

# CRS Report for Congress

## Real Earnings, Health Insurance and Pension Coverage, and the Distribution of Earnings, 1979-2006

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# Real Earnings, Health Insurance and Pension Coverage, and the Distribution of Earnings, 1979-2006

## Summary

From 1979 to 2006, there were differences between men and women in the level and growth in real earnings (i.e., actual earnings adjusted for inflation) and in employment-based health insurance and pension coverage. The pattern of earnings and benefit coverage also differed between all employed persons and workers employed full-time, year-round.

**All Workers.** From 1979 to 2006, average real weekly earnings for all workers increased by 23.7%. Earnings increased at all earnings levels. Workers with higher earnings were more likely to have employment-based health insurance and pension coverage. From 1979 to 2006, participation in an employer or union pension plan increased for lower-wage workers but decreased for workers with higher earnings. From 1987 to 2006, health insurance coverage fell for workers at all earnings levels.

From 1979 to 2006, the earnings gap between men and women narrowed. The earnings of men at the 20<sup>th</sup>, 40<sup>th</sup>, and 60<sup>th</sup> percentiles were relatively unchanged, while the earnings of women increased at all earnings levels. Except at the lowest quintile, the participation of men in an employer or union pension plan declined. Except at the top quintile, the participation of women in a pension plan increased. The percentage of men and women with employment-based health insurance coverage declined at all earnings levels. The decline was greatest among lower-wage workers and greater among men than women. Thus, men at the 20<sup>th</sup>, 40<sup>th</sup>, and 60<sup>th</sup> percentiles did not experience an increase in earnings and lost both pension and health insurance coverage. For women, the increase in earnings at the 20<sup>th</sup>, 40<sup>th</sup>, and 60<sup>th</sup> percentiles and improved participation in an employer or union pension plan were offset, to some degree, by a decline in health insurance coverage.

**Full-Time, Year-Round Workers.** From 1979 to 2006, the percentage of workers employed full-time, year-round increased from 56.4% to 68.5% of all workers. The real weekly earnings of full-time, year-round workers increased by 15.4%. Earnings rose at all earnings levels. The increase was greatest (32.5%) at the 95<sup>th</sup> percentile. The earnings of men at the 20<sup>th</sup> and 40<sup>th</sup> percentiles fell by almost 10%, while the earnings of women increased at all earnings levels. Except for men with the highest earnings (i.e., top 5%), pension coverage fell for both men and women. Employment-based health insurance coverage also fell for both men and women. The decline was greatest among lower-wage workers and greater for lower-wage men than women. Thus, lower-wage men who worked full-time, year-round experienced both a decrease in earnings and a decline in pension and health insurance coverage. Despite improved earnings, women who were employed full-time, year-round lost both pension and health insurance coverage.

Finally, inequality among all workers increased from 1979 to 2006. Inequality generally increased from 1980 to 1986, declined slightly from 1986 to 1992, rose again from 1992 to 1994, fell from 1995 to about 1999, and increased from about 1999 to 2005. Overall inequality decreased from 2005 to 2006, but it increased among women and decreased among men. This report will be updated periodically.

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# Real Earnings, Health Insurance and Pension Coverage, and the Distribution of Earnings, 1979-2006

## 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 changed 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. For example, increased real 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 real earnings can also help pay for future Medicare benefits. Conversely, lower real 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, health care, 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 health care) 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 affect retirement income and reliance on Social Security benefits. Policies that influence the availability of private health insurance can affect federal spending on health care.

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 2006. The report provides separate analyses for men and women.<sup>1</sup> The report begins with a definition of earnings and a summary of the findings in this report. Next, the paper discusses broad policies to increase real earnings or reduce inequality. The last part 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.<sup>2</sup> The report does not review research on the causes of changes in real earnings or inequality.<sup>3</sup>

## 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

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<sup>1</sup> 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.

<sup>2</sup> Earnings account for the largest share of individual and family income.

<sup>3</sup> Hearings during the first session of the 110<sup>th</sup> 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 income or of family earnings or income.<sup>4</sup> 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, or health care).<sup>5</sup> 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 age 16 or older. Because there are differences in the labor market characteristics of men and women, the earnings of men and women are analyzed separately.<sup>6</sup> 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 2007 supplement collected earnings information for 2006. The **Appendix** includes a full 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.

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<sup>4</sup> 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>].

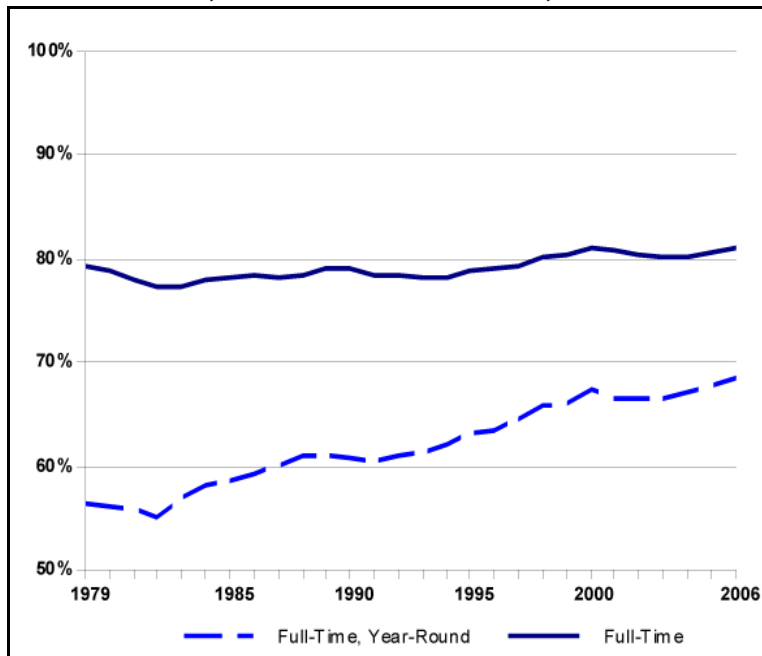
<sup>5</sup> The results of an analysis of the distribution of earnings would differ from an analysis of the distribution of income if income from transfer payments or from savings and investments rise or fall. In addition, a change in nonlabor income may affect earnings (i.e., decisions to work or how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

<sup>6</sup> 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 2006, the percentage of workers employed full-time, year-round increased by 12.1 percentage points (from 56.4% in 1979 to 68.5% in 2006). (See **Figure 1**.) Both the percentage of workers employed full-time and the percentage of workers employed full-time, year-round tend to dip during recessions. From 1979 to 2006, there were recessions from January to July 1980, July 1981 to November 1982, July 1990 to March 1991, and March to November 2001.<sup>7</sup>

**Figure 1. Percentage of Full-Time Workers and Full-Time, Year-Round Workers, 1979-2006**



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

<sup>7</sup> 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 2006, the average real weekly earnings (i.e., earnings adjusted for inflation) of all workers increased by 23.7%. Real earnings increased at all percentiles.<sup>8</sup> The increase was greatest for workers at the 95<sup>th</sup> percentile (37.1%). From 2001 to 2006, earnings at the 95<sup>th</sup> percentile fell by 2.4%.
- At all earnings levels, from 1979 to 2006, men earned more than women. But the earnings gap between men and women narrowed over the 27-year period. The earnings of women increased at all earnings levels. But the earnings of men at the 20<sup>th</sup>, 40<sup>th</sup>, and 60<sup>th</sup> percentiles were relatively unchanged.
- Workers with higher earnings are more likely to have employment-based health insurance coverage. The CPS has consistent information on health insurance coverage from 1987 to the present. From 1987 to 2006, the percentage of workers with employment-based health insurance coverage declined at all quintiles.<sup>9</sup> The decrease was generally greater for lower-wage workers. During the 19-year period, insurance coverage generally declined from 1987 to the early 1990s, then was relatively stable or increased to about 2000, and then declined again from about 2000 to 2006.
- From 1987 to 2006, employment-based health insurance coverage declined for both men and women. The decrease was greatest for lower-wage workers. In addition, except at the lowest quintile, the decline in coverage was greater for men than women.
- Higher-wage workers are more likely to participate in an employer- or union-provided pension plan. However, from 1979 to 2006, participation in an employer or union pension plan increased for lower-wage workers but decreased for higher-wage workers. The improved participation among lower-wage workers was due to increased participation among women. Participation generally declined from the early to late 1980s, increased from the late 1980s to about 2000, and declined from about 2000 to 2006.
- As measured by the Gini coefficient, inequality increased among all workers over the period from 1979 to 2006. Inequality increased

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<sup>8</sup> 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.

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

among both men and women. Over the 27-year period, inequality generally increased from 1980 to 1986, then declined slightly from 1986 to 1992, before rising again from 1992 to 1994. Inequality generally fell from 1995 to about 1999, and then increased again from 1999 to 2005. Inequality decreased from 2005 to 2006, but it increased among women and decreased among men.

- During the period from 1979 to 2006, when inequality increased it was generally because workers in the bottom four quintiles received a smaller share of total weekly earnings, while workers in the top quintile received a larger share. Conversely, when inequality declined, it was generally because workers in the lower and middle quintiles received a larger share of earnings, while workers in the top quintile received a smaller share.

### **Full-Time, Year-Round Workers**

- From 1979 to 2006, the average real weekly earnings of full-time, year-round workers increased by 15.4%. The earnings of lower-wage men (i.e., 20<sup>th</sup> and 40<sup>th</sup> percentiles) fell by almost 10%, while the earnings of women at the 20<sup>th</sup> and 40<sup>th</sup> percentiles increased by 10.4% and 20.2%, respectively.
- Higher earning full-time, year-round workers are more likely to be covered by employment-based health insurance. But, from 1987 to 2006, coverage declined at all quintiles. The decrease was greatest among lower-wage workers. The decline in coverage for lower-wage full-time, year-round workers was greater at both the beginning and end than in the middle of the period from 1987 to 2006.
- From 1987 to 2006, employment-based health insurance coverage declined for both men and women. The decrease was greatest for lower-wage workers. Except for the top 5% of earners, the decrease was greater for men than women.
- Higher-wage full-time, year-round workers are more likely to participate in an employer- or union-provided pension plan. Except for the top 5% of earners, however, participation in employer- or union-provided pension plans declined at all quintiles. Participation fell for both women and men. Except at the top quintile, participation fell more among men than women. Participation generally fell from the early to late 1980s, increased from the late 1980s to about 2000, and declined again from about 2000 to 2006.
- The distribution of earnings among workers employed full-time, year-round is more equal than the distribution of earnings among all workers. But, from 1979 to 2006, inequality also increased among full-time, year-round workers. Inequality increased among both men and women. During the 27-year period, inequality generally

increased from 1980 to 1986, declined slightly from 1986 to 1992, increased from 1992 to 1994, increased from 1995 to 1996, fell from 1996 to 1999, and increased again from 1999 to 2006. Although overall inequality did not change from 2005 to 2006, it increased among women.

## **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 health care), 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.<sup>10</sup>

**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.,

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<sup>10</sup> 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.

education, training, or health care). Efforts to reduce inequality may involve a tradeoff, however, with initiatives 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 health care for lower income workers and their families. Inequality may also be reduced by increasing the relative supply of college-educated workers; for example, proposals to 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, and health care.

**Tradeoff with Economic Efficiency.** Competitive markets may allocate resources efficiently, but they may result in significant earnings inequality. Thus, policies that reduce inequality may involve a tradeoff with proposals to improve economic efficiency. Some economists argue that a higher minimum wage, making it easier for workers to unionize, or different 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, the number of hours worked or the hourly wages of lower-wage workers often improve relative to other 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.<sup>11</sup>

## 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 2006. 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

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<sup>11</sup> Fiscal policy (i.e., budget surpluses or deficits) may also affect interest rates.

