

COWS report highlights decline in median wage, other labor market trends

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A decline in Wisconsin's median wage last year effectively "erased" three years of wage growth, according to a report from a UW-Madison think tank.

The State of Working Wisconsin 2023 report, created by the COWS High Road Strategy Center, explores the latest data on the state's labor market. Report authors focused on persistent economic inequalities, declining union participation and other factors.

In a section on Wisconsin wages, the report shows the "especially strong" growth seen between 2019 and 2021 was disrupted in 2022. Adjusted for inflation, the state's median wage fell from \$23.27 in 2021 to \$22.02 last year, bringing it back to 2019 levels.

Report authors note the state's median hourly wage has grown by \$2.26 between 1979 and 2022, for an increase of 11 percent.

"That amounts to a modest 5 cent per year increase in wages over 43 years," they wrote. "The productivity and education of our workforce are up substantially over these years, but the reward to workers is just a nickel per hour each year."

Still, COWS Associate Director Laura Dresser notes workers in the state are "seizing the opportunity" presented by the tight labor market to secure better jobs, or higher wages in their current position. Wisconsin's unemployment rate hit a record-low 2.4 percent earlier this year before ticking up to 2.6 percent in July.

"It's especially evident that workers with lower wages have made the strongest gains," Dresser said in a statement on the report's findings. "Their progress is helping reduce some of Wisconsin's most troubling inequities."

According to the report, white men and women have seen the weakest wage growth

in the state since 2019 compared to other racial and ethnic groups. In contrast, the greatest wage gains have been seen among: Hispanic women, with 16 percent; Black men, 14 percent; Hispanic men, 8 percent; and Black women, 4 percent.

Despite these changes, ethnic and racial wage gaps in the state “remain substantial,” report authors noted. Median wages in 2022 were: \$25.01 for white men; \$21.04 for Black men; \$18.84 for Hispanic men; \$20.96 for white women; \$17 for Black women; and \$18.75 for Hispanic women.

See the full report here: <https://workingwi.org/>

Listen to an earlier podcast with Dresser:

<https://www.wisbusiness.com/2022/wisbusiness-the-podcast-with-laura-dresser-of-cows/>