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THE STATE OF WORKING WISCONSIN *presents the workers' perspective on the economy in the state: what's going on with work and jobs, who is winning in this economy, and who is being left out; where is disparity growing; and what's happening to the economic chasm separating Black and white workers in the state.*

Acknowledgments


The State of Working Wisconsin 2024 is written by Laura Dresser, Joel Rogers, Cameron Towne, and Leslie Vasquez. We would also like to thank the Economic Policy Institute (EPI) in Washington, D.C. for their support with data and analysis.


About the High Road Strategy Center


High Road Strategy Center is a nonprofit think-and-do tank, based at the University of Wisconsin-Madison, 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. Through our various projects, we work with communities around the country to promote innovation and the implementation of high road policy and practice. Our work is nonpartisan but values-based. We seek a world of equal opportunity and security for all.


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Key Facts

Job Market Hits Record High in June 2024: Wisconsin Added More Than 25,000 in the Year

In June 2024, the state set a new record high for jobs: 3,048,000. From July 2023- July 2024, Wisconsin added 25,700 jobs.

Wages Up: Historic High for Wisconsin's One-Year Median Wage Increase

From 2022-23, the inflation adjusted median hourly wage increased by 97 cents. Since 1979 (the first year reliable data for state wages is available), the inflation adjusted median wage has increased by this much only twice: in 2019 and 2023.

Equalizing Wage Growth: Lower-Wage Workers Make Stronger Gains

In a reversal of trends for much of the last forty years, lower wage workers in Wisconsin experienced stronger wage growth than higher wage workers. The gap has been closing in the recovery from the pandemic shutdowns and has continued again this year.

Wisconsin Union Decline Worst in Region, Despite Unions' Growing Popularity

The public perception of unions improved dramatically over 2011-23, but even so, Wisconsin's unionization rate dropped by one-third (from 14 to 8.4 percent) over the same period. This decline outpaces the rate of deunionization of all neighboring states.

Wisconsin's Working Women: Gender Pay Disparity Leaves Women Behind

In 2023, the women's median wage was \$22.03 while men's median was \$25.09. At the median, women earn 88 cents for every dollar a man earns. This is Wisconsin's gender wage gap. It is much smaller than in 1979 but remains significant, especially for Black and Hispanic women in the state.

State Policy for Working Wisconsin

Restore Union Rights

Through unions, working people can negotiate for better wages and working conditions. Wisconsin state policy deters unionization in both the private and public sectors. Restoring union rights would help workers level the playing field in Wisconsin.

Raise the Minimum Wage

Wisconsin's minimum wage is lower than nearly every state at our borders. More than 379,000 Wisconsin workers, disproportionately women workers, and disproportionately Black and Brown workers, would get a raise if the minimum wage moved from its current level of \$7.25 to \$15.

Invest in Care

Wisconsin families struggle to find early care and education for their babies and toddlers. Continuing investments that began during the pandemic could support care providers, stabilize the sector, and provide relief for families and their employers.

INTRODUCTION

Each Labor Day, in celebration of Wisconsin workers, the High Road Strategy Center releases the *State of Working Wisconsin*. Our report analyzes the most recent data available on wages, jobs, and unions, and, this year, provides a special feature on women workers. We have been releasing this report since 1996 to provide clear information on the economy as experienced by the working people of the state.

Workers have a lot to celebrate this year. Wisconsin jobs are reaching historic highs. Unemployment is steady near historic lows. Median wages surged in 2023, matching the fastest one-year increase dating back to 1979. Lower wage workers continue making faster wage gains than higher wage workers, so as wages rise, equality is growing as well. Taken together, this is a positive picture. Tight labor markets are increasing workers' leverage at work, and lower wage workers – who fell behind all too frequently in the last 40 years – are making the most of this leverage.

But the picture is complex. Deep underlying inequality by gender, race, education, and geography continues to define opportunity in the state. Some gaps are shrinking, but disparities remain pronounced. Despite increasing popular support for unions, unionization in Wisconsin is falling, and faster than neighboring states. And though women have a long history of higher workforce participation than national rates, their relative advantage is shrinking.

State policy could support Wisconsin workers but falls short in important ways. Wisconsin's anti-union policies make unionization harder than in neighboring states. Wisconsin's minimum wage, which could provide a solid floor under work, remains frozen at \$7.25. Wisconsin's early care and education infrastructure leaves families struggling with costs when they can find the care they need. Neighboring states are well ahead in each of these areas. Considering and following their example could solidify workers' recent gains and create the policy framework for workers to thrive.

JOBS

ANOTHER RECORD BREAKING LABOR MARKET BUILDS WORKERS' POWER.

With Wisconsin's unemployment rate near historic lows and the number of jobs and workers reaching historic highs, Wisconsin's labor market has had another record breaking year. Over the past 12 months, the state added 25,700 jobs to reach 3,035,100 jobs in July. This is down just slightly from the state's record number of jobs – 3,048,000 – set in June. Job growth remains strong. This is also reflected in Wisconsin's very low unemployment rate. Unemployment is currently 3.0% in July 2024 and has been below 3.5% since September 2021.

These record setting levels are consistent evidence of a strong economy. Sustained job growth and low unemployment rates increase workers' bargaining power. Workers can leverage abundant opportunities by leaving their jobs for better opportunities or using the credible threat of leaving to secure improvements in the jobs they hold. Federal policy to invest and build in the U.S. has contributed to job growth and some policies are focused on raising job quality and worker power in the jobs created.

In response to economic opportunity, Wisconsin continues to have a relatively high labor force participation rate – 66.1% of working age people in Wisconsin are in the labor market compared to the national rate of 62.6%. Engagement with work is above national levels for both women and men in the state, but Wisconsin's women's relative advantage over the national rate appears to be shrinking.

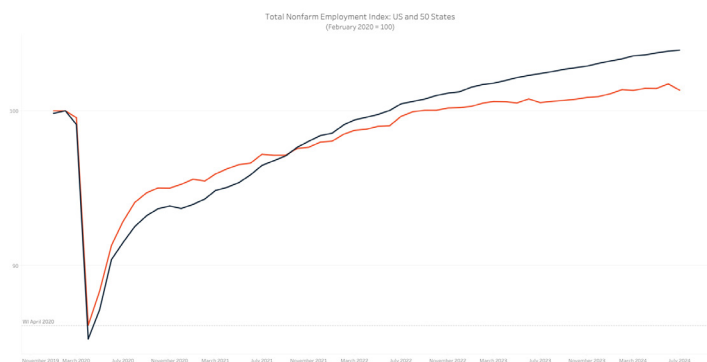
While economic opportunity is high for workers in the state, it is distributed unequally. Racial and geographic disparities are pronounced. Wisconsin's well-documented racial disparity remains substantial and gravely concerning. Matching national levels of disparity, Black workers in the state are twice as likely to be unemployed as white workers. Geographically, the county unemployment rates across the state are quite disparate ranging from a low of 2.4% to a high

of 6.1%. Again, that is a substantial gap, but it is also the lowest disparity separating high and low unemployment counties in Wisconsin since data has been available in 1990.

The nation added fewer jobs than expected in July raising concerns about economic slowdown or even recession. At the same time, inflation has cooled from a high of 9.1% in June 2022 to a much more normal level, 2.9%, in July 2024. Together lower inflation and softening in job growth may convince the Federal Reserve Bank to lower interest rates in the coming months.

WISCONSIN JOBS HIT ANOTHER RECORD HIGH

J1 shows that jobs in Wisconsin and the U.S. have exceeded pre-pandemic levels and shattered all-time records in June 2024.

