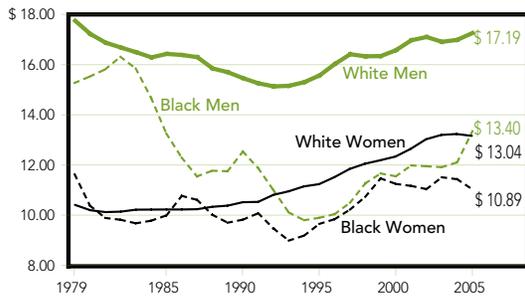




# Black Wisconsinites and Economic Opportunity

**Wisconsin's Median Hourly Wages by Gender and Race, 1979–2005** (2005 dollars)



Source: COWS, *The State of Working Wisconsin 2006*.

**Wisconsin Share of Workers in Poverty-Wage Jobs, 2005**

	2005
All	21.6 %
White men	14.6
Black men	28.0
White women	24.5
Black women	39.3

Source: COWS, *The State of Working Wisconsin 2006*.

**B**lacks make up six percent of Wisconsin’s population and 4.2 percent of its workers. In the post-WWII era, Wisconsin’s strong manufacturing base provided a solid economic foundation for many blacks in the state. Indeed, in the late 1970s, blacks in the state had a significant wage advantage over the national averages.

Unfortunately, the manufacturing restructuring that began in the 1980s and continues today has disproportionately harmed the state’s black community. As a result, many economic indicators—from poverty to incarceration—show dismal outcomes for Wisconsin’s African Americans. On some measures, Wisconsin has the regrettable distinction of attaining the nation’s highest disparities between whites and blacks. The vitality of our economy, the prosperity of our state, and the health and well-being of all our communities are seriously threatened by the racial disparity that plagues Wisconsin.

This spotlight provides background data and indicators showing pervasive black/white inequality in the state. In some instances, the most recent data available comes from the 2000 census.

## Wages

In 2005, the median hourly wage for a black man in Wisconsin was \$13.40—that’s \$3.79 less than his white counterparts. Correcting for inflation, that 2005 wage is also significantly lower today than wages in the early 1980s, when their median wage was more than \$15 per hour.

Over time, black women’s wages fell in the 1980s and began to grow again, especially in the late 1990s. Even so, correcting for inflation, black women earn less today than they did in 1979. And, at \$10.89, the median wage for black women lags \$2.15 behind the white women’s median. (For data, see figure, left.)

Not only do blacks earn substantially lower wages than whites, they also are much more likely to hold “poverty-wage” jobs. Workers who earn less than \$9.52 per hour cannot make enough money to keep a family of four out of poverty. As the table to the left makes clear, blacks are substantially more likely to hold poverty-wage jobs. More than one-in-four black men and more than one-in-three black women earn these low wages.

## Poverty

The 2003–2004 poverty rate for whites in Wisconsin—ten percent—was below the national white poverty rate of 12 percent. But at 48 percent, Wisconsin’s black poverty rate was far in excess of the already extremely high national black poverty rate of 33 percent. Moreover, the 38 percent gap between the poverty rates for whites and blacks in Wisconsin was tied for the largest gap in the country (with Iowa and Maine).

## Wisconsin's Share of Workforce by Education, 2005

	Whites	Blacks
Less than high school	11.5 %	27.6 %
High school	33.8	30.2
Some college, no degree	21.3	23.1
Associate degrees	8.8	8.4
Bachelors degree or higher	24.6	10.7

**Source:** 2004 American Community Survey, Census Bureau.

## Unemployment and Underemployment Rates by Race/Ethnicity, Wisconsin, 2000 and 2005

	2000	2005
<b>Unemployment Rates</b>		
<b>All</b>	<b>3.6 %</b>	<b>4.7 %</b>
White	2.9 %	4.2 %
African American	9.8	10.9
Hispanic	(a)	6.8
<b>Underemployment Rates</b>		
<b>All</b>	<b>6.4 %</b>	<b>8.3 %</b>
White	5.4 %	7.5 %
African American	16.2	17.1
Hispanic	(a)	12.8

(a) Does not meet standards for sample size.

**Source:** COWS, *The State of Working Wisconsin 2006*.

## Child Poverty

In 2000, black children in the state were six times more likely than white children to live in poverty. This disparity was greater than in any other state, and was exceeded only by the corresponding gap in Washington, D.C.

## Milwaukee Poverty

In 2000, nearly one-third of blacks in metropolitan Milwaukee lived in poverty—a rate seven times greater than whites in the same area. Metro Milwaukee's racial disparity in poverty rates is twice the national average and larger than in any other metropolitan area in the country.

## Education

### Educational Attainment

Educational attainment is increasingly important in determining wages. Wisconsinites with college degrees have seen significant wage increases while those with less education are falling behind. Only 10.7 percent of black workers hold a bachelors degree compared to 24.6 percent of their white counterparts. At the opposite end of the spectrum, 27.6 percent of black workers lack a high school diploma as opposed to 11.5 percent of their white counterparts. Equal shares of blacks and whites in the state hold associates degrees, suggesting that the technical college system is an important avenue of educational attainment for the state's African American community.

### High School Graduation

The high school graduation rate (in terms of those who obtained regular high school diplomas) for blacks for the school year in 2003–2004 in Wisconsin was only 65.7 percent, considerably lower than that of whites, almost all of which—94.7 percent—obtained such diplomas. This is a matter of serious concern, because school dropouts do very poorly in the labor market.

### National Education Tests

In 2005, public schools in Wisconsin, along with those in 43 other states, participated in fourth- and eighth-grade science testing. 55 percent of fourth-grade black students performed at below basic proficiency, as opposed to only 14 percent of white students. For eighth grade, the respective figures were 77 and 21 percent. In 2003, Wisconsin also registered the highest black/white disparity on eighth-grade math and reading tests of any state in the nation. Further, we ranked worst in the nation in terms of the percentage of black eighth-graders from Wisconsin who scored “below basic”—the lowest category—in both reading and math.

## Unemployment and Underemployment

In 2005, the unemployment rate for blacks in the state was 10.9 percent. This was 2.6 times the corresponding rate, 4.2 percent, for whites in Wisconsin. As for underemployment (defined as those who are unemployed, discouraged, working part-time who would prefer full-time, and those who face a substantial barrier to work), in 2005, the rate for blacks was 17.1 percent, over 2.2 times the corresponding rate for whites at 7.5 percent.

## Incarceration

In 2001, Wisconsin had proportionately more black people in jail or prison—4,058 inmates per 100,000 residents—than any other state. That rate of imprisonment was 11.6 times the white rate of 350 per 100,000—the nation's fifth-biggest gap. In fact, the Wisconsin white rate was lower than the overall U.S. white rate of 366 per 100,000, while the black rate was considerably higher than the overall U.S. black rate of 2,209 per 100,000.

### The Center on Wisconsin Strategy

The Center on Wisconsin Strategy (COWS) is a non-profit, nonpartisan “think-and-do tank” dedicated to improving economic performance and living standards in the state of Wisconsin and nationally. Based at the University of Wisconsin-Madison, COWS works to promote “high road” strategies that support living wages, environmental sustainability, strong communities, and public accountability.

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