

# Regional Report

## Proportions of workers in selected pay ranges, by region and State

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Differences among States in the share of workers earning the Federal minimum wage or less are a function of the occupational distribution and prevailing wages in each State, as well as of the existence of a wide range of minimum wage provisions at the State level. In particular, some States set minimum wage rates above the Federal minimum, currently \$5.15 an hour.

In 2002, 3.0 percent of U.S. wage and salary workers who were paid hourly rates earned the Federal minimum wage of \$5.15

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or less. The South recorded the highest percentage of workers earning in this range, 3.7 percent, while the West registered the lowest share, 1.8 percent. Among the nine geographic divisions, the West South Central reported the largest percentage, 4.3 percent, whereas the Pacific division had the smallest, 1.0 percent.

Twenty-six States—including all those in the Middle Atlantic and West South Central divisions—recorded higher percentages of workers paid \$5.15 or less in 2002 than did the United States as a whole. Meanwhile, 21 States—including all those in New England and the Pacific division—had relatively few workers earning in that range.

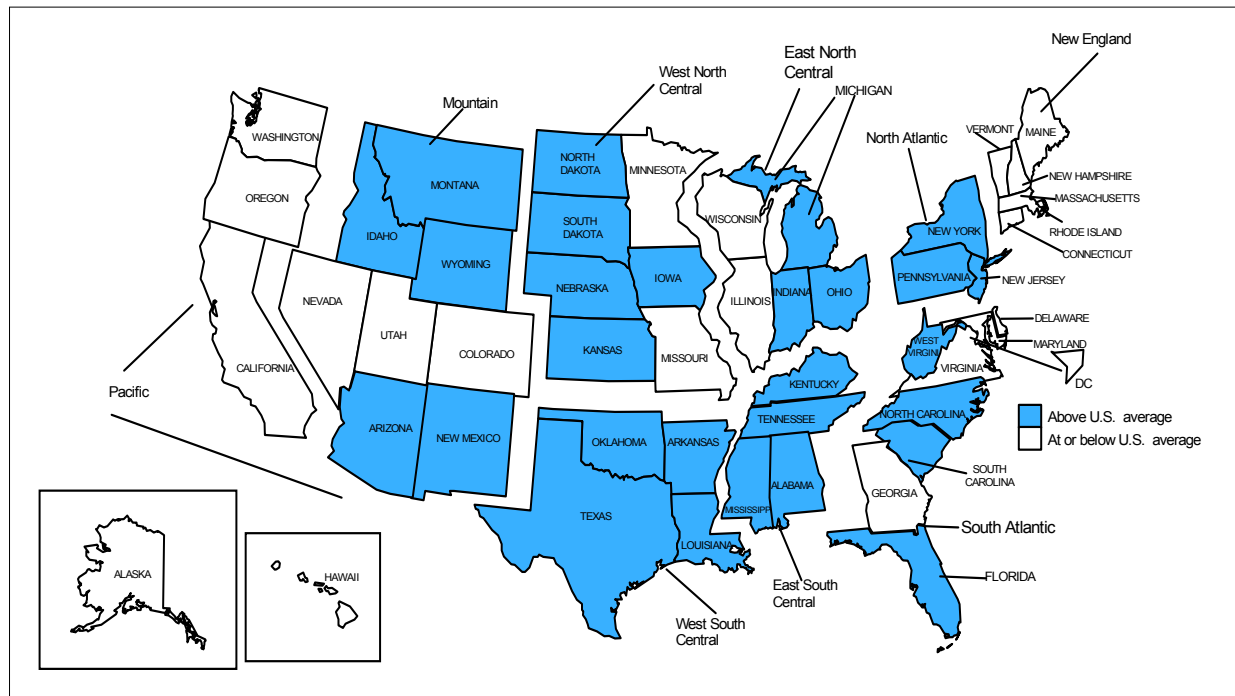
Four southern States reported the largest shares of hourly workers earning the Federal minimum wage or less: West Virginia (5.6 percent), Mississippi (5.3 percent), and Arkansas and Louisiana (5.2 percent each). In contrast, four Pacific

division states—Alaska, California, Oregon, and Washington—registered the smallest proportions, ranging from 0.7 percent to 1.2 percent. All 10 states with minimum wages set above the Federal level recorded smaller shares of workers earning in this low range than the national figure of 3.0 percent.

Although California has by far the largest employment total among the States, it was not in the top five in terms of low wage employment. The largest numbers of workers earning the Federal minimum wage or less lived in Texas (207,000), Florida (145,000), New York (136,000), Ohio (125,000), and Pennsylvania (116,000). California had 85,000 persons earning \$5.15 or less.

