



State of Working Colorado 2014

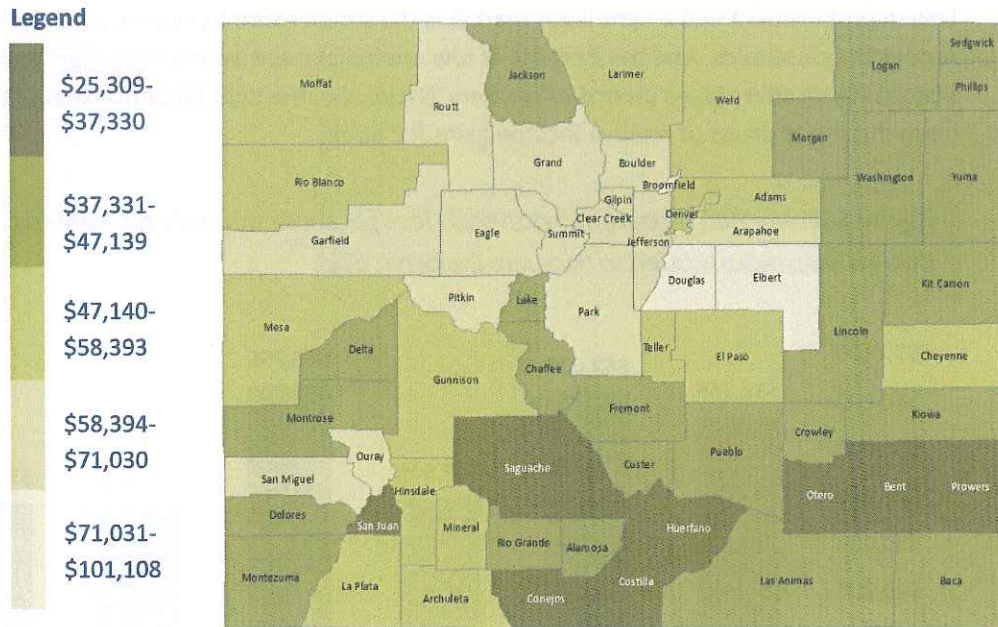
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Map 3.1: Median household income varies substantially across the state

MEDIAN HOUSEHOLD INCOME BY COUNTY (IN 2012 DOLLARS), ESTIMATES FOR 2008-2012



Source: U.S. Census Bureau American Community Survey, 5-year estimates

Disparities in income by race and ethnicity are significant and persistent

Median income varies substantially by race and ethnicity. Nationally, median income of black families as a share of white median income has historically hovered around 60 percent or lower.⁵ The pattern is similar for Latino income, which reached a historic high of 69 percent of white median family income in 1979.⁶ Since then, it has remained in the low-60 percent range. These are deeply rooted patterns that have persisted for many decades across the nation and in Colorado.

In 2012, median household incomes for black, Latino and American Indian/Alaskan Native households in Colorado were all similar—all clustered around \$38,000. Median incomes of these minority households were substantially lower than white households. (See Figure 3.2)

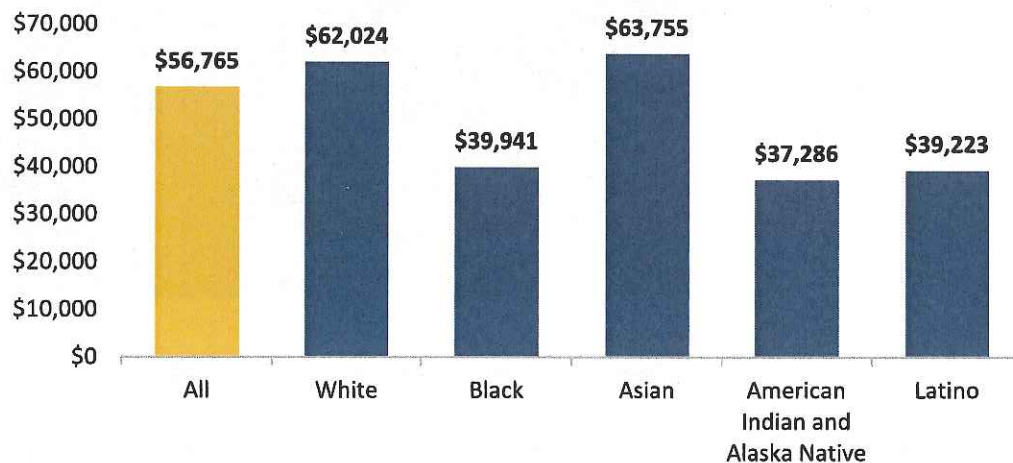
- The greatest disparity existed among American Indian/Alaskan Native households where median income was 60 percent of whites households.
- Black and Latino households earned a median income that was 64 percent of white households.

