

An hourglass-shaped graphic with a globe inside. The top bulb is dark blue, and the bottom bulb is light blue. The globe is a darker shade of blue. The hourglass is centered on the page.

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*Real Earnings, Health Insurance and Pension Coverage, and
the Distribution of Earnings, 1979-2007*

Gerald Mayer, Domestic Social Policy Division

October 6, 2008

Abstract. This report examines the trends in real weekly earnings and the distribution of weekly earnings in the United States from 1979 to 2007. The report provides separate analyses for men and women. The report begins with a definition of earnings and a summary of the findings in the report. Next, the paper discusses broad policies to increase real earnings or reduce inequality. The final section of the report provides a detailed summary of the findings. The report analyzes individual earnings. A study of individual income or of family earnings or income may reach different conclusions. The report does not review research on the causes of changes in real earnings or inequality.

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CRS Report for Congress

Real Earnings, Health Insurance and Pension Coverage, and the Distribution of Earnings, 1979-2007

Updated October 6, 2008

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<http://wikileaks.org/wiki/CRS-RL33835>



Prepared for Members and
Committees of Congress

Real Earnings, Health Insurance and Pension Coverage, and the Distribution of Earnings, 1979-2007

Summary

From 1979 to 2007, there were differences between men and women in the level and growth in real earnings and in employment-based health insurance and pension coverage. Earnings and benefit coverage also differed between persons who work full-time, year-round and all working persons.

All Workers. From 1979 to 2007, average real weekly earnings for all workers increased by 25.9%. Earnings increased at all earnings levels, with workers at the 95th percentile receiving the largest increase (39.4%). The earnings gap between men and women narrowed. The earnings of lower- and middle-wage men (i.e., at the 20th, 40th, and 60th percentiles) were relatively unchanged, but the earnings of women increased at all earnings levels. Inequality increased from 1979 to 2007. The top 5% of earners gained a larger share of earnings; other workers received a smaller share.

Workers with higher earnings are more likely to have employment-based health insurance and pension coverage. From 1979 to 2007, participation in a pension plan increased for lower-wage workers, but decreased for higher-wage workers. The increase among lower-wage workers was due entirely to greater participation among women. From 1987 to 2007, health insurance coverage fell for workers at all earnings levels. The decline was greatest among lower-wage workers (i.e., at the 1st quintile). Among middle-wage workers, (i.e., at the 2nd, 3rd, and 4th quintiles), the decline in coverage was greater for men than women.

In brief, from 1979 to 2007, the real weekly earnings of lower- and middle-wage men were relatively unchanged, and they lost health insurance coverage and most lost pension coverage. Among lower- and middle-wage women, real weekly earnings and pension participation improved, but they lost health insurance coverage.

Full-Time, Year-Round Workers. From 1979 to 2007, the real weekly earnings of full-time, year-round workers rose by 13.7%. Earnings increased at all earnings levels, with the largest increase going to workers at the 95th percentile (28.8%). The earnings gap between men and women who work full-time, year-round narrowed. The earnings of men at the 20th and 40th percentiles fell, while the earnings of women increased at all earnings levels. Inequality increased, as the highest paid workers (i.e., top quintile) gained a larger share of earnings.

For workers employed full-time, year-round, health insurance coverage fell at all earnings levels from 1987 to 2007. The decline in coverage was greatest for lower- and middle-wage workers and greater for lower- and middle-wage men than women. Except for the highest earning workers (i.e., top 5%), pension coverage fell at all earnings levels. Among lower- and middle-wage workers, pension coverage declined among men but was relatively unchanged among women. Thus, lower-wage men who worked full-time, year-round experienced both a decline in real earnings and lower pension and health insurance coverage. The real earnings of lower-wage women improved, but their pension coverage was unchanged and they lost health insurance coverage. This report will be updated periodically.

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Real Earnings, Health Insurance and Pension Coverage, and the Distribution of Earnings, 1979-2007

Introduction

Real earnings and the distribution of earnings are indicators of a nation's economic well-being. Changes in the level of real earnings (i.e., actual earnings adjusted for inflation) show how a worker's buying power has risen or fallen over time. Changes in the distribution of earnings show how the buying power of different workers has changed over time.

Real earnings and the distribution of earnings affect several public policy issues. When wages rise with productivity, increased earnings can expand the Social Security taxable wage base, which can reduce the future need for higher Social Security payroll taxes or cuts in benefits. Higher earnings can also help pay for future Medicare benefits. Conversely, lower earnings can make it more difficult to finance the Social Security and Medicare programs.

The level of real earnings can affect the national poverty rate and, therefore, federal spending on welfare and assistance for food, housing, healthcare, and energy. The federal minimum wage can affect the real earnings of lower-wage workers, as well as the overall distribution of earnings.

In large part, real earnings depend on the amount of investment per worker — in the form of both human capital (e.g., education and healthcare) and physical capital (e.g., computers and other equipment). Investment depends on personal, business, and government saving. Thus, federal budget deficits or surpluses can affect the national saving rate and the amount of investment per worker.

Government spending and tax policy can also affect earnings. Federal support for research and development can affect real earnings through the development of new goods and services and more productive technologies. Tax policy can affect decisions to save and invest, as well as the aftertax distribution of earnings. Policies that affect personal saving and the availability of private pension benefits can impact retirement income and reliance on Social Security benefits. Policies that influence the availability of private health insurance can affect federal spending on healthcare.

Rules on immigration can affect both real earnings and the distribution of earnings. An increased supply of unskilled foreign workers can lower the wages of less-skilled U.S. workers and increase inequality. Conversely, an increased supply of skilled foreign workers can lower the wages of skilled American workers and reduce inequality. Similarly, trade policy can affect both real earnings and the

distribution of earnings. Increased imports from low-wage countries can raise the living standards of U.S. households but affect the wages of domestic workers who produce competing goods and services. Increased exports of goods produced in the United States can raise the wages of American workers.

Finally, differences in earnings among racial or ethnic groups or extremes in inequality can affect popular support for major social, political, and economic institutions.

Organization of Report

This report examines the trends in real weekly earnings and the distribution of weekly earnings in the United States from 1979 to 2007. The report provides separate analyses for men and women.¹ The report begins with a definition of earnings and a summary of the findings in the report. Next, the paper discusses broad policies to increase real earnings or reduce inequality. The final section of the report provides a detailed summary of the findings.

The report analyzes individual earnings. A study of individual income or of family earnings or income may reach different conclusions.² The report does not review research on the causes of changes in real earnings or inequality.³

The Definition of Earnings

The results of an analysis of real earnings and the distribution of earnings are affected by the definition of earnings, whose earnings are studied (e.g., all workers, full-time workers, prime-age workers, or others), the measure of inequality, and the time period studied.

Earnings are payments that individuals receive for their labor services. Individuals may be paid for a period of time worked (e.g., an hourly wage or weekly salary) or the quantity of goods or services produced (e.g., a piece rate). Earnings

¹ In addition to real earnings and the distribution of earnings, economists also study earnings mobility, or how the earnings of a given sample of workers change over time. Because of mobility, the distribution of lifetime earnings may differ from the distribution of annual or weekly earnings.

² Earnings account for the largest share of individual and family income.

³ Hearings during the first session of the 110th Congress examined the trends and causes of inequality. See U.S. Congress, House, Committee on Ways and Means, *Hearing on the Economy*, January 23, 2007, available at [<http://waysandmeans.house.gov>]; U.S. Congress, House, Committee on Education and Labor, *Strengthening America's Middle Class: Evaluating the Economic Squeeze on America's Families*, January 31, 2007, available at [<http://edworkforce.house.gov>]; U.S. Congress, House, Committee on Ways and Means, *The Challenges Facing Middle-Class Families*, January 31, 2007, available at [<http://waysandmeans.house.gov>]; and U.S. Congress, Joint Economic Committee, *Ensuring Our Economic Future by Promoting Middle-Class Prosperity*, January 31, 2007, available at [<http://jec.senate.gov>].

may be defined as cash wages or as total compensation. The latter consists of cash wages plus fringe benefits such as employer-provided health insurance, employer contributions to a retirement plan, and paid sick leave and vacations.

The results of an analysis of individual earnings would differ from a study of individual compensation or individual income or of family earnings or income.⁴ Many individuals and families receive cash or in-kind benefits from sources other than work (e.g., interest, dividends, rent, cash welfare assistance, refundable tax credits, or in-kind benefits such as food, housing, healthcare, or energy assistance).⁵ Some families have more wage earners than other families.

This report analyzes individual weekly earnings, where earnings consist of cash wages before taxes or other deductions. Individual earnings consist of total annual earnings from all jobs. Weekly earnings are annual earnings divided by the number of weeks worked. The analysis includes wage and salary workers and self-employed workers ages 16 and older. Because there are differences in the labor market characteristics of men and women, the earnings of men and women are analyzed separately.⁶ The analysis uses data from the Annual Social and Economic (ASEC) supplement to the Current Population Survey (CPS). The CPS is a household survey conducted by the Census Bureau for the Bureau of Labor Statistics (BLS). The annual supplement asks workers how much they earned the previous year. Thus, the 2008 supplement collected earnings information for 2007. The **Appendix** includes a fuller explanation of the data and methodology used in this report.

Finally, the report analyzes the earnings of two groups of workers: (1) all workers and (2) workers employed full-time, year-round. “All” workers include persons employed either full-time or part-time as well as workers who worked either part of the year or all year. Full-time workers are persons who work 35 or more hours a week. Year-round workers are persons who work 50 or more weeks a year.

⁴ The distribution of earnings may change even though the distribution of total compensation does not change; e.g., if workers choose to receive a greater or smaller share of compensation as wages or if employers raise or lower their contributions for health insurance or retirement benefits.

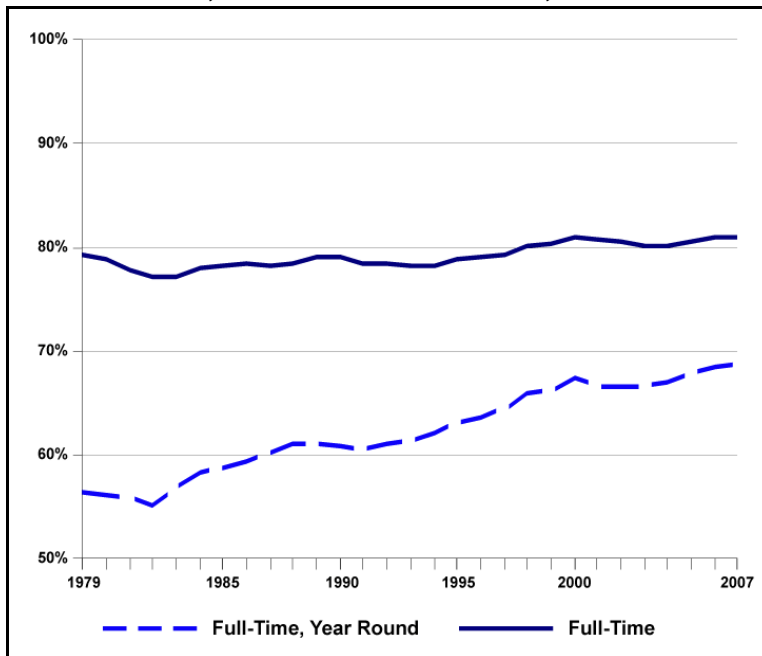
For analyses of the distribution of household income, see CRS Report RS20811, *The Distribution of Income*, by Brian W. Cashell; CRS Report RL32639, *Inequality in the Distribution of Income: Trends and International Comparisons*, by Brian W. Cashell; and U.S. Department of Commerce, Bureau of the Census, *Income, Poverty, and Health Insurance Coverage in the United States: 2005*, P60-231, August 2006, available at [<http://www.census.gov/prod/2006pubs/p60-231.pdf>].

⁵ The results of an analysis of the distribution of earnings would differ from an analysis of the distribution of income if income from transfer payments or from savings and investments rise or fall. In addition, a change in nonlabor income may affect earnings (i.e., decisions to work or how much to work).

⁶ In general, women tend to work fewer hours per week than men, spend less time in the labor force, and enter and leave the labor force more often than men. The distribution of women by occupation and industry also differs from men. See CRS Report 98-278, *The Gender Wage Gap and Pay Equity: Is Comparable Worth the Next Step?*, by Linda Levine.

Analyzing the earnings of full-time, year-round workers helps control for changes in hours worked per week, temporary and seasonal employment, and spells of unemployment. From 1979 to 2007, the percentage of workers employed full-time, year-round increased by 12.2 percentage points (from 56.4% in 1979 to 68.6% in 2007). (See **Figure 1**.) The percentage of workers employed full-time and the percentage of workers employed both full-time and year-round tend to dip during recessions. From 1979 to 2007, there were recessions from January to July 1980, July 1981 to November 1982, July 1990 to March 1991, and March to November 2001.⁷

Figure 1. Percentage of Full-Time Workers and Full-Time, Year-Round Workers, 1979-2007



Source: CRS analysis of data from the Current Population Survey (CPS).

⁷ National Bureau of Economic Research (NBER), *Business Cycle Dates and Contractions*, available at [<http://www.nber.org/cycles.html>].

For a discussion of the economic recovery following the 2001 recession, see CRS Report RL32047, *The 'Jobless Recovery' From the 2001 Recession: A Comparison to Earlier Recoveries and Possible Explanations*, by Marc Labonte and Linda Levine.

Summary of Findings

All Workers

- From 1979 to 2007, the average real weekly earnings (i.e., earnings adjusted for inflation) of all workers increased by 25.9%. Earnings increased for workers at all percentiles.⁸ The increase was greatest for workers at the 95th percentile (39.4%).
- At all earnings levels, from 1979 to 2007, men earned more than women. But, during the 28-year period, the earnings of women increased more than the earnings of men. Thus, the earnings gap between men and women narrowed over the period.
- From 1979 to 2007, the increase in earnings among lower- and middle-wage workers (i.e., workers at the 20th, 40th, and 60th percentiles), was due mainly to higher earnings among women. The earnings of men at these percentiles were relatively unchanged (up by 3.6%, down by 2.9%, and up by 3.4%, respectively). But, the earnings of women at these percentiles increased by 43.5%, 37.8%, and 44.9%, respectively.
- The CPS has consistent information on health insurance coverage from 1987 to the present. Workers with higher earnings are more likely to have employment-based health insurance coverage. However, from 1987 to 2007, the percentage of workers with employment-based health insurance coverage declined at all quintiles.⁹
- From 1987 to 2007, the decline in health insurance coverage was greatest for lower-wage workers (i.e., workers at the first quintile). Coverage declined among both men and women. But, among middle-wage workers (i.e., workers at the second, third, and fourth quintiles), the decline in coverage was greater for men than women.
- Workers with higher earnings are more likely than lower-wage workers to participate in an employer or union provided pension plan. Relative to higher-wage workers, however, participation among lower-wage workers in a pension plan improved from 1979 to 2007. The improved participation among lower-wage workers was due entirely to increased participation among women.

⁸ If workers are ranked from lowest to highest paid, workers at the 20th percentile earn more than 20% of workers, workers at the 40th percentile earn more than 40% of workers, and so on.

⁹ If workers are ranked from lowest to highest paid and then divided into five equal-size groups, each group is a quintile.

- From 1979 to 2007, participation among middle-wage men in an employer-based pension plan fell, but increased among middle-wage women.
- As measured by the Gini coefficient, inequality increased among all workers over the period from 1979 to 2007. Inequality increased among both men and women. From 1979 to 2007, periods of rising inequality were followed by periods of falling inequality. Inequality fell from 2005 to 2007.
- Inequality increased more among men and women, when analyzed separately, than among men and women analyzed together. Although overall inequality declined from 2005 to 2007, among women it increased from 2005 to 2006 and then declined from 2006 to 2007.
- From 1979 to 2007, the rise in inequality was due mainly to the growth in the share of total weekly earnings received by the top 5% of earners and the decline in the share of earnings received by other workers. From 1979 to 2007, the share of total earnings received by the top 5% of earners increased by 2.6 percentage points. During the period, when inequality increased it was generally because the top 5% of earners received a larger share of earnings, while other workers received a smaller share. Conversely, when inequality declined, it was generally because the top 5% of workers received a smaller share of earnings and other workers received a larger share.

Full-Time, Year-Round Workers

- From 1979 to 2007, the average real weekly earnings of full-time, year-round workers increased by 13.7%. Earnings increased at all earnings levels. The largest increase, 28.8%, occurred among workers at the 95th percentile.
- During the 28-year period, the earnings of lower-wage men (i.e., men at the 20th and 40th percentiles) employed full-time, year-round fell by 9.7% and 6.9%, respectively. Conversely, the earnings of women at the 20th and 40th percentiles increased by 7.3% and 25.2%, respectively.
- At all earnings levels, the earnings of women increased more than the earnings of men. Thus, as was the case with the category of all workers, the gap narrowed between the earnings of men and women employed full-time, year-round.
- Higher earning full-time, year-round workers are more likely than lower-wage workers to be covered by an employment-based health insurance plan. Nevertheless, from 1987 to 2007, health insurance coverage declined at all earnings levels. The decline in coverage was greatest for lower-wage workers.

