

2018

THE STATE OF WORKING WISCONSIN EXECUTIVE SUMMARY

A decade after the Great Recession

Wisconsin's economy, at least in employment and family income, has finally and meaningfully recovered. Unemployment and involuntary part-time employment rates are low. And, nearly a fifth of the way into this new century, the value of the median income of four-person families finally exceeds its 2000 level. This is very welcome news for working Wisconsinites.

This good news is not untarnished. Despite job gains, Wisconsin's job growth is slow relative to the national pace. Wages are still in no way keeping pace with worker productivity. Wisconsin is comparatively weak in more lucrative occupations: professional, scientific, technical, and information. Our manufacturing sector, while growing, is still significantly smaller than at the beginning of the century. And inequality continues to grow. One in five workers currently holds a poverty-wage job with few benefits. Rural economies are declining. Wisconsin's black/white disparities still lead the nation.

COWS | BUILDING THE HIGH ROAD

Based at the University of Wisconsin-Madison, COWS is a national think-and-do tank that promotes "high road" solutions to social problems. These treat shared growth and opportunity, environmental sustainability, and resilient democratic institutions as necessary and achievable complements in human development. COWS is nonpartisan but values-based. We seek a world of equal opportunity and security for all.

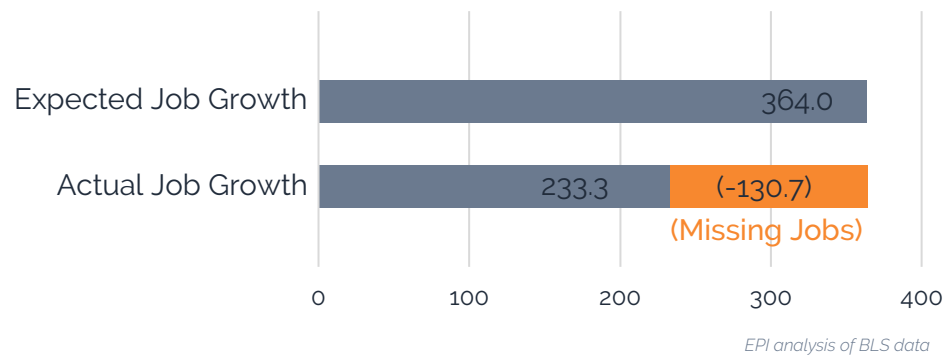
As in the past, cows.org provides access to the full version and executive summary of the current State of Working Wisconsin as well as to previous versions of the report back to our first release in 1996. Please visit *State of Working Wisconsin* at www.cows.org/soww.



WISCONSIN'S JOB GROWTH: CONSISTENTLY SLOWER THAN NATIONAL

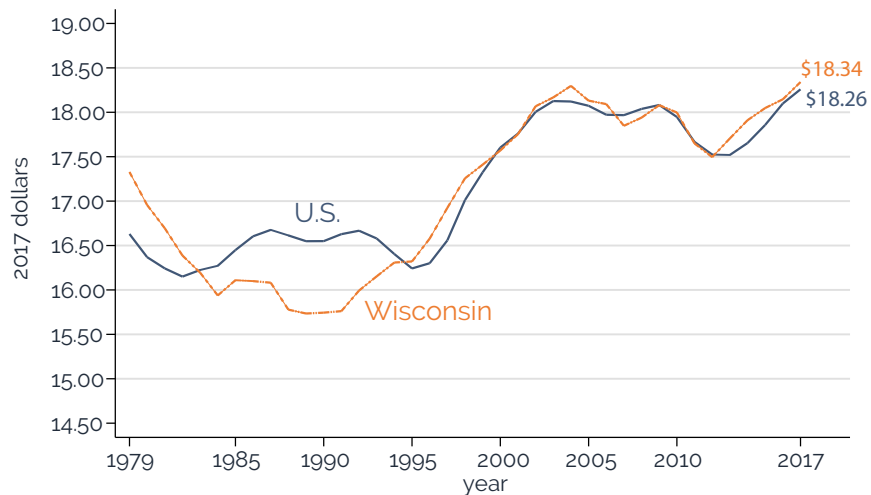
Although Wisconsin's job base has grown, the rate of growth remains sluggish in comparison to the rest of the nation. Between January of 2011 and March of 2018, Wisconsin added 233,300 jobs. If Wisconsin's job base grew at the national rate, we would have added nearly 364,000 jobs. This means that Wisconsin is missing some 130,700 jobs.

WISCONSIN'S MISSING JOBS: COMPARING ACTUAL JOB GROWTH IN WISCONSIN TO EXPECTED JOB GROWTH, JANUARY 2011 TO MARCH 2018 (SEASONALLY ADJUSTED, IN THOUSANDS)



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MEDIAN HOURLY WAGES, WISCONSIN AND US, 1979-2017 (2017 DOLLARS)



COWS analysis of CPS ORG data

WAGE STAGNATION: ANNUAL GROWTH UNDER \$0.03 PER HOUR

Taking inflation into account, the state's 2017 median hourly wage, \$18.34, exceeds the 1979 median by just one dollar per hour. That translates to an average annual raise of less than 3 cents per hour, despite the fact that today's typical worker is more productive, being both substantially more educated and working with better technology than in 1979. Wisconsin's median wage growth across the recovery moves in line with changes in US wages.

Long term wage trends have increased wage disparity as well. For workers at the bottom of the wage distribution wages grew by just 4 percent since 1979 while wages were up 25 percent for workers at the top. (These data compare wage trends at the 10th percentile of the wage distribution to the trend at the 90th percentile.)

Notably, in 21st Century, wages have finally recovered to the historic highs set before the Great Recession hit in 2007.

