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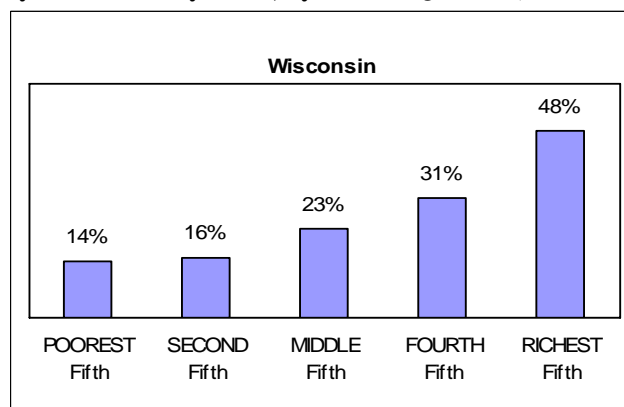
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Pulling Apart: A New Report from COWS and WCCF Shows Growing Income Inequality in Wisconsin

The income disparity between Wisconsin's richest and poorest families continues to grow according to the Center on Wisconsin Strategy (COWS) and the Wisconsin Council on Children and Families (WCCF). Their analysis, based on a report to be released Thursday by the Economic Policy Institute and the Center on Budget and Policy Priorities, finds that income disparity is growing steadily. This trend is in marked contrast to the broadly shared increases in prosperity between World War II and the 1970s.

**Income Change for Wisconsin Families,
Early 1980s to Early 2000s, by Income Quintile (Percent Change)**



Source: Pulling Apart, Economic Policy Institute and Center on Budget and Policy Priorities, 2006.

"Our economic growth is becoming more and more concentrated on our wealthiest families. Wisconsin has done great things because we felt we were all in it together," said COWS director Joel Rogers. "Wisconsin's legacy of equality is in serious trouble when we lose this feeling."

"The divide between those living in poverty and the wealthy is growing, but there are things we can do to put us on a better course." said John Keckhaver, Research Analyst at the Wisconsin Council on Children and Families. "We could focus, for instance, on helping our workers match their skills to

today's jobs. Education and skill development should be an overarching goal of state and local governments here."

Key findings of the report include:

- Over the past twenty years, the average income of the bottom fifth of Wisconsin families grew only \$2,519 or 14.3% while the income of top fifth grew \$36,000 or 48.2% over the same period.
- In the early 1980s Wisconsin's richest 20% of families earned about 4.2 times the poorest 20%. Now the ratio between the richest and poorest families has grown to 5.5.
- It is not only the poor who failed to share in national prosperity; middle-income families in Wisconsin saw their income rise only \$9,343 or 23.4% over the past twenty years (less than half that of high-income families). The gap between our middle and upper income families is growing along with the gap between the rich and poor.
- While only three states have a more equal distribution of income, Wisconsin's relative position could decline if inequality continues to grow so rapidly.

COWS and WCCF offer a number of strategies to help reverse the trend of inequality between the rich and poor in our state. Recommendations include:

- Building the skills and education of Wisconsin's workforce by increasing the focus within the workforce development system on education attainment and skills development.
- Lessening the burden of inequality for lower-income families by carefully structuring benefits to ensure that work pays.
- Continuing to modernize the unemployment system which is a critical safety net for laid-off workers.
- Reforming regressive taxes which place an undue burden on lower-income families.
- Raising the minimum wage and index it to keep up with inflation.

For the full Wisconsin report visit www.cows.org/pdf/rp-pullapart-06.pdf

For the national news release and report visit: www.epi.org/content.cfm/studies_pulling_apart_2006

The Center on Wisconsin Strategy is a research and policy institute based at the University of Wisconsin-Madison dedicated to improving economic performance and living standards in the state.

The Wisconsin Council on Children and Families is a statewide, non-partisan, non-profit organization that works to improve the lives of Wisconsin's children and families. WCCF: Raising voices to make every kid count.

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