- During the 20-year period from 1987 to 2007, health insurance coverage declined among both men and women employed full-time, year-round. But, the decrease was greater for lower- and middle-wage men (i.e., men at the first four quintiles) than among lower- and middle-wage women.
- Higher-wage full-time, year-round workers are more likely than lower-wage workers to participate in an employer or union provided pension plan. However, except for the top 5% of earners, participation declined at all earnings levels from 1979 to 2006.
- From 1979 to 2007, participation by lower- and middle-wage men in an employment-based pension plan declined more than among lower- and middle-wage women. At the lowest quintile, participation among men fell by 8.7 percentage points, compared to a 3.3 percentage point decline among women. Participation fell among men at the second, third, and fourth quintiles, but was relatively unchanged among women.
- The distribution of earnings among workers employed full-time, year-round is more equal than the distribution of earnings among all workers. Nevertheless, from 1979 to 2007, inequality increased among full-time, year-round workers. Periods of greater equality were followed by periods of rising inequality. From 2006 to 2007, the distribution of earnings became more equal.
- Inequality among women employed full-time, year-round is significantly lower than inequality among men. But inequality among men and women, analyzed separately, increased more from 1979 to 2007 than inequality among men and women combined.
- Over the period from 1979 to 2007, the top quintile of earners received a larger share of total weekly earnings, while the first four quintiles received a smaller share. From 1979 to 2007, the share of earnings received by the top 5% of earners increased by 1.5 percentage points. Similar to the pattern among all workers, when inequality increased among full-time, year-round workers, the share of earnings received by the bottom four quintiles generally fell, while the share of earnings received by the top quintile — especially the top 5% — generally rose. Conversely, when equality improved, the opposite occurred.

Policies to Increase Real Earnings or Reduce Inequality

A variety of policies are available to increase real earnings or reduce earnings inequality. Policies to increase real earnings may differ from policies to reduce inequality. In some cases, the policies may conflict. Some of the policies may have mainly short-term effects. Other policies may require a longer-term commitment.

Real Earnings

Productivity. Real earnings rise with increased productivity. Policies to increase productivity may include plans to raise both private and public saving, increase capital investment per worker, expand investment in human capital (e.g., education, training, and healthcare), and encourage the development of technology. Technological innovation may include improved equipment, the introduction of new products, or improved methods of production, transportation, or communication.¹⁰

Economic Efficiency. Another way to increase real earnings is to improve economic efficiency. According to standard economic theory, competitive markets generally result in the most efficient allocation of resources, where resources consist of individuals with different skills, capital goods (e.g., computers, machinery, and buildings), and natural resources. A more efficient allocation of resources generally results in greater total output and consumer satisfaction.

Economic efficiency can be improved through policies that provide consumers with greater access to goods and services (e.g., improved infrastructure to exchange goods and services and expanded trade) and a better allocation of labor and capital (e.g., neutral tax policies, migration, or the deregulation of labor, product, or other markets).

Inequality

Inequality may be reduced using either direct or indirect policies. Direct policies include income transfer programs. Indirect policies consist of plans that improve the income-producing human capital of lower-skilled workers (e.g., education, training, or healthcare). Efforts to reduce inequality may involve a tradeoff, however, with policies to improve economic efficiency.

Indirect Policies. Inequality can be reduced with policies that reduce the relative supply of less-skilled labor, increase the relative supply of skilled labor, or both. Such policies may include improved investment in preschool, grade school, and high school education, better adult education, and improved access to healthcare

¹⁰ Improved technology may allow for greater outsourcing of both manufacturing and service jobs, which may or may not affect the distribution of domestic earnings. See CRS Report RL32292, *Offshoring (a.k.a. Offshore Outsourcing) and Job Insecurity Among U.S. Workers*, by Linda Levine and CRS Report RL32484, *Foreign Outsourcing: Economic Implications and Policy Responses*, by Craig K. Elwell.

for lower income workers and their families. Inequality may also be reduced by increasing the relative supply of college-educated workers; for example, programs that lower the cost of higher education or increase educational assistance to lower income students. Some policies may be more cost effective than others. Immigration policies that allow more skilled workers, fewer unskilled workers, or both, into the country can also reduce inequality.

Direct Policies. Income inequality may also be reduced through income redistribution programs. These programs include policies such as progressive taxation — including refundable tax credits like the Earned Income Tax Credit (EITC) or the Child Tax Credit (CTC). They also include in-kind transfers of food, housing, healthcare, and energy assistance.

Tradeoff with Economic Efficiency. Competitive markets may allocate resources efficiently, but they may result in an unequal distribution of earnings. Thus, programs that reduce inequality may involve a tradeoff with policies to improve economic efficiency. Some economists argue that a higher minimum wage, easier union organizing rules, or more restrictive trade policies may reduce inequality. Other economists maintain that these policies may reduce total economic output and may not have a significant impact on inequality. Similarly, some economists argue that high marginal tax rates and income redistribution programs may harm economic efficiency. For example, high tax rates may discourage saving and investment. Transfer payments or other forms of nonlabor income may reduce the supply of labor (i.e., they may affect decisions to work or how much to work).

Macroeconomic Policies. Fiscal and monetary policies that reduce or maintain low unemployment may also affect the distribution of earnings. During an economic expansion, an increase in the number of hours worked or the hourly wages of lower-wage workers may improve the relative earnings of lower-wage workers. Fiscal policy consists of government spending and revenue decisions. Monetary policy consists of actions by the Federal Reserve Bank that affect money supply and interest rates.¹¹

The Trend in Real Weekly Earnings

The remainder of this report provides a detailed description of the findings summarized above. This section examines the trend in real weekly earnings from 1979 to 2007. Earnings are for both wage and salary workers and self-employed workers. Nominal, or actual, earnings are adjusted for inflation using the Consumer Price Index for All Urban Consumers, adjusted to take into account the current methods for measuring changes in prices (CPI-U-RS). An explanation of this index is provided in the **Appendix**.

This section shows the trend in real weekly earnings for workers at the 20th, 40th, 60th, 80th, and 95th percentiles. If workers are ranked from lowest to highest paid, workers at the 20th percentile earn more than 20% of workers, workers at the 40th

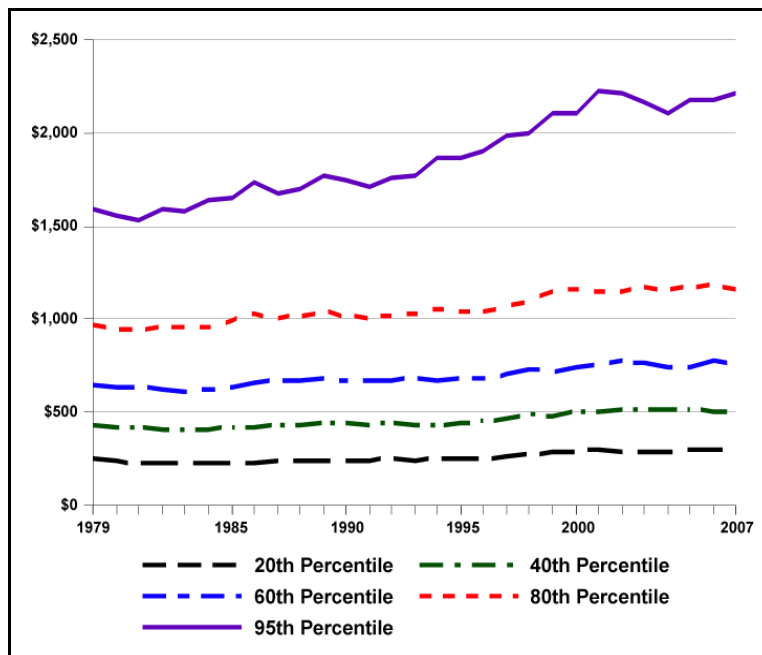
¹¹ Fiscal policy (i.e., budget surpluses or deficits) may also impact interest rates.

percentile earn more than 40% of workers, and so on. All of the results in this section are shown using graphs. All of the data displayed in the graphs are provided in the **Appendix**.

All Workers

From 1979 to 2007, the average real weekly earnings of all employed persons increased by 25.9%. Earnings increased for workers at all percentiles. See **Figure 2**.¹² The increase was greatest for workers at the 95th percentile. For example, for workers at the 20th percentile, earnings increased from \$244 to \$292 per week (or 19.5%). For workers at the 95th percentile, earnings increased from \$1,587 to \$2,212 a week (or 39.4%). From 2001 to 2007, the earnings of workers at the 95th percentile fell by 0.7% (from \$2,228 to \$2,212).

Figure 2. Real Weekly Earnings, All Workers, 1979-2007



Source: CRS analysis of data from the Current Population Survey (CPS).

¹² Because of changes in topcoding in the CPS that affected the change in average earnings from 1992 to 1993, average earnings are not shown in **Figure 2** or in the other figures in this report that show trends in real weekly earnings. Since the reported change in earnings from 1992 to 1993 cannot be separated into the effects of the change in topcoding and the actual change in earnings, in **Tables 1** and **2** the percentage change in average earnings from 1979 to 2007 is the sum of the changes in average earnings from 1979 to 1992 and from 1993 to 2007. See the discussion of “Topcoded Earnings” later in this report.

Figures 3 and 4 show two differences in the real weekly earnings of men and women. First, at each percentile, the earnings of men are greater than the earnings of women. For example, in 2007, men at the 20th percentile earned \$365 a week, compared to \$250 a week for women. At the 60th percentile men and women earned \$900 and \$635 a week, respectively. At the 95th percentile, men earned \$2,653 a week, compared to \$1,700 a week for women.

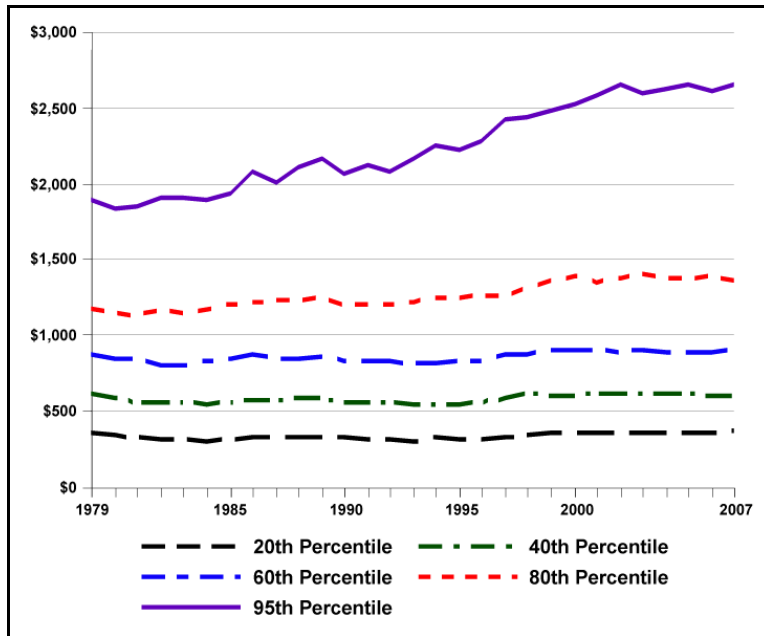
Over the period from 1979 to 2007, average real weekly earnings increased more for women than men (50.4% and 16.7%, respectively). At all earnings levels, weekly earnings increased more among women than men. Thus, over the 28-year period, the earnings gap between men and women narrowed.

At the 20th, 40th, and 60th percentiles, the increase in earnings among all workers was due almost entirely to higher earnings among women. The earnings of men at the 20th, 40th, and 60th percentiles were relatively unchanged (up by 3.6%, down by 2.9%, and up by 3.4%, respectively). But, for women at these percentiles, earnings increased by 43.5%, 37.8%, and 44.9%, respectively. (See **Table 1** in the **Appendix**.)

The narrowing of the earnings gap between men and women may have been caused by a number of factors. Women's relative hourly wages may have increased. They may have worked more hours. Gains in educational attainment and work experience may have helped narrow the gap. More women may have entered traditionally male occupations.¹³

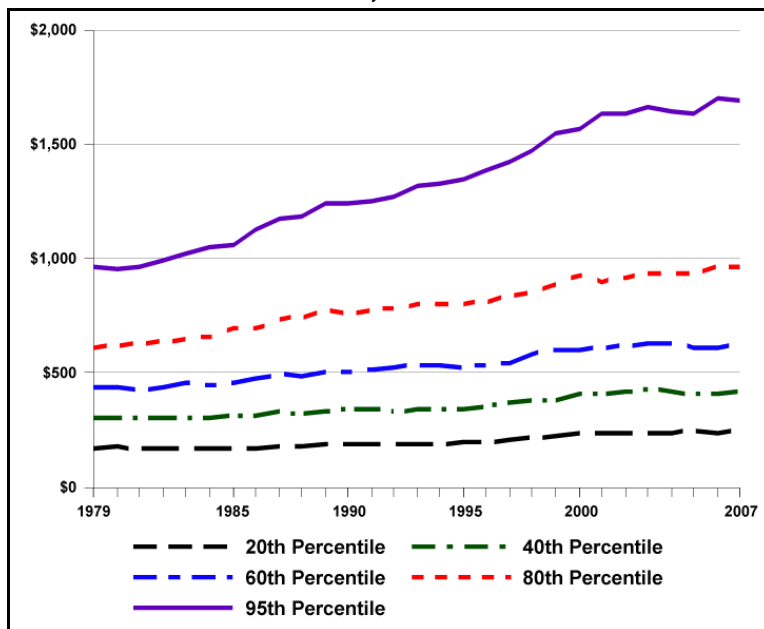
¹³ For more discussion on the reasons for the narrowing of the wage gap between men and women, see CRS Report 98-278, *The Gender Wage Gap and Pay Equity: Is Comparable Worth the Next Step?*, by Linda Levine.

Figure 3. Real Weekly Earnings, All Male Workers, 1979-2007



Source: CRS analysis of data from the Current Population Survey (CPS).

Figure 4. Real Weekly Earnings, All Female Workers, 1979-2007



Source: CRS analysis of data from the Current Population Survey (CPS).

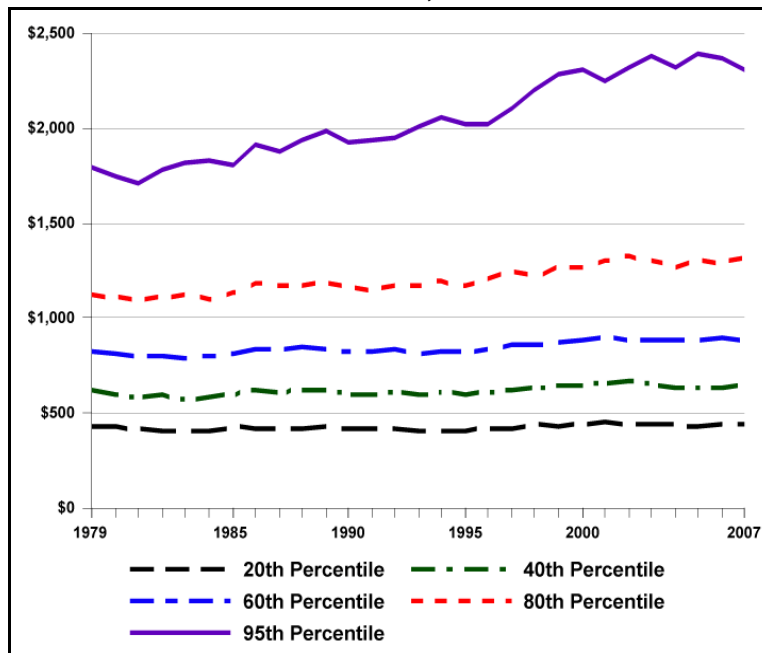
Full-Time, Year-Round Workers

From 1979 to 2007, the average real weekly earnings of full-time, year-round workers increased by 13.7%. Earnings increased at all percentiles. The largest increase, 28.8%, occurred among workers at the 95th percentile.

The trend in real weekly earnings of workers employed full-time, year-round differs from the pattern of earnings for all workers.

- The earnings of full-time, year-round workers are higher than the earnings of all workers. (Compare **Figure 2** and **Figure 5**.)
- From 1979 to 2007, the earnings of workers employed full-time, year-round increased less than the earnings of all workers. For example, for full-time, year-round workers, earnings at the 20th percentile increased by 2.9% compared to an increase of 19.5% for all workers.