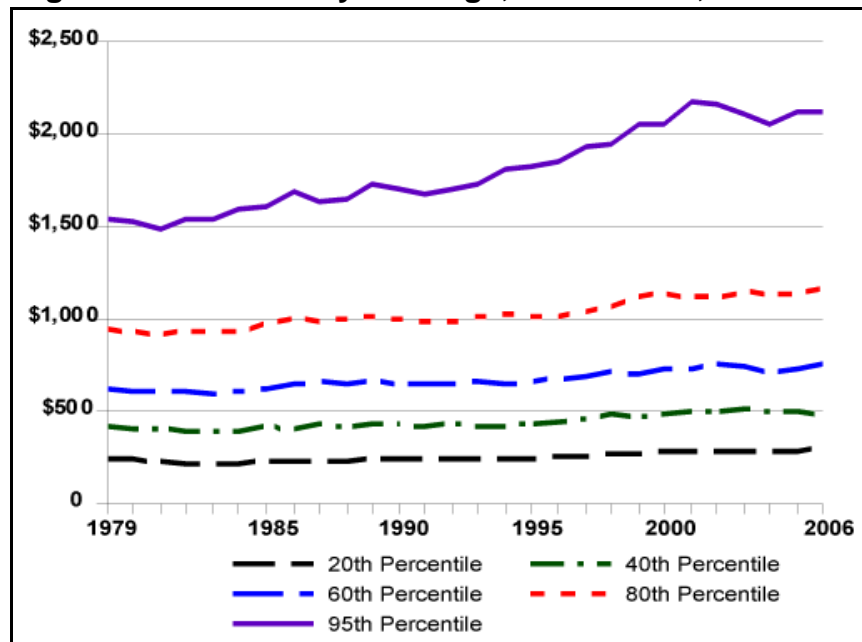
methods for measuring changes in prices (CPI-U-RS). An explanation of this index is provided in the **Appendix**.

This section shows the trend in real weekly earnings for workers at the 20<sup>th</sup>, 40<sup>th</sup>, 60<sup>th</sup>, 80<sup>th</sup>, and 95<sup>th</sup> percentiles. If workers are ranked from lowest to highest paid, those at the 20<sup>th</sup> percentile earn more than 20% of workers, those at the 40<sup>th</sup> percentile earn more than 40% of workers, and so on. All of the results in this section are shown using graphs. All data used for these graphs are provided in the **Appendix**.

## All Workers

From 1979 to 2006, the average real weekly earnings of all employed persons increased by 23.7%. Earnings increased for workers at all percentiles. See **Figure 2**.<sup>12</sup> The increase was greatest for workers at the 95<sup>th</sup> percentile. For example, for workers at the 20<sup>th</sup> percentile, earnings increased from \$237 to \$288 per week (or 21.5%). For workers at the 95<sup>th</sup> percentile, earnings increased from \$1,543 to \$2,115 a week (or 37.1%). However, from 2001 to 2006, the earnings of workers at the 95<sup>th</sup> percentile fell by 2.4% (from \$2,167 to \$2,115).

**Figure 2. Real Weekly Earnings, All Workers, 1979-2006**



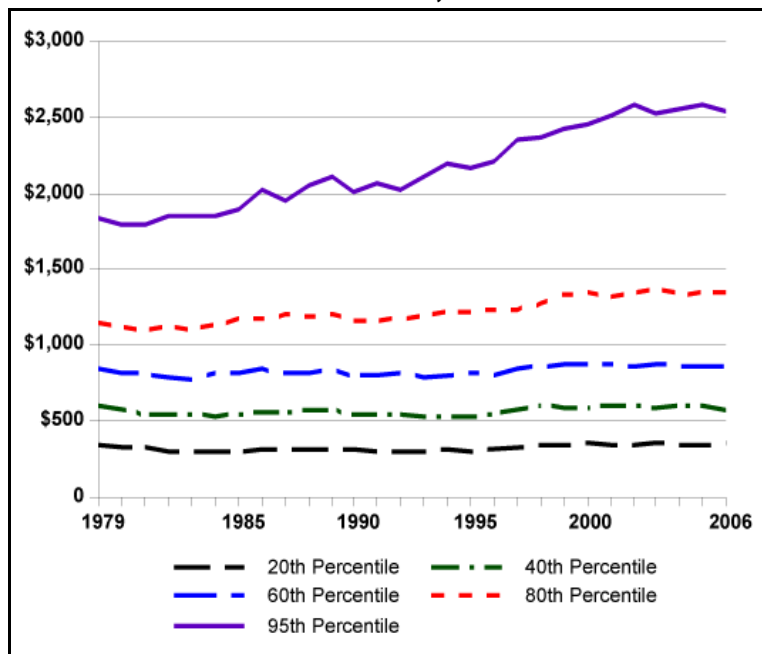
**Source:** CRS analysis of data from the Current Population Survey (CPS).

<sup>12</sup> Because of changes in topcoding in the CPS that affected the change in average earnings from 1994 to 1995, average earnings are not shown in **Figure 1** or in the other figures in this report that show trends in real weekly earnings. Since the reported change in earnings from 1994 to 1995 cannot be separated into the effects of the change in topcoding and any actual change in earnings, in **Tables 1 (a and b)** and **2 (a and b)** the percentage change in average earnings from 1979 to 2006 is the sum of the changes in average earnings from 1979 to 1994 and from 1995 to 2006. 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 were greater than the earnings of women. For example, in 2006, men at the 20<sup>th</sup> percentile had earnings of \$350 a week, compared to \$231 for women. At the 60<sup>th</sup> percentile men and women earned \$865 and \$597, respectively. At the 95<sup>th</sup> percentile, men earned \$2,538 a week, compared to \$1,654 a week for women.

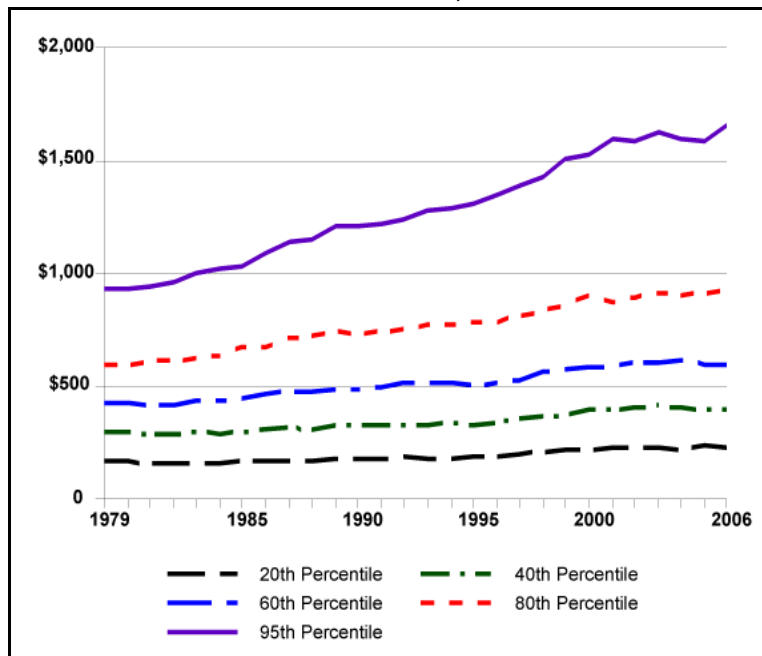
Over the period from 1979 to 2006, average real weekly earnings increased more for women than men (48.0% and 14.7%, respectively). The increase was greater for women than men at all earnings levels. Thus, over the 27-year period, the earnings gap between men and women narrowed. At the 20<sup>th</sup>, 40<sup>th</sup>, and 60<sup>th</sup> percentiles, the increase in earnings among all workers was due almost entirely to higher earnings among women. The earnings of men at the 20<sup>th</sup>, 40<sup>th</sup>, and 60<sup>th</sup> percentiles were relatively unchanged. But, for women, earnings increased by 36.2%, 33.9%, and 40.2%, respectively. (See **Tables 1a and 1b** in the **Appendix**.)

**Figure 3. Real Weekly Earnings,  
All Male Workers, 1979-2006**



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

**Figure 4. Real Weekly Earnings, All Female Workers, 1979-2006**



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

The narrowing of the earnings gap between men and women may have been caused by a number of reasons. Women's 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.<sup>13</sup>

### Full-Time, Year-Round Workers

From 1979 to 2006, the average real weekly earnings of full-time, year-round workers increased by 15.4%. But the trend in real weekly earnings of workers employed full-time, year-round differed from the pattern of earnings for all workers.

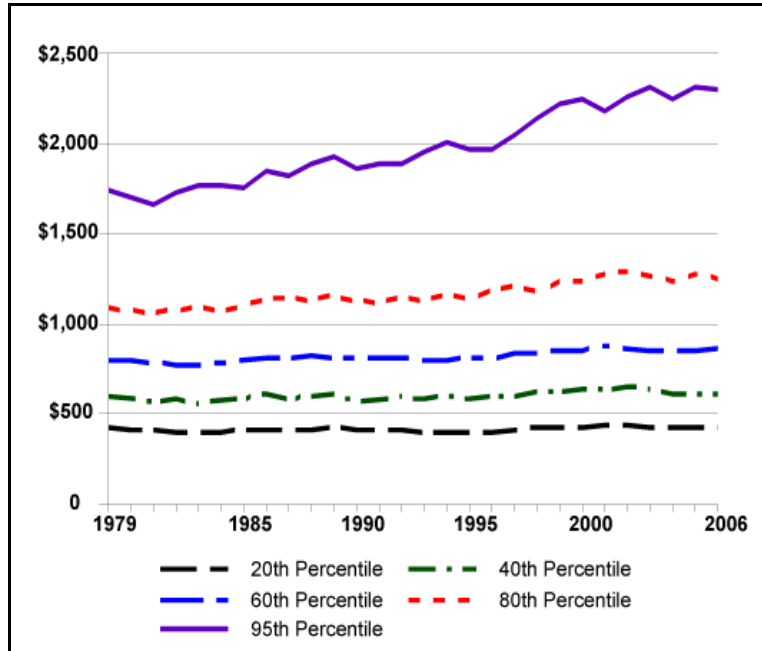
- The earnings of full-time, year-round workers are higher than the earnings of all workers. (Compare **Figures 2 and 5.**)
- From 1979 to 2006, the earnings of workers employed full-time, year-round increased less than the earnings of all workers. For example, for full-time, year-round workers, earnings at the 20<sup>th</sup> percentile increased by 1.2% compared to an increase of 21.5% for all workers.

<sup>13</sup> 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.



- From 1979 to 2006, the earnings of lower-wage men employed full-time, year-round fell by almost 10%. At the 20<sup>th</sup> and 40<sup>th</sup> percentiles, the earnings of men fell by 9.6% and 9.8%, respectively.

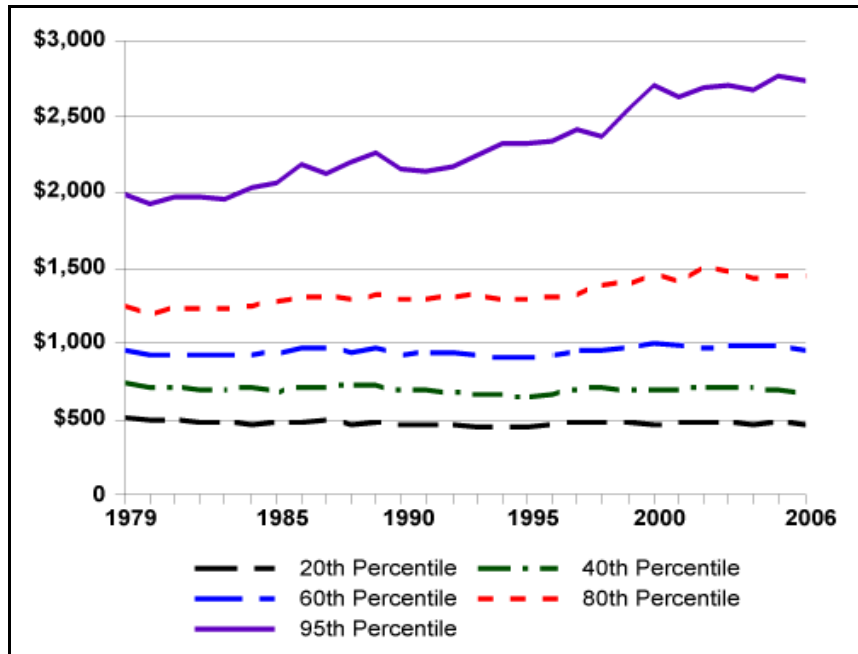
**Figure 5. Real Weekly Earnings, Full-Time, Year-Round Workers, 1979-2006**