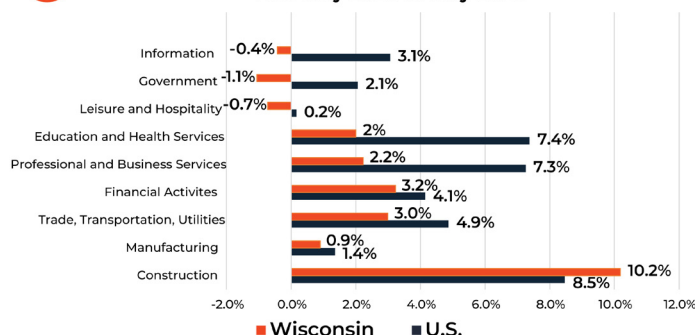


In June 2024, federal data from the Bureau of Labor Statistics showed that Wisconsin posted a record breaking number of jobs: 3,048,000. July 2024 jobs fell slightly, to 3,035,100. Even so, Wisconsin had 25,700 more jobs in July 2024 than it did 12 months before.

Wisconsin's growth has lagged the national rate of recovery. J1 shows the trajectory of job recovery for Wisconsin and the nation. Wisconsin's labor market growth outpaced the national rate early in the recovery but has lagged behind it since September 2021. Given the different rates of recovery, the national economy recovered to the pre-pandemic jobs threshold before Wisconsin did. Jobs are still growing faster nationally than in Wisconsin: since September 2021, the national job growth, jobs up 3.4%, is more than twice as fast as Wisconsin's (1.4%).

J2 shows sectors recovering to pre-pandemic levels, but lagging national pace.

J2 Employment Change by Sector, Wisconsin and U.S. February 2020 to July 2024

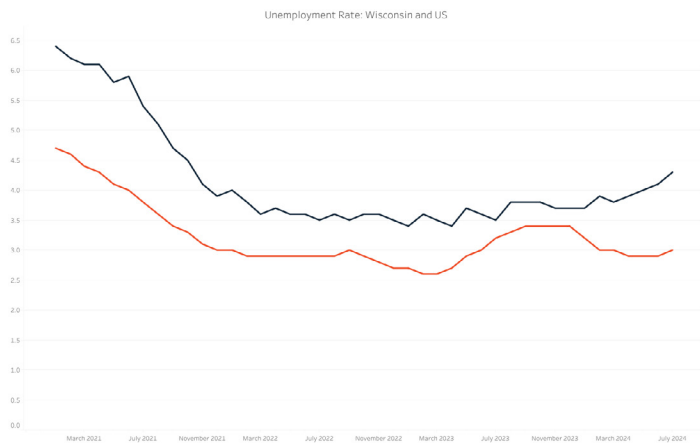


At this point in the recovery, most sectors have slightly higher employment than they did before the pandemic shutdown. Three exceptions where jobs have not fully recovered: state and local government, information, and leisure and hospitality. Wisconsin state and local government jobs remain 1.1% below the February 2020 level (even as the sector grew 2.1% nationally). The information sector remains 0.4% behind (compared to an increase of 3.1% nationally). Leisure and hospitality both nationally and in Wisconsin have stayed relatively stagnant. Jobs are just slightly down (0.7%) in the state, and slightly up (0.2%) nationally.

Perhaps just as concerning, since February 2020, several sectors that play an important role in the state economy saw sluggish growth in employment in Wisconsin compared to the national rate. The Professional and Business Services and Education and Health sectors saw weak growth of 2.2% and 2%, respectively, in Wisconsin. This is much slower than national job growth of 7.3% and 7.4% in these sectors. The relatively weak performance of these sectors, which collectively employ half of Wisconsin's workers, may challenge economic development of the state.

VERY LOW UNEMPLOYMENT HELPS WORKERS IMPROVE JOBS

J3. Unemployment Rate, Wisconsin and U.S., January 2021 – July 2024



Over the last year, Wisconsin's unemployment has remained near the historic lows set in 2023. As J3 makes clear, Wisconsin's unemployment rate has remained lower than the national rate. Although Wisconsin and the U.S. have seen a slight uptick in unemployment from the low of 2.6% set in February and March of 2023, the unemployment rate remains well below previous decades. Since September 2021, unemployment has stayed under 3.5%, and in July of 2024, the unemployment rate was just 3.0%.

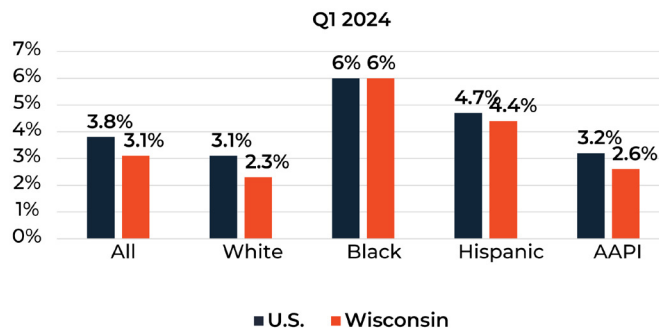
Sustained low unemployment rates are not only good news for those who are looking for work. Obviously there are fewer workers seeking jobs, and they have more opportunities to pursue as they look for work. Low unemployment also allows workers a sense of security and leverage in the jobs they hold. With another year of very low unemployment rates, workers have the security to seek better pay, schedules, and benefits. Sustained low unemployment rates increase workers' bargaining position in their jobs.

DISPARITY IN UNEMPLOYMENT BY RACE AND GEOGRAPHY

Racial disparities in Wisconsin unemployment are substantial with Black and Brown workers much more likely to be unemployed than whites in the state. The disparity between Black and white workers has been extreme, and we have documented the high level of disparity, especially in unemployment in previous editions of the State of Working Wisconsin. (See [Race in the Heartland](#) for a summary of Wisconsin's extreme racial disparity.)

J4

Unemployment by Race and Ethnicity, Wisconsin and U.S.



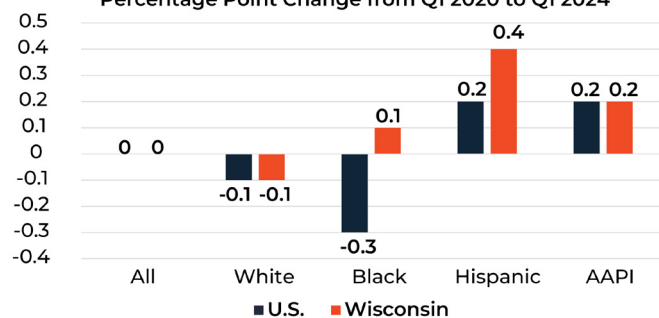
Disparity in unemployment is evident in J4, which provides estimates of unemployment rates racial and ethnic categories in the first three months of 2024 (Q1 2024). In Wisconsin, the unemployment rate for whites is just 2.3%, closely followed by Asian Americans and Pacific Islanders at 2.6%. Unemployment is more than twice as high for Black workers: 6%. For Hispanics, the unemployment rate of 4.4% is also higher than the white rate.

For decades, Black workers have been well over twice as likely to be unemployed as white workers in the state, and this ratio in Wisconsin has always substantially exceeded the national ratio of disparity. In 2023, with strong job employment growth among Black workers, Wisconsin saw the Black-white unemployment gap begin to close, even outpacing the national trend. Progress on the Black/white unemployment gap appears to have stalled out in the first months of 2024 as Black unemployment rose just slightly (up 0.1%) and white unemployment fell slightly (down 0.1%).