Figure 5. Real Weekly Earnings, Full-Time, Year-Round Workers, 1979-2007



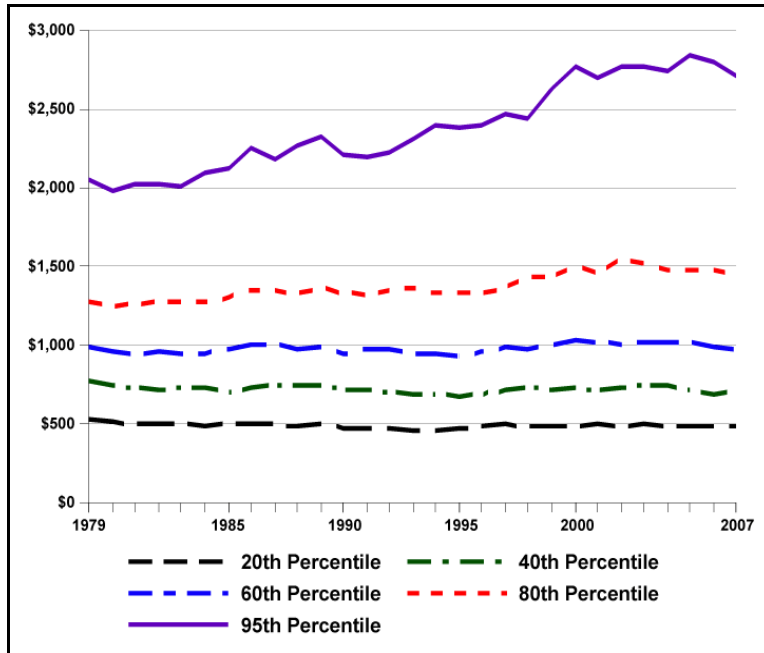
Source: CRS analysis of data from the Current Population Survey (CPS).

- From 1979 to 2007, the earnings of all lower-wage men were relatively unchanged, but earnings among men employed full-time,

year-round fell. At the 20th and 40th percentiles, the earnings of all men were up by 3.6% and down by 2.9%, respectively. But, for men employed full-time, year-round, earnings fell by 9.7% and 6.9%, respectively. (From 1979 to 2007, the earnings of lower-wage women employed full-time, year-round increased, but by less than the increase in earnings among all lower-wage women.)

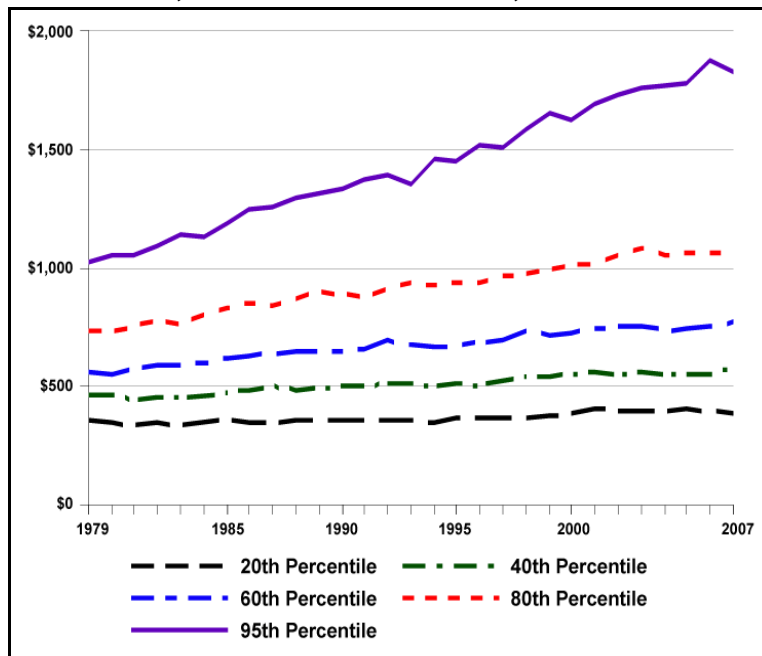
As was the case with all workers, the average real weekly earnings of women employed full-time, year-round increased more than the earnings of men (37.7% and 9.7%, respectively). At all percentiles, the earnings of women working full-time, year-round increased more than the earnings of men. For example, compared to the decline in earnings among men at the 20th and 40th percentiles, the earnings of women increased by 7.3% and 25.2%, respectively. (Compare **Figures 6** and **7**.)

Figure 6. Real Weekly Earnings, Male Full-Time, Year-Round Workers, 1979-2007



Source: CRS analysis of data from the Current Population Survey (CPS).

Figure 7. Real Weekly Earnings, Female Full-Time, Year-Round Workers, 1979-2007



Source: CRS analysis of data from the Current Population Survey (CPS).

Fringe Benefits

Total compensation consists of wages and fringe benefits. This section examines the trends in employment-based health insurance and pension coverage. Employment-based coverage consists of health insurance or pension plans provided by an employer or union. Workers who are not covered by an employment-based health insurance plan may purchase insurance from a private insurance company, or they may be covered by a public insurance program (e.g., Medicaid or Medicare). Workers may also contribute to an Individual Retirement Account (IRA).¹⁴ This report only takes into account employer-provided health insurance and pension plans. The report does not examine the cost of health insurance or the amount that employers contribute to employee retirement plans.

For the analysis in this section, workers are divided into quintiles. Workers are first ranked from lowest to highest paid. Workers are then divided into five equal-size groups, or quintiles. The top quintile is further divided into two groups: the top 5% of earners and the top 81% to 95% of earners.

¹⁴ For information on the types of IRAs, see CRS Report RL31770, *Individual Retirement Accounts and 401(k) Plans: Early Withdrawals and Required Distributions*, by Patrick Purcell.

Employment-Based Health Insurance

The CPS has consistent information on employment-based health insurance coverage from 1987 to the present. However, because of changes in the survey, some of the data since 1987 are not entirely comparable. For example, in 1994 the health insurance questions in the CPS were redesigned.¹⁵ These changes resulted in higher estimates of the number of persons with employment-based health insurance. The reported change in health insurance coverage between 1993 to 1994 cannot be separated into the effects of the change in the survey questions and the actual change in coverage. Therefore, in **Figure 8** and **Figure 9**, the period from 1987 to 2007 is separated into two subperiods: 1987 to 1993 and 1994 to 2007. Also, in this section of the report and in **Table 3** and **Table 4** in the **Appendix**, the changes in coverage from 1987 to 2007 are the sum of the percentage point changes over each of the two subperiods; that is, the sum of the percentage point change from 1987 to 1993 and the change from 1994 to 2007.¹⁶

All Workers. Four features characterize the trend in employment-based health insurance coverage from 1987 to 2007.¹⁷

- Workers with higher earnings are more likely to have health insurance. In 2007, 84.7% of the top 5% of earners had coverage, compared to 46.8% of workers in the lowest quintile.

¹⁵ U.S. Census Bureau, *Income, Poverty, and Health Insurance Coverage in the United States: 2006*, Current Population Reports, P60-233, U.S. Govt. Print. Off., August 2007, available at [<http://www.census.gov/prod/2007pubs/p60-233.pdf>], p. 58.

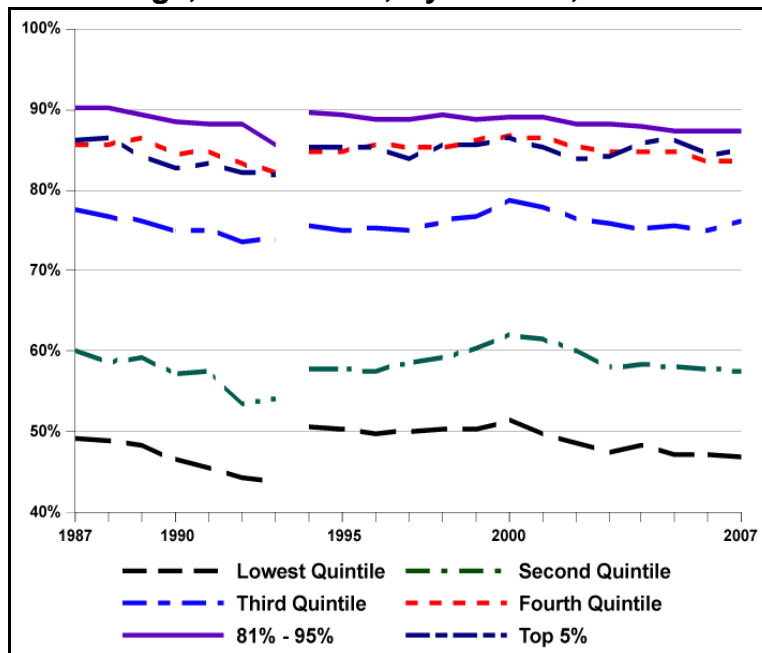
¹⁶ Other changes in the CPS may affect the comparability of health insurance data over time. The Census Bureau has released revised data on health insurance coverage for the years 1996 to 2005. Because of these revisions, the estimated number of persons with employment-based health insurance increased slightly. This report does not take these revisions into account. Also, in 2000, the CPS added questions to verify that people who answered “no” to all questions about specific types of insurance were actually uninsured. This change also increased slightly the estimated number of persons with employment-based health insurance. Cheryl Hill Lee and Sharon M. Stern, *Health Insurance Estimates from the U.S. Census Bureau: Background for a New Historical Series*, U.S. Census Bureau, June 2007, at [http://www.census.gov/hhes/www/hlthins/usernote/revhlth_paper.pdf], pp. 8, 16.

For additional information on health insurance issues, see CRS Report RL32237, *Health Insurance: A Primer*, by Bernadette Fernandez; CRS Report RL34389, *Health Insurance Reform and the 110th Congress*, by Jean Hearne; and CRS Report RS22735, *Spending by Employers on Health Insurance: A Data Brief*, by Jennifer Jenson.

¹⁷ The analysis in this report is of employment-based health insurance coverage only. It does not include coverage of self-employed persons. The self-employed may have private health insurance if they purchase an individual policy or they are covered under someone else’s policy. For more information on health insurance coverage, see CRS Report 96-891, *Health Insurance Coverage: Characteristics of the Insured and Uninsured Populations in 2007*, by Chris L. Peterson and April Grady.

- From 1987 to 2007, the percentage of workers with health insurance coverage declined at all earnings levels. Coverage declined among both men and women.
- The decline in health insurance coverage was greatest for lower-wage workers. (See **Figure 8**.) At the lowest quintile, the percentage of workers with health insurance fell by 9.4 percentage points, compared to a 5.2 percentage point decline for the top 5% of earners.¹⁸ At the lowest quintile, coverage fell by 8.0 percentage points among men and by 10.0 percentage points among women.
- Among middle-wage workers (i.e., workers at the second, third, and fourth quintiles), the decline in health insurance coverage was greater for men than women. Among men at the second, third, and fourth quintiles, coverage fell by 8.3, 6.1, and 8.3 percentage points, respectively. Coverage among women at these quintiles fell by 3.5, 1.3, and 2.0 percentage points, respectively.

Figure 8. Employment-Based Health Insurance Coverage, All Workers, By Quintile, 1987-2007



Source: CRS analysis of data from the Current Population Survey (CPS).

Note: Because of changes in the design of the health insurance questions in 1994, the percentage of workers with employment-based health insurance is separated into two subperiods: 1987-1993 and 1994-2007.

¹⁸ Unless stated otherwise, the comparisons of percentage differences or changes discussed in this report are significant at either the 95% or 90% confidence levels. See the **Appendix** for an explanation of confidence levels.

During the 20-year period, employment-based health insurance coverage generally declined from 1987 to the early 1990s, increased or was relatively stable to about 2000, and then declined again from about 2000 to 2007. For example, at the second, third, and fourth quintiles, the percentage of workers with employment-based health insurance declined from 1987 to 1993, increased from 1994 to 2000, and then declined from 2000 to 2007.

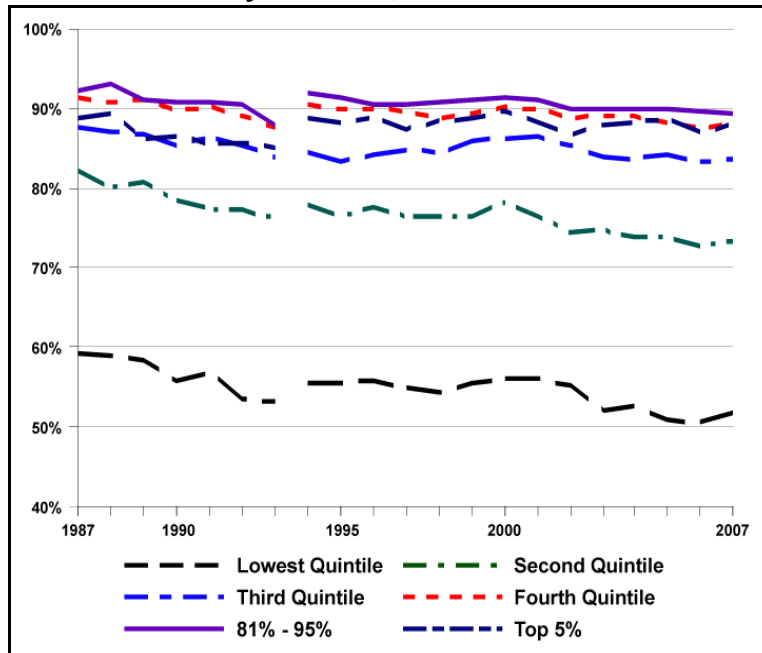
From 2006 to 2007, coverage among all workers at the third quintile increased by a statistically significant 1.1 percentage points. Over the same two-year period, coverage among women at the fourth quintile increased, but decreased among women at the highest quintile (i.e., at the 81st percentile and above). (See **Table 3** in the **Appendix**.)

Full-Time, Year-Round Workers. **Figure 9** shows the percentage of full-time, year-round workers with employment-based health insurance. Workers with higher earnings are more likely to be covered by employment-based health insurance. On the other hand, from 1987 to 2007, the percentage of full-time, year-round workers with employment-based health insurance declined at all earnings levels. As was the case with all workers, from 1987 to 2007, the decline in coverage was greater at both the beginning and end than in the middle of the period.

From 1987 to 2007, the decline in insurance coverage was greatest for lower-wage workers. At the lowest and second quintiles, coverage declined by 9.8 and 10.5 percentage points, respectively, compared to a 4.7 percentage point decline among the top 5% of earners.

During the 20-year period from 1987 to 2007, health insurance coverage declined among both men and women. But, the decrease was greater for lower- and middle-wage men (i.e., men at the first four quintiles) than for lower- and middle-wage women. For example, at the lowest quintile, coverage fell by 10.7 percentage points among men, compared to a 6.9 percentage point drop among women. At the second, third, and fourth quintiles, coverage among men fell by 11.4, 9.1, and 7.8 percentage points, respectively. Among women at these quintiles, coverage fell by 8.7, 3.1, and 3.7 percentage points, respectively. (See **Table 4** in the **Appendix**.)

Figure 9. Employment-Based Health Insurance Coverage, Full-Time, Year-Round Workers, By Quintile, 1987-2007



Source: CRS analysis of data from the Current Population Survey (CPS).

Note: Because of changes in the design of the health insurance questions in 1994, the percentage of workers with employment-based health insurance is separated into two subperiods: 1987-1993 and 1994-2007.

Employer- or Union-Provided Pension Plans

All Workers. Workers with higher earnings are more likely to participate in an employer or union provided pension plan. In 2007, 62.9% of the top 5% of earners were covered by such a plan, compared to 9.8% of workers in the lowest quintile. Relative to higher-wage workers, however, participation among lower-wage workers in an employer or union provided pension plan improved from 1979 to 2007.¹⁹ At the lowest quintile, participation increased by 2.4 percentage points (from 7.4% to 9.8%), but declined by 2.1 percentage points (from 64.9% to 62.9%, rounded²⁰) among the top 5% of earners. The improved participation of lower-wage workers was due entirely to increased participation among women. At the lowest

¹⁹ The analysis in this section includes wage and salary workers in both the private and public sectors as well as self-employed workers. Public sector and self-employed workers are not covered by the Employee Retirement Income Security Act of 1974 (ERISA, P.L. 93-406), which is the federal law that governs employer-provided pension plans. For more information on pension plan coverage, see CRS Report RL30122, *Pension Sponsorship and Participation: Summary of Recent Trends*, by Patrick Purcell.

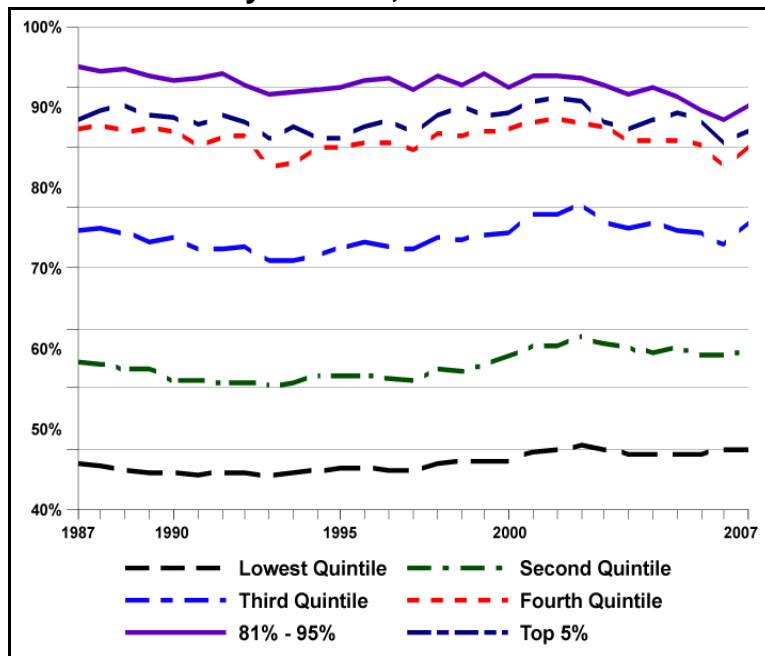
²⁰ Although coverage decreased by 2.1 percentage points from 1979 to 2007, coverage rounds to 64.9% in 1979 and 62.9% in 2007.

quintile, over the 28-year period there was no change in participation among men, but a 3.4 percentage point increase (from 5.3% to 8.7%) among women. At the second quintile, participation among men fell by 4.8 percentage points (from 32.9% to 28.1%), but increased by 6.8 percentage points (from 18.0% to 24.8%) among women. (See **Figure 10** and **Table 5** in the **Appendix**.)