- Asian households, which make up about two percent of all Colorado households, are the outlier to this general pattern. Median income for Asian households was statistically similar to that of white households.

Low unemployment and a tight labor market is the surest route to income gains for most American households. And the benefits of low unemployment accrue most significantly to historically disadvantaged groups of workers. Nationally, the tight labor markets of the 1990s were the major driver of relative income gains for blacks.⁷

Figure 3.2: Median income substantially less for some minority households

MEDIAN HOUSEHOLD INCOME, BY RACE AND ETHNICITY, 2012



Source: U.S. Census Bureau American Community Survey

Income disparities by gender endure regardless of educational attainment

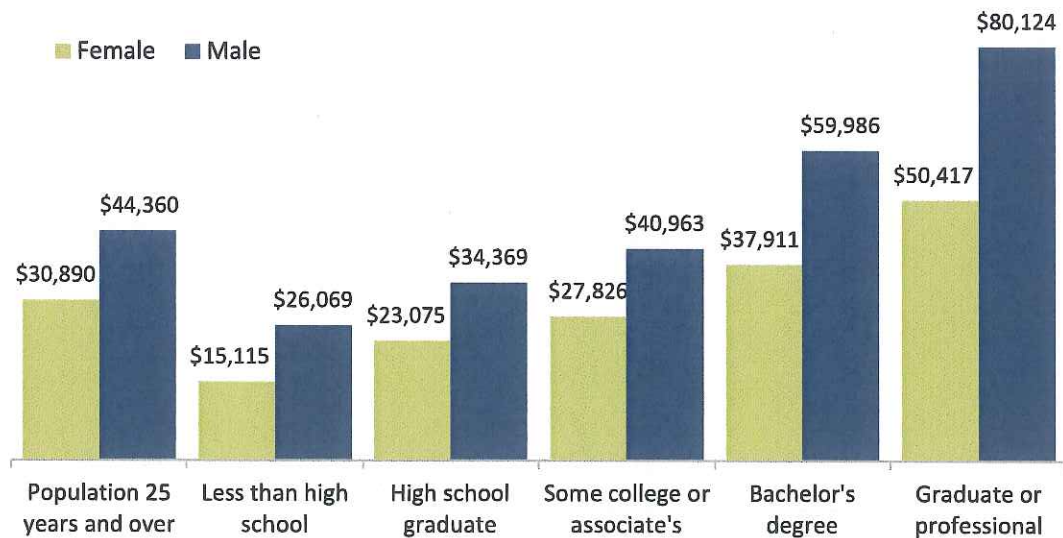
Women earn less than men at every educational level and the gap widens with increasingly higher levels of education. In 2013, Colorado women age 25 and older earned only about 70 percent of men's median income—down from 74 percent in 2012. (See Figure 3.3) The income gap is smallest between women and men with some college where women earn about 68 percent of men. The gap grows substantially at the upper rungs of the education ladder, with the largest income gap existing at the highest levels of education. Women who complete a bachelor's degree or graduate degree only earn 63 percent of median income for men with similar credentials. In fact, earnings been relatively flat or dropped for women at most educational levels between 2012 and 2013.