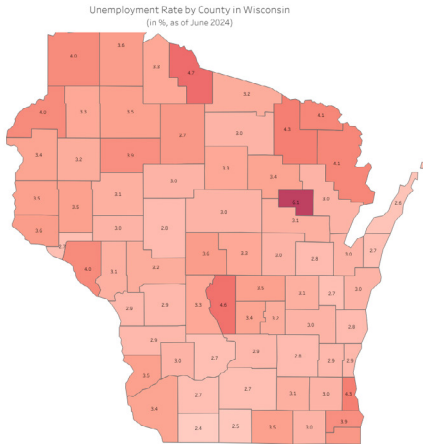
J5

Change in Unemployment by Race and Ethnicity, Wisconsin and U.S.

Percentage Point Change from Q1 2020 to Q1 2024



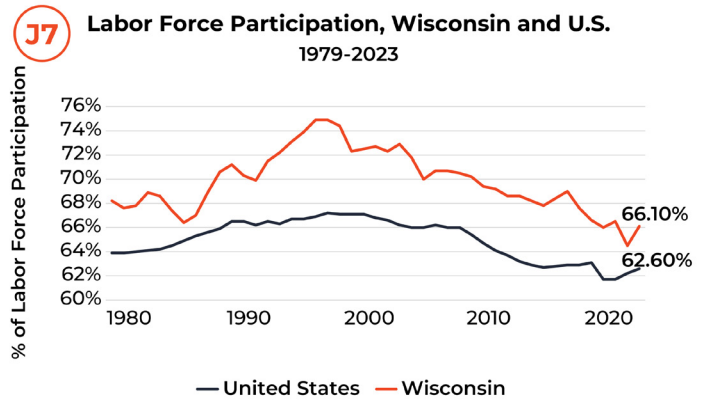
J6. Wisconsin Unemployment Rate by County, June 2024



Opportunity and unemployment show geographic variation easily seen in the distribution of county unemployment rates. In June 2024, unemployment in the state ranged from a low in Lafayette County of 2.4% to a high in Menominee County of 6.1%. Nineteen of Wisconsin's 72 counties had unemployment below 3%, which is extremely low unemployment. Menominee County's unemployment rate is nearly three times that of Lafayette County's rate, which is a substantial disparity. But Menominee County, which has historically seen among the worst unemployment rates for any county in the state, posted an all-time low in its unemployment rate in any June since data became available in 1990. Sustained low unemployment appears to be decreasing the county based disparities in unemployment rates.

WISCONSINITES ARE COMMITTED TO WORK

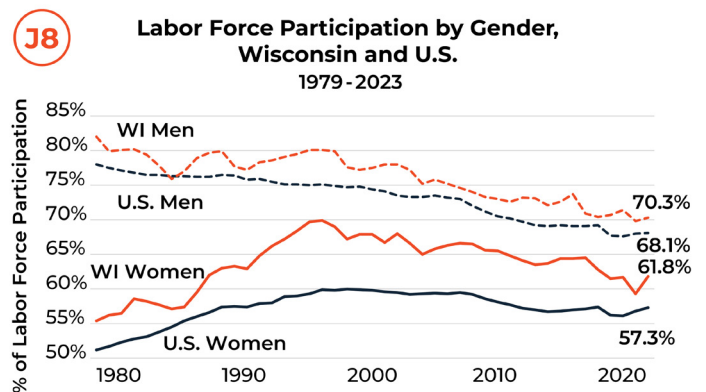
Wisconsin's labor force participation rate has been higher than the national average since 1979.



One way Wisconsin's commitment to work is evident is in its share of working age people who are in the labor force. J7 compares labor force participation in the U.S. and Wisconsin from 1979 to 2023. Wisconsinites have consistently shown a stronger attachment to work over the last 40 years, with the state's 2023 labor force participation rate at 66.1 percent compared to the national rate of 62.6 percent.

WOMEN IN WISCONSIN ARE ESPECIALLY COMMITTED TO WORK

Over the last 40 years, men's labor force participation has been declining while women's participation rose substantially from 1979-1999 and then drifted down in recent years.



J8 shows that while Wisconsin reflects those national trends, workers in the state – both men and women – have historically shown greater connection to work. In 2023, 70 percent of Wisconsin's men participated in the labor force (higher than the national 68 percent rate).

Wisconsin women's labor force participation is also consistently above national rates of participation: Nearly 62 percent of Wisconsin women worked in 2023, compared to 57 percent of women nationally.

While Wisconsin women's labor force participation used to dramatically exceed national rates, in recent years, the gap is shrinking. We explore this issue and potential solutions to it in our feature on [Women in the Workforce](#).

WAGES

WAGES MATTER

For Wisconsin's 3 million workers, wages are the most important measure of the quality of their jobs.

In this chapter, we provide analysis of wages and wage trends to offer insight on job quality and economic inequality in the state. Trends in wages over time allow us to see how workers are doing and whether wages are keeping up with the cost of living. Trends in wages by race, gender, ethnicity, and education provide insight into inequality in the state and how it is changing.

This section draws on the most recent data available from the U.S. Government's Current Population Survey, providing median wages through 2023. Throughout the chapter, we take inflation into account by reporting all values in 2023 dollars which provides a view of wages in terms of consistent purchasing power. Our data covers both hourly and salaried workers (for the latter, wages are calculated by dividing earnings by hours of work). Throughout, we offer analysis of median wages (the wage for the worker at the middle of the wage distribution) to provide the perspective from the center of Wisconsin's labor market.

Below, we provide 2023 data on wages, then consider trends over the recent past (2019-2023, the period since the pandemic shutdowns), and set those trends in the context of the last four decades (1979-2023, the period for which we have reliable data on Wisconsin wages).

IN 2023, WAGES ARE GROWING AGAIN, ESPECIALLY IN WISCONSIN

Wisconsin's median wage rose to \$23.90 in 2023, increasing by nearly \$1 per hour from its 2022 level. Strong wage growth in 2023 brought Wisconsin up to the U.S. median and restored the wage growth that was interrupted by high inflation in 2022. Hourly wages have grown this fast in only two years – 2019 and 2023 – since 1979. The 2023 wage increase – 97 cents per hour – far outstrips usual increases. Over 1979-2023, the average annual hourly wage increase was just 7 cents.

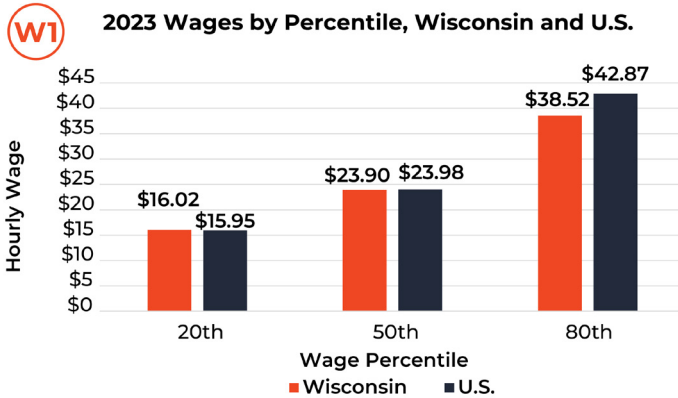
2023 wage increases largely make up for losses in 2022, when inflation spiked and workers' pay did not keep up. Though nominal wages rose in 2022, inflation rose more rapidly peaking at 9.1% in June 2022. Both nationally and in Wisconsin, high inflation drove the 2022 purchasing power of the median wage below the 2021 level.