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

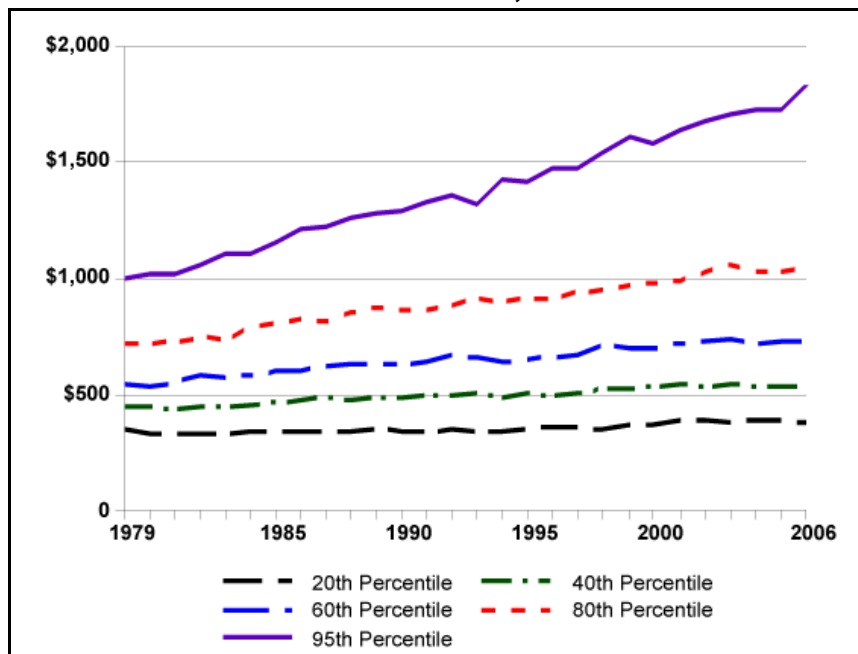
As was the case with all workers, the average real weekly earnings of women employed full-time, year-round increased more than the earnings of men (41.3% and 9.6%, respectively). At all percentiles, the earnings of women increased more than the earnings of men. For example, compared to the decline in earnings among men at the 20<sup>th</sup> and 40<sup>th</sup> percentiles, the earnings of women increased by 10.4% and 20.2%, respectively. (Compare **Figures 6** and **7**.)

**Figure 6. Real Weekly Earnings, Male Full-Time, Year-Round Workers, 1979-2006**



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

**Figure 7. Real Weekly Earnings, Female Full-Time, Year-Round Workers, 1979-2006**



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 public insurance (e.g., Medicaid or Medicare). Workers may also contribute to an Individual Retirement Account (IRA).<sup>14</sup> This report only takes into account employment-based health insurance and pension plans. The report does not examine the amount that employers contribute toward fringe benefits.

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.

### 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.<sup>15</sup> 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 health insurance questions and any actual change in health insurance coverage. Therefore, in **Figures 8** and **9**, the period from 1987 to 2006 is separated into two subperiods: 1987 to 1993 and 1994 to 2006. Also, in this section of the report and in **Tables 3** and **4 (a and b)** in the **Appendix**, the changes in coverage from 1987 to 2006 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 2006.<sup>16</sup> This approach is

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<sup>14</sup> 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.

<sup>15</sup> 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.

<sup>16</sup> 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,

(continued...)

equivalent to raising the percentage of workers with health insurance coverage in 1987 (or lowering the percentage with coverage in 2006) by the reported change in coverage between 1993 and 1994.<sup>17</sup>

**All Workers.** Three features characterize the trend in employment-based health insurance coverage from 1987 to 2006.<sup>18</sup>

- Workers with higher earnings are more likely to have health insurance. For example, in 2006, 84.6% of the top 5% of earners had coverage, compared to 47.2% of workers in the lowest quintile.
- From 1987 to 2006, the percentage of workers with coverage declined at all quintiles.
- The decline in coverage was greatest for lower-wage workers. (See **Figure 8**.) For example, at the lowest quintile, the percentage of workers with health insurance fell by 9.1 percentage points, compared to a 5.3 percentage point decline for the top 5% of earners.<sup>19</sup>

During the 19-year period, employment-based health insurance coverage generally declined from 1987 to the early 1990s, was relatively stable or increased to about 2000, and then declined again from about 2000 to 2006. 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 2006.

From 1987 to 2006, employment-based health insurance coverage declined among both men and women. Among men, the decline in coverage by quintile ranged from 6.1 to 8.3 percentage points. Among women, coverage at the lowest quintile fell by 10.1 percentage points. Otherwise, the decline in coverage ranged from 1.4 to 4.0 percentage points. At the lowest quintile, although coverage declined

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<sup>16</sup> (...continued)

June 2007, at [[http://www.census.gov/hhes/www/hlthins/usernote/revhlth\\_paper.pdf](http://www.census.gov/hhes/www/hlthins/usernote/revhlth_paper.pdf)], pp. 8, 16.

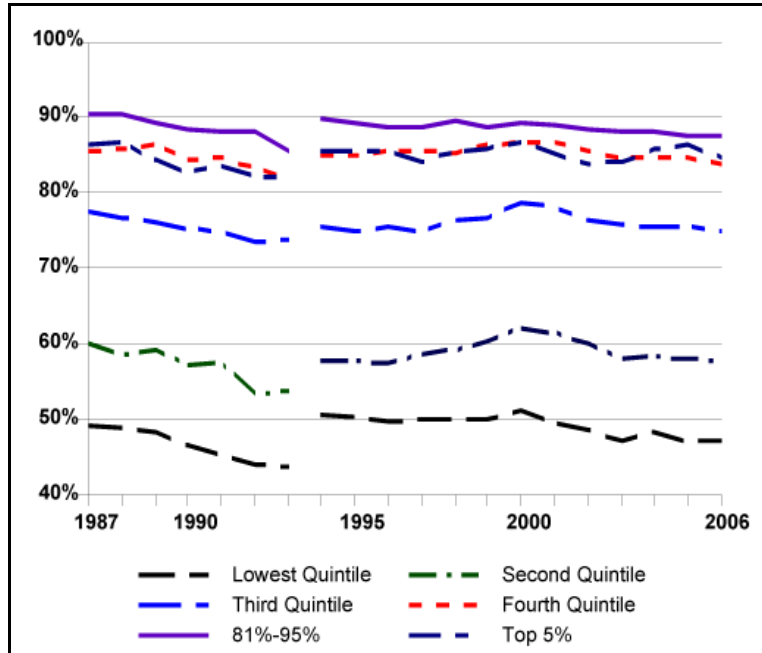
<sup>17</sup> For additional information on health insurance issues, see CRS Report RL32237, *Health Insurance: A Primer*, by Bernadette Fernandez; CRS Report RL34389, *Health Insurance Reform and the 110th Congress*, by Jean Hearne; and CRS Report RS22735, *Spending by Employers on Health Insurance: A Data Brief*, by Jennifer Jenson.

<sup>18</sup> 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 2006*, by Chris L. Peterson and April Grady.

<sup>19</sup> 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.

for both men and women (8.1 and 10.1 percentage points, respectively), coverage among men averaged almost 8 percentage points lower than among women. (See **Tables 3a** and **3b** in the **Appendix**.)

**Figure 8. Employment-Based Health Insurance Coverage, All Workers, by Quintile, 1987-2006**



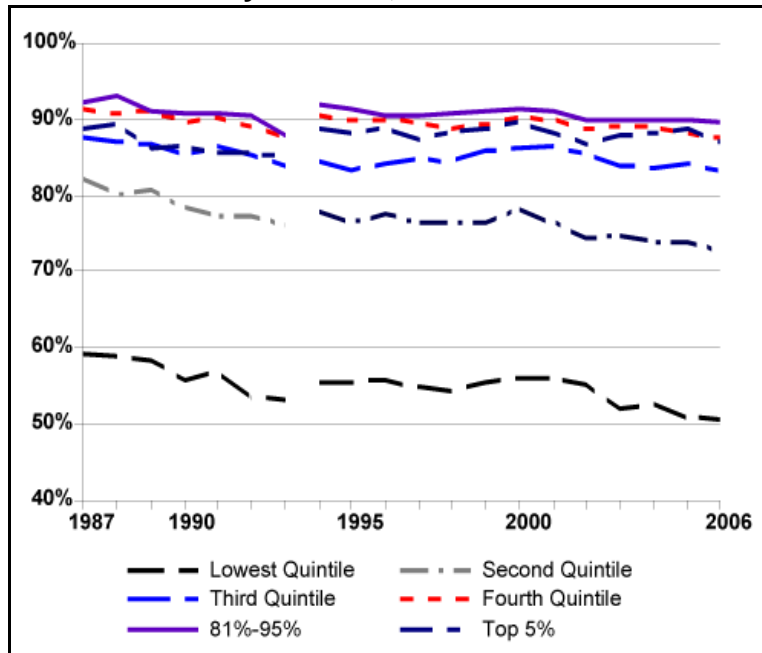
**Source:** CRS analysis of data from the Current Population Survey (CPS).

**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 1994-2006.

**Full-Time, Year-Round Workers.** **Figure 9** shows the percentage of full-time, year-round workers with employment-based health insurance. Again, workers with higher earnings are more likely to be covered by employment-based health insurance. On the other hand, from 1987 to 2006, the percentage of full-time, year-round workers with employment-based health insurance declined at all quintiles. The decline was greatest for lower-wage workers. At the lowest quintile, coverage fell by 10.8 percentage points, compared to a 5.6 percentage point decrease among the highest earners. As was the case with all workers, from 1987 to 2006, the decline in coverage was greater at both the beginning and end than in the middle of the period.

From 1987 to 2006, employment-based health insurance coverage declined among both men and women employed full-time, year-round. The decrease was greatest for lower-wage workers. Except for the top 5% of earners, the decrease was greater for men than women. At the lowest quintile, health insurance coverage fell by 12.3 percentage points among men, compared to a 7.1 percentage point drop among women. At the second quintile, the decline in coverage among men was 11.8 percentage points, compared to a 9.3 percentage point decrease among women. (See **Tables 4a** and **4b** in the **Appendix**.)

**Figure 9. Employment-Based Health Insurance Coverage, Full-Time, Year-Round Workers, by Quintile, 1987-2006**



**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 1994-2006.

## 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 2006, 60.9% of the top 5% of earners were covered by such a plan, compared to 9.7% 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 2006.<sup>20</sup> At the lowest quintile, participation increased by 2.4 percentage points (from 7.4% to 9.7%, rounded<sup>21</sup>), but declined by 4.0 percentage points (from 64.9% to 60.9%) among the top 5% of earners. The improved participation of lower-wage workers was due to increased participation among women. At the lowest quintile,

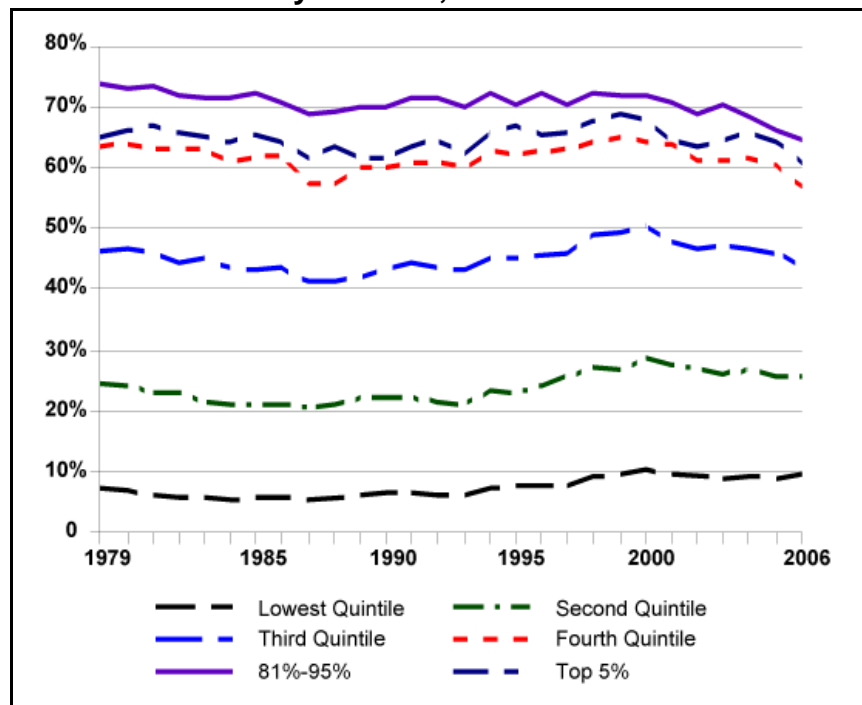
<sup>20</sup> The analysis in this section includes wage and salary workers in both the private and public sectors as well as self-employed workers. Public sector and self-employed workers are not covered by the Employee Retirement Income Security Act of 1974 (ERISA, P.L. 93-406), which is the federal 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.

