



STATE OF WISCONSIN

Wisconsin Women's Council

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REGARDLESS OF EDUCATIONAL ATTAINMENT, WOMEN EARN LESS Gender Wage Gap Remains High

April 22, 2008 (Madison). Today marks the advent of National Pay Equity Day – the day which symbolizes how far into the year a woman must work, on average, to earn as much as a man earned the previous year. This year also marks the 45th anniversary of the Equal Pay Act of 1963. Over the intervening four and one-half decades women have made enormous strides in access to the workforce and to jobs once exclusively the domain of men. And, women now make up more than half of the graduates of many of Wisconsin's colleges and universities. Yet, the fact remains that equal pay continues to elude women – irrespective of race, age or level of education.

A report released today by the Center on Wisconsin Strategy (COWS) and the Wisconsin Women's Council (WWC), *Mind the Gap! Women, Wages and the Pay Gap in Wisconsin*, finds that Wisconsin women continue to experience a substantial and persistent gender wage gap – earning only about 78 cents on the dollar compared to men.

Nonetheless, Wisconsin women are a powerful economic force and strongly connected to the state's labor force. They are among the most likely in the nation to work and have achieved substantial gains in earnings and educational attainment. Still, women in the state's workforce face a high likelihood of being un- or under-employed. Moreover, areas of progress for Wisconsin women overall masks troubling figures for Wisconsin's women of color in area of wage inequality and educational attainment.

"Wisconsin's women are great economic contributors to their families, communities, and state," said Laura Dresser, associate director of the Center on Wisconsin Strategy. "But Wisconsin's women -- young and old, and at all levels of education -- fall behind men in wages. And that gender gap hampers their contributions not only to their own income, but to the state's economic vitality as well."

Do Younger Women Escape the Wage Gap?

Like their mothers, younger women, in their late 20s and early 30s, face a gender gap in wages at every level of education. One sign of progress is the fact that the gap for young women is narrower than for women in the overall population, meaning that younger women earn wages closer to young men's wages. Even so, young women start out in the labor force with a significant gap – one that is present at all levels of educational attainment.

In 2006, younger women (ages 25-35):

- ♦ with a high school diploma earned 25% less than their male peers.
- ♦ with a bachelor's degree did better, earning wages just 10 percent below men with a bachelor's degree.
- ♦ with some college experience, but no two- or four-year degree, faced the largest wage gap at 28 percent compared to their male peers.

So, for young women the story is mixed. Wage differences are smaller, but still 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.

continued

Wisconsin's Gender Wage Gap - Highlights

- ♦ With a median hourly wage of \$13.67 in 2006, Wisconsin women's wages were about 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.
- ♦ The good news for Wisconsin women may be that attaining a college degree pays off in increased wages and a slimmer wage gap. Even for young women with a college degree, however, the pay gap persists.

"Young women, in particular, should take note that the pay gap is not a thing of the past. This report confirms that even today, women leaving college and entering the workforce start out their careers with a gap compared with their similarly educated male counterparts. It is clear that gains in access to the workforce and educational attainment alone will not eliminate the pay gap," said Christine Lidbury, Women's Council Executive Director.

National Trends

According a recent study by the Institute for Women's Policy Research (Washington, D.C), the ratio of women's to men's median annual earning (full-time, full-year workers) was 76.9 in 2006 (the latest available data). That is, women earned just under 77 cents for every dollar earned by a man, on average. This ratio for median annual wages has been the same since about 2001. Moreover, IWPR reports that for the past several years earnings have fallen behind in real terms for both women and men. They found that women's real (inflation adjusted) annual earnings fell 1.2 percent from 2005 to 2006, to \$32,525, while men's declined 1.1 percent, to \$42, 261. "Thus, not only has women's progress in matching men's earnings stalled, but both women and men are losing ground over time in absolute terms." (See, IWPR, *The Gender Wage Ratio: Women's and Men's Earnings*, 2008.)

REPORT RELEASE SCHEDULE

The full report, *Mind the Gap! Women, Wages and the Pay Gap in Wisconsin*, will be released at the **Equal Pay Day Press Conference, Tuesday, April 22, 2008, 11:00 AM, Assembly Parlor, State Capitol, Madison WI**

The report is also available online (free-of-charge) at <http://womenscouncil.wi.gov> and <http://www.cows.org>.

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