From 1979 to 2007, participation in an employer-based pension plan among middle-wage men — that is, men at the second, third, and fourth quintiles — fell, but participation among middle-wage women increased. Among men at these quintiles, participation fell by 4.8, 8.3, and 11.8 percentage points, respectively. Participation among women increased by 6.8, 11.5, and 8.9 percentage points, respectively.

Although there was some variation from year-to-year, during the period from 1979 to 2007, participation in an employer or union pension plan generally declined from the early to the late 1980s, increased from the late 1980s to about 2000, declined again from about 2000 to 2006, and increased from 2006 to 2007. From 2006 to 2007, except for workers at the lowest two quintiles, participation of employees in a pension plan increased at all earnings levels.

Figure 10. Participation in an Employer- or Union-Provided Pension Plan, All Workers, By Quintile, 1979-2007



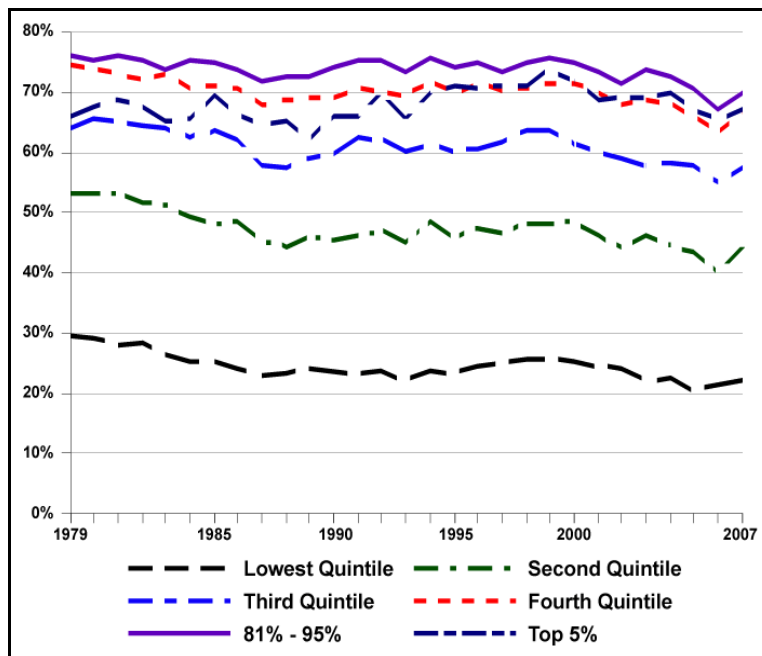
Source: CRS analysis of data from the Current Population Survey (CPS).

Full-Time, Year-Round Workers. For full-time, year-round workers, the trend in participation in an employment-based pension plan differed from the trend for all workers.

- Lower-wage full-time, year-round workers were more likely than all lower-wage workers to participate in an employer or union pension plan. In 2007, at the first and second quintiles, 22.2% and 44.5% of full-time, year-round workers were participants in an employer or union pension plan, compared to 9.8% and 26.2% of all workers at these quintiles.
- Among full-time, year-round workers, except for the top 5% of earners, participation declined at all quintiles from 1979 to 2007.
- From 1979 to 2007, participation among lower- and middle-wage men declined more than among lower- and middle-wage women. At the lowest quintile, participation among men fell by 8.7 percentage points (from 28.7% to 20.0%), compared to a 3.3 percentage point drop (from 27.3% to 23.9%, rounded) among women. Among men at the second, third, and fourth quintiles, participation fell by 14.3, 13.4, and 10.0 percentage points, respectively. Participation among women at these quintiles was relatively unchanged.

Similar to the trend among all workers, participation in an employment-based pension plan generally fell from the early to the late 1980s, increased from the late 1980s to about 2000, and declined again from about 2000 to 2006. Except for workers in the lowest quintile and the top 5% of workers, pension coverage increased from 2006 to 2007. (See **Figure 11** and **Table 6** in the **Appendix**.)

Figure 11. Participation in an Employer- or Union-Provided Pension Plan, Full-Time, Year-Round Workers, By Quintile, 1979-2007



Source: CRS analysis of data from the Current Population Survey (CPS).

The Distribution of Weekly Earnings

This section examines the trend in the distribution of weekly earnings from 1979 to 2007. Different measures of inequality provide different information and can lead to different conclusions about the trend in the distribution of earnings. Most measures identify *whether* inequality has changed over time or whether inequality is greater among some groups of workers than among others. But some measures may not reveal *how* inequality has changed over time or differs among groups. This report uses two measures of inequality: the Gini coefficient and the share of total weekly earnings received by each quintile of workers. Together, the two measures show whether the distribution of earnings has changed over time and, if so, how it has changed.

Topcoded Earnings

To protect the confidentiality of survey participants, the CPS data available for public use have an earnings amount assigned to higher-earning workers. Over time, changes in these amounts, or topcodes, can affect the observed trend in inequality.

In the CPS, total annual earnings consist of wages and salaries as well as farm and nonfarm self-employment income. Wages and salaries are further separated into

earnings from a worker's longest job and "other" wage and salary earnings (e.g., from another or a second job). Before 1996, each source of earnings was topcoded at the same amount. Since 1996, each source of earnings has been given a unique topcode. Currently, the top code for earnings from a worker's longest job is \$200,000. The topcode for "other" wages and salaries is \$35,000. If someone's longest job was as a wage and salary worker, but they also had earnings from self-employment, the topcode from self-employment is \$50,000. If the income from self-employment is from farming, the topcode is \$25,000.

Before 1996, if earnings were topcoded, reported earnings were the topcoded amount. For example, for 1995, earnings were topcoded at \$99,999. For anyone who earned more than \$99,999, the CPS reported their earnings as \$99,999. Since 1996, for workers with earnings above the topcoded amounts, reported earnings are the average of earnings for workers with similar characteristics. Average earnings are calculated for persons based on gender, race, ethnicity, and whether or not they work full-time, year-round. For 2007, earnings from a person's longest job were topcoded at \$200,000. For white males who worked full-time, year-round and who earned more than \$200,000, the CPS reported average earnings of \$419,969 (i.e., the average earnings of white, male, full-time, year-round workers who earned more than \$200,000).

The change in 1996 in the way topcoded earnings are reported (i.e., average earnings as opposed to the actual topcode amounts) can affect the observed trend in inequality. For years before 1996, several economists who were given access to internal CPS data, calculated average earnings for persons with earnings above the topcoded levels. Like average earnings above the topcoded amounts reported by the CPS since 1996, the economists calculated average earnings for persons based on gender, race, ethnicity, and whether or not they work full-time, year-round. Their results are reported in a paper published by the National Bureau of Economic Research (NBER).

For consistency over the period from 1979 through 2007, this report uses average earnings above the topcoded amounts as reported by the CPS for the years 1996 and later and average earnings as published in the NBER report for the years before 1996.²¹

Because of continuing concerns about confidentiality and because of questions about the reliability of responses from persons who claim to have very high earnings, internal CPS data are also subject to a form of topcoding. Between 1984 and 1985, the cap on annual earnings in the internal CPS was raised from \$99,999 to \$250,000. Between 1992 and 1993, the cap was raised from \$299,999 to \$999,999.²² The large increase in 1993 had a significant effect on the average amount of earnings for the

²¹ Larrimore, Jeff, Richard V. Burkhauser, Shuaizhang Feng, and Laura Zayatz, *Consistent Cell Means for Topcoded Incomes in the Public Use March CPS (1976-2007)*, National Bureau of Economic Research, Working Paper 13941, April 2008, available at [<http://www.nber.org/papers/w13941>], pp. 29-31, 33-36.

²² *Ibid.*, p. 49.

highest paid workers, which, in turn, affected the observed change in inequality from 1992 to 1993.

Because of the effect of changes in the internal CPS data from 1992 to 1993, in this report the graphical representations of the Gini coefficient are separated into two periods: 1979 to 1992 and 1993 to 2007. Similarly, in the graphs of the share of earnings received by quintile, the share of earnings received by the top 5% of workers is separated into two subperiods. In addition, in the discussion of the change from 1979 to 2007 in the share of total weekly earnings received by the top 5% of earners, the percentage point change is the sum of changes over the two subperiods.

Gini Coefficient

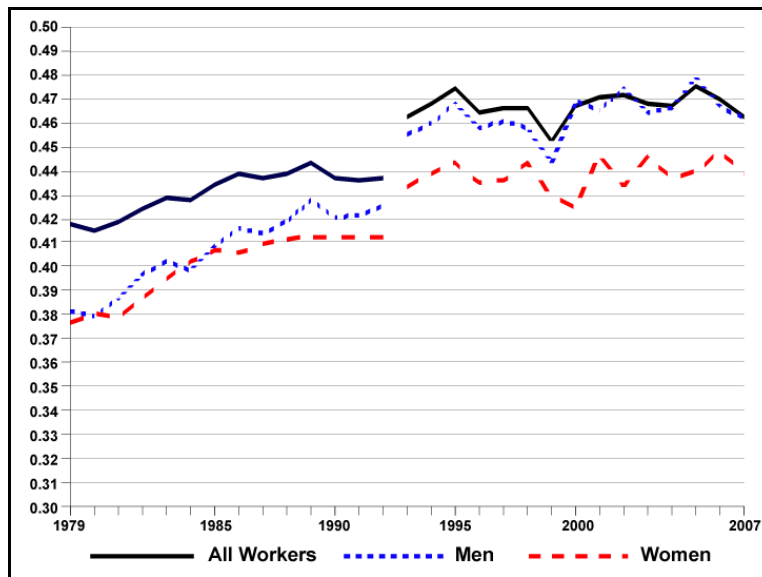
The Gini coefficient is a measure of earnings equality that ranges from 0 to 1. If the earnings of all individuals are the same, the Gini coefficient is equal to 0, representing complete equality. If one worker receives all of the earnings and all other workers receive zero earnings, the Gini coefficient is equal to 1. Thus, a larger coefficient indicates a greater degree of inequality. More information on the Gini coefficient is provided in the **Appendix**.

All Workers. Inequality increased among all workers over the period from 1979 to 2007. Inequality also increased among both men and women. From 1979 to 2007, periods of rising inequality were followed by periods when inequality fell. In general, inequality increased from 1980 to 1989, then declined slightly from 1989 to 1992, before rising again from 1993 to 1995. A decline in inequality from 1995 to 1999 was offset by an increase in inequality from 1999 to 2005. Inequality fell from 2005 to 2007. Even within this general pattern, however, there were some year-to-year variations in the trend in inequality. (See **Figure 12**.)

From 1979 to 2007, inequality increased more among men and women, analyzed separately, than among men and women analyzed together. One explanation for this difference is that, at the same time that overall inequality increased, the distribution of earnings among women became more similar to the distribution of earnings among men — as reflected in the narrowing of earnings gap between men and women.

Although overall inequality declined from 2005 to 2007, among women it increased from 2005 to 2006 and then declined from 2006 to 2007.

Figure 12. Gini Coefficient, All Workers, 1979-2007



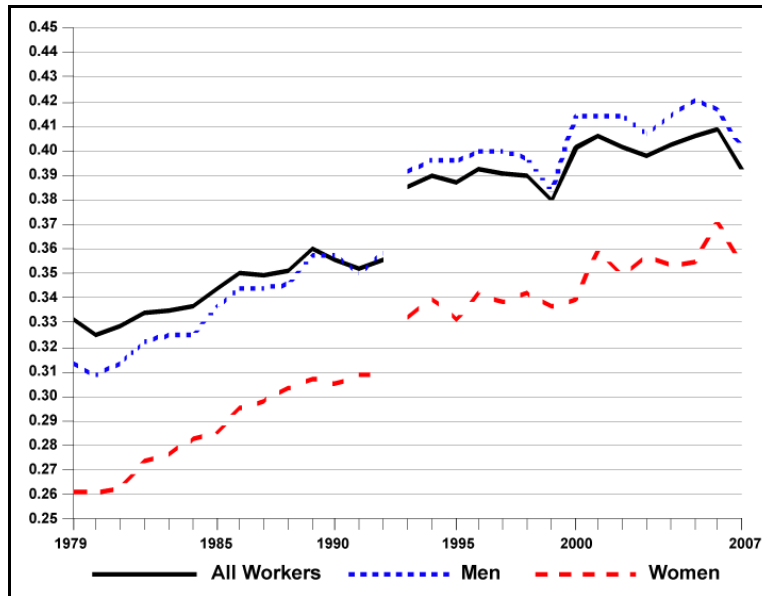
Source: CRS analysis of data from the Current Population Survey (CPS).

Note: Because of changes in topcoding from 1992 to 1993, the Gini coefficient is separated into two subperiods: 1979-1992 and 1993-2007.

Full-Time, Year-Round Workers. The distribution of earnings among workers employed full-time, year-round is more equal than the distribution of earnings among all workers. Nevertheless, from 1979 to 2007, inequality also increased among persons who work full-time, year-round. Periods of rising inequality were followed by periods when inequality declined. From 2006 to 2007, the distribution of earnings became more equal.

Inequality among women is significantly lower than inequality among men. But inequality among men and women, analyzed separately, increased more than inequality among all full-time, year-round workers. (See **Figure 13.**)

Figure 13. Gini Coefficient, Full-Time, Year-Round Workers, 1979-2007



Source: CRS analysis of data from the Current Population Survey (CPS).

Note: Because of changes in topcoding from 1992 to 1993, the Gini coefficient is separated into two subperiods: 1979-1992 and 1993-2007.

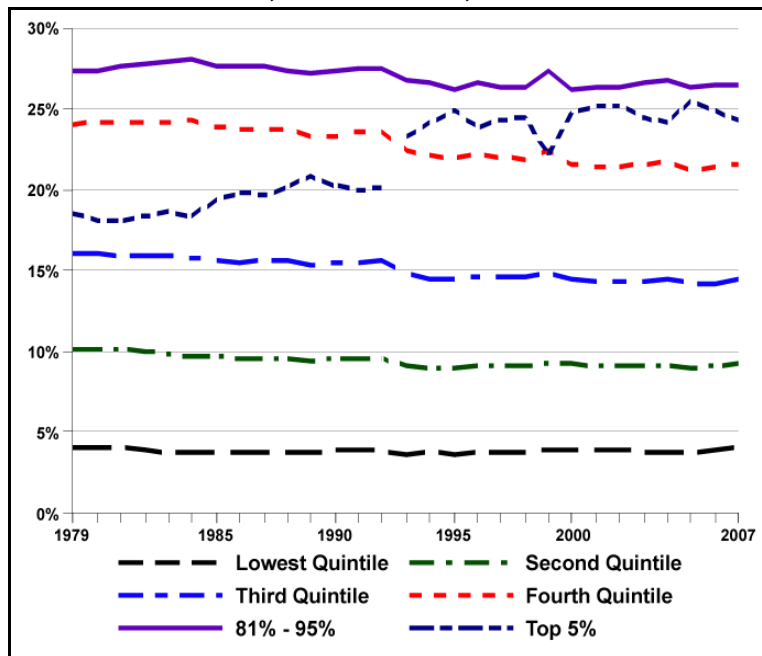
The Share of Total Weekly Earnings by Quintile

The Gini coefficient shows whether the distribution of earnings has changed over time, but it does not show where the distribution may have changed. To analyze where the earnings distribution has changed, this section examines the share of total weekly earnings received by each quintile of workers.

All Workers. An analysis of the share of total weekly earnings by quintile shows that inequality was greater in 2007 than in 1979. At the end of the period, the top 5% of earners received a larger share of total weekly earnings, while other workers received a smaller share. For example, from 1979 to 2007, the share of earnings received by the top 5% of earners increased by 2.6 percentage points.

Over the 28-year period, when inequality increased it was generally because the top 5% of earners received a larger share of total earnings, while other workers received a smaller share. Conversely, when inequality declined, it was generally because the top 5% of earners received a smaller share of total earnings and other workers received a larger share. (See **Figure 14.**) From 2006 to 2007, the share of total earnings received by the top 5% of workers dipped slightly (from 24.9% to 24.3%). Changes in the share of earnings received by men and women generally followed the same pattern as the trend for all workers. (See **Table 8** in the **Appendix.** The percentage point changes over the different periods shown in **Table 8** match the years over which the Gini coefficient increased or decreased over the 28-year period.)