<sup>21</sup> Although coverage increased by 2.4 percentage points from 1979 to 2006, coverage rounds to 7.4% in 1979 and 9.7% in 2006.

there was no change in participation among men, but a 3.5 percentage point increase (from 5.3% to 8.8%) among women. At the second quintile, participation among men fell by 5.6 percentage points (from 31.8% to 26.2%), but increased by 4.1 percentage points (from 18.0% to 22.1%) among women. (See **Figure 10** and **Tables 5a** and **5b** in the **Appendix**.)

Although there was some variation from year-to-year, during the period from 1979 to 2006, participation in an employer or union pension plan generally declined from the early to late 1980s, increased from the late 1980s to about 2000, and declined again from about 2000 to 2006.

**Figure 10. Participation in an Employer-or Union-Provided Pension Plan, All Workers, by Quintile, 1979-2006**

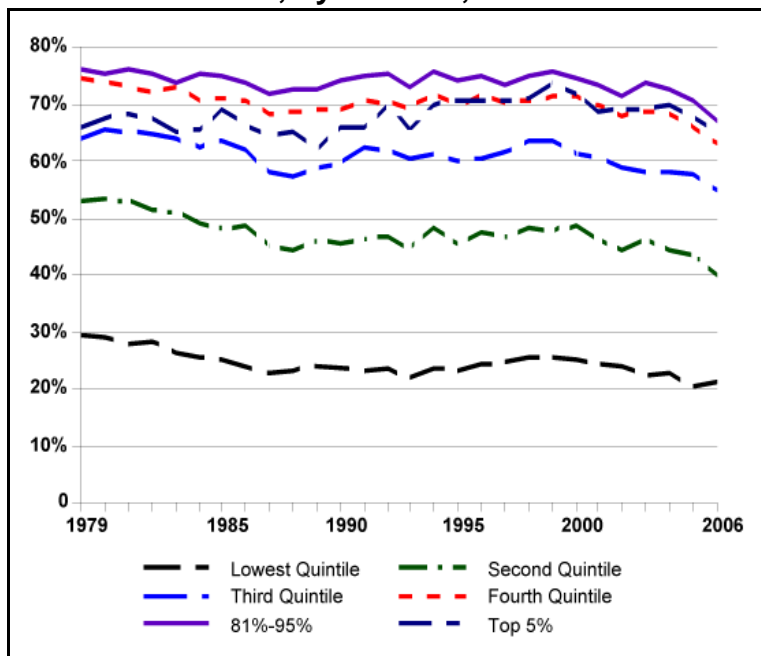


**Source:** CRS analysis of data from the Current Population Survey (CPS).

**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. At the first and second quintiles in 2006, 21.4% and 40.2% of full-time, year-round workers were participants in an employer or union pension plan, compared to 9.7% and 25.6% of all workers.
- Among full-time, year-round workers, except for the top 5% of earners, participation declined at all quintiles from 1979 to 2006.
- Participation fell for both women and men.<sup>22</sup> Except at the top quintile, participation fell more among men than women. At the lowest quintile, participation among men fell by 10.0 percentage points from 1979 to 2006 (from 28.7% to 18.7%), compared to a 4.0 percentage point drop (from 27.3% to 23.3%) among women. Similar to the trend among all workers, participation generally fell from the early to late 1980s, increased from the late 1980s to about 2000, and declined again from about 2000 to 2006. (See **Figure 11** and **Tables 6a** and **6b** in the **Appendix**.)

**Figure 11. Participation in an Employer- or Union- Provided Pension Plan, Full-Time, Year-Round Workers, by Quintile, 1979-2006**



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

<sup>22</sup> The decrease among the top 5% of male earners was not statistically significant.



## The Distribution of Weekly Earnings

This section examines the trend in the distribution of weekly earnings from 1979 to 2006. 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 differs among groups. But some measures may not reveal *how* inequality has changed or differs. 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 and, if so, how it changed.

### Topcoded Earnings

To protect the confidentiality of survey participants, the CPS topcodes earnings. Changes in topcoding can affect the observed trend in inequality.

In the CPS, total earnings consist of wages and salaries and earnings from farm and nonfarm self-employment. Wages and salaries are further separated into earnings from a worker's longest job and "other" wage and salary earnings. In 1995, each of the four types of earnings was topcoded at \$99,999. Beginning in 1996, each component of total 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 have earnings from self-employment, the topcode from self-employment is \$50,000. If the self-employment is farm income, the topcode is \$25,000. Since 1996, for workers with earnings above the topcoded amounts, the CPS reports average earnings for workers with similar characteristics.

The changes in topcoding from 1995 to 1996 can affect an analysis of inequality. For some workers, the changes may increase the amount of earnings reported in the CPS. For other workers, the changes may lower their reported earnings. For example, someone who had a salary of \$125,000 in both the 1995 and 1996 surveys and who had no earnings from other sources, would have higher earnings reported in the 1996 survey. Their 1995 earnings would have been topcoded at \$99,999, while the 1996 survey would have reported their actual earnings of \$125,000.<sup>23</sup> If this same person also had \$75,000 of self-employment income from farming, the 1995 survey would have included all of their farm income (because all earnings variables were topcoded at \$99,999). In the 1996 survey, their farm self-employment income would have been topcoded at \$25,000. Thus, their total earnings, as reported by the CPS, may have been lower in 1996 than in 1995 (i.e., \$150,000 versus \$174,999 — disregarding the averaging of earnings that are above the topcoded amounts).

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<sup>23</sup> In the 1996 CPS, earnings from a worker's longest job were topcoded at \$150,000. U.S. Census Bureau and Bureau of Labor Statistics, *Differences Between the March 1995 and March 1996 Annual Demographic Files*, available at [<http://www.bls.census.gov/cps/ads/1996/sfiledif.htm>].

Because of the effect that changes in topcoding can have on the analysis of inequality, in this section the graphical representation of the Gini coefficient is separated into two periods: 1979 to 1994 and 1995 to 2006. (Recall that the ASEC Supplement asks workers how much they earned the previous year.) In the graphs of the share of earnings received by quintile, the top 5% of workers are also separated into two periods. But the change in topcoding can also affect other workers. In the graphs below, the share of earnings received by workers in the 81<sup>st</sup> to 95<sup>th</sup> percentiles appears to fall between 1994 and 1995. In part, this may be due to changes in topcoding that reduced the amount of total earnings reported by some workers in the CPS.

## Gini Coefficient

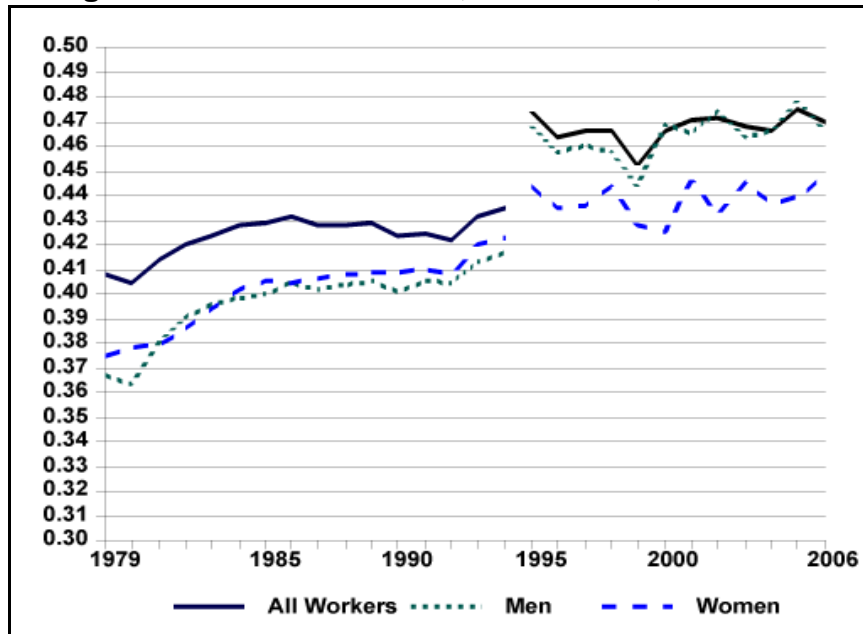
The Gini coefficient is a measure of earnings equality that ranges from 0 to 1. If the earnings of all individuals are the same, the Gini coefficient is equal to 0, representing complete equality. If one worker receives all the earnings and all other workers receive zero earnings, the Gini coefficient 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 2006. Inequality also increased among both men and women. Over the 27-year period, however, there were periods when inequality went up and periods when it went down. In general, inequality increased from 1980 to 1986, then declined slightly from 1986 to 1992, before rising again from 1992 to 1994. Inequality fell from 1995 to about 1999 and then increased again from about 1999 to 2005. Inequality fell from 2005 to 2006. Within this overall pattern, there were some year-to-year variations in the trend in inequality. (See **Figure 12**.)

Except for the periods from 1986 to 1992 and 2005 to 2006, the pattern of inequality from 1979 to 2006 was generally the same for both men and women. From 1986 to 1992, overall inequality declined slightly. But, among women and men, the changes in the Gini coefficient were not statistically significant, indicating that inequality among men and among women did not change. One explanation for this difference is that the narrowing in the gap in earnings between men and women reduced overall inequality, while the distribution of earnings among men and the distribution of earnings among women were unchanged. Although overall inequality decreased from 2005 to 2006, it increased among women and decreased among men.

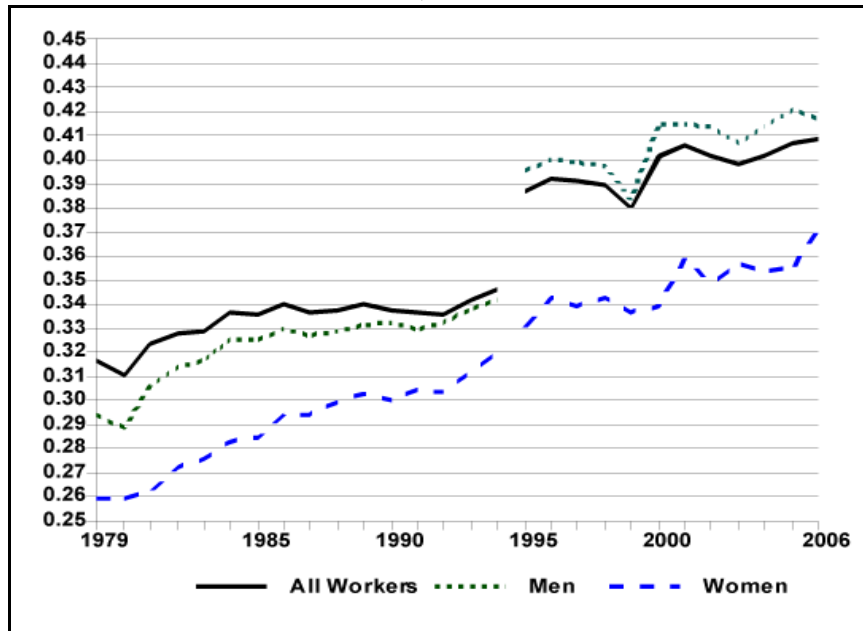
**Full-Time, Year-Round Workers.** The distribution of earnings among workers employed full-time, year-round is more equal than the distribution of earnings among all workers. Nevertheless, from 1979 to 2006, inequality also increased among full-time, year-round workers. Inequality increased among both men and women. (See **Figure 13**.)

