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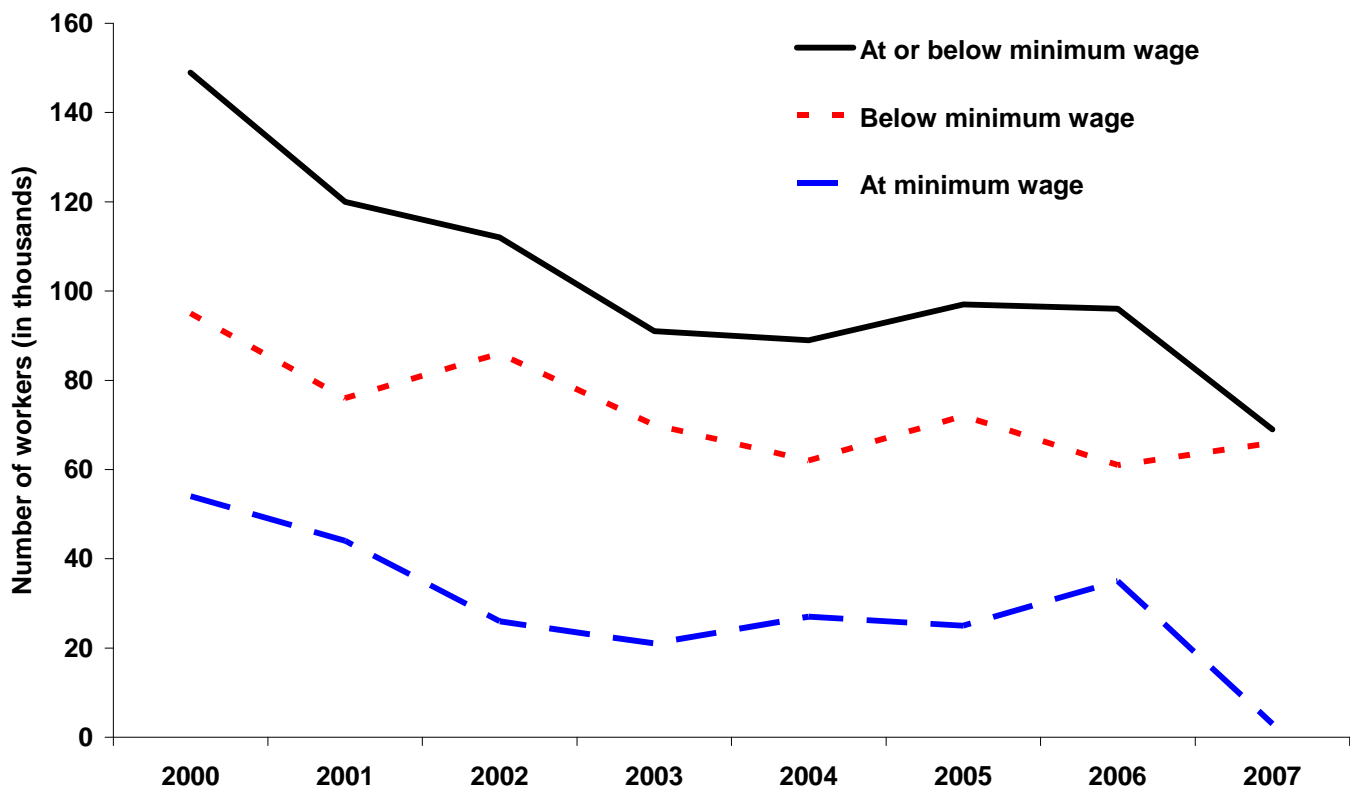
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## Minimum Wage Workers in Pennsylvania: 2007

In 2007, 69,000 hourly-paid workers in the Commonwealth of Pennsylvania had earnings at or below the Federal minimum wage<sup>1</sup>, according to the Bureau of Labor Statistics of the U.S. Department of Labor. More than 3.4 million workers in Pennsylvania were paid at hourly rates, representing 62 percent of all wage and salary workers<sup>2</sup>. Regional Commissioner Sheila Watkins noted that workers paid the Federal minimum wage or less<sup>3</sup> made up 2.0 percent of all hourly-paid workers in the Commonwealth, down from 2.8 percent in 2006. (See chart A and table 1.)

