and utilities.
Unemployment Down but Opportunity Still Unequal

Key measures in the labor market indicate that the state is nearing pre-recession levels of opportunity. From a high of over 9 percent in 2009, unemployment in the state has been steadily falling and is now 4.2 percent, below the rate at the recession’s start. The share of the unemployed who have been looking for work for six months or more, “long-term unemployment,” has fallen back to pre-recession levels as has involuntary part-time work (which measures the share of workers who are in part-time jobs but wish to be working full-time hours). Taken together, these indicators provide some welcome and long delayed good news. The recovery is now strong and sustained enough that workers are having an easier time finding a job and securing the hours of employment that they want.

Opportunity has not yet extended to all, however. Specific communities, especially those that lost large employers in the downturn, continue to post high unemployment. African American and workers with less than high school education still have much higher rates of unemployment and involuntary part-time employment than others.
Wage Stagnation: Annual Growth Under 2¢ an Hour

Taking inflation into account, the state's 2015 median wage—$17.12 per hour—exceeds the 1979 median by just forty cents. Over the period, that translates to an average annual raise of less than 2 cents per hour, despite the fact that today's typical worker is more productive, being both substantially more educated than in 1979 and working with better technology.

Wage Inequality Still High

Wage inequality is evident throughout the labor market. The gap between women and men has been shrinking, but slowly, and women's median wage of $15.46 per hour is 19 percent lower than men's median in the state. The median black worker brings home $12.96 per hour, 28 percent less than the white median. Earning $13.16 per hour, the median Hispanic worker lags the white median by 27 percent. The state's median worker who has a high school degree earns $10 per hour less than the median worker with a four-year college degree or more ($14.88 compared to $24.87 per hour). Workers with associates degrees earn around $18 per hour.
Poverty Wages in Wisconsin

More than one in four Wisconsin workers held a poverty-wage job in 2015 (wage under $11.56 per hour). With wages this low, even full-time year round work can’t keep a family of four out of poverty. Women and people of color are concentrated in these jobs. Especially notable, forty percent of black workers hold poverty wage jobs.

Bad jobs offer low-wage and weak benefits. Only about a quarter of workers in poverty-wage jobs receive health care insurance through their employers. In better-paying jobs, nearly two-thirds do. Participation in employer-provided pension benefit plans is also substantially lower for poverty wage workers.

Wisconsin’s challenge is clear. Despite the numbers of jobs created and the comparatively lower figures of unemployment, the state needs more jobs to provide more opportunity for workers in the labor market. While unemployment is low, certain communities (especially, African Americans) still struggle to find and secure stable work. Too many Wisconsin workers (one in four) are still toiling in low paying jobs that do not allow them to stay out of poverty, and recent changes in both policy and the economy are making working conditions less safe and generous in terms of insurance. This report shows these facts and trends as challenges to overcome moving forward.