Inflation came down to 3% by mid-2023 and has hovered around this level since. As inflation cooled, wage growth surged, especially in Wisconsin. In Wisconsin, median wage growth was especially strong (from \$22.93 to \$23.90 over 2022-23). Nationally, wages rose but only slightly: up from \$23.82 to \$23.98. 2023 median wages in both Wisconsin and the U.S. sit just slightly below all-time highs set in 2021.

In our chapter on [Jobs](#), we document the strong growth in the number of jobs, low unemployment rates, and high rates of employment in the state. Strong labor markets provide workers with leverage to improve their jobs and these wage trends suggest that workers have been doing just that. Most importantly, wage increases since 2020 have reduced inequality in the labor market. Low wage workers and workers of color have seen the strongest wage growth in the years since the pandemic shutdown.

BEYOND THE MEDIAN WAGE: 2023 DISPARITIES IN WAGES FOR WORKING WISCONSIN

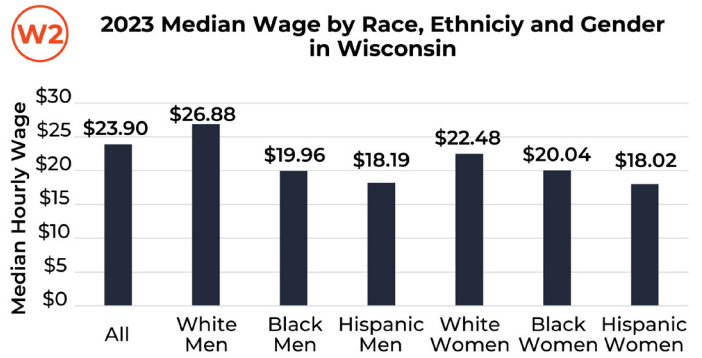
W1 provides a view of inequality displaying the disparity between lower wage and higher wage workers in Wisconsin and the U.S.



The median wage provides information from the middle of the wage distribution, but offers no insight into the distance between higher and lower wage earners. In Wisconsin, the 20th percentile worker (who earns more than 20 percent of the workforce, and less than 80 percent) earns \$16.02 per hour. Near the top of the wage distribution, the 80th percentile worker earns \$38.52, more than twice as much per hour as the 20th percentile worker. That disparity is substantial but slightly lower than the national gap between 20th and 80th percentile wages.

In 2023, the national 20th percentile wage hit an all time high while Wisconsin's 20th percentile wage reached near the high set in 2020 (\$16.38).

W2 illustrates the stark difference in wages based on race, ethnicity and gender in Wisconsin and the U.S.

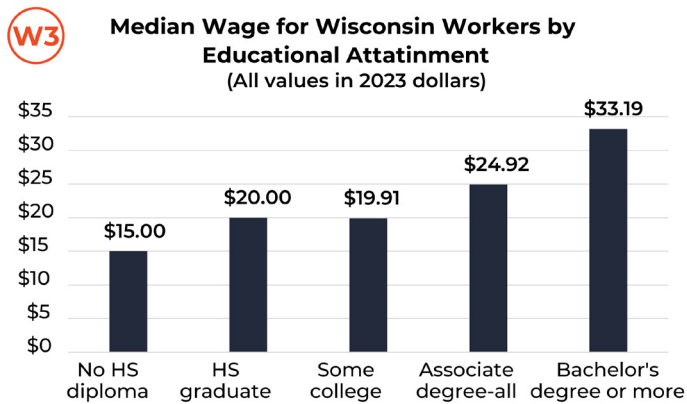


With a median wage of \$26.88 per hour, white men earned the most of all demographic groups. White women earned about 16% less than white men at \$22.48 per hour. Black men and women earned roughly the same hourly median wage of \$19.96 and \$20.04 respectively, about 25% percent less than white men. Hispanic men earned \$18.19 while Hispanic women earned \$18.02. These wages are 32% and 33% lower than white mens' median.

Raising the Minimum Wage in Wisconsin Would Help Close the Racial and Gender Pay Gap

Since 2009, Wisconsin's minimum wage has been stuck at the federal level: \$7.25 an hour. Raising the minimum wage to \$15 per hour would not only be politically popular, but would directly or indirectly raise the wages of 231,800 (or 18%) of women workers, 36,200 (or 25.6%) Black workers, and 50,200 (or 26.6%) Hispanic workers in the state. Read more about the potential benefits of a higher minimum wage in our report [Can't Survive on 7.25](#).

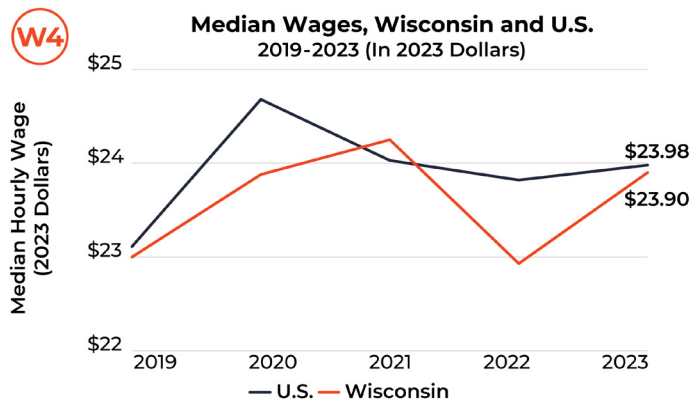
W3 demonstrates the continued importance of college completion for workers' wages in Wisconsin.



In 2023, workers who had received an associate's or bachelor's degree earned wages above the state median. Working Wisconsinites with bachelor's degrees or more education earned \$33.19 per hour, while those with associate's degrees earned \$24.92. Completing a two- or four-year college degree is associated with stronger wages, but just attending college without completing the degree has almost no effect. The wages of Wisconsinites with some college but no degree, \$19.91, are actually lower than wages of workers who ended their education with a high school degree (median wage \$20.00). Workers without a high school diploma earned a median wage of just \$15 per hour.

2019-2023 WAGES: WAGES HAVE GROWN AFTER PANDEMIC SHUTDOWNS

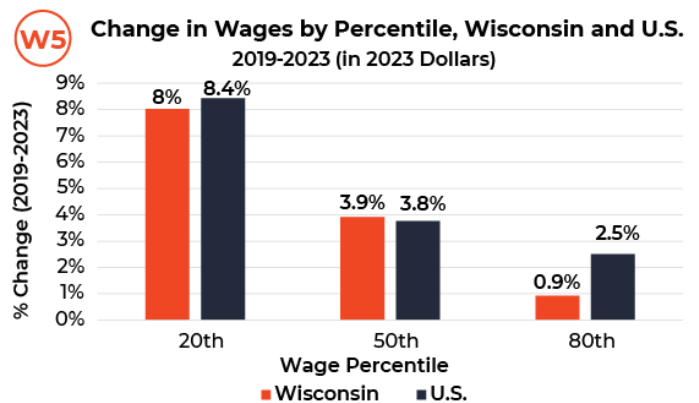
W4 shows the changes in median wages in the U.S. and Wisconsin from 2019 to 2023. (All values are expressed in 2023 dollars which allows us to compare the actual purchasing power of wages.)



From 2019 to 2023, median wages grew in the U.S. and Wisconsin. Over the past four years, national median wages have increased from \$23.11 to \$23.98 and Wisconsin wages grew at the same pace, from \$23.00 to \$23.90.

Wage growth was interrupted in 2022, when wages fell due to inflation. But strong economic growth and tight labor markets have supported wage increases across recent years. The current wage growth trajectory was established in 2015 with strong growth disrupted by the pandemic and inflation. Even taking the wage setback in 2022 into account, the wage trajectory of the last 9 years is, along with the late 1990s, the period of strongest wage growth dating back to 1979.