WISCONSIN: A HARD WORKING STATE

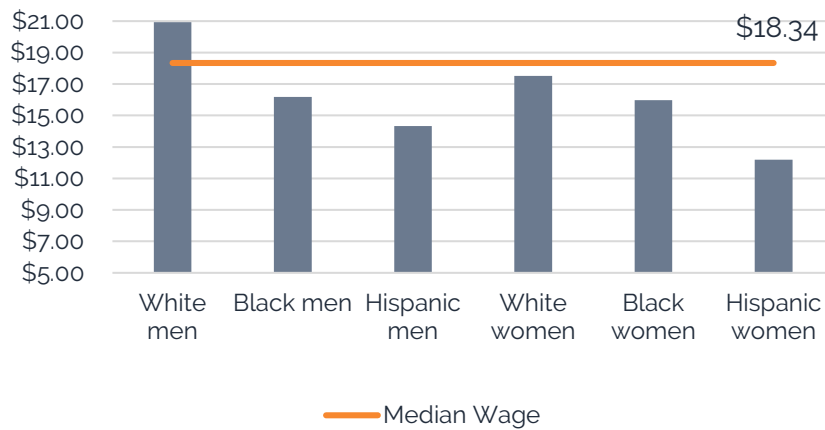
While real wages have not increased by much, jobs have certainly expanded in the state and more people are working. Some workers are getting more income even when wages are stagnant simply by securing more hours of work. Every demographic of Wisconsin workers participates in the labor force at higher rates than their national counterparts; the overall Wisconsin labor force participation rate is 69%: more than 6 percentage points higher than the national rate.

WAGE INEQUALITY STILL HIGH

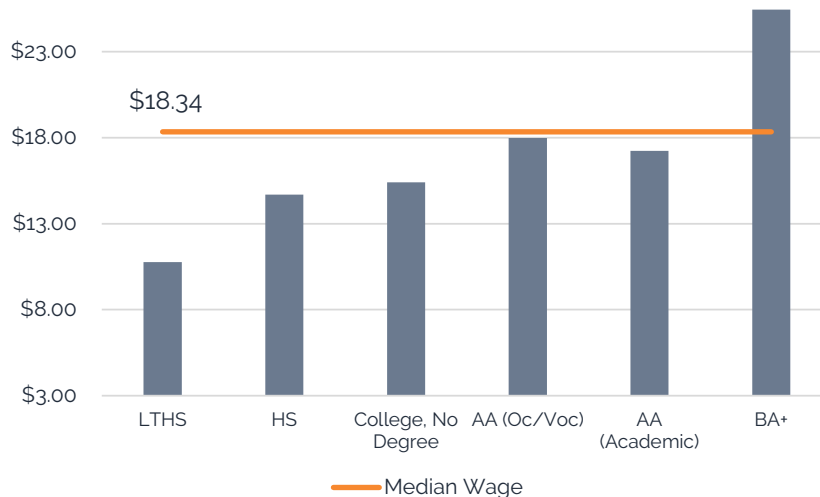
Wage inequality is evident throughout the labor market.

- The gap between women and men has been shrinking, but slowly, and women in Wisconsin make 84 cents for every dollar men make.
- The median black worker brings home \$16.10 per hour, 19 percent less than the white median.
- Earning \$13.48 per hour, the Hispanic worker lags behind the white median by 43 percent.
- The state’s median worker who has a high school degree earns \$11 per hour less than the median worker with a four-year college degree or more (\$15.23 compared to \$26.39 per hour).
- Associates degrees (generally from the Wisconsin Technical College System) pay-off for workers, bringing wages up to around \$18 per hour. (For workers with some college but no degree, the median is just over \$15 per hour.)

WISCONSIN MEDIAN WAGE BY RACE AND GENDER, 2017



WISCONSIN MEDIAN WAGE BY EDUCATION LEVEL, 2017



COWS analysis of CPS ORG data

ECONOMIC OPPORTUNITY UNEQUALLY DISTRIBUTED

Although this growing job base is promising for the state at large, economic opportunities are not evenly distributed. New opportunities are concentrated in urban areas; urban counties gained 94,700 jobs since 2000, while rural counties lost 9,500. The urban workforce is growing, diversifying, and becoming more educated. Meanwhile, rural areas face job loss, loss of younger workers, and an aging population.

Wisconsin also creates much better outcomes for its White residents than it does its residents of color. Wisconsin consistently ranks among the worst states in the nation for Black/White racial disparities in unemployment rates, labor force participation rates, median household income, poverty rates for all families, child poverty rates, and individuals with no health insurance.

POVERTY-WAGES IN WISCONSIN

To look at the bottom of Wisconsin's labor market, we analyze "poverty wage jobs." Any job that pays below \$11.95 per hour is in this group. At this wage, a worker cannot keep a family of four out of poverty, even with full-time, year-round work. Poverty-wage work is widespread in Wisconsin.

- More than 675,000 Wisconsin workers, or roughly one of every five workers in the state, earn wages below \$11.95 per hour.
- Though workers in poverty wage jobs are younger than workers in better paying jobs, they are not teenagers. The median age of a poverty-wage worker in Wisconsin is 29 years. (Compared to a median workforce age of 40 years overall.)
- White women are twice as likely to earn poverty wages as white men: Just over one of every ten white men earn poverty wages (11.6 percent) while one-in-five white women earn poverty wages (19.8 percent).
- One-in-five Black men and nearly two-in-five Black women earn poverty wages.
- Workers in poverty wage jobs are more than four times more likely to be on Medicaid and more than three times more likely to go without health insurance than workers in better paying jobs.

SHARE OF WISCONSIN WORKERS WORKING POVERTY-WAGE JOBS IN 2017