Even with an additional level of education, median income for women is still lower than men one step below. For example, in 2013 a woman with a graduate or professional degree earned a median income of nearly \$10,000 less than a man with only a bachelor's degree.

Recent research from economists at Cornell University concluded that 60 percent of the income gap between men and women is due to structural and social factors.⁸ That is, women tend to cluster into a smaller set of occupations, work fewer hours than men and are more likely to juggle jobs and family responsibilities that result in breaks in employment history—all of which impact income. The authors found that the remaining 40 percent of the gender income gap cannot be easily explained by quantifiable differences between men and women and is likely due to discrimination.

Figure 3.3: Gender gap in income persists across all levels of educational attainment

MEDIAN ANNUAL EARNINGS, BY GENDER AND EDUCATION, 2013



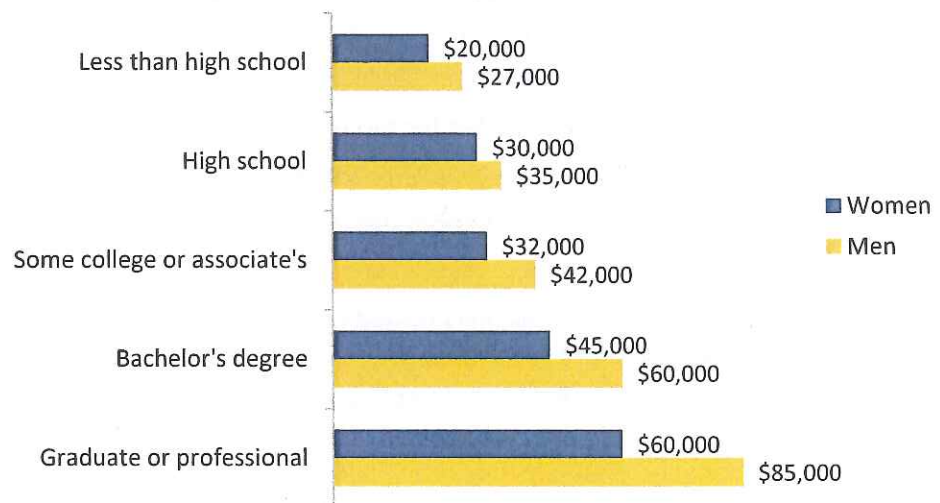
Source: U.S. Census Bureau American Community Survey. Coloradans 25 years and older.

The Great Recession of 2007

A recession begins just after economic activity reaches a *peak* and ends as the economy reaches its *trough*—the lowest point of activity. An expansion is the period between the trough and the next peak. Expansion is the normal state of a healthy economy. The most recent recessions occurred in 1981, 1990, 2001 and 2007. Recessions differ in length and severity. The Great Recession of 2007 is the longest recessionary period since the Great Depression—lasting from December 2007 to June 2009.

Yet, even at higher education and earning levels, the wage gap is persistent. In fact, the gender wage gap in Colorado is greatest at the highest education levels. Women with a graduate or professional degree earn just 71 percent of men with similar education. Even with an additional level of education, on average women still only command earnings equivalent to median earnings of men with less education. For example, the median earnings for women with a graduate or professional degree (\$60,000) is equal to the median earnings of men with only a bachelor's degree.

Figure 5. Full-time Median Earnings Among Men and Women in Colorado by Education, 2013



U.S. Census Bureau American Community Survey (Coloradans over 25 years old; 35+ hours/week)

A fair shot at economic security for women and their families

According to a recent Gallup poll, women have a more negative outlook on the U.S. economy compared to men.⁵ A full 64 percent of women surveyed said that it was a bad time to look for a job, while 56 percent of men expressed the same sentiment. Women have good reason for a more grim outlook: Women are overrepresented in low-wage jobs and face a persistent and substantial wage gap—despite enormous gains in labor force participation, job experience and educational attainment.⁶ Negative perceptions about economic prospects among women coupled with bleak trends in wages and opportunity facing women ultimately create a drag on the economy, making it more difficult for female workers and their families to thrive.