**Chart A. Employed wage and salary workers paid hourly rates with earnings at or below the prevailing Federal minimum wage in the Commonwealth of Pennsylvania, annual averages, 2000-07 (numbers in thousands)**



<sup>1</sup> On July 24, 2007, the Federal minimum wage increased to \$5.85 per hour from \$5.15 per hour. Data in this report reflect the average number of workers earning the prevailing Federal minimum wage or less for the year (those who earned \$5.15 or less from January 2007 through July 2007 and those who earned \$5.85 or less from August 2007 through the end of the year).

<sup>2</sup> Data are for wage and salary workers, excluding the incorporated self-employed, and refer to earnings on a person's sole or principal job.

<sup>3</sup> It should be noted that the presence of a sizable number of workers with reported wages below the minimum does not necessarily indicate violations of the Fair Labor Standards Act, as there are exemptions to the minimum wage provisions of the law.

According to Current Population Survey (CPS) estimates for 2007, 75.9 million workers in the United States were paid at hourly rates, representing 58.5 percent of all wage and salary workers. Of those paid by the hour, 267,000 were reported as earning exactly the prevailing Federal minimum wage. Nearly another 1.5 million were reported as earning wages below the minimum. Together, these 1.7 million workers with wages at or below the minimum made up 2.3 percent of all hourly-paid workers in the nation.

Relative to 2006, 27,000, or 28.1 percent, fewer hourly-paid workers in Pennsylvania earned at or below the federal minimum wage in 2007, with all of the decrease occurring among workers paid at the federal minimum wage. (See table A.) The minimum wage in Pennsylvania increased from \$5.15 per hour to \$6.25 per hour on January 1, 2007, then to \$7.15 per hour on July 1, 2007. Meanwhile, the prevailing federal minimum wage was \$5.15 per hour until July 24, 2007, when it rose to \$5.85 per hour.

Women accounted for 72 percent (50,000) of the hourly-paid workers who earned the prevailing Federal minimum wage or less in Pennsylvania in 2007, while men accounted for the remainder (20,000). Since 2000, the number of hourly-paid workers earning the prevailing Federal minimum wage or less in the Commonwealth fell by 80,000, with women accounting for 50,000 of the decline.

**Table A. Employed wage and salary workers<sup>1</sup> paid hourly rates with earnings at or below the prevailing Federal minimum wage in the Commonwealth of Pennsylvania, by sex, annual averages, 2000-07**