**Figure 12. Gini Coefficient, All Workers, 1979-2006**



**Source:** CRS analysis of data from the Current Population Survey (CPS).  
**Note:** Because of changes in topcoding from 1994 to 1995, the Gini coefficient is separated into two subperiods: 1979-1994 and 1995-2006.

**Figure 13. Gini Coefficient, Full-Time, Year-Round Workers, 1979-2006**



**Source:** CRS analysis of data from the Current Population Survey (CPS).  
**Note:** Because of changes in topcoding from 1994 to 1995, the Gini coefficient is separated into two subperiods: 1979-1994 and 1995-2006.

During the 27-year period from 1979 to 2006, the pattern of inequality among full-time, year-round workers was similar to the pattern among all workers. Inequality generally increased from 1980 to 1986, declined somewhat from 1986 to 1992, increased from 1992 to 1994, increased from 1995 to 1996, fell from 1996 to 1999, and then increased again from 1999 to 2006. The change in the Gini coefficient from 2005 to 2006 was not statistically significant. But inequality increased among women and was unchanged among men.

For men and women, separately, the change in inequality from 1986 to 1992 differed from the overall pattern of inequality for all full-time, year-round workers. Although inequality declined among all full-time, year-round workers, it increased among women but was unchanged among men.<sup>24</sup> One explanation for this difference is that, while the distribution of earnings among women became more unequal, the narrowing of the gap in earnings between men and women resulted in less inequality in the overall distribution of earnings.

## 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 examine where the earnings distribution may have changed, this section examines the share of total weekly earnings received by each quintile of workers.

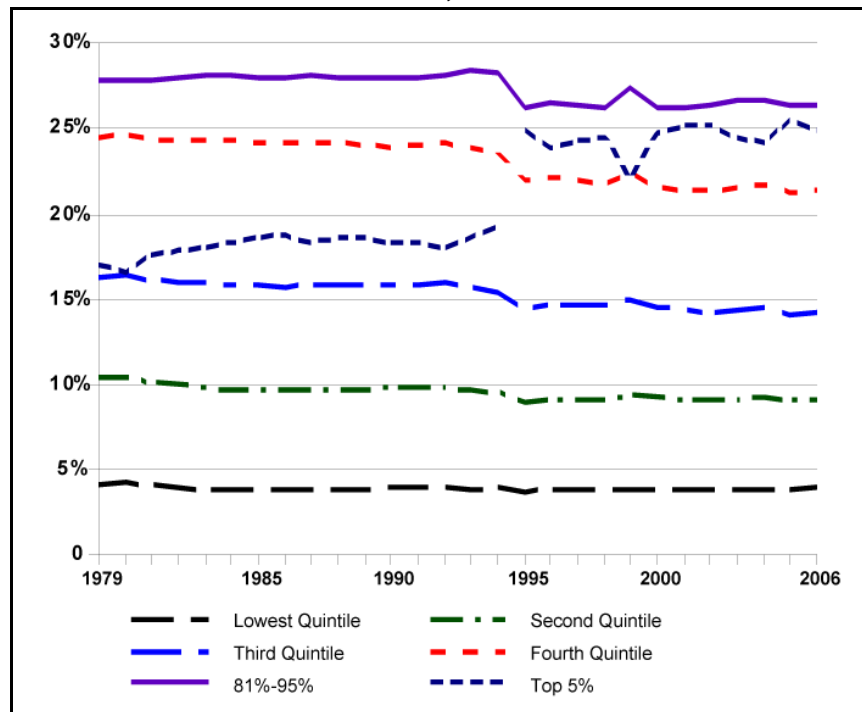
**All Workers.** An analysis of the share of total weekly earnings by quintile shows that inequality was greater in 2006 than in 1979. During the 27-year period, there were shorter-term periods of either rising or falling inequality. When inequality increased during the 27-year period, it was generally because workers in the bottom four quintiles received a smaller share of total weekly earnings, while workers in the top quintile received a larger share. Conversely, when inequality declined during the 27-year period, it was generally because workers in the lower and middle quintiles received a larger share of earnings, while workers in the top quintile received a smaller share. (See **Figure 14.**)

The Gini coefficient showed that inequality increased from 1980 to 1986. During this period, the share of total earnings going to the bottom four quintiles declined, while the share going to the top quintile increased. The share of total weekly earnings received by the top 5% of earners increased by 2.1 percentage points (from 16.6% to 18.7%). Similarly, the Gini coefficient showed that inequality declined from 1995 to 1999 and increased from 1999 to 2006. From 1995 to 1999, the share of earnings received by the first four quintiles increased and then, except for the lowest quintile, decreased from 1999 to 2006. The share of earnings received by the top 5% of earners fell by 2.8 percentage points (from 29.0% to 22.1%, rounded) from 1995 to 1999 and then rose by 2.8 percentage points (from 22.1% to 24.9%) from 1999 to 2006.

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<sup>24</sup> Among women, the decrease in the Gini coefficient from 1995 to 1999 was not statistically significant.

**Figure 14. Share of Total Weekly Earnings by Quintile, All Workers, 1979-2006**



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

**Note:** Because of changes in topcoding from 1994 to 1995, the share of earnings received by the top 5% of earners is separated into two subperiods: 1979-1994 and 1995-2006. Changes in topcoding may also affect the share of earnings received by workers in the 81<sup>st</sup> to 95<sup>th</sup> percentiles.

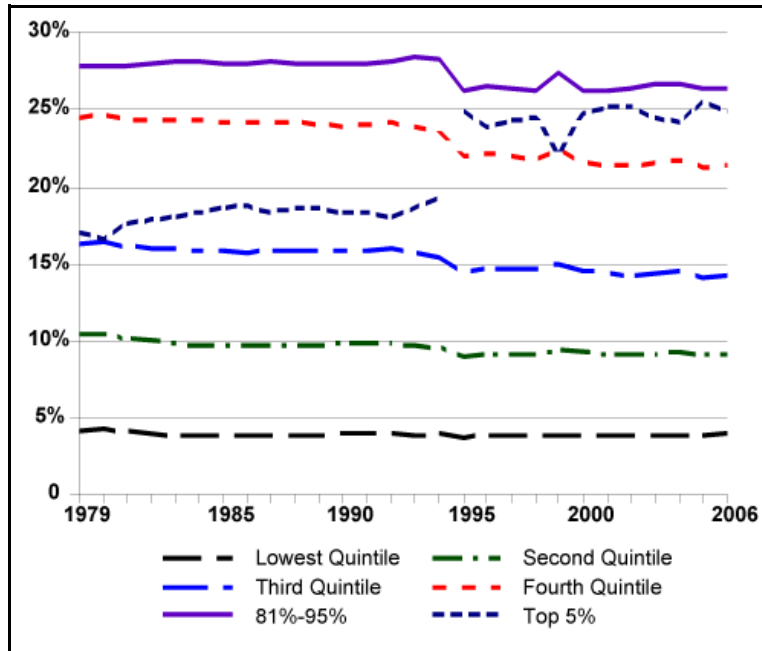
Changes in the share of earnings received by men and women generally followed the same pattern as the trend for all workers. For example, from 1999 to 2006, the share of earnings received by the top 5% of male and female workers increased by 3.3 and 2.6 percentage points, respectively (from 22.0% to 25.3% and 19.8% to 22.5%, rounded). (See **Tables 8a** and **8b** in the **Appendix**.)

**Full-Time, Year-Round Workers.** Inequality increased among full-time, year-round workers from 1979 to 2006. 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 decreased, while the share received by the top quintile increased. Conversely, when inequality fell, the opposite happened. This was the pattern for both men and women who worked full-time, year-round. (See **Figure 15**.)

**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.<sup>25</sup> For example, the data on real weekly earnings in **Tables 1a** and **1b** in the **Appendix** show that, when inequality fell from 1995 to 1999, the real weekly earnings for workers at the 20<sup>th</sup> percentile increased by 12.3%, compared to a 12.6% increase for workers at the 95<sup>th</sup> percentile. Conversely, when inequality increased from 1980 to 1986, earnings at the 20<sup>th</sup> percentile fell by 4.2%, but increased by 11.3% at the 95<sup>th</sup> percentile.

**Figure 15. Share of Total Weekly Earnings by Quintile, Full-Time, Year-Round Workers, 1979-2006**



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

**Note:** Because of changes in topcoding from 1994 to 1995, the share of earnings received by the top 5% of earners is separated into two subperiods: 1979-1994 and 1995-2006. Changes in topcoding may also affect the share of earnings received by workers in the 81<sup>st</sup> to 95<sup>th</sup> percentiles.

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 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 2006, Congress passed three laws that

<sup>25</sup> 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.

raised the basic federal minimum wage.<sup>26</sup> Following welfare reform in 1996, the employment of single mothers increased significantly.<sup>27</sup> Regulatory changes or changes in trade policy may affect earnings. U.S. firms may engage in greater outsourcing. Foreign companies may increase production 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.<sup>28</sup> Union membership in the United States, which also peaked in 1979 (at 21.0 million), may also have affected earnings and fringe benefits.<sup>29</sup> 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.

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<sup>26</sup> 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, beginning in July 2007. The current minimum wage is \$5.85 an hour. It is scheduled to rise to \$6.55 an hour in July 2008 and \$7.25 an hour in July 2009. CRS Report RL33754, *Minimum Wage in the 110<sup>th</sup> Congress*, by William G. Whittaker.

<sup>27</sup> 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.

<sup>28</sup> From 1979 to 2006, employment in manufacturing in the United States fell from 19.4 million to 14.2 million, a decrease from 21.6% to 10.4% 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].

<sup>29</sup> 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 a brief 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  $I$  and all lower intervals.<sup>30</sup>

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. **Figure 16** illustrates the distribution of 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.

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<sup>30</sup> U.S. Bureau of the Census, *Studies in the Distribution of Income*, Series P60-183, 1992, p. 60.

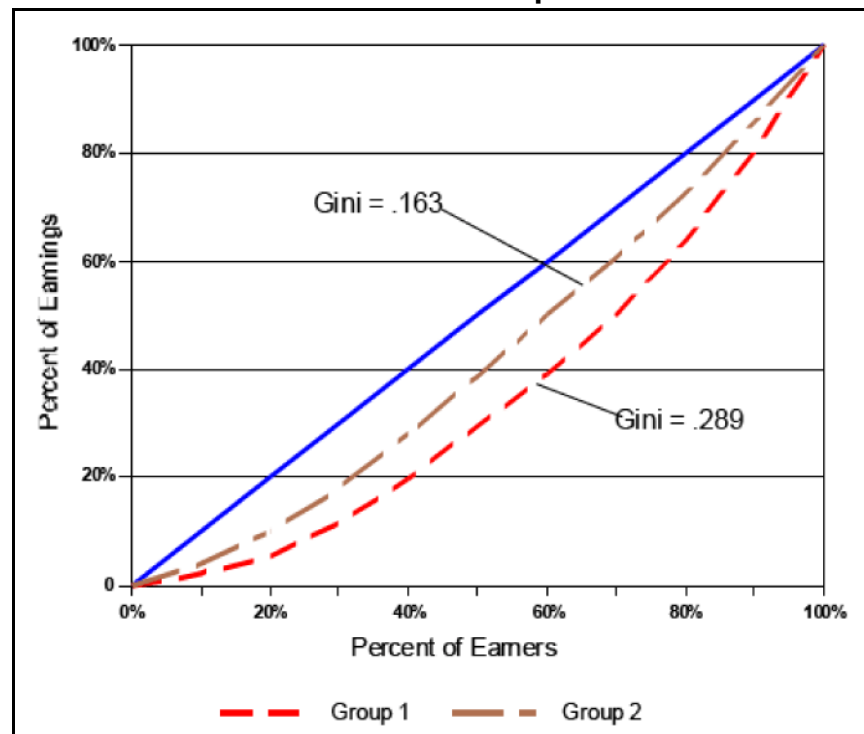


**Share of Total Earnings by Quintile.** To calculate the share of earnings received by each quintile of earners, workers are first ranked from lowest to highest paid. Workers are then divided into five equal-size groups, or quintiles. The total earnings received by each quintile is divided by the total earnings of all workers. If 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 March 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 main source of labor force data for the nation, including estimates of the monthly unemployment rate. The CPS collects a wide range of demographic, social, and labor market information.