2019-2023 WAGE GROWTH NARROWS INEQUALITY



W5 shows the percentage change from 2019 to 2023 in wages for workers at the 20th, 50th, and 80th percentiles in both Wisconsin and the United States. (Inflation is taken into account so these are changes in the purchasing power of wages.)

In a notable departure from the trend of increasing inequality of wages in previous decades, lower wage workers have secured the strongest wage gains from 2019 to 2023. This is true for lower wage workers across the nation and in Wisconsin.

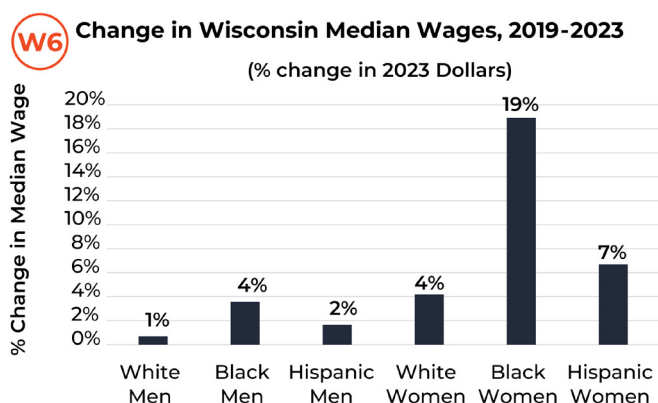
From 2019 to 2023, wages of higher wage workers (workers who earn more than 80 percent of the workforce) grew modestly – Wisconsin wages are up less than 1% and national wages are up 2.5%. For lower wage workers (who earn more than 20 percent of the workforce) wages grew much

more rapidly, surging 8.4% nationally and 8% in Wisconsin.

In the last four years, wage increases for lower wage workers are more than three times faster than higher wage workers' gains. Lower wage workers have seized the opportunity provided by tight labor markets and moved to higher paying jobs and secured higher wages in jobs that they stay in. As a result, our wage distribution is more equal today than it was in 2019.

2019-23 WAGE TRENDS REDUCE RACIAL WAGE DISPARITIES

W6 shows the change in median wages by gender, race, and ethnicity in Wisconsin and shows a reduction in the pronounced racial and ethnic wage disparities in the state.



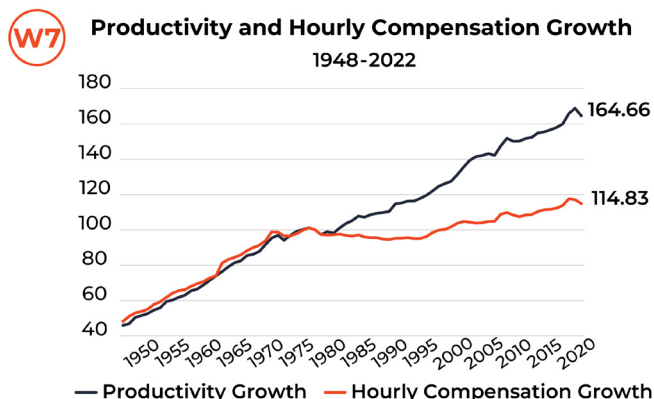
Wage trends over 2019-23 have reduced racial and ethnic pay gaps in Wisconsin.

While wages grew for all workers over the last five years, Black and Hispanic women experienced especially strong wage growth. Since workers of color are overrepresented in lower wage work, the gains these workers saw since the pandemic disproportionately benefited women of color.

LONGER TERM TRENDS: ECONOMIC GROWTH LEAVES WORKERS BEHIND

Up to this point, we have focused on short-term wage trends which relate directly to the strong demand for workers that has characterized the last four years. But these recent years of strong and equalizing wage gains are just the most

recent part of the story. In the *State of Working Wisconsin*, we have long documented that longer term trends in workers wages and inequality are deeply concerning. Four years of better news is to be celebrated, but the longer term wage trends tell a different story.

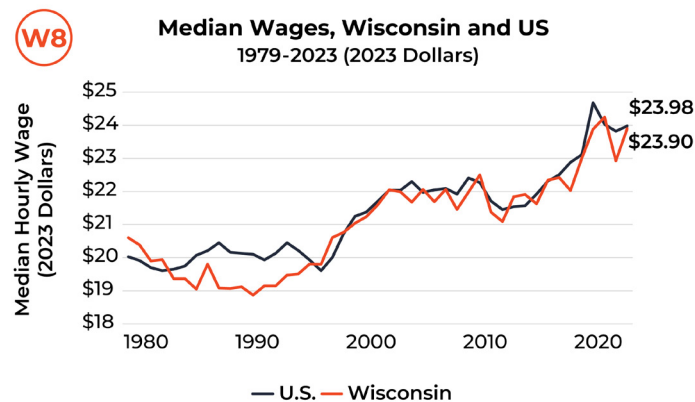


The underlying problem is shown in W7: despite substantial productivity and education advances over the last four decades, median wages have not kept pace. Workers do not experience enough of the rewards of economic growth.

The separation of growth and wages emerged in the 1970s. From the end of World War II until the 1970s, median wages were closely linked to economic growth. As the economy grew and productivity increased, workers' wages grew roughly at the same rate. This was an era of "shared prosperity" when median wages grew along with economic growth.

By the late 1970s, productivity and wage growth diverged. Since 1979, productivity is up nearly 65% while workers hourly pay has increased by less than 15%. Despite strong wage growth over the past five years, economic growth in this period has not translated into widely shared prosperity. Instead, the lion's share of the rewards of this growth have gone to the rich while working people have been left behind.

W8 displays median hourly wages for Wisconsin and the United States from 1979 to 2023. (All values are expressed in 2023 dollars which allows us to compare the actual purchasing power of wages.



In 1979, Wisconsin’s median worker earned a wage well above the national median, but the state lost ground in the 1980s.

The 1980s – especially difficult years for Wisconsin – brought considerable real and relative wage decline, leaving Wisconsin workers nearly a dollar per hour behind the U.S. median.

Wisconsin returned to the national median wage in 1995, and from there, wages rose slowly until 2005. The Great Recession brought wages in the State to the 21st century’s low point in 2012.

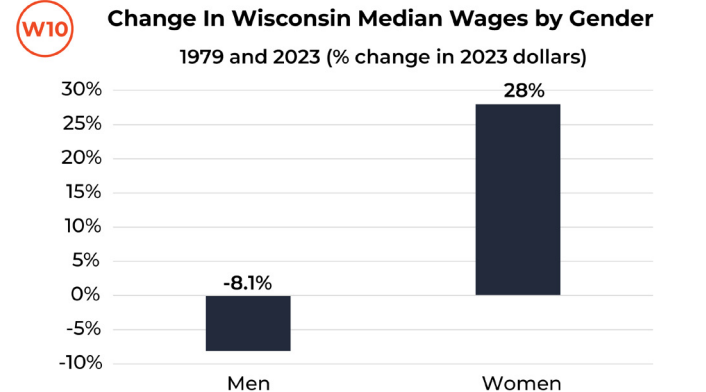
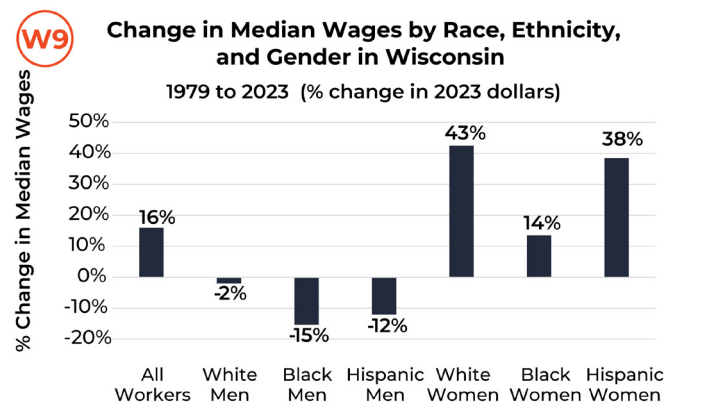
Wages grew slowly from 2012 until 2018 during the sluggish recovery from the Great Recession, then grew at a rate not seen in nearly two decades from 2018 through 2021. In 2022, wage growth temporarily failed to keep up with high inflation, bringing nearly a decade of wage growth to an end.