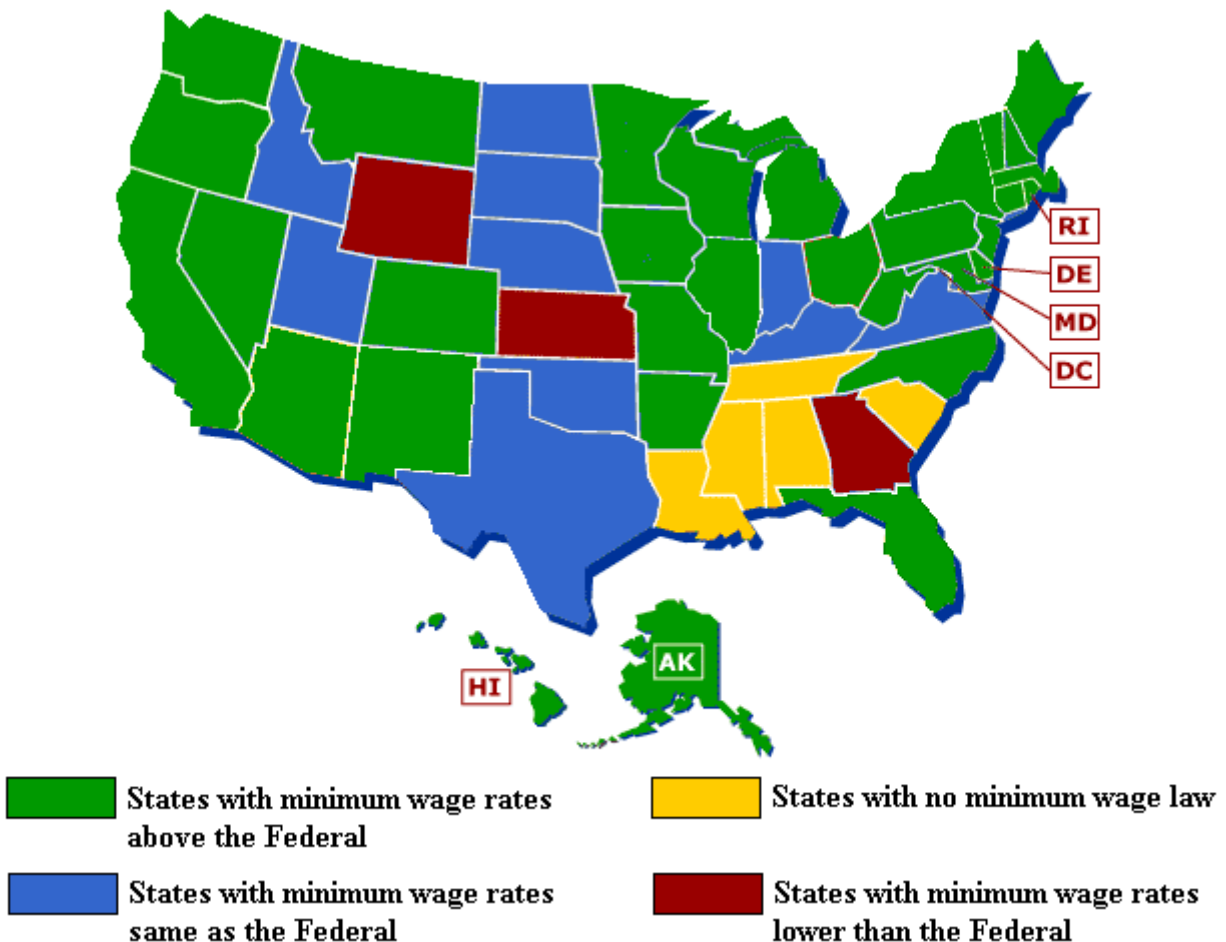
Pennsylvania	At or below minimum wage (number of workers in thousands)			All hourly-paid workers	
	Total	Below minimum wage	At minimum wage	Number of workers (thousands)	Median earnings (in dollars)
<b>Total, both sexes</b>					
2000	149	95	54	3,312	\$9.84
2001	120	76	44	3,332	10.42
2002	112	86	26	3,399	10.70
2003	91	70	21	3,243	11.00
2004	89	62	27	3,263	11.39
2005	97	72	25	3,340	11.39
2006	96	61	35	3,456	11.97
2007	69	66	3	3,434	12.21
<b>Total, men</b>					
2000	49	25	24	1,635	10.76
2001	24	11	13	1,593	11.78
2002	30	25	5	1,630	12.06
2003	26	18	8	1,553	12.12
2004	17	9	8	1,544	12.79
2005	19	15	4	1,620	12.90
2006	22	12	10	1,679	13.23
2007	20	19	1	1,669	13.98
<b>Total, women</b>					
2000	100	70	30	1,677	8.93
2001	96	65	31	1,739	9.76
2002	82	61	21	1,769	9.77
2003	65	52	13	1,690	10.11
2004	72	53	19	1,719	10.22
2005	78	57	21	1,719	10.15
2006	74	49	25	1,778	10.71
2007	50	47	3	1,765	11.06

<sup>1</sup> All self-employed persons are excluded, regardless of whether or not their business is incorporated.