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



**Source:** Illustration created by CRS.

The Annual Social and Economic (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 2007 supplement interviewed about 76,100 households.<sup>31</sup>

The annual ASEC Supplement to the CPS 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 (a and b)**, 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

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<sup>31</sup> U.S. Census Bureau, *Current Population Survey, 2007 Annual Social and Economic (ASEC) Supplement*, available at [<http://www.census.gov/apsd/techdoc/cps/cpsmar07.pdf>], pp. 1-1, 9-3, G-2.

inflation.<sup>32</sup> From 1979 to 2006, the CPI-U-RS increased by 258.8%. The CPI-U increased by 277.7%.

**Topcoded Earnings.** In the ASEC Supplement, if a person's annual earnings exceed a certain amount, the individual's actual earnings are not reported. Instead, BLS reports the average earnings of those persons whose earnings are above the topcoded amount. For 2006 (i.e., the 2007 ASEC), annual earnings from a person's longest job were topcoded at \$200,000, or \$3,846.15 a week. BLS averages earnings for several groups of workers, based on gender, race, Hispanic origin, and work experience. For example, BLS calculates average earnings for all white, non-Hispanic men who work full-time, year-round and whose earnings for their longest held job were 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 discussed in the text of this report, because of changes in topcoding in 1996 (affecting yearly earnings for 1995), the observed trend in inequality may not be comparable for years 1994 and earlier and years 1995 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.

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<sup>32</sup> 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.

**Table 1a. The Trend in Real Weekly Earnings: All Workers, 1979-1994**

<b>Earnings</b>	<b>1979</b>	<b>1980</b>	<b>1981</b>	<b>1982</b>	<b>1983</b>	<b>1984</b>	<b>1985</b>	<b>1986</b>	<b>1987</b>	<b>1988</b>	<b>1989</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>
<b>All Workers</b>																
Average Earnings	\$631	\$615	\$612	\$614	\$615	\$625	\$638	\$659	\$662	\$669	\$679	\$667	\$665	\$667	\$672	\$688
20 <sup>th</sup> Percentile	237	233	219	216	216	213	220	223	228	226	236	233	233	238	233	237
40 <sup>th</sup> Percentile	414	404	407	391	387	391	410	405	421	416	425	431	416	422	418	414
60 <sup>th</sup> Percentile	621	609	608	600	594	604	619	641	653	646	659	645	650	650	655	647
80 <sup>th</sup> Percentile	946	923	912	926	925	924	962	995	980	989	1,006	992	976	987	1,004	1,024
95 <sup>th</sup> Percentile	1,543	1,517	1,483	1,543	1,535	1,590	1,608	1,688	1,633	1,647	1,721	1,697	1,666	1,706	1,726	1,811
<b>Men</b>																
Average Earnings	\$801	\$775	\$774	\$772	\$771	\$783	\$796	\$827	\$821	\$830	\$837	\$813	\$807	\$801	\$806	\$829
20 <sup>th</sup> Percentile	343	330	319	301	296	294	302	311	313	315	314	312	301	298	294	310
40 <sup>th</sup> Percentile	597	566	545	540	536	533	536	557	555	567	564	546	547	542	528	523
60 <sup>th</sup> Percentile	846	815	818	780	777	809	822	844	816	820	834	805	805	812	793	796
80 <sup>th</sup> Percentile	1,145	1,120	1,106	1,123	1,110	1,137	1,168	1,181	1,205	1,197	1,208	1,168	1,166	1,173	1,189	1,216
95 <sup>th</sup> Percentile	1,842	1,792	1,796	1,852	1,850	1,848	1,890	2,025	1,959	2,047	2,113	2,013	2,064	2,031	2,114	2,199
<b>Women</b>																
Average Earnings	\$415	\$414	\$410	\$418	\$426	\$436	\$449	\$460	\$475	\$482	\$496	\$497	\$501	\$511	\$518	\$526
20 <sup>th</sup> Percentile	169	171	164	163	161	164	168	169	170	171	181	179	180	188	185	187
40 <sup>th</sup> Percentile	299	296	292	293	296	295	305	307	323	315	327	328	333	328	330	336
60 <sup>th</sup> Percentile	426	427	417	424	444	437	447	467	483	476	489	489	500	514	515	517
80 <sup>th</sup> Percentile	597	599	614	617	631	640	679	681	712	724	749	739	750	758	777	776
95 <sup>th</sup> Percentile	936	932	941	964	999	1,019	1,031	1,097	1,143	1,150	1,208	1,208	1,222	1,239	1,282	1,294

**Table 1b. The Trend in Real Weekly Earnings: All Workers, 1995-2006**

Earnings	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Percent Change, 1979-2006
<b>All Workers</b>													
Average Earnings	\$743	\$743	\$767	\$798	\$791	\$835	\$848	\$853	\$849	\$837	\$852	\$852	23.7% <sup>a</sup>
20 <sup>th</sup> Percentile	243	246	251	261	272	281	285	280	275	277	286	288	21.5%
40 <sup>th</sup> Percentile	429	443	452	475	465	487	491	496	502	493	497	481	16.1%
60 <sup>th</sup> Percentile	657	664	684	713	700	721	730	750	738	718	723	750	20.7%
80 <sup>th</sup> Percentile	1,011	1,009	1,036	1,069	1,117	1,126	1,117	1,121	1,138	1,129	1,136	1,154	22.0%
95 <sup>th</sup> Percentile	1,819	1,846	1,927	1,948	2,048	2,049	2,167	2,155	2,108	2,053	2,113	2,115	37.1%
<b>Men</b>													
Average Earnings	\$911	\$905	\$938	\$965	\$961	\$1,025	\$1,018	\$1,038	\$1,013	\$1,007	\$1,026	\$1,013	14.7% <sup>a</sup>
20 <sup>th</sup> Percentile	303	308	321	335	347	351	344	345	347	347	346	350	2.0%
40 <sup>th</sup> Percentile	531	541	566	594	582	585	592	603	590	595	596	577	-3.4%
60 <sup>th</sup> Percentile	808	806	843	855	880	880	876	862	877	862	858	865	2.3%
80 <sup>th</sup> Percentile	1,213	1,230	1,227	1,283	1,326	1,351	1,314	1,345	1,370	1,334	1,343	1,346	17.6%
95 <sup>th</sup> Percentile	2,162	2,215	2,361	2,376	2,420	2,454	2,519	2,586	2,530	2,556	2,582	2,538	37.8%
<b>Women</b>													
Average Earnings	\$552	\$559	\$573	\$609	\$601	\$622	\$655	\$645	\$663	\$644	\$654	\$669	48.0% <sup>a</sup>
20 <sup>th</sup> Percentile	192	197	200	214	222	225	228	233	229	226	238	231	36.2%
40 <sup>th</sup> Percentile	333	345	361	371	372	399	399	410	417	411	397	400	33.9%
60 <sup>th</sup> Percentile	505	517	532	570	582	585	592	603	611	616	596	597	40.2%
80 <sup>th</sup> Percentile	783	787	819	831	861	901	876	897	914	907	914	938	57.0%
95 <sup>th</sup> Percentile	1,314	1,353	1,392	1,433	1,513	1,531	1,594	1,588	1,623	1,601	1,589	1,654	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 2006 dollars. Estimates are for persons age 16 and over.

a. Because of changes in topcoding that affected the change in average earnings between 1994 and 1995, the percent change in average real weekly earnings from 1979 to 2006 is the sum of changes from 1979 to 1994 and 1995 to 2006.

**Table 2a. The Trend in Real Weekly Earnings: Full-Time, Year-Round Workers, 1979-1994**

Percentile	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
<b>All Full-Time, Year-Round Workers</b>																
Average Earnings	\$798	\$776	\$778	\$781	\$778	\$796	\$805	\$824	\$825	\$827	\$836	\$812	\$811	\$818	\$816	\$826
20 <sup>th</sup> Percentile	418	412	409	390	392	391	412	405	407	409	418	403	403	406	396	390
40 <sup>th</sup> Percentile	597	582	573	579	558	569	584	607	588	598	604	575	583	596	581	592
60 <sup>th</sup> Percentile	796	791	777	772	770	782	794	810	816	819	815	805	805	812	793	802
80 <sup>th</sup> Percentile	1,095	1,075	1,064	1,080	1,088	1,066	1,100	1,148	1,143	1,134	1,154	1,137	1,111	1,137	1,136	1,164
95 <sup>th</sup> Percentile	1,742	1,702	1,668	1,736	1,769	1,777	1,752	1,856	1,828	1,890	1,932	1,869	1,888	1,895	1,955	2,005
<b>Men</b>																
Average Earnings	\$931	\$904	\$912	\$915	\$909	\$932	\$938	\$960	\$958	\$959	\$966	\$928	\$929	\$934	\$927	\$935
20 <sup>th</sup> Percentile	518	497	491	478	481	473	481	484	490	472	483	460	462	460	449	445
40 <sup>th</sup> Percentile	747	717	712	694	703	711	687	709	718	724	725	690	694	677	661	664
60 <sup>th</sup> Percentile	956	932	925	926	925	924	945	979	980	945	966	920	944	948	925	915
80 <sup>th</sup> Percentile	1,244	1,210	1,227	1,235	1,239	1,244	1,271	1,316	1,306	1,298	1,328	1,294	1,289	1,305	1,321	1,294
95 <sup>th</sup> Percentile	1,991	1,926	1,964	1,967	1,961	2,033	2,062	2,190	2,122	2,205	2,264	2,157	2,138	2,166	2,246	2,328
<b>Women</b>																
Average Earnings	\$543	\$542	\$539	\$556	\$564	\$573	\$588	\$606	\$616	\$624	\$635	\$631	\$637	\$649	\$652	\$662
20 <sup>th</sup> Percentile	348	336	327	335	333	338	344	338	343	346	353	345	346	352	344	342
40 <sup>th</sup> Percentile	448	448	437	444	444	457	464	473	490	472	483	489	494	495	502	492
60 <sup>th</sup> Percentile	548	538	552	579	573	581	601	608	620	630	634	633	639	674	661	647
80 <sup>th</sup> Percentile	717	717	732	748	740	782	806	830	820	850	876	863	861	882	917	905
95 <sup>th</sup> Percentile	995	1,021	1,023	1,058	1,110	1,103	1,155	1,212	1,224	1,260	1,280	1,294	1,333	1,354	1,321	1,423

**Table 2b. The Trend in Real Weekly Earnings: Full-Time, Year-Round Workers, 1995-2006**

Percentile	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Percent Change, 1979-2006
<b>All Full-Time, Year-Round Workers</b>													
Average Earnings	\$880	\$900	\$915	\$934	\$930	\$972	\$986	\$986	\$983	\$976	\$979	\$984	15.4% <sup>a</sup>
20 <sup>th</sup> Percentile	394	398	409	428	419	428	438	431	422	423	417	423	1.2%
40 <sup>th</sup> Percentile	581	591	602	618	625	630	635	647	632	616	616	615	3.0%
60 <sup>th</sup> Percentile	803	807	838	831	849	856	876	862	855	854	854	865	8.7%
80 <sup>th</sup> Percentile	1,137	1,179	1,204	1,188	1,233	1,238	1,270	1,293	1,265	1,232	1,271	1,250	14.2%
95 <sup>th</sup> Percentile	1,971	1,969	2,047	2,138	2,224	2,252	2,190	2,263	2,319	2,258	2,324	2,308	32.5%
<b>Men</b>													
Average Earnings	\$1,020	\$1,036	\$1,058	\$1,072	\$1,076	\$1,137	\$1,135	\$1,136	\$1,123	\$1,116	\$1,121	\$1,114	9.6% <sup>a</sup>
20 <sup>th</sup> Percentile	455	465	482	475	475	473	482	474	485	472	477	468	-9.6%
40 <sup>th</sup> Percentile	657	664	699	713	698	702	701	711	717	718	695	673	-9.8%
60 <sup>th</sup> Percentile	909	933	963	950	977	1,000	986	970	991	985	993	962	0.6%
80 <sup>th</sup> Percentile	1,299	1,304	1,325	1,394	1,396	1,464	1,424	1,509	1,476	1,437	1,440	1,442	15.9%
95 <sup>th</sup> Percentile	2,324	2,338	2,409	2,376	2,560	2,702	2,628	2,694	2,698	2,669	2,761	2,731	37.2%
<b>Women</b>													
Average Earnings	\$671	\$699	\$708	\$731	\$723	\$737	\$777	\$775	\$787	\$780	\$778	\$800	41.3% <sup>a</sup>
20 <sup>th</sup> Percentile	354	358	361	356	367	374	394	388	384	390	392	385	10.4%
40 <sup>th</sup> Percentile	503	492	506	523	524	540	548	539	548	534	537	538	20.2%
60 <sup>th</sup> Percentile	651	664	674	713	698	702	723	733	738	718	726	731	33.5%
80 <sup>th</sup> Percentile	909	914	939	950	968	983	989	1,026	1,054	1,026	1,033	1,038	44.9%
95 <sup>th</sup> Percentile	1,415	1,476	1,469	1,544	1,609	1,576	1,643	1,681	1,708	1,724	1,728	1,827	83.5%

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

**Note:** Weekly earnings are in 2006 dollars. Estimates are for persons age 16 and over.

a. Because of changes in topcoding that affected the change in average earnings between 1994 and 1995, the percent change in average real weekly earnings from 1979 to 2006 is the sum of changes from 1979 to 1994 and 1995 to 2006.