However, 2023 saw a return to near historic highs in Wisconsin and the country as inflation receded and wage growth remained strong.

Median wages, while important, fail to capture the whole story of working people’s wages in Wisconsin. Below we explore the trends in racial and gender inequality to better understand how working women and men of color have fared over the past four decades.

WISCONSIN’S WOMEN MAKE STRONG GAINS OVER 40 YEARS, BUT SUBSTANTIAL RACIAL AND GENDER WAGE INEQUALITY CONTINUES

W9 and W10 demonstrate that since 1979, women’s wages have grown while men’s wages have fallen.



Since 1979, all workers have seen their wages increase by 16%. However, these gains have not been consistent across demographic groups. Over this period, women’s wages have increased by 28% while men’s have fallen by 8.1% .

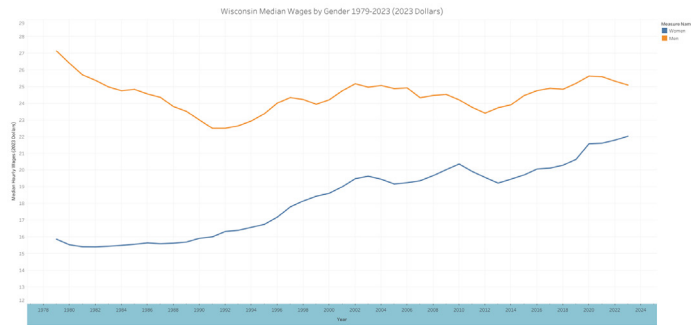
The gains in women’s wages have been driven by white women who have seen an astounding 43% growth, with strong growth for Hispanic and Black women at 38% and 14%, respectively.

On the other hand, the decline in men’s wages from 1979 levels have been most dramatic for Black and Hispanic men. While white men saw their median wage decline 2% from 1979 levels, Black men’s median wage has declined 15% and Hispanic men have declined 12% over the same period.

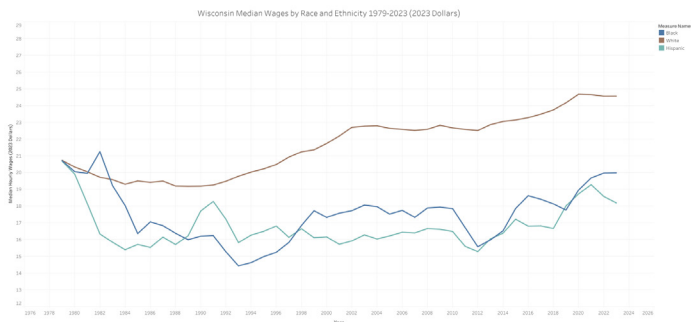
GENDER, RACIAL, AND ETHNIC WAGE DISPARITY SINCE 1979

In 1979, the labor market was marked by a clear gender disparity. By 2023, disparity by race and gender was more pronounced.

W11 shows how the gap in median wages between men and women has shrunk from 1979 to 2023.



W12 shows how the gap in median wages between white, Black, and Hispanic workers has grown from 1979 to 2023.



Both charts use three year moving averages to account for small annual fluctuations that don't represent bigger trends.

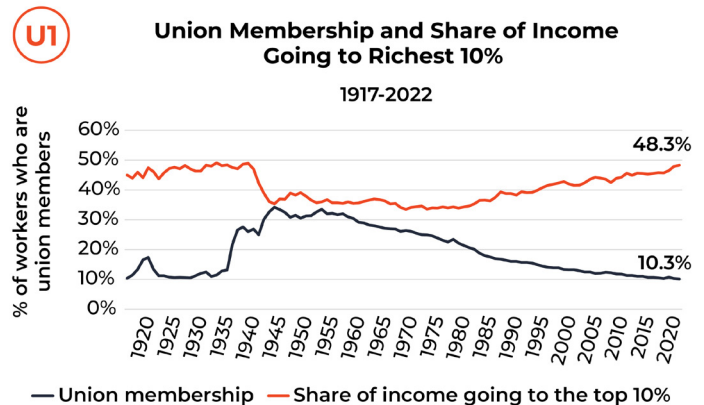
UNIONS

UNIONS HELP CREATE AN ECONOMY THAT WORKS FOR EVERYONE

In the U.S., labor unions work to raise wages and working conditions and support policies to improve the lives of working people. They are important inside firms and more broadly in society as well. Unions give workers a voice at their worksites where workers collectively bargain for higher pay and better working conditions. When unions represent a sufficient share of workers

in an industry, they also raise job quality in that industry for all workers, even those who aren't unionized. Unions also play an important role in advocating for policies that improve the lives of working people – things like increasing access to health care, raising the minimum wage, and enforcing higher safety standards. On the job and in the political system, unions serve as an important counterweight to the organized power of business.

U1 shows that as unions have declined, inequality has surged.



Inside firms and in society, unions are a force for economic equality and their decline is associated with increasing inequality. This is clear in U1 where the top line shows the share of income going to the nation's richest 10 percent. Since the 1980s, this share has increased dramatically as income inequality has reached similar levels to the early 20th century "Gilded Age."

The bottom line in U1 charts the share of the workforce in unions. Unionization tripled from 10 to 30 percent in the 1930s and 1940s stayed steady through the 1960s. Slow decline began in the 1970s and then accelerated. Since the 1980s, union membership has fallen dramatically back to the level of the mid-1930s. That decline mirrors the sharp increase in the richest ten percent's income over the same decades.

Despite low rates of unionization, public support for unions in recent years has risen. In recent years, the Gallup poll found that 67% of Americans approve of labor unions — a level of public support that hasn't been reached since 1965. Labor struggles of the United Auto Workers, Teamsters and Hollywood writers have made the news, as has

new union organizing at Amazon and Starbucks. Workers and their unions have been standing up, and these actions have inspired interest in the labor movement, especially among younger workers.

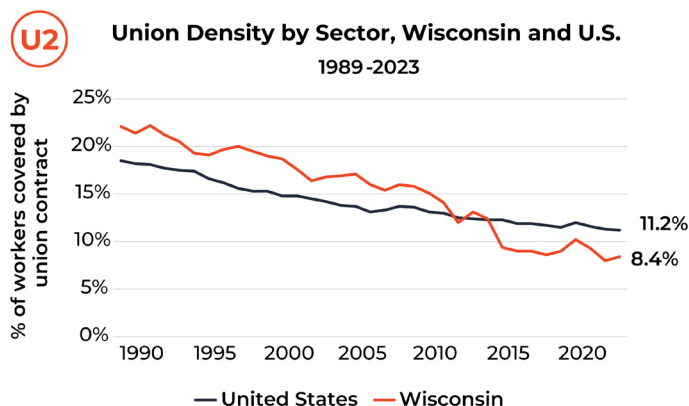
This renewed enthusiasm has not yet translated into meaningful gains in union membership. In future years, we'll know if growing enthusiasm, high profile labor actions, and low unemployment together might change the long decline of unions and actually increase unionization and worker power.