Figure 14. Share of Total Weekly Earnings by Quintile, All Workers, 1979-2007

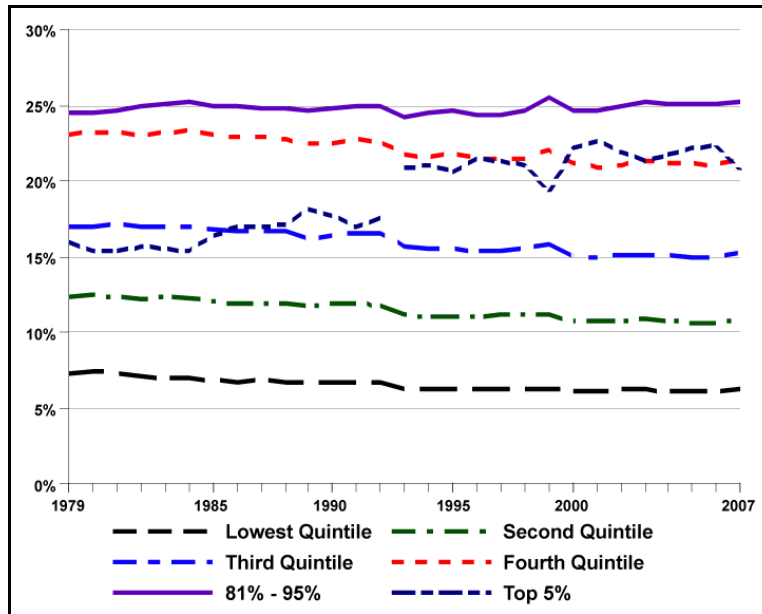


Source: CRS analysis of data from the Current Population Survey (CPS).

Note: Because of changes in topcoding from 1992 to 1993, the share of earnings received by the top 5% of earners is separated into two subperiods: 1979-1992 and 1993-2007.

Full-Time, Year-Round Workers. Inequality also increased among full-time, year-round workers from 1979 to 2007. Over the period, the top quintile of earners gained a larger share of total weekly earnings, while the first four quintiles received a smaller share. From 1979 to 2007, the share of earnings received by the top 5% of earners increased by 1.5 percentage points. The share of earnings received by the second and third quintiles fell by 1.5 and 1.6 percentage points, respectively. Similar to the pattern among all workers, when inequality increased among full-time, year-round workers, the share of earnings received by the bottom four quintiles generally decreased, while the share received by the top quintile — especially the top 5% of earners — increased. Conversely, when inequality fell, the opposite occurred. (See **Figure 15**.) The same pattern generally held for both men and women. Inequality declined from 2006 to 2007. Over the two-year period, the share of total earnings received by the top 5% of earners fell from 22.4% to 20.7%, while the share of earnings received by the bottom four quintiles increased.

Figure 15. Share of Total Weekly Earnings by Quintile, Full-Time, Year-Round Workers, 1979-2007



Source: CRS analysis of data from the Current Population Survey (CPS).

Note: Because of changes in topcoding from 1992 to 1993, the share of earnings received by the top 5% of earners is separated into two subperiods: 1979-1992 and 1993-2007.

Reasons for Changes in the Share of Total Weekly Earnings by Quintile. The share of earnings received by workers at each quintile may change for many reasons. The relative number of hours worked may change and relative earnings per hour may change. As discussed at the beginning of this report, both the percentage of workers employed full-time and the percentage of workers employed full-time, year-round tend to fall during recessions. During an economic expansion, as the demand for labor increases, both hours worked and earnings per hour often rise, especially among lower-wage workers.²³ For example, the data on real weekly earnings in **Table 1** in the **Appendix** show that, when inequality fell from 1995 to 1999, the real weekly earnings for workers at the 20th percentile increased by 12.3%, compared to a 12.6% increase for workers at the 95th percentile. Conversely, when inequality increased from 1980 to 1989, earnings at the 20th percentile rose by 1.1%, but increased 13.4% at the 95th percentile.

Several other factors may also affect relative earnings. The supply of and demand for workers with different skills may change. Changes in consumer tastes or technology may affect the demand for labor. Social and demographic changes

²³ During an economic expansion, in order to hire more workers, employers may offer higher wages. Employers may also ask workers to work, or require, more overtime. Both of these changes would increase total weekly earnings.

may affect the supply of labor. Changes in wages may affect both the demand for and the supply of labor. Congress may enact policies that affect earnings. For example, during the period from 1979 to 2007, Congress passed four laws that raised the basic federal minimum wage.²⁴ Following welfare reform in 1996, the employment of single mothers increased significantly.²⁵ Regulatory changes or changes in trade policy may affect earnings. U.S. firms may engage in greater outsourcing. Foreign companies may increase investment in the United States. Each of these changes may affect the distribution of workers in different occupations and industries. For example, the decline in manufacturing employment in the United States since 1979 (when employment peaked at 19.4 million) may have affected both wages and fringe benefits.²⁶ Union membership in the United States, which also peaked in 1979 (at 21.0 million), may also have affected earnings and fringe benefits.²⁷ Separating the effect of each of these (and other) factors on earnings and fringe benefits is difficult, however. In addition, economists may not agree on the effects of each factor.

²⁴ The first law (P.L. 95-151) raised the minimum wage in January 1979, January 1980, and January 1981. The second law (P.L. 101-157) raised the wage in April 1990 and April 1991. The third law (P.L. 104-188) raised the wage in October 1996 and September 1997. In 2007, Congress enacted P.L. 110-28, which raised the minimum wage, in steps, from \$5.15 to \$7.25 an hour. The minimum wage rose to \$5.85 in July 2007 and to \$6.55 in July 2008. It will rise to \$7.25 an hour in July 2009. CRS Report RL33754, *Minimum Wage in the 110th Congress*, by William G. Whittaker.

²⁵ Among other things, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) set a time limit on cash welfare assistance and imposed greater work requirements on welfare recipients. CRS Report RL32760, *Temporary Assistance for Needy Families (TANF) Block Grant: Responses to Frequently Asked Questions*, by Gene Falk.

²⁶ From 1979 to 2007, employment in manufacturing in the United States fell from 19.4 million to 13.9 million, a decrease from 21.6% to 10.1% of total nonfarm employment. U.S. Department of Labor, Bureau of Labor Statistics, *Employment, Hours, and Earnings from the Current Employment Statistics Survey*, available at [stats.bls.gov/ces/home.htm].

²⁷ Research has concluded that union workers generally earn more than nonunion workers. CRS Report RL32553, *Union Membership Trends in the United States*, by Gerald Mayer.

Appendix: Measures of Inequality, Data, and Methodology

This **Appendix** provides an explanation of the measures of inequality used in this report. It also describes the source of data and the methodology used in the report. The second part of the **Appendix** shows the data used in the text and graphs in the report.

Measures of Inequality

This report uses two measures of inequality: the Gini coefficient and the share of earnings received by each quintile of workers.

Gini Coefficient. The Gini coefficient is calculated using the following formula:

$$G = 1.0 - \sum_{i=1}^n f_i (p_i + p_{i-1})$$

where f_i is the proportion of earners in interval (i) and p_i is the proportion of total earnings received by earners in interval 1 and all lower intervals.²⁸

Graphically, the Gini coefficient is illustrated in **Figure 16**. The horizontal axis shows the percent of all earners; the vertical axis shows the percent of earnings received by all earners. The diagonal line represents total earnings equality. For example, on the diagonal line, 25% of earners receive 25% of earnings, 50% of earners receive 50% of earnings, and so on.

In **Figure 16** the two dotted lines — called Lorenz curves — illustrate two possible earnings distributions. The Gini coefficient is the ratio of (a) the area between the diagonal line and the Lorenz curve and (b) the total area under the diagonal line. The two earnings distributions in **Figure 16** may represent the earnings for two groups of workers — or the same group of workers at different times. The distribution of earnings for the first group (where the Gini coefficient is .163) is more equal than the distribution of earnings for the second group (where the Gini coefficient is .289). For the first group of workers, the bottom 60% of workers receive half of all earnings; the top 40% receive the other half of earnings. In the second group, the bottom 70% of earners receive half of all earnings; the top 30% receive the other half.

Share of Total Earnings by Quintile. To calculate the share of earnings received by each quintile of earners, workers are first ranked from lowest to highest paid. Workers are then divided into five equal-size groups, or quintiles. The total earnings received by each quintile is divided by the total earnings of all workers. If

²⁸ U.S. Bureau of the Census, *Studies in the Distribution of Income*, Series P60-183, 1992, p. 60.

everyone's earnings were the same, each quintile would receive one-fifth of all earnings. The greater the share of earnings received by the highest paid workers (i.e., the top quintile) or the smaller the share of earnings received by the lowest paid workers (i.e., the lowest quintile) the greater the degree of inequality. In this report, the top quintile of earners is further separated into two groups: the top 5% of earners and the top 81% to 95% of earners.

Data Source and Methodology

The analysis in this report uses data from the Annual Social and Economic (ASEC) supplement to the monthly Current Population Survey (CPS). The CPS is a household survey conducted by the U.S. Bureau of the Census for the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor. The monthly CPS is the source of the national monthly unemployment rate and other labor force data.

Figure 16. Illustration of Lorenz Curves and Gini Coefficients for Two Groups of Workers



Source: Illustration created by CRS.

The ASEC supplement to the monthly CPS asks additional questions about individual earnings for the previous year. The sample is representative of the civilian noninstitutional population of the United States. The sample for the supplement includes members of the Armed Forces living in civilian housing units on a military base or in a household not on a military base. The sample does not include persons living in institutions (such as mental hospitals, nursing homes, or correctional facilities). The 2008 supplement interviewed about 76,600 households.²⁹

²⁹ U.S. Census Bureau, *Current Population Survey, 2008 Annual Social and Economic* (continued...)

The ASEC supplement collects earnings information for both wage and salary workers and self-employed persons. Some workers may have both wage and salary income and self-employment income. In addition, self-employed persons may have both wages and income or loss from investment in their business (e.g., in equipment, buildings, office space, materials, supplies, and other kinds of capital). Since wages cannot be negative, this report uses positive earnings only; i.e., it excludes persons whose investment losses were greater than their wage. But this approach may include investment losses if a person combines their wage and investment loss and their wage is greater than their investment loss. The approach may also include investment income, if a person reports his or her earnings as the total of their wage and investment income. Excluding persons with negative earnings has little or no effect on the real earnings by percentile shown in this report. Including persons with negative earnings increases the level of inequality, but has little or no effect on the trend in inequality.

In **Tables 1 and 2**, comparisons of real earnings between consecutive years should be made with caution. When answering the question about annual earnings, some respondents may round off their earnings. For example, many people may report that they earn \$50,000 a year, when they earn either more or less than \$50,000. From one year to the next, this rounding may affect the observed trend in real weekly earnings.

CPI-U-RS. In this report, nominal weekly earnings were adjusted for inflation using the CPI-U-RS (the Consumer Price Index for all Urban Consumers Research Series).

Over the years, BLS has introduced a number of changes in the way it measures changes in prices. Each improvement is intended to make the CPI-U more accurate. But the historical CPI-U is not adjusted to take the improvements into account. The CPI-U-RS adjusts the historical CPI-U (starting in 1978) to take into account most of the improvements made in measuring price changes. The CPI-U-RS shows what the CPI-U would have been if current methods had been used to measure inflation. Compared to the CPI-U, the CPI-U-RS provides a more consistent measure of inflation.³⁰

Topcoded Earnings. In the ASEC supplement, if a person's annual earnings exceed a certain amount (i.e., a topcode), the individual's actual earnings are not reported. Instead, the CPS reports the average earnings of those persons whose earnings are above the topcoded amount. For 2007 (i.e., the 2008 ASEC), annual earnings from a person's longest job were topcoded at \$200,000. BLS averages earnings for several groups of workers, based on gender, race, Hispanic origin, and work experience. For example, the CPS reports average earnings for all white, non-Hispanic men who work full-time, year-round and whose earnings for their longest

²⁹ (...continued)

(ASEC) Supplement, available at [<http://www.census.gov/apsd/techdoc/cps/cpsmar08.pdf>], pp. 1-1, 9-3, G-2.

³⁰ Stewart, Kenneth J, and Stephen B. Reed, "Consumer Price Index Research Series Using Current Methods, 1978-98," *Monthly Labor Review*, vol. 122, June 1999, p. 29.

held job are over \$200,000. To arrive at total annual earnings, this amount is added to any earnings from other employment (e.g., a person may have held more than one job during the year).

In this report, topcoding may affect the measures of inequality in two ways. First, because of topcoding, the Gini coefficient may understate the degree of inequality. Topcoding should have less of an effect on the estimates of real weekly earnings or the estimates of the share of total weekly earnings by quintile. Second, as described in the text of this report, because of changes in 1994 (affecting annual earnings for 1993) in the way the CPS recorded the earnings of the highest paid workers, the observed trend in inequality may not be comparable for years 1979 to 1992 and the years 1993 and later.

Confidence Levels. Estimates based on survey responses from a sample of households have two kinds of error: nonsampling and sampling. Examples of nonsampling error include information that is misreported and errors made in processing collected information. Sampling error occurs because a sample, and not the entire population, of households is surveyed. The difference between an estimate based on a sample of households and the actual population value is known as sampling error. When using sample data, researchers typically construct confidence intervals around population estimates. Confidence intervals provide information about the accuracy of estimated values. With a 95% confidence interval and repeated samples from a population, 95% of intervals will include the average estimate of a population characteristic.

Data Used in Text and Graphs

The remainder of this **Appendix** provides the data used in the text and graphs in this report. In **Tables 8** and **9**, the percentage point changes over the different periods shown are intended to match the years over which the Gini coefficient increased or decreased over the 28-year period.

Table 1. The Trend in Real Weekly Earnings: All Workers, 1979-2007

Earnings	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
All Workers																
Average Earnings	\$660	\$644	\$634	\$636	\$638	\$643	\$663	\$688	\$692	\$701	\$718	\$703	\$698	\$704	\$733	\$753
20 th Percentile	244	240	226	222	223	219	226	229	234	232	242	239	240	245	239	244
40 th Percentile	426	416	418	402	398	402	421	417	433	428	437	444	428	434	431	426
60 th Percentile	639	626	625	617	611	621	636	660	672	664	678	663	668	668	674	665
80 th Percentile	973	949	938	952	951	950	990	1,023	1,007	1,017	1,035	1,020	1,004	1,015	1,033	1,054
95 th Percentile	1,587	1,560	1,525	1,587	1,579	1,635	1,654	1,736	1,679	1,694	1,770	1,745	1,713	1,754	1,775	1,862
Men																
Average Earnings	843	817	803	801	801	805	830	867	863	877	895	864	853	854	897	925
20 th Percentile	353	339	328	310	304	302	310	320	322	324	323	320	309	306	303	319
40 th Percentile	614	582	561	555	552	548	551	572	571	583	580	562	562	557	543	538
60 th Percentile	870	839	841	802	799	832	845	868	839	844	858	828	828	835	815	819
80 th Percentile	1,177	1,152	1,138	1,155	1,141	1,170	1,202	1,215	1,239	1,231	1,242	1,201	1,199	1,207	1,223	1,250
95 th Percentile	1,894	1,843	1,847	1,904	1,902	1,901	1,944	2,083	2,015	2,105	2,173	2,070	2,123	2,088	2,174	2,261
Women																
Average Earnings	428	427	422	430	439	449	463	475	491	498	513	514	518	529	546	556
20 th Percentile	174	176	168	168	166	168	173	174	175	175	186	185	186	193	190	193
40 th Percentile	307	304	300	302	304	303	313	316	333	324	336	338	343	337	340	346
60 th Percentile	438	440	429	436	457	450	459	481	497	489	503	503	514	529	530	532
80 th Percentile	614	616	631	635	649	658	698	700	732	745	770	760	771	780	799	798
95 th Percentile	962	958	968	992	1,027	1,048	1,060	1,128	1,175	1,182	1,242	1,242	1,256	1,274	1,318	1,330

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Earnings	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Percent Change, 1979-2007
All Workers														
Average Earnings	\$764	\$764	\$789	\$820	\$813	\$858	\$872	\$877	\$873	\$861	\$876	\$876	\$874	25.9%
20 th Percentile	249	253	258	269	280	289	293	288	283	285	294	297	292	19.5%
40 th Percentile	442	456	465	489	479	501	504	510	516	507	511	494	500	17.4%
60 th Percentile	675	683	704	733	719	741	751	771	759	739	743	771	769	20.4%
80 th Percentile	1,039	1,038	1,065	1,099	1,149	1,158	1,149	1,153	1,171	1,161	1,168	1,187	1,154	18.6%
95 th Percentile	1,871	1,898	1,982	2,003	2,106	2,107	2,228	2,216	2,168	2,111	2,173	2,175	2,212	39.4%
Men														
Average Earnings	937	930	964	993	988	1,054	1,047	1,068	1,042	1,036	1,055	1,042	1,035	16.7%
20 th Percentile	312	316	330	344	357	361	354	355	357	357	355	360	365	3.6%
40 th Percentile	546	557	582	611	598	602	609	621	607	612	613	593	596	-2.9%
60 th Percentile	831	828	867	879	905	905	901	887	902	887	882	890	900	3.4%
80 th Percentile	1,247	1,265	1,262	1,319	1,364	1,389	1,351	1,383	1,409	1,372	1,381	1,384	1,365	16.0%
95 th Percentile	2,223	2,278	2,428	2,443	2,489	2,524	2,590	2,660	2,602	2,629	2,655	2,610	2,653	40.1%
Women														
Average Earnings	568	575	589	627	618	639	674	663	682	662	672	688	691	50.4%
20 th Percentile	197	202	206	220	229	232	234	240	236	232	245	237	250	43.5%
40 th Percentile	342	354	372	381	383	410	410	421	428	422	408	411	423	37.8%
60 th Percentile	520	531	547	586	598	602	609	621	629	633	613	614	635	44.9%
80 th Percentile	805	810	842	855	885	926	901	922	939	933	940	964	962	56.5%
95 th Percentile	1,351	1,392	1,431	1,474	1,555	1,575	1,640	1,633	1,669	1,647	1,634	1,701	1,700	76.7%

Source: Calculated by CRS from the Annual Social and Economic (ASEC) supplement to the Current Population Survey (CPS).