**Table 3a. Employment-Based Health Insurance Coverage: All Workers 1987-1999**  
(percent)

Percentile	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
	<b>All Workers</b>												
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	75.6	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
	<b>Men</b>												
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
	<b>Women</b>												
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



**Table 3b. Employment-Based Health Insurance Coverage: All Workers, 2000-2006**  
(percent)

Percentile	2000	2001	2002	2003	2004	2005	2006	Change in Percent, 1987-1993	Change in Percent, 1994-2000	Change in Percent, 2000-2006	Change in Percent, 1987-2006
<b>All Workers</b>											
Lowest Quintile	51.3	49.6	48.6	47.3	48.2	47.2	47.2	-5.6	0.7	-4.2	-9.1 <sup>a</sup>
Second Quintile	62.1	61.5	60.2	58.1	58.5	58.0	57.8	-6.2	4.4	-4.3	-6.1
Third Quintile	78.8	78.0	76.4	75.8	75.4	75.5	75.1	-3.8	3.2	-3.7	-4.2
Fourth Quintile	86.7	86.6	85.4	84.7	84.8	84.8	83.8	-3.5	1.8	-3.0	-4.6
81-95%	89.2	89.0	88.4	88.1	88.1	87.4	87.5	-4.8	-0.6	-1.7	-7.1
Top 5%	86.7	85.4	83.8	84.3	85.9	86.4	84.6	-4.4	1.2	-2.1	-5.3
<b>Men</b>											
Lowest Quintile	46.8	44.9	44.1	43.5	43.4	42.7	41.6	-4.4	1.5	-5.2	-8.1
Second Quintile	63.0	62.0	58.9	58.1	57.0	55.9	56.4	-7.2	5.6	-6.6	-8.1
Third Quintile	79.3	79.3	77.7	75.8	74.5	75.6	75.2	-6.1	3.8	-4.1	-6.3
Fourth Quintile	87.6	85.9	85.4	85.3	85.7	84.3	83.5	-5.2	1.0	-4.0	-8.3
81-95%	88.7	88.9	88.1	86.9	87.1	87.2	86.5	-5.2	-0.7	-2.2	-8.1
Top 5%	86.9	84.8	82.5	84.0	84.9	85.6	82.9	-4.8	2.6	-3.9	-6.1
<b>Women</b>											
Lowest Quintile	53.2	52.1	50.3	49.2	50.8	49.9	49.3	-6.7	0.5	-3.9	-10.1
Second Quintile	60.9	60.7	60.1	57.5	58.0	58.8	59.0	-3.7	2.5	-1.9	-3.1
Third Quintile	79.6	78.0	77.8	75.9	76.5	77.0	76.2	-2.9	4.8	-3.4	-1.4
Fourth Quintile	86.9	87.5	86.8	86.2	87.6	86.4	85.8	-2.3	0.1	-1.1	-3.3
81-95%	90.4	91.3	88.8	89.5	89.9	89.8	90.1	-3.2	-0.5	-0.2	-4.0
Top 5%	87.8	86.4	87.1	88.1	88.5	87.1	88.0	-3.7	-0.3	0.2	-3.7

**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 2006 is the sum of the change from 1987 to 1993 and from 1994 to 2006.

**Table 4a. Employment-Based Health Insurance Coverage: Full-Time, Year-Round Workers, 1987-1999**  
(percent)

Percentile	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
	<b>All Full-Time, Year-Round Workers</b>												
Lowest Quintile	59.2	58.9	58.3	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
	<b>Men</b>												
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
	<b>Women</b>												
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

**Table 4b. Employment-Based Health Insurance Coverage: Full-Time, Year-Round Workers, 2000-2006**  
(percent)

Percentile	2000	2001	2002	2003	2004	2005	2006	Change in Percent, 1987-1993	Change in Percent, 1994-2000	Change in Percent, 2000-2006	Change in Percent, 1987-2006
<b>All Full-Time, Year-Round Workers</b>											
Lowest Quintile	55.9	55.9	55.2	52.0	52.5	50.9	50.6	-6.0	0.5	-5.3	-10.8
Second Quintile	78.3	76.5	74.4	74.7	74.0	73.8	72.7	-6.1	0.6	-5.6	-11.1
Third Quintile	86.1	86.5	85.4	83.9	83.7	84.1	83.4	-3.7	1.5	-2.7	-4.9
Fourth Quintile	90.2	89.9	88.7	89.0	89.0	88.4	87.7	-3.8	-0.5	-2.5	-6.8
81-95%	91.4	91.0	89.9	90.0	90.1	89.9	89.6	-4.3	-0.7	-1.9	-6.9
Top 5%	89.7	88.4	86.7	88.1	88.2	88.7	87.1	-3.8	0.8	-2.6	-5.6
<b>Men</b>											
Lowest Quintile	51.3	51.5	49.3	47.7	47.6	46.1	45.0	-7.2	1.2	-6.3	-12.3
Second Quintile	76.9	74.8	72.5	73.3	70.8	70.6	69.9	-7.3	2.5	-7.0	-11.8
Third Quintile	85.8	85.9	84.9	82.9	82.1	82.4	82.2	-5.7	1.0	-3.5	-8.2
Fourth Quintile	90.2	89.3	88.7	88.0	88.0	87.5	86.8	-4.7	-0.3	-3.4	-8.5
81-95%	91.1	90.7	89.2	88.9	89.4	89.0	88.3	-5.0	-0.5	-2.8	-8.3
Top 5%	89.0	87.7	85.8	88.1	87.5	88.1	86.1	-4.0	1.0	-2.9	-5.9
<b>Women</b>											
Lowest Quintile	58.0	58.0	57.5	54.5	55.7	55.7	55.5	-3.5	-1.1	-2.5	-7.1
Second Quintile	81.9	79.1	79.6	77.7	77.9	77.6	76.2	-4.6	1.0	-5.7	-9.3
Third Quintile	86.5	87.8	86.6	85.8	88.5	86.6	86.6	-1.3	-2.2	0.1	-3.4
Fourth Quintile	91.4	92.3	91.0	91.6	91.7	90.7	89.5	-2.1	-0.3	-1.9	-4.3
81-95%	93.6	93.8	91.5	91.9	91.6	92.9	92.8	-4.0	0.0	-0.8	-4.8
Top 5%	92.2	89.5	89.1	90.3	90.3	89.6	89.8	-3.0	0.0	-2.4	-5.4

**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 2006 is the sum of the change from 1987 to 1993 and from 1994 to 2006.

**Table 5a. Employer- or Union-Provided Pension Coverage: All Workers, 1979-1994**  
(percent)

Percentile	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
<b>All Workers</b>																
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
<b>Men</b>																
Lowest Quintile	9.1	7.9	7.2	6.7	7.1	6.7	6.8	6.8	6.6	7.4	7.5	7.9	6.9	6.2	6.6	7.9
Second Quintile	31.8	30.3	28.4	27.7	25.2	25.6	26.0	26.0	24.7	24.5	24.4	27.0	26.3	24.3	23.3	26.8
Third Quintile	56.0	54.5	52.1	51.7	50.4	51.7	51.2	51.2	46.7	45.6	48.0	47.6	47.9	46.9	46.7	48.9
Fourth Quintile	70.5	69.8	69.2	68.5	66.8	67.2	66.1	66.1	63.2	64.4	64.6	63.6	65.1	64.9	63.6	66.0
81-95%	73.3	73.9	72.1	71.9	71.8	72.3	71.2	71.2	69.7	69.7	70.0	70.8	71.9	69.9	68.8	72.5
Top 5%	63.9	64.1	63.6	62.8	63.8	65.4	62.5	62.5	60.3	62.1	60.0	60.4	61.7	64.3	60.9	64.9
<b>Women</b>																
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

**Table 5b. Employer- or Union-Provided Pension Coverage: All Workers, 1995-2006**  
(percent)

Percentile	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Change in Percent, 1979-1987	Change in Percent, 1987-2000	Change in Percent, 2000-2006	Change in Percent, 1979-2006
<b>All Workers</b>																
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	-1.8	4.9	-0.7	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	-3.9	8.3	-3.2	1.1
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	-4.8	9.0	-6.6	-2.4
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	-6.2	7.0	-7.0	-6.2
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	-4.8	2.9	-7.1	-9.1
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	-3.4	6.2	-6.8	-4.0
<b>Men</b>																
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	-2.5	4.2	-1.2	0.4
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	-7.2	6.3	-4.8	-5.6
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	-9.3	5.4	-7.5	-11.3
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	-7.3	4.9	-9.8	-12.3
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	-3.6	2.1	-7.7	-9.2
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	-3.6	7.7	-8.6	-4.5
<b>Women</b>																
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	-0.9	5.2	-0.8	3.5
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	-3.1	9.9	-2.7	4.1
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	1.7	13.5	-5.5	9.7
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	-1.7	10.2	-3.6	4.9
81-95%	71.4	72.4	71	72.3	73.1	71.3	71.9	69.3	71.2	69.3	68.4	66.7	-1.6	5.0	-4.6	-1.3
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	-6.2	2.8	-4.7	-8.2

**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 6a. Employer- or Union-Provided Pension Coverage: Full-Time, Year-Round Workers, 1979-1994**  
(percent)

Percentile	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
	<b>All Full-Time, Year-Round Workers</b>															
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	69.6	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
	<b>Men</b>															
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	46.1	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	60.1	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
	<b>Women</b>															
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	45.9	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

**Table 6b. Employer- or Union-Provided Pension Coverage: Full-Time, Year-Round Workers, 1995-2006**  
(percent)

Percentile	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Change in Percent, 1979-1987	Change in Percent, 1987-2000	Change in Percent, 2000-2006	Change in Percent, 1979-2006
<b>All Full-Time, Year-Round Workers</b>																
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	-6.8	2.6	-3.9	-8.1
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	-7.7	3.3	-8.5	-12.9
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	-6.0	3.3	-6.2	-8.9
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	-6.5	3.4	-8.4	-11.5
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	-4.2	2.9	-7.7	-9.0
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	-1.5	7.5	-6.4	-0.4
<b>Men</b>																
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	-6.1	-0.4	-3.6	-10.0
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	-10.6	2.2	-9.5	-17.9
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	-8.9	1.2	-8.4	-16.1
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	-6.0	2.8	-10.3	-13.6
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	-3.0	4.0	-8.9	-7.9
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	-2.1	8.6	-7.1	-0.5
<b>Women</b>																
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	-7.3	5.1	-1.8	-4.0
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	-1.4	7.3	-8.4	-2.5
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	-4.4	5.7	-5.0	-3.8
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	-5.3	4.8	-4.7	-5.3
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	-2.4	1.7	-5.8	-6.5
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	-7.5	4.5	-7.3	-10.3

**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 7. Gini Coefficients for All Workers and for Full-Time, Year-Round Workers, 1979-2006**