Overall, employed wage and salary workers paid hourly rates in the Commonwealth had median hourly earnings<sup>4</sup> of \$12.21 in 2007; nationally, the median was \$11.95. The median hourly rates for men and for women in Pennsylvania in 2007 were \$13.98 and \$11.06, respectively. For the U.S. as a whole, the comparable figures were \$12.95 per hour for men and \$10.98 per hour for women.

Among the 50 states and the District of Columbia in 2007, Mississippi, at 4.5 percent, had the highest proportion of hourly-paid workers earning at or below the prevailing Federal minimum wage, followed by Louisiana, at 4.3 percent. Massachusetts, South Carolina, and Texas had the next highest shares, 4.0 percent each. California, Montana, Oregon, and Washington had the lowest shares, each with less than 1 percent of hourly-paid workers earning the Federal minimum or below. It should be noted that as of January 1, 2008, 32 states and the District of Columbia had laws establishing minimum wage standards that exceeded the Federal level of \$5.85 per hour. Three of these states have enacted the laws since March 2007.<sup>5</sup> These new levels went into effect on September 1, 2007, for New Hampshire and January 1, 2008, for Iowa and New Mexico. (See table 1 and chart B.)

**Chart B. Minimum wage laws in the States, January 1, 2008**



Source: U.S. Employment Standards Administration, Wage and Hour Division

<sup>4</sup> Wage rates in this release use median values. The median is the middle of a distribution: half the wages are above the median and half are below the median. The median is less sensitive to extreme wages than the mean and this makes it a better measure than the mean for highly skewed distributions.

<sup>5</sup> Minimum wage standards applicable to nonsupervisory *Nonfarm Private Sector* employment under State and Federal laws according to the U.S. Department of Labor's Employment Standards Administration Wage and Hour Division as of January 1, 2007.

### Technical Note

The Bureau of Labor Statistics' data on minimum wage earners are derived from the Current Population Survey (CPS), a nationwide sample survey of households that includes questions enabling the identification of hourly-paid workers and their hourly wage rate. Data in this summary are annual averages.

Minimum wage worker data, particularly levels, for each year are not strictly comparable with data for earlier years because of the introduction of revised population controls used in the CPS. The effect of the revised population controls on the minimum wage earner estimates is unknown. However, the effect of the new controls in 2007 on the monthly CPS estimates for the U.S. was to increase the December 2006 employment level by 153,000 and the unemployment level by 10,000. The updated controls had little or no effect on unemployment rates and other ratios. For additional information, see "Adjustments to Household Survey Population Estimates in January 2007" in the February 2007 issue of *Employment and Earnings*, available on the Internet at [www.bls.gov/cps/cps07adj.pdf](http://www.bls.gov/cps/cps07adj.pdf).

It should be noted that the presence of a sizable number of workers with reported wages below the minimum does not necessarily indicate violations of the Fair Labor Standards Act, as there are exemptions to the minimum wage provisions of the law. The estimates of the numbers of minimum and subminimum wage workers presented in the accompanying tables pertain to workers paid at hourly rates; salaried and other non-hourly workers are excluded. As such, the actual number of workers with earnings at or below the prevailing minimum is undoubtedly understated. Research has shown that a relatively smaller number and share of salaried workers and others not paid by the hour have earnings that, when translated into hourly rates, are at or below the minimum wage. However, BLS does not routinely estimate hourly earnings for non-hourly workers because of data concerns that arise in producing these estimates. For further information, see Steven Haugen and Earl Mellor, "Estimating the number of minimum wage workers," *Monthly Labor Review*, January 1990 at [www.bls.gov/opub/mlr/1990/01/rpt1full.pdf](http://www.bls.gov/opub/mlr/1990/01/rpt1full.pdf).