Note: Weekly earnings are in 2007 dollars. Estimates are for persons age 16 and over.

a. Because of changes in topcoding that affected the change in average weekly earnings between 1992 and 1993, the percent change in earnings from 1979 to 2007 is the sum of changes from 1979 to 1992 and 1993 to 2007.

Table 2. The Trend in Real Weekly Earnings: Full-Time, Year-Round Workers, 1979-2007

Percentile	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
All Full-Time, Year-Round Workers																
Average Earnings	\$839	\$816	\$807	\$811	\$808	\$819	\$838	\$862	\$866	\$869	\$888	\$860	\$854	\$868	\$901	\$914
20 th Percentile	430	424	421	401	403	402	424	417	419	421	430	414	414	418	408	401
40 th Percentile	614	599	589	595	574	585	601	625	604	615	621	591	600	613	598	609
60 th Percentile	819	813	799	793	791	804	816	833	839	842	838	828	828	835	815	825
80 th Percentile	1,126	1,106	1,094	1,111	1,119	1,097	1,131	1,180	1,175	1,166	1,187	1,169	1,142	1,169	1,168	1,197
95 th Percentile	1,792	1,751	1,716	1,785	1,819	1,828	1,802	1,909	1,880	1,943	1,987	1,922	1,941	1,949	2,011	2,062
Men																
Average Earnings	985	957	948	952	947	958	981	1,009	1,012	1,014	1,036	992	987	1,002	1,042	1,054
20 th Percentile	532	511	505	492	495	486	495	498	504	486	497	473	475	473	462	458
40 th Percentile	768	737	732	714	723	731	707	729	739	745	745	710	714	696	679	683
60 th Percentile	983	958	952	952	951	950	972	1,007	1,007	972	994	946	971	975	951	941
80 th Percentile	1,280	1,244	1,262	1,270	1,275	1,279	1,308	1,354	1,343	1,334	1,366	1,331	1,326	1,342	1,359	1,330
95 th Percentile	2,047	1,981	2,019	2,023	2,017	2,091	2,120	2,252	2,182	2,267	2,329	2,218	2,198	2,228	2,310	2,394
Women																
Average Earnings	560	558	555	573	580	589	606	625	637	646	657	654	659	673	692	702
20 th Percentile	358	346	337	345	342	347	353	347	353	356	363	355	356	362	353	351
40 th Percentile	461	461	450	456	457	469	477	486	504	486	497	503	508	509	516	505
60 th Percentile	563	553	568	595	590	597	618	625	638	648	652	651	657	693	679	665
80 th Percentile	737	737	752	770	761	804	829	854	843	874	900	887	885	908	943	931
95 th Percentile	1,024	1,050	1,052	1,088	1,141	1,135	1,187	1,246	1,259	1,296	1,316	1,331	1,370	1,392	1,359	1,463

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Percentile	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Percent Change, 1979-2007
All Full-Time, Year-Round Workers														
Average Earnings	\$905	\$925	\$941	\$961	\$957	\$999	\$1,014	\$1,014	\$1,011	\$1,004	\$1,007	\$1,012	\$994	13.7% ^a
20 th Percentile	405	409	421	440	431	440	450	443	434	435	429	435	442	2.9%
40 th Percentile	598	607	619	635	643	648	653	665	650	633	633	633	650	5.8%
60 th Percentile	826	830	862	855	873	880	901	887	879	878	878	890	885	8.0%
80 th Percentile	1,169	1,212	1,239	1,221	1,268	1,273	1,306	1,330	1,301	1,267	1,307	1,285	1,320	17.2%
95 th Percentile	2,026	2,024	2,106	2,199	2,287	2,315	2,252	2,327	2,385	2,322	2,390	2,373	2,308	28.8%
Men														
Average Earnings	1,049	1,065	1,088	1,103	1,107	1,169	1,167	1,168	1,155	1,147	1,152	1,145	1,124	9.7% ^a
20 th Percentile	468	478	495	489	488	486	495	488	499	486	490	481	481	-9.7%
40 th Percentile	675	683	718	733	718	722	721	731	737	739	715	692	715	-6.9%
60 th Percentile	935	960	991	977	1,005	1,028	1,013	997	1,019	1,013	1,021	989	981	-0.2%
80 th Percentile	1,336	1,344	1,362	1,433	1,436	1,505	1,464	1,551	1,518	1,478	1,481	1,483	1,469	14.8%
95 th Percentile	2,390	2,404	2,477	2,443	2,632	2,779	2,703	2,771	2,775	2,744	2,839	2,808	2,712	32.4%
Women														
Average Earnings	690	719	728	752	744	758	799	797	810	802	800	823	813	37.7% ^a
20 th Percentile	364	368	372	366	377	384	405	399	395	401	404	396	385	7.3%
40 th Percentile	517	506	520	537	538	556	563	554	564	549	552	554	577	25.2%
60 th Percentile	670	683	694	733	718	722	743	754	759	739	747	752	769	36.6%
80 th Percentile	935	940	966	977	996	1,011	1,017	1,055	1,084	1,055	1,062	1,068	1,058	43.5%
95 th Percentile	1,455	1,518	1,511	1,588	1,654	1,621	1,689	1,729	1,756	1,773	1,777	1,879	1,827	78.5%

Source: Calculated by CRS from the Annual Social and Economic (ASEC) supplement to the Current Population Survey (CPS).

Note: Weekly earnings are in 2007 dollars. Estimates are for persons age 16 and over.

a. Because of changes in topcoding that affected the change in average weekly earnings between 1992 and 1993, the percent change in earnings from 1979 to 2007 is the sum of changes from 1979 to 1992 and 1993 to 2007.

Table 3. Employment-Based Health Insurance Coverage, All Workers by Quintile, 1987-2007
(percent)

Percentile	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
	All Workers												
Lowest Quintile	49.2	48.8	48.4	46.5	45.4	44.1	43.6	50.7	50.3	49.7	49.9	50.2	50.2
Second Quintile	60.0	58.6	59.3	57.3	57.6	53.4	53.9	57.7	57.9	57.6	58.6	59.2	60.2
Third Quintile	77.6	76.6	76.2	75.1	75.1	73.6	73.8	75.5	75.1	75.4	74.9	76.3	76.7
Fourth Quintile	85.6	85.8	86.5	84.5	84.8	83.3	82.1	84.9	84.9	85.6	85.4	85.3	86.3
81-95%	90.4	90.3	89.3	88.4	88.2	88.1	85.6	89.8	89.3	88.8	88.8	89.4	88.7
Top 5%	86.3	86.6	84.4	82.7	83.4	82.3	81.9	85.4	85.5	85.5	84.0	85.6	85.8
	Men												
Lowest Quintile	43.3	42.5	42.7	40.5	38.4	36.9	38.9	45.3	45.3	44.2	44.1	44.7	46.6
Second Quintile	61.0	58.0	58.6	57.0	57.1	52.6	53.8	57.4	56.8	57.9	58.5	60.2	60.4
Third Quintile	79.1	79.4	79.6	75.7	75.3	73.1	73.1	75.4	76.2	75.3	76.6	77.5	79.0
Fourth Quintile	88.2	87.7	87.6	85.8	85.5	84.1	83.0	86.6	86.0	86.5	86.5	86.5	86.7
81-95%	89.9	90.5	89.0	88.0	88.3	86.7	84.7	89.4	88.6	88.4	88.4	88.7	88.8
Top 5%	86.0	85.9	83.3	82.3	82.1	83.0	81.3	84.3	85.1	84.3	82.5	85.8	84.2
	Women												
Lowest Quintile	52.3	52.0	51.1	49.4	49.7	47.4	45.6	52.8	52.4	52.5	52.2	53.0	51.3
Second Quintile	57.9	58.3	58.6	56.1	56.2	55.3	54.2	58.4	58.3	57.0	57.6	57.9	58.3
Third Quintile	76.3	75.3	75.3	76.3	75.6	74.2	73.5	74.7	75.5	76.4	76.4	76.7	77.4
Fourth Quintile	86.4	86.4	86.8	85.5	86.6	85.2	84.2	86.8	84.8	86.3	85.5	85.6	86.4
81-95%	91.2	91.0	90.8	89.4	90.4	90.4	87.9	90.9	91.6	90.6	89.8	89.7	90.1
Top 5%	88.1	86.5	84.7	87.2	87.4	85.3	84.4	88.1	88.1	87.2	87.5	87.5	87.3

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Percentile	2000	2001	2002	2003	2004	2005	2006	2007	Change in Percent, 1987-1993	Change in Percent, 1994-2000	Change in Percent, 2000-2007	Change in Percent, 1987-2007
All Workers												
Lowest Quintile	51.3	49.6	48.6	47.3	48.2	47.2	47.2	46.8	-5.6	0.7	-4.5	-9.4 ^a
Second Quintile	62.1	61.5	60.2	58.1	58.5	58.0	57.8	57.4	-6.2	4.4	-4.7	-6.5
Third Quintile	78.8	78.0	76.4	75.8	75.4	75.5	75.1	76.2	-3.8	3.2	-2.6	-3.1
Fourth Quintile	86.7	86.6	85.4	84.7	84.8	84.8	83.8	83.8	-3.5	1.8	-3.0	-4.7
81-95%	89.2	89.0	88.4	88.1	88.1	87.4	87.5	87.5	-4.8	-0.6	-1.7	-7.0
Top 5%	86.7	85.4	83.8	84.3	85.9	86.4	84.6	84.7	-4.4	1.2	-2.0	-5.2
Men												
Lowest Quintile	46.8	44.9	44.1	43.5	43.4	42.7	41.6	41.7	-4.4	1.5	-5.1	-8.0
Second Quintile	63.0	62.0	58.9	58.1	57.0	55.9	56.4	56.2	-7.2	5.6	-6.8	-8.3
Third Quintile	79.3	79.3	77.7	75.8	74.5	75.6	75.2	75.3	-6.0	3.9	-3.9	-6.1
Fourth Quintile	87.6	85.9	85.4	85.3	85.7	84.3	83.5	83.5	-5.2	1.0	-4.1	-8.3
81-95%	88.7	88.9	88.1	86.9	87.1	87.2	86.5	87.4	-5.2	-0.7	-1.3	-7.2
Top 5%	86.9	84.8	82.5	84.0	84.9	85.6	82.9	84.4	-4.8	2.6	-2.4	-4.6
Women												
Lowest Quintile	53.2	52.1	50.3	49.2	50.8	49.9	49.3	49.5	-6.7	0.5	-3.8	-10.0
Second Quintile	60.9	60.7	60.1	57.5	58.0	58.8	59.0	58.6	-3.7	2.5	-2.3	-3.5
Third Quintile	79.6	78.0	77.8	75.9	76.5	77.0	76.2	76.3	-2.9	4.8	-3.3	-1.3
Fourth Quintile	86.9	87.5	86.8	86.2	87.6	86.4	85.8	87.1	-2.3	0.1	0.2	-2.0
81-95%	90.4	91.3	88.8	89.5	89.9	89.8	90.1	88.8	-3.2	-0.5	-1.6	-5.3
Top 5%	87.8	86.4	87.1	88.1	88.5	87.1	88.0	86.1	-3.7	-0.3	-1.7	-5.6

Source: Calculated by CRS from the Annual Social and Economic (ASEC) supplement to the Current Population Survey (CPS).

Notes: Estimates are for persons age 16 and over.

a. Because of changes in the CPS health insurance questions in 1994, the change shown from 1987 to 2007 is the sum of the change from 1987 to 1993 and from 1994 to 2007.

Table 4. Employment-Based Health Insurance Coverage, Full-Time, Year-Round Workers, by Quintile, 1987-2007
(percent)

Percentile	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
	All Full-Time, Year-Round Workers												
Lowest Quintile	59.2	58.9	58.4	55.8	56.8	53.4	53.3	55.4	55.4	55.8	55.0	54.3	55.5
Second Quintile	82.2	80.1	80.7	78.5	77.4	77.5	76.1	77.8	76.4	77.6	76.3	76.4	76.6
Third Quintile	87.6	87.0	86.7	85.4	86.6	85.3	83.8	84.6	83.5	84.1	84.8	84.5	85.9
Fourth Quintile	91.4	90.9	91.1	89.6	90.2	89.2	87.6	90.7	90.0	90.0	89.7	89.0	89.4
81-95%	92.4	93.1	91.1	90.9	90.9	90.5	88.1	92.1	91.3	90.7	90.5	90.9	91.2
Top 5%	88.8	89.5	86.4	86.7	85.6	85.7	85.0	88.9	88.1	88.8	87.5	88.5	88.7
	Men												
Lowest Quintile	55.4	53.5	53.9	50.2	51.4	48.4	48.2	50.1	52.1	51.1	51.0	50.1	51.1
Second Quintile	80.7	78.7	79.9	76.1	76.2	74.8	73.4	74.4	73.4	73.8	73.4	73.8	75.0
Third Quintile	88.4	87.7	87.1	85.1	84.9	84.8	82.7	84.8	83.3	85.1	85.2	84.8	86.3
Fourth Quintile	92.2	91.7	91.8	90.0	90.1	89.0	87.5	90.5	89.7	89.7	89.6	89.8	89.4
81-95%	91.8	92.9	90.1	90.0	90.0	88.6	86.8	91.6	90.4	90.6	90.0	89.9	90.8
Top 5%	88.2	89.7	86.4	86.7	86.5	86.6	84.2	88.0	88.3	88.5	86.3	88.7	87.7
	Women												
Lowest Quintile	60.3	60.8	60.7	58.8	59.9	56.4	56.8	59.2	57.7	58.5	57.5	57.6	56.1
Second Quintile	83.9	82.8	81.1	82.6	81.4	81.2	79.3	80.9	79.9	81.1	79.8	79.3	80.9
Third Quintile	89.2	88.6	88.6	88.7	88.1	87.5	87.9	88.7	84.5	86.8	86.3	86.0	87.4
Fourth Quintile	91.8	92.0	91.9	90.7	92.3	91.3	89.6	91.7	91.1	90.9	90.9	89.2	90.0
81-95%	94.0	94.5	93.2	92.0	92.8	93.1	90.0	93.6	94.4	92.8	91.7	92.1	93.0
Top 5%	91.6	89.0	89.4	90.5	89.7	88.9	88.6	92.2	91.1	89.8	91.7	90.4	90.0

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Percentile	2000	2001	2002	2003	2004	2005	2006	2007	Change in Percent, 1987-1993	Change in Percent, 1994-2000	Change in Percent, 2000-2007	Change in Percent, 1987-2007
All Full-Time, Year-Round Workers												
Lowest Quintile	55.9	55.9	55.2	52.0	52.5	50.9	50.6	51.6	-6.0	0.5	-4.3	-9.8 ^a
Second Quintile	78.3	76.5	74.4	74.7	74.0	73.8	72.7	73.3	-6.1	0.6	-5.0	-10.5
Third Quintile	86.1	86.5	85.4	83.9	83.7	84.1	83.4	83.6	-3.7	1.5	-2.5	-4.7
Fourth Quintile	90.2	89.9	88.7	89.0	89.0	88.4	87.7	88.0	-3.8	-0.5	-2.1	-6.4
81-95%	91.4	91.0	89.9	90.0	90.1	89.9	89.6	89.5	-4.3	-0.7	-1.9	-6.9
Top 5%	89.7	88.4	86.7	88.1	88.2	88.7	87.1	88.0	-3.8	0.8	-1.7	-4.7
Men												
Lowest Quintile	51.3	51.5	49.3	47.7	47.6	46.1	45.0	46.6	-7.2	1.2	-4.7	-10.7
Second Quintile	76.9	74.8	72.5	73.3	70.8	70.6	69.9	70.3	-7.3	2.5	-6.6	-11.4
Third Quintile	85.8	85.9	84.9	82.9	82.1	82.4	82.2	81.4	-5.7	1.0	-4.4	-9.1
Fourth Quintile	90.2	89.3	88.7	88.0	88.0	87.5	86.8	87.4	-4.7	-0.3	-2.8	-7.8
81-95%	91.1	90.7	89.2	88.9	89.4	89.0	88.3	89.6	-5.0	-0.5	-1.4	-7.0
Top 5%	89.0	87.7	85.8	88.1	87.5	88.1	86.1	86.7	-4.0	1.0	-2.2	-5.3
Women												
Lowest Quintile	58.0	58.0	57.5	54.5	55.7	55.7	55.5	55.7	-3.5	-1.1	-2.3	-6.9
Second Quintile	81.9	79.1	79.6	77.7	77.9	77.6	76.2	76.8	-4.6	1.0	-5.1	-8.7
Third Quintile	86.5	87.8	86.6	85.8	88.5	86.6	86.6	86.9	-1.3	-2.2	0.4	-3.1
Fourth Quintile	91.4	92.3	91.0	91.6	91.7	90.7	89.5	90.2	-2.1	-0.3	-1.3	-3.7
81-95%	93.6	93.8	91.5	91.9	91.6	92.9	92.8	91.8	-4.0	0.0	-1.8	-5.8
Top 5%	92.2	89.5	89.1	90.3	90.3	89.6	89.8	89.9	-3.0	0.0	-2.3	-5.3

Source: Calculated by CRS from the Annual Social and Economic (ASEC) supplement to the Current Population Survey (CPS).