Workers Building Power In Wisconsin

In Wisconsin, despite anti-union policy, workers continue to work together to form unions and improve their jobs. In Milwaukee, workers in the Deer District secured an industry leading contract for their concessions, food service, and security jobs. Their union, MASH, continues to expand its reach and impact work which we documented in *"Community Benefits, to Collective Bargaining, and Back: Building Worker Power in Milwaukee"*.

WISCONSIN UNIONIZATION

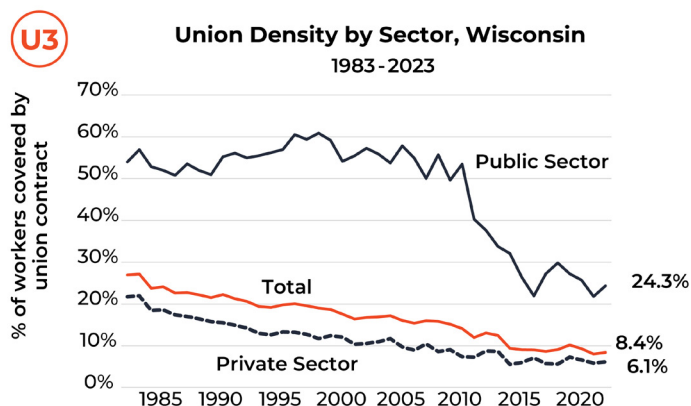
Despite proud union history, union membership in Wisconsin has fallen dramatically.



Wisconsin's history of strong unions and their dramatic decline is clear in U2. In 1989, 22 percent of Wisconsin workers were in unions and the unionization rate in the state exceeded national levels. Union representation has been falling in the U.S. and the state since. Wisconsin's decline has

been more pronounced, and in 2012, the State's unionization rate fell below the national average. In 2023, just 8% of Wisconsin workers were in unions. Wisconsin's rate is less than half the state's 1989 level.

U3 provides trends in unionization in the public and private sectors and shows the dramatic decline of public sector unions.



Across the early 2000s, more than half of public sector workers in the state were union members. Since 2011, unionization has fallen by more than half, with just 24.3 percent of public sector workers in unions in Wisconsin in 2023. This is the result of state policy which undermined the state's public sector unions. (See next section for details on Act 10.)

Private sector workers have also experienced a decline in union membership. The 2015 passage of "right to work" legislation which makes operating unions in the private sector much harder has had a negative impact on unions in the state as well. However, the chart makes clear that public sector unionization has fallen much more dramatically.

WISCONSIN PUBLIC SECTOR UNIONS: REDEFINED IN 2011

The cratering of public sector unions in Wisconsin is the direct result of state policy.

In 2011, despite an outpouring of support for public sector bargaining rights, the state legislature passed Act 10 which restructured the terms of Wisconsin's public sector unionization, reducing public unions' power, relevance, and membership.

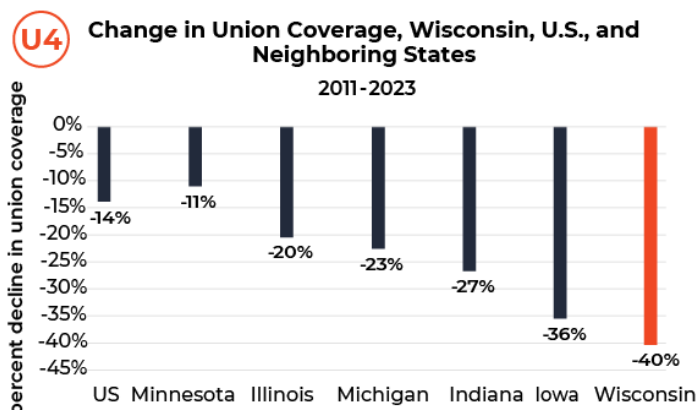
The structure of Act 10 does not actually prohibit the existence of public sector unions. Rather, it restructures the rules around them, limiting their power and relevance and making it extremely difficult to operate. For example, Act 10 limits the bargaining of public-sector unions to only wage increases that cannot exceed the rate of inflation. This obviously undermines the relevance of wage negotiations and leaves some of the most important issues to workers — benefits, safety, and scheduling – off the table. Further, employers are not allowed to collect union dues in paychecks, even when workers demonstrate and document interest in such collection.

Additionally, Act 10 requires an annual vote to maintain its certification as a union. In that vote, the union must receive support of at least 51% of all members of the unit, regardless of how many members actually vote. Taken together, Act 10 has reduced the potential positive impact of public sector unions while substantially increasing the burden of operating them. Public sector unions have been devastated as a result.

In the last year, several public employee unions in the state have brought legal challenges to Act 10. The outcome of these cases is not clear yet, but as they move through the courts, there may be changes and restoration of some public sector bargaining rights in the coming year.

UNION TRENDS IN WISCONSIN VS. NEIGHBORING STATES

U4. Wisconsin posts the worst decline in union membership in Midwest.



From 2011 to 2023, Wisconsin’s unionization rate fell by more than one third, from 14.1 to 8.4 percent. Over the same period, the national rate fell from 13 to 11.2 percent. The Wisconsin decline is 3 times faster than the nationwide decline and the most rapid decline in the region.

State trends in unionization reflect both state policy and industrial structure. With unionization falling from 15.8 to 14.1 percent over 2011-23, Minnesota has experienced very little decline. Unionization in Illinois and Michigan slightly outpaced the national rate of decline, while Indiana, Iowa, and Wisconsin saw the most dramatic decline. In the last year, Michigan has repealed its anti-union “right to work” law which may influence union rates in coming years there.

UNIONS AND WAGES

When unions are strong, they raise labor standards throughout the economy.

Despite federal and state policies that have impeded unionization over the last half century, unions continue to provide workers with the means to improve wages and working conditions in their jobs. When unions win strong contracts, as the UAW did, non-union worksites raise wages in response (as Toyota’s U.S. facilities did just after the UAW contract was signed). Unions are also a social force, supporting policy that helps workers, families, and communities thrive. Unions have been essential partners in movements to raise the minimum wage, to defend the ACA, and to secure strong protections and support for all workers. Workers in Wisconsin continue to organize, to pursue their collective interests, and improve their work and communities. State and federal policy changes could help support this work, but the work will go on in any policy environment, as long as workers see reason to join together in order to improve their jobs.

SPECIAL FEATURE: WOMEN AND WORK

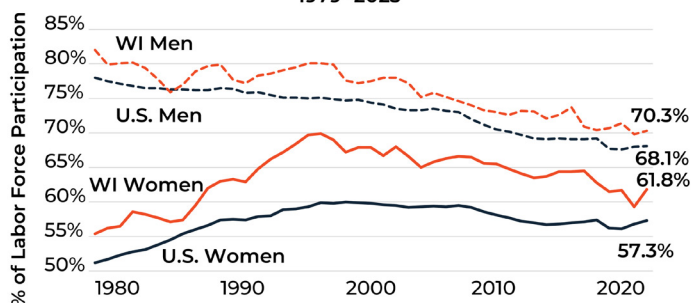
This year, we provide extra focus on Wisconsin’s working women, shedding light on the progress women have made and the disparities they still face. We focus on policy opportunities –

investments in child care and raising the minimum wage – to honor and support working Women in Wisconsin.