The prevailing Federal minimum wage was \$2.90 in 1979, \$3.10 in 1980, and \$3.35 in 1981-89. The minimum wage rose to \$3.80 in April 1990, \$4.25 in April 1991, \$4.75 in October 1996, and \$5.15 in September 1997. On July 24, 2007, the Federal minimum wage increased to \$5.85 per hour from \$5.15 per hour. Data in this report reflect the average number of workers earning the prevailing Federal minimum wage or less for the year (those who earned \$5.15 or less from January 2007 through July 2007 and those who earned \$5.85 or less from August 2007 through the end of the year).

For personal assistance or further information on minimum wage workers, as well as other Bureau data, contact the Mid-Atlantic Information Office at 215-597-3282 from 8:30 a.m. to 12:00 p.m. and 1:00 p.m. to 3:30 p.m. ET. Information on the Current Population Survey and other surveys and programs is available on our Web site at [www.bls.gov/ro3/](http://www.bls.gov/ro3/). Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200, TDD message referral phone number: 1-800-877-8339.

**Table 1. Employed wage and salary workers paid hourly rates with earnings at or below the prevailing Federal minimum wage by State, 2007 annual averages**

State	Number of workers (in thousands)				Percent distribution				Percent of workers paid hourly rates		
	Total paid hourly rates	At or below minimum wage			Total paid hourly rates	At or below minimum wage			At or below minimum wage		
		Total	At minimum wage	Below minimum wage		Total	At minimum wage	Below minimum wage	Total	At minimum wage	Below minimum wage
Total, 16 years and over	75,873	1,729	267	1,462	100.0	100.0	100.0	100.0	2.3	0.4	1.9
Alabama	1,132	37	14	23	1.5	2.1	5.2	1.6	3.3	1.2	2.0
Alaska	197	2	-	2	0.3	0.1	-	0.1	1.0	-	1.0
Arizona	1,560	28	2	26	2.1	1.6	0.7	1.8	1.8	0.1	1.7
Arkansas	677	17	1	16	0.9	1.0	0.4	1.1	2.5	0.1	2.4
California	8,785	74	9	65	11.6	4.3	3.4	4.4	0.8	0.1	0.7
Colorado	1,164	25	1	24	1.5	1.4	0.4	1.6	2.1	0.1	2.1
Connecticut	923	14	-	14	1.2	0.8	-	1.0	1.5	-	1.5
Delaware	234	5	-	5	0.3	0.3	-	0.3	2.1	-	2.1
District of Columbia	109	3	1	2	0.1	0.2	0.4	0.1	2.8	0.9	1.8
Florida	4,261	114	15	99	5.6	6.6	5.6	6.8	2.7	0.4	2.3
Georgia	2,216	70	11	59	2.9	4.0	4.1	4.0	3.2	0.5	2.7
Hawaii	338	4	-	4	0.4	0.2	-	0.3	1.2	-	1.2
Idaho	424	12	4	8	0.6	0.7	1.5	0.5	2.8	0.9	1.9
Illinois	3,335	74	3	71	4.4	4.3	1.1	4.9	2.2	0.1	2.1
Indiana	1,826	36	7	29	2.4	2.1	2.6	2.0	2.0	0.4	1.6
Iowa	933	24	2	22	1.2	1.4	0.7	1.5	2.6	0.2	2.4
Kansas	796	25	5	20	1.0	1.4	1.9	1.4	3.1	0.6	2.5
Kentucky	1,152	35	9	26	1.5	2.0	3.4	1.8	3.0	0.8	2.3