Notes: Estimates are for persons age 16 and over.

a. Because of changes in the CPS health insurance questions in 1994, the change shown from 1987 to 2007 is the sum of the change from 1987 to 1993 and from 1994 to 2007.

Table 5. Employer- or Union-Provided Pension Coverage, All Workers, by Quintile, 1979-2007
(percent)

Percentile	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
All Workers																
Lowest Quintile	7.4	7.0	6.2	5.9	5.8	5.6	5.9	6.1	5.5	5.9	6.3	6.8	6.6	6.3	6.3	7.6
Second Quintile	24.4	24.2	23.2	23.1	21.4	21.2	21.1	21.2	20.6	21.0	22.2	22.1	22.2	21.6	21.2	23.2
Third Quintile	46.2	46.6	45.7	44.3	45.0	43.4	43.3	43.5	41.4	41.3	42.3	43.2	44.2	43.8	43.3	45.1
Fourth Quintile	63.4	63.9	63.0	63.0	63.0	60.6	61.8	62.0	57.2	57.4	60.1	60.1	60.8	60.8	59.9	62.5
81-95%	73.7	73.0	73.4	71.9	71.4	71.5	72.3	70.5	68.8	69.2	69.8	70.1	71.3	71.5	69.7	72.1
Top 5%	64.9	66.2	66.9	65.6	65.0	64.0	65.4	64.3	61.6	63.5	61.7	61.7	63.4	64.7	62.4	65.6
Men																
Lowest Quintile	9.0	9.1	7.9	7.2	6.7	7.1	6.7	6.8	6.6	7.4	7.5	7.9	6.9	6.2	6.6	7.9
Second Quintile	32.9	31.8	30.3	28.4	27.7	25.2	25.6	26.0	24.7	24.5	24.4	27.0	26.3	24.3	23.3	26.8
Third Quintile	55.5	56.0	54.5	52.1	51.7	50.4	51.7	51.2	46.7	45.6	48.1	47.6	47.9	46.9	46.7	48.9
Fourth Quintile	72.0	70.5	69.8	69.2	68.5	66.8	67.2	66.1	63.2	64.4	64.6	63.6	65.1	64.9	63.6	66.0
81-95%	73.1	73.3	73.9	72.1	71.9	71.8	72.3	71.2	69.7	69.7	70.0	70.8	71.9	69.9	68.8	72.5
Top 5%	62.1	63.9	64.1	63.6	62.8	63.8	65.4	62.5	60.3	62.1	60.0	60.4	61.7	64.3	60.9	64.9
Women																
Lowest Quintile	5.3	5.2	4.7	4.4	4.5	3.8	3.9	5.3	4.4	4.3	5.3	5.3	5.7	5.9	5.4	6.3
Second Quintile	18.0	16.0	16.8	15.7	14.9	15.3	16.0	14.9	14.9	16.6	17.0	17.0	18.3	18.2	18.5	19.3
Third Quintile	33.0	34.6	34.7	35.5	35.2	35.8	34.7	34.8	34.7	33.7	36.8	36.9	38.0	38.4	38.5	39.7
Fourth Quintile	53.6	56.0	53.7	55.8	57.4	55.3	55.6	55.8	51.9	54.0	56.4	56.6	57.8	59.6	58.3	60.5
81-95%	68.0	69.3	70.0	70.5	69.3	68.5	70.3	70.2	66.4	66.4	68.5	68.6	69.6	70.2	68.9	71.0
Top 5%	71.9	69.3	70.0	69.5	69.3	66.8	67.6	69.9	65.7	64.3	64.8	65.7	68.1	70.8	66.1	68.1

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Percentile	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Change in Percent, 1979-1987	Change in Percent, 1987-2000	Change in Percent, 2000-2007	Change in Percent, 1979-2007
All Workers																	
Lowest Quintile	7.8	7.9	7.9	9.4	9.7	10.4	9.7	9.2	9.1	9.1	9.1	9.7	9.8	-1.8	4.9	-0.6	2.4
Second Quintile	22.9	24.2	25.7	27.2	27.0	28.8	27.5	26.7	26.0	26.9	25.6	25.6	26.2	-3.9	8.3	-2.6	1.7
Third Quintile	44.9	45.4	46.0	49.0	49.2	50.4	47.7	46.7	47.3	46.5	45.9	43.8	47.5	-4.8	9.0	-3.0	1.3
Fourth Quintile	62.1	62.8	63.2	64.3	64.9	64.1	63.7	61.3	61.3	61.4	60.4	57.1	60.0	-6.2	7.0	-4.1	-3.4
81-95%	70.5	72.2	70.1	72.2	71.9	71.7	70.6	68.9	70.2	68.5	66.3	64.6	67.0	-4.8	2.9	-4.7	-6.7
Top 5%	66.9	65.5	65.8	67.6	68.7	67.7	64.4	63.3	64.6	65.9	64.2	60.9	62.9	-3.4	6.2	-4.8	-2.1
Men																	
Lowest Quintile	8.4	8.7	8.7	10.0	10.0	10.8	9.8	9.3	8.9	9.3	9.3	9.5	9.3	-2.4	4.2	-1.5	0.3
Second Quintile	25.5	27.0	27.6	30.3	30.7	31.0	30.2	28.1	28.2	27.7	27.3	26.2	28.1	-8.2	6.3	-2.9	-4.8
Third Quintile	49.5	48.3	50.1	53.6	53.6	52.1	51.7	49.7	47.7	47.5	46.7	44.7	47.2	-8.8	5.4	-4.9	-8.3
Fourth Quintile	64.2	66.6	65.2	66.6	66.9	68.0	65.2	63.0	64.1	63.4	60.6	58.2	60.2	-8.8	4.9	-7.8	-11.8
81-95%	71.0	71.4	71.4	72.5	71.6	71.7	69.9	67.6	69.7	67.8	67.0	64.1	67.0	-3.4	2.1	-4.7	-6.0
Top 5%	66.1	65.1	65.1	66.8	68.8	68.0	65.4	63.0	62.7	66.7	61.7	59.4	60.7	-1.8	7.7	-7.2	-1.4
Women																	
Lowest Quintile	6.5	6.8	6.9	8.2	9.2	9.5	8.3	8.1	8.6	8.4	7.8	8.8	8.7	-0.9	5.2	-0.9	3.4
Second Quintile	18.6	20.5	21.1	23.0	22.0	24.8	24.0	24.6	23.2	23.5	24.0	22.1	24.8	-3.1	9.9	0.0	6.8
Third Quintile	40.5	41.5	42.0	44.4	45.0	48.2	44.7	44.0	44.6	45.2	43.1	42.8	44.5	1.7	13.5	-3.7	11.5
Fourth Quintile	59.4	60.1	61.4	62.3	62.3	62.2	61.5	59.9	60.9	61.5	60.3	58.5	62.5	-1.7	10.2	0.4	8.9
81-95%	71.4	72.4	71.0	72.3	73.1	71.3	71.9	69.3	71.2	69.3	68.4	66.7	68.7	-1.6	5.0	-2.6	0.7
Top 5%	68.4	67.9	65.5	68.1	68.4	68.4	64.5	68.2	68.1	68.7	68.0	63.7	65.6	-6.2	2.8	-2.8	-6.2

Source: Calculated by CRS from the Annual Social and Economic (ASEC) supplement to the Current Population Survey (CPS).

Note: Estimates are for persons age 16 and over.

Table 6. Employer- or Union-Provided Pension Coverage, Full-Time, Year-Round Workers, by Quintile, 1979-2007
(percent)

Percentile	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
All Full-Time, Year-Round Workers																
Lowest Quintile	29.5	29.1	28.1	28.3	26.3	25.5	25.3	24.0	22.7	23.2	24.0	23.6	23.3	23.6	22.2	23.7
Second Quintile	53.1	53.4	53.2	51.6	51.3	49.3	48.3	48.6	45.4	44.5	46.0	45.7	46.4	46.9	45.0	48.4
Third Quintile	64.0	65.6	65.4	64.7	64.1	62.6	63.8	62.3	58.1	57.4	59.2	59.8	62.4	62.2	60.4	61.2
Fourth Quintile	74.7	73.8	73.1	72.4	72.9	70.8	71.3	70.6	68.2	68.7	69.3	69.2	70.7	70.4	69.7	71.7
81-95%	76.2	75.4	76.1	75.4	73.8	75.4	75.2	74.0	71.9	72.8	72.6	74.2	75.2	75.3	73.3	75.8
Top 5%	65.9	67.6	68.6	67.5	65.4	65.8	69.4	66.3	64.4	65.1	62.1	65.9	66.0	69.9	65.7	69.8
Men																
Lowest Quintile	28.7	29.6	28.3	27.3	25.8	24.0	23.1	22.4	22.6	22.3	21.7	23.0	22.5	21.5	19.6	22.4
Second Quintile	56.2	54.5	55.1	52.8	52.3	50.9	50.5	49.7	45.6	43.9	46.2	45.5	47.8	46.0	43.7	46.1
Third Quintile	69.5	69.2	68.1	67.1	67.5	64.1	65.2	65.5	60.6	59.2	60.0	60.2	62.2	63.1	61.1	62.8
Fourth Quintile	75.7	75.6	75.2	73.9	73.1	73.8	73.6	71.5	69.7	70.7	71.7	71.9	73.1	73.1	70.9	72.0
81-95%	74.8	75.3	76.1	74.6	73.1	72.9	75.2	72.8	71.8	73.2	70.5	73.0	73.7	71.7	71.6	75.8
Top 5%	63.3	66.3	64.8	66.5	64.2	65.7	68.0	64.3	61.2	65.0	63.6	64.1	66.8	69.3	64.4	68.7
Women																
Lowest Quintile	27.3	25.9	25.3	24.9	23.7	23.8	24.1	22.4	20.0	21.9	22.8	22.3	22.6	22.7	22.5	22.4
Second Quintile	45.0	48.0	47.7	49.3	48.1	46.8	45.6	45.2	43.6	41.9	45.0	44.0	44.8	48.2	46.0	48.8
Third Quintile	60.7	61.5	61.1	62.2	62.1	61.1	60.3	60.2	56.3	57.5	59.1	59.2	60.0	61.6	60.9	62.3
Fourth Quintile	70.9	72.3	72.4	72.0	71.5	69.4	71.5	70.4	65.5	66.8	68.6	68.8	71.0	70.2	70.2	72.9
81-95%	77.3	77.1	77.2	77.7	76.6	75.9	77.2	76.2	74.9	74.6	74.0	75.6	75.8	77.7	74.8	76.3
Top 5%	78.6	72.2	75.4	73.6	72.2	75.3	70.6	74.5	71.1	66.4	70.5	71.1	72.0	77.5	73.6	74.9

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Percentile	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Change in Percent, 1979-1987	Change in Percent, 1987-2000	Change in Percent, 2000-2007	Change in Percent, 1979-2007
All Full-Time, Year-Round Workers																	
Lowest Quintile	23.3	24.4	24.9	25.8	25.8	25.3	24.7	24.0	22.4	22.7	20.6	21.4	22.2	-6.8	2.6	-3.1	-7.3
Second Quintile	45.8	47.5	46.8	48.3	48.1	48.7	46.3	44.3	46.3	44.6	43.5	40.2	44.5	-7.7	3.3	-4.3	-8.7
Third Quintile	60.2	60.7	61.7	63.7	63.6	61.3	60.4	59.1	58.1	58.2	58.0	55.1	57.6	-6.0	3.3	-3.7	-6.4
Fourth Quintile	69.9	71.6	70.4	70.9	71.4	71.6	70.1	67.9	68.9	68.3	66.0	63.2	66.8	-6.5	3.4	-4.8	-7.9
81-95%	74.3	74.9	73.6	75.2	75.7	74.8	73.4	71.7	73.7	72.6	70.6	67.2	69.9	-4.2	2.9	-5.0	-6.3
Top 5%	70.9	70.8	70.9	71.2	74.0	71.9	68.8	69.1	69.2	70.0	67.4	65.5	67.3	-1.5	7.5	-4.6	1.4
Men																	
Lowest Quintile	21.9	22.5	23.2	23.9	24.2	22.3	22.5	20.8	19.6	19.4	18.8	18.7	20.0	-6.1	-0.4	-2.3	-8.7
Second Quintile	45.2	45.4	45.4	47.9	48.3	47.8	44.6	43.1	45.0	41.7	42.2	38.3	41.9	-10.6	2.2	-5.9	-14.3
Third Quintile	60.7	61.5	62.7	62.5	63.9	61.8	61.5	59.9	57.3	58.5	56.0	53.4	56.1	-8.9	1.2	-5.7	-13.4
Fourth Quintile	69.6	72.6	69.3	72.6	72.1	72.4	70.7	68.7	69.2	67.9	65.2	62.1	65.6	-6.0	2.8	-6.8	-10.0
81-95%	74.3	74.6	74.5	74.2	75.5	75.9	72.5	70.1	72.6	70.9	69.5	66.9	70.0	-3.0	4.0	-5.9	-4.8
Top 5%	69.5	68.9	70.9	70.8	72.8	69.8	68.7	65.8	67.1	69.8	65.0	62.8	64.9	-2.1	8.6	-4.9	1.6
Women																	
Lowest Quintile	22.7	24.4	24.5	26.5	24.2	25.1	24.6	25.2	23.9	24.6	22.6	23.3	23.9	-7.3	5.1	-1.2	-3.3
Second Quintile	46.5	48.3	47.2	48.6	48.4	50.9	46.5	45.5	45.9	47.3	44.5	42.4	44.9	-1.4	7.3	-5.9	0.0
Third Quintile	57.9	61.0	62.2	63.7	63.9	62.0	61.1	59.9	61.5	60.9	59.8	57.0	60.3	-4.4	5.7	-1.6	-0.4
Fourth Quintile	71.6	72.3	71.9	71.0	70.9	70.3	70.0	67.8	70.1	70.3	68.2	65.6	69.0	-5.3	4.8	-1.3	-1.9
81-95%	78.8	77.5	75.4	78.4	79.5	76.6	76.7	74.0	75.4	72.8	73.3	70.8	73.6	-2.4	1.7	-3.0	-3.7
Top 5%	71.9	72.7	71.9	73.2	73.0	75.6	70.9	76.2	74.0	74.8	73.5	68.2	71.5	-7.5	4.5	-4.1	-7.1

Source: Calculated by CRS from the Annual Social and Economic (ASEC) supplement to the Current Population Survey (CPS).

Note: Estimates are for persons age 16 and over.