<b>Year</b>	<b>Total</b>	<b>Men</b>	<b>Women</b>
<b>A. All Workers</b>			
1979	0.40772	0.36699	0.37528
1980	0.40458	0.36412	0.37835
1981	0.41460	0.38118	0.37901
1982	0.42016	0.39090	0.38632
1983	0.42395	0.39558	0.39450
1984	0.42782	0.39854	0.40189
1985	0.42871	0.40032	0.40559
1986	0.43131	0.40484	0.40460
1987	0.42781	0.40176	0.40683
1988	0.42833	0.40340	0.40792
1989	0.42862	0.40583	0.40934
1990	0.42366	0.40144	0.40931
1991	0.42495	0.40517	0.40967
1992	0.42216	0.40455	0.40809
1993	0.43125	0.41309	0.41992
1994	0.43524	0.41660	0.42328
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
<b>B. Full-Time, Year-Round Workers</b>			
1979	0.31643	0.29432	0.25941
1980	0.31033	0.28875	0.25965
1981	0.32316	0.30657	0.26195
1982	0.32826	0.31427	0.27251
1983	0.32863	0.31627	0.27586
1984	0.33670	0.32520	0.28272
1985	0.33538	0.32558	0.28473
1986	0.33976	0.32949	0.29375
1987	0.33660	0.32673	0.29380
1988	0.33782	0.32844	0.29908
1989	0.33997	0.33139	0.30308
1990	0.33706	0.33259	0.30005
1991	0.33624	0.32979	0.30412
1992	0.33613	0.33215	0.30317
1993	0.34172	0.33803	0.31204
1994	0.34654	0.34220	0.31959
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
2000	0.40197	0.41458	0.33904



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Year	Total	Men	Women
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

**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 8a. Share of Total Weekly Earnings: All Workers, 1979-1994**  
(percent)

Percentile	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
<b>All Workers</b>																
Lowest Quintile	4.1	4.2	4	3.9	3.8	3.8	3.8	3.8	3.8	3.8	3.8	4	3.9	3.9	3.8	3.9
Second Quintile	10.3	10.4	10.2	10	9.8	9.7	9.7	9.6	9.7	9.7	9.7	9.8	9.7	9.8	9.6	9.5
Third Quintile	16.3	16.3	16.1	16	16	15.8	15.8	15.7	15.9	15.9	15.8	15.9	15.9	16	15.7	15.4
Fourth Quintile	24.4	24.6	24.3	24.3	24.3	24.3	24.1	24.1	24.1	24.2	24	23.9	24.1	24.1	23.9	23.6
81-95%	27.8	27.9	27.8	28	28.1	28.1	28	28	28.1	28	28	28	28	28.2	28.4	28.3
Top 5%	17	16.6	17.6	17.8	18	18.3	18.6	18.7	18.4	18.5	18.7	18.4	18.3	18	18.6	19.2
<b>Men</b>																
Lowest Quintile	4.8	4.8	4.5	4.3	4.2	4.1	4.2	4.2	4.2	4.2	4.2	4.4	4.3	4.3	4.1	4.3
Second Quintile	11.7	11.7	11.2	10.9	10.7	10.6	10.6	10.4	10.5	10.5	10.5	10.5	10.4	10.3	10.2	10.1
Third Quintile	17.7	17.8	17.4	17.2	17.1	17	16.8	16.7	16.8	16.7	16.5	16.5	16.5	16.5	16.2	15.9
Fourth Quintile	24.5	24.8	24.5	24.4	24.6	24.5	24.4	24.2	24.3	24.2	24.1	24	24.1	24.2	24	23.7
81-95%	26.1	26.3	26.2	26.7	26.9	26.9	26.9	26.7	27.1	26.9	27.1	27.3	27.4	27.8	28.1	28.1
Top 5%	15.3	14.7	16.2	16.5	16.6	16.9	17.2	17.7	17.1	17.5	17.6	17.3	17.3	16.9	17.4	18
<b>Women</b>																
Lowest Quintile	4.6	4.5	4.5	4.3	4.2	4.1	4.1	4.1	4.1	4	4.1	4.1	4.1	4.1	3.9	4.1
Second Quintile	11.5	11.4	11.2	10.9	10.7	10.5	10.4	10.3	10.3	10.2	10.2	10.2	10.2	10.2	10	9.9
Third Quintile	17.5	17.4	17.4	17.2	17	16.8	16.7	16.6	16.6	16.6	16.4	16.4	16.3	16.4	16.1	15.8
Fourth Quintile	24.4	24.4	24.5	24.7	24.6	24.5	24.4	24.7	24.4	24.6	24.4	24.4	24.4	24.6	24.2	23.9
81-95%	26.4	26.6	26.8	27.2	27.3	27.3	27.3	27.7	27.6	27.8	27.8	27.6	27.8	27.8	27.9	27.8
Top 5%	15.6	15.8	15.5	15.6	16.1	16.9	17.1	16.7	17	16.8	17.1	17.3	17.2	16.9	17.9	18.5

**Table 8b. Share of Total Weekly Earnings: All Workers, 1995-2006**  
(percent)

Percentile	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Change in Percent, 1980-1986	Change in Percent, 1986-1992	Change in Percent, 1992-1994	Change in Percent, 1995-1999	Change in Percent, 1999-2006	
<b>All Workers</b>																		
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	-0.4	0.2	0.0	0.3	0.0	
Second Quintile	8.9	9.1	9.1	9.1	9.3	9.2	9.1	9.1	9.1	9.2	9	9.1	-0.8	0.2	-0.3	0.4	-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	-0.6	0.2	-0.5	0.5	-0.7	
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	-0.5	0.0	-0.6	0.5	-1.0	
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	0.2	0.1	0.1	1.1	-0.9	
Top 5%	25	23.8	24.3	24.4	22.1	24.7	25.1	25.1	24.4	24.2	25.5	24.9	2.1	-0.8	1.3	-2.8	2.8	
<b>Men</b>																		
Lowest Quintile	3.8	3.9	4	4	4.1	4	4	4	4	4	3.9	4.1	-0.6	0.1	0.0	0.2	0.0	
Second Quintile	9.2	9.4	9.4	9.5	9.7	9.2	9.3	9.1	9.3	9.3	9	9.2	-1.2	-0.1	-0.3	0.5	-0.4	
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	-1.1	-0.2	-0.6	0.6	-0.9	
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	-0.7	0.0	-0.5	0.7	-1.2	
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	0.5	1.0	0.3	1.6	-0.8	
Top 5%	25.5	24.3	24.7	24.3	22	26	25.4	26.2	24.6	25	26.6	25.3	3.1	-0.8	1.1	-3.5	3.3	
<b>Women</b>																		
Lowest Quintile	3.9	4.1	4	4.1	4.2	4.2	4.1	4.1	4	4	4.1	4.1	-0.4	0.0	0.0	0.3	-0.1	
Second Quintile	9.6	9.7	9.7	9.6	9.9	10	9.6	9.9	9.6	9.8	9.7	9.5	-1.1	-0.1	-0.4	0.3	-0.4	
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	-0.8	-0.2	-0.6	0.3	-0.6	
Fourth Quintile	23	23.1	23.1	22.6	23.2	23.1	22.3	22.9	22.4	22.8	22.6	22.4	0.3	0.0	-0.7	0.2	-0.9	
81-95%	26.9	27	26.9	26.4	27.3	27	26.2	26.7	26.5	27.1	26.9	26.6	1.1	0.2	0.0	0.4	-0.7	
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	0.9	0.2	1.7	-1.5	2.6	

**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 9a. Share of Total Weekly Earnings: Full-Time, Year-Round Workers, 1979-1994**  
(percent)

Percentile	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
	<b>All Full-Time, Year-Round Workers</b>															
Lowest Quintile	7.5	7.6	7.4	7.2	7.1	6.9	7	6.8	6.9	6.9	6.8	6.9	6.9	6.9	6.7	6.7
Second Quintile	12.7	12.7	12.4	12.4	12.4	12.2	12.2	12.1	12.2	12.1	12.2	12.2	12.2	12.1	12	11.8
Third Quintile	17.3	17.4	17.2	17.1	17.1	17	17	17	17	17	16.8	16.9	17	17.1	16.9	16.7
Fourth Quintile	23.5	23.7	23.4	23.2	23.4	23.3	23.3	23.3	23.3	23.3	23.2	23.2	23.3	23.3	23.3	23.3
81-95%	25	25	24.9	25.2	25.3	25.2	25.2	25.3	25.4	25.3	25.5	25.6	25.6	25.7	26.1	26.4
Top 5%	14	13.5	14.8	14.9	14.7	15.4	15.3	15.5	15.2	15.4	15.5	15.2	15	14.9	15	15.2
	<b>Men</b>															
Lowest Quintile	7.7	7.8	7.5	7.2	7	6.8	6.9	6.8	6.9	6.9	6.9	6.8	6.8	6.7	6.7	6.6
Second Quintile	13.5	13.6	13.1	13	12.9	12.7	12.6	12.5	12.5	12.5	12.4	12.3	12.4	12.3	12.1	12
Third Quintile	18.1	18.3	17.9	17.7	17.8	17.6	17.5	17.5	17.5	17.5	17.2	17.2	17.3	17.3	17	16.9
Fourth Quintile	23.4	23.5	23.3	23.2	23.4	23.3	23.4	23.3	23.4	23.3	23.3	23.4	23.5	23.5	23.6	23.5
81-95%	24.4	24.4	24.2	24.8	24.9	24.7	24.8	25	25	25.2	25.5	25.7	25.7	26	26.4	26.7
Top 5%	12.9	12.3	14	14.1	13.9	14.8	14.8	14.9	14.6	14.7	14.7	14.6	14.2	14.2	14.2	14.3
	<b>Women</b>															
Lowest Quintile	9.2	9.1	9	8.7	8.5	8.3	8.3	8	8	7.8	7.7	7.8	7.8	7.7	7.4	7.3
Second Quintile	14.4	14.5	14.3	14.1	14	13.7	13.6	13.4	13.5	13.3	13.2	13.2	13.1	13.1	13	12.7
Third Quintile	18.2	18.2	18.2	18.1	18	18	18	17.9	17.8	17.8	17.6	17.7	17.6	17.8	17.6	17.3
Fourth Quintile	22.9	23	23.3	23.2	23.3	23.4	23.5	23.5	23.4	23.4	23.4	23.5	23.3	23.4	23.4	23.3
81-95%	23	23.1	23.3	23.4	23.6	23.7	23.9	24	24.1	24.3	24.4	24.3	24.3	24.5	24.8	24.9
Top 5%	12.2	12.1	11.9	12.6	12.6	12.9	12.8	13.3	13.3	13.5	13.7	13.5	13.8	13.5	13.9	14.4

**Table 9b. Share of Total Weekly Earnings: Full-Time, Year-Round Workers, 1995-2006**  
(percent)

Percentile	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Change in Percent, 1980-1986	Change in Percent, 1986-1992	Change in Percent, 1992-1994	Change in Percent, 1995-1999	Change in Percent, 1999-2006
<b>All Full-Time, Year-Round Workers</b>																	
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	-0.8	0.1	-0.2	0.1	-0.3
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	-0.6	0.1	-0.3	0.1	-0.7
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	-0.5	0.1	-0.4	0.4	-0.8
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	-0.4	0.0	-0.1	0.6	-0.9
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	0.3	0.4	0.6	1.1	-0.4
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	2.0	-0.7	0.3	-2.2	3.1
<b>Men</b>																	
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	-1.0	0.0	-0.2	0.1	-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	-1.0	-0.2	-0.4	0.2	-0.8
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	-0.8	-0.2	-0.4	0.4	-0.9
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	-0.2	0.2	0.0	0.8	-1.1
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	0.5	1.0	0.8	1.2	-0.2
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	2.6	-0.7	0.1	-2.7	3.3
<b>Women</b>																	
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	-1.1	-0.3	-0.3	-0.1	-0.4
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	-1.1	-0.3	-0.4	0.0	-0.8
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	-0.3	-0.1	-0.5	0.4	-1.1
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	0.4	0.0	-0.2	0.5	-0.9
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	0.9	0.6	0.4	0.7	-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	1.2	0.2	1.0	-1.4	3.5

**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.