WISCONSIN WOMEN ARE COMMITTED TO WORK, BUT THEIR ADVANTAGE IS SHRINKING

WW1

Labor Force Participation by Gender, Wisconsin and U.S. 1979-2023



For decades, women in Wisconsin have demonstrated a strong attachment to work. This is evident in WW1 where Wisconsin women's labor force participation rate is consistently well above the national level. In the late 1990s, Wisconsin women's work was nearly 10 percentage points higher than national levels of women's work.

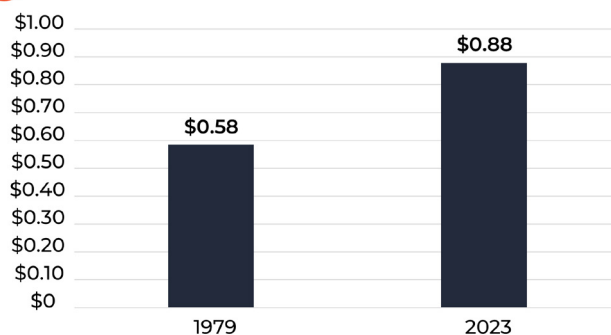
Though women's work maintains above the national level, Wisconsin women's participation advantage has been shrinking since the turn of the century. In 2023, Wisconsin women's labor force participation (61.8%) was still higher than the national rate (57.3%), but the difference had fallen to less than five percentage points.

WAGES FOR WOMEN IN WISCONSIN CONTINUE TO LAG THOSE OF MEN, AND THE PAY GAP IS SUBSTANTIALLY WORSE FOR WOMEN OF COLOR

In 2023, Wisconsin women's median wage was \$22.03 while men's median was \$25.09. At the median, women earned 88 cents for every dollar a man earned. This is Wisconsin's gender wage gap.

WW2

Wisconsin Gender Wage Gap, 1979 and 2023



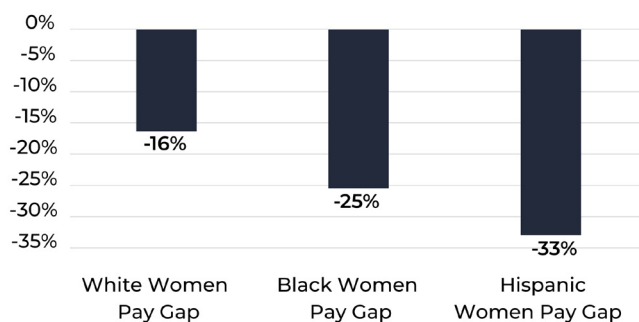
WW2 shows the dramatic closing of the gender pay gap between working women and men from 1979 to 2023. In 1979, for every dollar that a man earned, women earned just 58 cents. By 2023, for every dollar that a man earned, women earned 88 cents. Although still far from pay equity, working women in Wisconsin have been moving closer since 1979. The gap has closed both because women's wages are up, and because men's wages have fallen.

THE GENDER GAP HAS SHRUNK, AND WHITE WOMEN HAVE MADE THE BIGGEST GAINS OF ALL

WW3 demonstrates the persistent pay gap for women by race and ethnicity compared to white men.

WW3

Wisconsin Women's Wage Relative to White Men's, 2023



Despite considerable progress towards pay equity over the past 40 years, in 2023 working women in Wisconsin of all races and ethnicities continue to earn substantially less than white men. Compared to white men white women earn 16% less, Black women earn 25% less, and Hispanic women 33% less. These pay gaps demonstrate sustained gender

inequality, but also the particularly deep disparities faced by women of color in the state.

INVESTMENTS IN EARLY CARE AND EDUCATION CAN HELP ADVANCE WOMEN'S ECONOMIC SECURITY

The lack of affordable and accessible high-quality early care and education forces parents to pass up work opportunities, work fewer hours, or leave the labor force entirely. This is especially true of women because women carry a disproportionate share of the work of care in families. When moms pass up opportunities or leave the labor market altogether, their families' economic security falls. But it isn't just families who lose out. The overall potential of Wisconsin's economy falls as well. According to [Ready Nation](#), the long-term impact of the infant-and-toddler child care crisis costs the state of Wisconsin \$1.9 billion annually.

Child care is extraordinarily expensive. According to Raising Wisconsin, care for one infant costs 1/5th of the annual income of the median Wisconsin family. Even at these prices, care is hard to find. Raising Wisconsin documents that Wisconsin families are struggling to find centers that are accepting new children. Child care "deserts" can be found in more than 50% of Wisconsin and up to 70% in rural areas.

Women are at the heart of the early care and education staffing nearly all of the jobs in the sector. [Research](#) sponsored by the State Department on Children and Families shows that these jobs offer very low wages and weak benefits. More than half of Wisconsin's child educators have some form of higher education degree but earn an average of \$11-\$13 dollars an hour and rarely have benefits. Low wages are linked to high turnover rates which disrupts the quality of relationships for babies, toddlers, and preschoolers throughout the state.

Substantial public investment in the early care and education sector can help ensure that Wisconsin families, early care professionals, children, and the state economy thrive. That requires a financial commitment. During the COVID-19 pandemic, the state of Wisconsin used federal funds to make such an investment. Child Care Counts supported some

3,000 child care businesses in Wisconsin, enabling them to stay open, increase their wages, update their programs, and in some cases prevent tuition increases for parents. However, this program will run out of money in 2024.

Wisconsin needs to prioritize the development of long-term sustainable investment methods, taking inspiration from [New Mexico](#), which is ensuring early childhood education for all families who are working, seeking work, or attending school, and who earn up to 400% of the federal poverty level. Through a constitutional amendment, New Mexico is able to redirect funds from existing educational resources to subsidize the cost for families. Or we can look to [Minnesota](#) which invested more than \$500 million to address workforce shortages and raise early care and education provider wages.

For more information on how you can make an impact on improving Wisconsin's childcare and education system visit [RaisingWisconsin.org](#).

INCREASING THE MINIMUM WAGE TO \$15/HOUR WOULD LIFT OVER A HUNDRED THOUSAND WISCONSIN WOMEN OUT OF POVERTY

Raising the minimum wage would help more than 100,000 working women in the state. This would not only increase economic security for women and their families, it would also reduce the gender pay gap. Women make up a disproportionate share of low wage workers. Sectors with some of the lowest wages include retail, restaurants, and early childhood education — all dominated by women. Raising Wisconsin's minimum wage to \$15 would increase the wages of 18% — nearly one-in-five — women, compared to just 11% of men. Such a wage adjustment would not only empower more women economically but also bring many low-wage industries closer to the median wage, fostering a fairer economic landscape for female dominated industries.

Eliminating the minimum wage exception for tipped workers reaches women as well. In Wisconsin, minimum wage for tipped workers is just \$2.33, ranking below that of all neighboring states. A higher tipped minimum wage increases the income of tipped workers, who are mostly

women, and provides them with more predictable income. In Minnesota, all workers earn the state's minimum wage, there is no exception for tipped workers. Ending the exemption that leaves tipped workers far below the wage floor lifts earnings and promotes financial security among women workers.

Wisconsin's minimum wage has been stuck at the federal minimum level of \$7.25, and has not been raised since 2009. In our report "*Can't Survive on \$7.25: Higher Minimum Wages for Working Wisconsin*," we delve into the potential impacts of raising Wisconsin's minimum wage to \$15 and \$20, outlining compelling reasons to advocate for improved labor standards within the state.

For more insights from our report, please visit <https://highroad.wisc.edu/publications/cant-survive-on-7-25-higher-minimum-wages-for-working-wisconsin/>.



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