

Decomposition of total and within-group wage inequality, 1973-2007

Year	Women				Men			
	Overall wage inequality* (1)	Between-group inequality** (2)	Within-group inequality*** (3)	Contribution of within-group inequality (3)/(1)	Overall wage inequality* (1)	Between-group inequality** (2)	Within-group inequality*** (3)	Contribution of within-group inequality (3)/(1)
1973	0.478	0.061	0.418	0.873	0.506	0.083	0.423	0.836
1979	0.446	0.044	0.402	0.901	0.506	0.078	0.428	0.847
1989	0.529	0.082	0.447	0.845	0.579	0.112	0.467	0.807
1995	0.562	0.095	0.467	0.831	0.595	0.118	0.478	0.802
2000	0.552	0.094	0.458	0.829	0.595	0.114	0.481	0.808
2007	0.586	0.102	0.484	0.827	0.620	0.119	0.501	0.808
Change								
1973-79	-0.033	-0.017	-0.016	49.1%	0.000	-0.005	0.006	n.a.****
1979-89	0.083	0.038	0.046	54.7	0.073	0.034	0.038	52.8%
1989-2000	0.023	0.012	0.011	46.6	0.016	0.002	0.014	86.3
2000-07	0.033	0.007	0.026	78.0	0.025	0.005	0.020	80.9
1979-2007	0.140	0.057	0.082	58.9	0.114	0.041	0.073	63.8
1973-2007	0.107	0.041	0.066	62.0	0.115	0.036	0.079	68.6

* Measured as standard deviation of log wages.

** Reflects changes in education, experience, race/ethnicity, marital status, and regional differentials.

*** Measured as mean square error from a standard (log) wage regression.

**** Not applicable because denominator is zero or too small.

Source: Authors' analysis of CPS ORG data.

Table 3.21 from: Mishel, Lawrence, Jared Bernstein, and Heidi Shierholz, *The State of Working America* 2008/2009. An Economic Policy Institute Book. Ithaca, N.Y.: ILR Press, an imprint of Cornell University Press, 2009.