Louisiana	937	40	17	23	1.2	2.3	6.4	1.6	4.3	1.8	2.5
Maine	399	9	-	9	0.5	0.5	-	0.6	2.3	-	2.3
Maryland	1,317	27	2	25	1.7	1.6	0.7	1.7	2.1	0.2	1.9
Massachusetts	1,505	60	2	58	2.0	3.5	0.7	4.0	4.0	0.1	3.9
Michigan	2,678	58	1	57	3.5	3.4	0.4	3.9	2.2	0.0	2.1
Minnesota	1,565	21	2	19	2.1	1.2	0.7	1.3	1.3	0.1	1.2
Mississippi	691	31	16	15	0.9	1.8	6.0	1.0	4.5	2.3	2.2
Missouri	1,577	33	3	30	2.1	1.9	1.1	2.1	2.1	0.2	1.9
Montana	289	1	-	1	0.4	0.1	-	0.1	0.3	-	0.3
Nebraska	553	17	3	14	0.7	1.0	1.1	1.0	3.1	0.5	2.5
Nevada	747	12	3	9	1.0	0.7	1.1	0.6	1.6	0.4	1.2
New Hampshire	372	9	1	8	0.5	0.5	0.4	0.5	2.4	0.3	2.2
New Jersey	1,697	29	4	25	2.2	1.7	1.5	1.7	1.7	0.2	1.5
New Mexico	479	11	2	9	0.6	0.6	0.7	0.6	2.3	0.4	1.9
New York	4,078	88	7	81	5.4	5.1	2.6	5.5	2.2	0.2	2.0
North Carolina	2,156	46	4	42	2.8	2.7	1.5	2.9	2.1	0.2	1.9
North Dakota	191	5	2	3	0.3	0.3	0.7	0.2	2.6	1.0	1.6
Ohio	3,422	79	5	74	4.5	4.6	1.9	5.1	2.3	0.1	2.2
Oklahoma	849	25	10	15	1.1	1.4	3.7	1.0	2.9	1.2	1.8
Oregon	1,050	9	2	7	1.4	0.5	0.7	0.5	0.9	0.2	0.7
Pennsylvania	3,434	69	3	66	4.5	4.0	1.1	4.5	2.0	0.1	1.9
Rhode Island	315	7	-	7	0.4	0.4	-	0.5	2.2	-	2.2
South Carolina	1,178	47	10	37	1.6	2.7	3.7	2.5	4.0	0.8	3.1
South Dakota	241	6	1	5	0.3	0.3	0.4	0.3	2.5	0.4	2.1
Tennessee	1,602	39	10	29	2.1	2.3	3.7	2.0	2.4	0.6	1.8
Texas	5,585	221	46	175	7.4	12.8	17.2	12.0	4.0	0.8	3.1
Utah	748	11	1	10	1.0	0.6	0.4	0.7	1.5	0.1	1.3
Vermont	181	4	-	4	0.2	0.2	-	0.3	2.2	-	2.2
Virginia	1,761	46	5	41	2.3	2.7	1.9	2.8	2.6	0.3	2.3
Washington	1,844	17	3	14	2.4	1.0	1.1	1.0	0.9	0.2	0.8
West Virginia	478	16	9	7	0.6	0.9	3.4	0.5	3.3	1.9	1.5
Wisconsin	1,730	32	4	28	2.3	1.9	1.5	1.9	1.8	0.2	1.6
Wyoming	164	4	1	3	0.2	0.2	0.4	0.2	2.4	0.6	1.8

NOTE: Data exclude all self-employed persons regardless of whether or not their businesses are incorporated. Users are reminded that these data are based on a sample and are therefore subject to sampling error; the degree of error may be quite large for less populous States. It is not possible to clearly determine whether workers surveyed in the CPS are actually covered by the Fair Labor Standards Act (FLSA) or by individual State minimum wage laws. Thus, some workers reported as earning the prevailing minimum wage may not in fact be covered by Federal or State minimum wage laws. At the same time, the presence of a sizable number of workers with wages below the prevailing Federal minimum wage does not necessarily indicate violations of the FLSA or applicable State laws, because there are numerous exclusions and exemptions to these minimum wage statutes. Dash indicates no data or data that do not meet publication criteria.