Table 7. Gini Coefficients for All Workers and for Full-Time, Year-Round Workers, 1979-2007

Year	Total	Men	Women
A. All Workers			
1979	0.41764	0.38118	0.37645
1980	0.41500	0.37902	0.37979
1981	0.41832	0.38657	0.37936
1982	0.42416	0.39653	0.38709
1983	0.42845	0.40207	0.39513
1984	0.42782	0.39854	0.40189
1985	0.43445	0.40870	0.40643
1986	0.43916	0.41606	0.40608
1987	0.43700	0.41447	0.40982
1988	0.43918	0.41856	0.41105
1989	0.44372	0.42770	0.41192
1990	0.43694	0.42042	0.41238
1991	0.43603	0.42096	0.41239
1992	0.43653	0.42484	0.41204
1993	0.46279	0.45505	0.43331
1994	0.46807	0.45950	0.43855
1995	0.47431	0.46835	0.44358
1996	0.46406	0.45790	0.43515
1997	0.46617	0.46026	0.43605
1998	0.46628	0.45756	0.44347
1999	0.45288	0.44374	0.42834
2000	0.46679	0.46885	0.42539
2001	0.47068	0.46564	0.44669
2002	0.47152	0.47456	0.43294
2003	0.46831	0.46403	0.44594
2004	0.46678	0.46611	0.43695
2005	0.47500	0.47887	0.43933
2006	0.46989	0.46681	0.44776
2007	0.46280	0.46190	0.43873
B. Full-Time, Year-Round Workers			
1979	0.33096	0.31298	0.26142
1980	0.32541	0.30840	0.26152
1981	0.32860	0.31375	0.26255
1982	0.33434	0.32216	0.27392
1983	0.33526	0.32512	0.27678
1984	0.33670	0.32520	0.28272
1985	0.34365	0.33669	0.28583
1986	0.35061	0.34394	0.29563
1987	0.34967	0.34366	0.29781
1988	0.35144	0.34608	0.30345
1989	0.35983	0.35768	0.30737
1990	0.35580	0.35714	0.30509
1991	0.35169	0.35032	0.30841
1992	0.35594	0.35838	0.30881
1993	0.38496	0.39129	0.33265
1994	0.39029	0.39629	0.33975
1995	0.38731	0.39594	0.33095
1996	0.39246	0.40016	0.34233
1997	0.39093	0.39941	0.33888
1998	0.38999	0.39703	0.34263
1999	0.38020	0.38363	0.33654

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Year	Total	Men	Women
2000	0.40197	0.41458	0.33904
2001	0.40573	0.41449	0.35912
2002	0.40194	0.41410	0.34917
2003	0.39841	0.40673	0.35634
2004	0.40204	0.41409	0.35386
2005	0.40645	0.42065	0.35455
2006	0.40868	0.41705	0.37138
2007	0.39260	0.40162	0.35423

Source: Calculated by CRS from the Annual Social and Economic (ASEC) supplement to the Current Population Survey (CPS).

Note: Estimates are for persons age 16 and over. The Gini coefficient is a measure of earnings equality that ranges from 0 to 1. A larger coefficient indicates a greater degree of inequality.

Table 8. Share of Total Weekly Earnings by Quintile, All Workers, 1979-2007
(percent)

Percentile	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
All Workers																
Lowest Quintile	4.1	4.1	4.0	3.9	3.7	3.8	3.7	3.7	3.7	3.7	3.7	3.9	3.9	3.8	3.6	3.7
Second Quintile	10.2	10.2	10.1	9.9	9.8	9.7	9.6	9.5	9.5	9.5	9.5	9.6	9.6	9.6	9.1	9.0
Third Quintile	16.0	16.0	16.0	15.9	15.9	15.8	15.6	15.5	15.6	15.6	15.4	15.5	15.5	15.6	14.8	14.5
Fourth Quintile	24.0	24.2	24.2	24.1	24.1	24.3	23.9	23.8	23.7	23.7	23.3	23.4	23.6	23.5	22.5	22.2
81-95%	27.3	27.4	27.6	27.8	27.9	28.1	27.7	27.6	27.7	27.4	27.2	27.3	27.5	27.5	26.7	26.6
Top 5%	18.5	18.1	18.1	18.4	18.6	18.3	19.4	19.9	19.7	20.1	20.9	20.3	19.9	20.0	23.3	24.1
Men																
Lowest Quintile	4.1	4.1	4.0	3.9	3.7	4.1	4.1	4.1	4.1	4.1	4.1	4.3	4.2	4.1	3.8	3.9
Second Quintile	10.2	10.2	10.1	9.9	9.8	10.6	10.4	10.2	10.3	10.2	10.1	10.2	10.1	10.0	9.4	9.3
Third Quintile	16.0	16.0	16.0	15.9	15.9	17.0	16.6	16.4	16.4	16.3	15.9	15.9	16.0	15.9	15.0	14.7
Fourth Quintile	24.0	24.2	24.2	24.1	24.1	24.5	24.0	23.7	23.8	23.5	23.2	23.2	23.5	23.3	22.2	21.9
81-95%	27.3	27.4	27.6	27.8	27.9	26.9	26.5	26.2	26.5	26.2	26.1	26.4	26.7	26.8	26.0	25.9
Top 5%	18.5	18.1	18.1	18.4	18.6	16.9	18.3	19.3	18.9	19.7	20.8	20.0	19.6	19.9	23.6	24.4
Women																
Lowest Quintile	4.6	4.5	4.5	4.3	4.2	4.1	4.1	4.1	4.1	4.0	4.1	4.1	4.1	4.1	3.8	4.0
Second Quintile	11.5	11.4	11.2	10.9	10.7	10.5	10.3	10.3	10.2	10.2	10.1	10.2	10.2	10.2	9.7	9.6
Third Quintile	17.4	17.3	17.4	17.2	17.0	16.8	16.7	16.5	16.5	16.5	16.3	16.3	16.2	16.2	15.7	15.4
Fourth Quintile	24.4	24.3	24.5	24.7	24.6	24.5	24.4	24.6	24.3	24.5	24.3	24.3	24.3	24.4	23.6	23.3
81-95%	26.3	26.5	26.8	27.1	27.3	27.3	27.3	27.6	27.5	27.7	27.7	27.4	27.7	27.6	27.3	27.1
Top 5%	15.8	16.0	15.6	15.7	16.2	16.9	17.2	16.9	17.4	17.2	17.4	17.7	17.6	17.4	19.8	20.7

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Percentile	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Change in Percent, 1980-1989	Change in Percent, 1989-1992	Change in Percent, 1993-1995	Change in Percent, 1995-1999	Change in Percent, 1999-2005	Change in Percent, 2005-2007
All Workers																			
Lowest Quintile	3.6	3.8	3.7	3.8	3.9	3.9	3.8	3.8	3.8	3.8	3.8	3.9	4.0	-0.4	0.1	0.0	0.3	-0.1	0.2
Second Quintile	8.9	9.1	9.1	9.1	9.3	9.2	9.1	9.1	9.1	9.2	9.0	9.1	9.3	-0.7	0.1	-0.2	0.4	-0.3	0.2
Third Quintile	14.4	14.6	14.6	14.6	14.9	14.4	14.3	14.3	14.4	14.4	14.1	14.2	14.5	-0.7	0.2	-0.4	0.5	-0.8	0.3
Fourth Quintile	21.9	22.1	21.9	21.8	22.4	21.6	21.4	21.4	21.6	21.7	21.3	21.5	21.6	-0.8	0.2	-0.6	0.5	-1.2	0.3
81-95%	26.2	26.6	26.4	26.3	27.3	26.2	26.3	26.3	26.7	26.7	26.3	26.4	26.4	-0.1	0.2	-0.5	1.1	-1.0	0.1
Top 5%	25.0	23.8	24.3	24.4	22.1	24.7	25.1	25.1	24.4	24.2	25.5	24.9	24.3	2.7	-0.8	1.7	-2.8	3.3	-1.2
Men																			
Lowest Quintile	3.8	3.9	4.0	4.0	4.1	4.0	4.0	4.0	4.0	4.0	3.9	4.1	4.2	0.0	0.0	0.0	0.2	-0.1	0.3
Second Quintile	9.2	9.4	9.4	9.5	9.7	9.2	9.3	9.1	9.3	9.3	9.0	9.2	9.3	-0.1	-0.1	-0.3	0.5	-0.7	0.3
Third Quintile	14.6	14.8	14.7	14.8	15.1	14.2	14.3	14.1	14.4	14.3	13.9	14.2	14.3	-0.2	0.1	-0.4	0.6	-1.2	0.4
Fourth Quintile	21.6	21.9	21.5	21.6	22.3	21.1	21.1	20.9	21.4	21.3	20.8	21.1	21.3	-1.0	0.2	-0.6	0.7	-1.5	0.5
81-95%	25.3	25.7	25.7	25.9	26.9	25.4	25.8	25.8	26.3	26.2	25.8	26.1	26.0	-1.3	0.7	-0.7	1.6	-1.1	0.2
Top 5%	25.5	24.3	24.7	24.3	22.0	26.0	25.4	26.2	24.6	25.0	26.6	25.3	24.8	2.6	-0.9	1.9	-3.5	4.6	-1.8
Women																			
Lowest Quintile	3.9	4.1	4.0	4.1	4.2	4.2	4.1	4.1	4.0	4.0	4.1	4.1	4.1	-0.4	0.0	0.0	0.3	-0.1	0.0
Second Quintile	9.6	9.7	9.7	9.6	9.9	10.0	9.6	9.9	9.6	9.8	9.7	9.5	9.8	-1.2	0.0	-0.2	0.3	-0.1	0.0
Third Quintile	15.3	15.5	15.5	15.2	15.6	15.8	15.1	15.5	15.2	15.5	15.3	15.0	15.3	-1.0	-0.1	-0.4	0.3	-0.3	0.0
Fourth Quintile	23.0	23.1	23.1	22.6	23.2	23.1	22.3	22.9	22.4	22.8	22.6	22.4	22.6	0.0	0.1	-0.6	0.2	-0.6	0.0
81-95%	26.9	27.0	26.9	26.4	27.3	27.0	26.2	26.7	26.5	27.1	26.9	26.6	26.5	1.2	0.0	-0.4	0.4	-0.4	-0.3
Top 5%	21.4	20.7	20.8	22.1	19.8	19.9	22.7	20.9	22.2	20.8	21.4	22.5	21.7	1.5	0.0	1.5	-1.5	1.5	0.3

Source: Calculated by CRS from the Annual Social and Economic (ASEC) supplement to the Current Population Survey (CPS).

Note: Estimates are for persons age 16 and over.

Table 9. Share of Total Weekly Earnings by Quintile, Full-Time, Year-Round Workers, 1979-2007
(percent)

Percentile	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
All Full-Time, Year-Round Workers																
Lowest Quintile	7.3	7.4	7.3	7.2	7.0	6.9	6.9	6.7	6.8	6.7	6.6	6.7	6.7	6.7	6.3	6.2
Second Quintile	12.4	12.4	12.3	12.2	12.3	12.2	12.0	11.9	11.9	11.9	11.8	11.8	11.9	11.8	11.2	11.0
Third Quintile	16.9	17.0	17.1	16.9	16.9	17.0	16.8	16.7	16.6	16.6	16.3	16.4	16.5	16.5	15.7	15.5
Fourth Quintile	23.0	23.2	23.2	23.0	23.2	23.3	23.0	22.9	22.9	22.8	22.5	22.6	22.8	22.6	21.7	21.6
81-95%	24.5	24.5	24.7	24.9	25.0	25.2	24.9	24.9	24.9	24.8	24.7	24.9	25.0	24.9	24.3	24.5
Top 5%	15.9	15.4	15.5	15.7	15.6	15.4	16.4	16.9	16.9	17.1	18.1	17.6	17.0	17.5	20.8	21.1
Men																
Lowest Quintile	7.5	7.6	7.4	7.2	7.0	6.8	6.8	6.6	6.7	6.7	6.6	6.6	6.6	6.5	6.1	6.0
Second Quintile	13.1	13.2	13.0	12.8	12.8	12.7	12.4	12.3	12.2	12.2	11.9	11.9	12.0	11.8	11.1	10.9
Third Quintile	17.6	17.8	17.7	17.5	17.6	17.6	17.2	17.1	17.1	17.0	16.5	16.6	16.7	16.6	15.6	15.5
Fourth Quintile	22.7	22.8	23.1	23.0	23.1	23.3	23.0	22.8	22.8	22.6	22.3	22.5	22.7	22.5	21.5	21.5
81-95%	23.7	23.7	23.9	24.5	24.6	24.7	24.4	24.4	24.4	24.5	24.5	24.7	24.9	24.9	24.1	24.4
Top 5%	15.3	14.9	14.9	15.1	15.1	14.8	16.2	16.8	16.8	17.0	18.2	17.8	17.0	17.7	21.5	21.8
Women																
Lowest Quintile	9.2	9.1	9.0	8.7	8.5	8.3	8.3	8.0	7.9	7.8	7.7	7.8	7.7	7.6	7.2	7.1
Second Quintile	14.4	14.5	14.3	14.0	14.0	13.7	13.6	13.3	13.4	13.2	13.1	13.1	13.0	13.0	12.6	12.3
Third Quintile	18.2	18.1	18.2	18.0	18.0	18.0	17.9	17.8	17.7	17.6	17.5	17.6	17.5	17.7	17.0	16.8
Fourth Quintile	22.9	23.0	23.2	23.2	23.3	23.4	23.5	23.4	23.2	23.2	23.2	23.3	23.2	23.2	22.7	22.6
81-95%	23.0	23.1	23.3	23.3	23.5	23.7	23.8	23.9	23.9	24.1	24.2	24.1	24.2	24.3	24.0	24.2
Top 5%	12.4	12.3	12.0	12.7	12.7	12.9	12.9	13.5	13.8	14.0	14.2	14.1	14.4	14.2	16.5	17.0

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Percentile	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Change in Percent, 1980-1989	Change in Percent, 1989-1992	Change in Percent, 1993-1995	Change in Percent, 1995-1999	Change in Percent, 1999-2005	Change in Percent, 2005-2007
All Full-Time, Year-Round Workers																			
Lowest Quintile	6.3	6.3	6.3	6.3	6.3	6.1	6.1	6.2	6.2	6.1	6.1	6.0	6.3	-0.8	0.0	0.0	0.0	-0.2	0.2
Second Quintile	11.1	11.1	11.1	11.1	11.2	10.8	10.7	10.8	10.9	10.8	10.6	10.6	10.9	-0.7	0.0	-0.1	0.1	-0.6	0.3
Third Quintile	15.6	15.3	15.4	15.5	15.7	15.1	14.9	15.0	15.1	15.0	14.9	14.9	15.3	-0.8	0.3	-0.1	0.2	-0.8	0.4
Fourth Quintile	21.8	21.4	21.4	21.5	22.0	21.2	20.9	21.1	21.3	21.2	21.1	21.1	21.5	-0.7	0.1	0.1	0.2	-0.9	0.4
81-95%	24.6	24.4	24.4	24.6	25.5	24.6	24.6	25.0	25.2	25.0	25.1	25.1	25.3	0.2	0.2	0.3	0.9	-0.4	0.2
Top 5%	20.7	21.5	21.4	21.1	19.3	22.2	22.7	22.0	21.4	21.8	22.1	22.4	20.7	2.6	-0.6	-0.2	-1.4	2.9	-1.4
Men																			
Lowest Quintile	6.1	6.0	6.1	6.1	6.2	5.9	5.9	5.9	6.0	5.8	5.8	5.8	6.1	-1.0	-0.1	0.0	0.1	-0.4	0.3
Second Quintile	11.0	10.9	11.0	11.0	11.2	10.5	10.5	10.5	10.6	10.5	10.3	10.3	10.6	-1.3	-0.1	-0.1	0.2	-0.9	0.3
Third Quintile	15.5	15.3	15.3	15.4	15.7	14.8	14.7	14.8	15.0	14.9	14.7	14.8	15.2	-1.2	0.1	-0.1	0.2	-1.0	0.5
Fourth Quintile	21.5	21.2	21.1	21.3	22.0	21.0	20.8	21.0	21.3	21.0	20.9	20.9	21.5	-0.5	0.2	0.0	0.5	-1.1	0.6
81-95%	24.3	24.2	24.3	24.7	25.4	24.4	24.5	25.0	25.3	25.1	25.0	25.2	25.4	0.7	0.4	0.2	1.1	-0.3	0.3
Top 5%	21.7	22.3	22.2	21.6	19.6	23.5	23.5	22.9	21.8	22.7	23.4	22.9	21.3	3.3	-0.5	0.1	-2.1	3.8	-2.1
Women																			
Lowest Quintile	7.2	7.3	7.3	7.2	7.1	7.1	7.0	7.1	6.9	6.9	7.0	6.8	7.1	-1.4	-0.1	0.1	-0.1	-0.2	0.1
Second Quintile	12.5	12.3	12.3	12.2	12.3	12.4	11.9	12.1	12.0	12.0	11.8	11.5	11.9	-1.4	-0.1	-0.1	-0.2	-0.5	0.1
Third Quintile	17.0	16.5	16.7	16.6	16.9	16.7	16.1	16.3	16.2	16.3	16.3	15.8	16.2	-0.6	0.1	-0.1	-0.1	-0.6	0.0
Fourth Quintile	22.8	22.2	22.4	22.2	22.7	22.5	21.8	22.1	22.0	22.1	22.2	21.7	22.0	0.2	0.0	0.1	-0.2	-0.4	-0.2
81-95%	24.6	24.2	24.3	24.3	24.8	24.6	24.2	24.4	24.4	24.7	24.9	24.5	24.6	1.2	0.1	0.6	0.2	0.1	-0.3
Top 5%	15.9	17.5	17.1	17.4	16.2	16.7	19.0	17.9	18.4	17.9	17.8	19.7	18.2	1.9	-0.1	-0.6	0.3	1.6	0.4

Source: Calculated by CRS from the Annual Social and Economic (ASEC) supplement to the Current Population Survey (CPS).

Note: Estimates are for persons age 16 and over.