In a higher wage range, 81.1 percent of hourly paid workers in the United States earned at least \$7.15 in 2002. The Northeast had the highest share of workers paid in this range, 83.3 percent, while the South

**Chart 1. States' shares of workers paid hourly rates with earnings at or below prevailing Federal minimum wage of \$5.15 per hour, compared with U.S. average of 3.0 percent, annual averages, 2002**



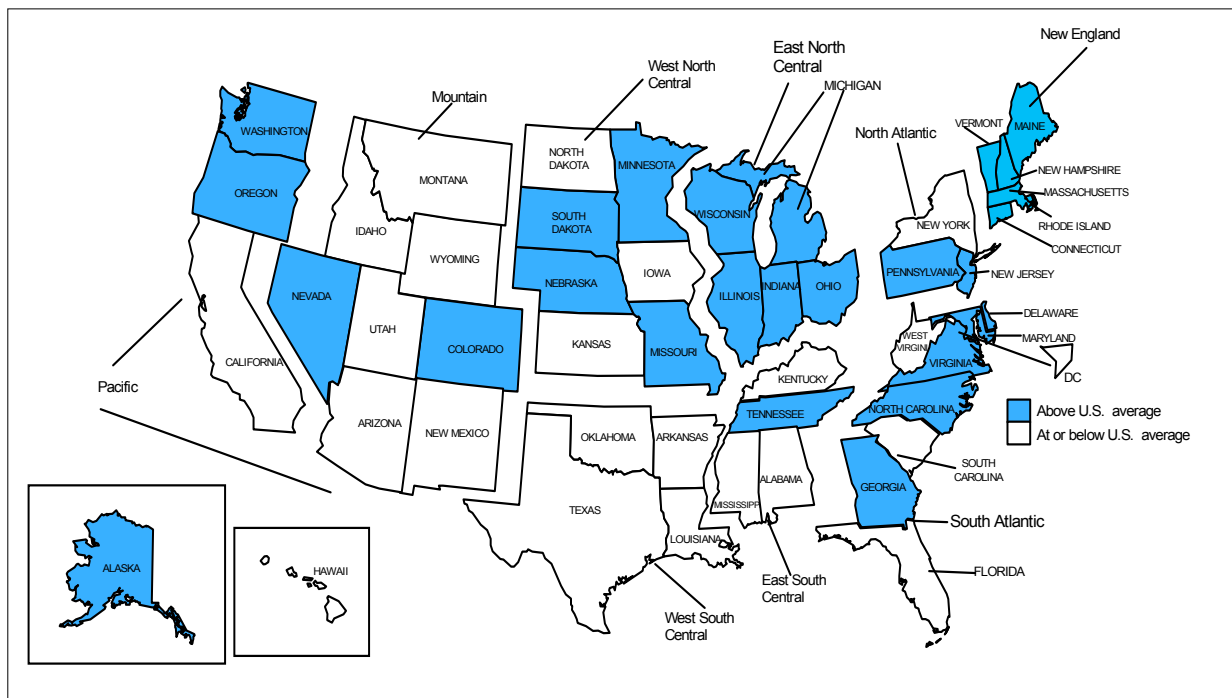
**Table 1. Employed wage and salary workers paid hourly rates with earnings at or below the prevailing Federal minimum wage of \$5.15 per hour and at or above \$7.15 per hour, by geographical region and division and by State, annual averages, 2002**

Region, division, and State	Number of workers paid hourly rates (in thousands)			Percent of workers paid hourly rates	
	Total	At or below \$5.15	At or above \$7.15	At or below \$5.15	At or above \$7.15
United States .....	72,720	2,168	59,012	3.0	81.1
Northeast .....	13,164	408	10,966	3.1	83.3
New England .....	3,817	85	3,327	2.2	87.1
Connecticut .....	882	15	777	1.7	88.1
Maine .....	391	11	333	2.8	85.3
Massachusetts .....	1,682	38	1,469	2.3	87.3
New Hampshire .....	383	10	342	2.6	89.5
Rhode Island .....	291	8	242	2.7	83.3
Vermont .....	189	4	164	2.1	86.8
Middle Atlantic .....	9,347	323	7,639	3.5	81.7
New Jersey .....	1,920	72	1,622	3.8	84.5
New York .....	4,030	136	3,233	3.4	80.2
Pennsylvania .....	3,397	116	2,784	3.4	81.9
Midwest .....	18,797	570	15,614	3.0	83.1
East North Central .....	12,955	403	10,763	3.1	83.1
Illinois .....	3,169	97	2,573	3.1	81.2
Indiana .....	1,802	54	1,484	3.0	82.4
Michigan .....	2,884	88	2,420	3.1	83.9
Ohio .....	3,323	125	2,743	3.8	82.5
Wisconsin .....	1,776	37	1,543	2.1	86.9
West North Central .....	5,842	166	4,851	2.8	83.0
Iowa .....	900	29	728	3.2	80.9
Kansas .....	784	24	630	3.1	80.4
Minnesota .....	1,608	32	1,392	2.0	86.6
Missouri .....	1,610	48	1,344	3.0	83.5
Nebraska .....	515	18	419	3.5	81.3
North Dakota .....	192	8	147	4.2	76.4
South Dakota .....	234	7	191	3.0	81.8
South .....	24,324	901	19,017	3.7	78.2
South Atlantic .....	12,500	411	10,086	3.3	80.7
Delaware .....	201	5	171	2.5	85.2
District of Columbia .....	117	4	100	3.4	85.8
Florida .....	3,851	145	3,027	3.8	78.6
Georgia .....	1,972	55	1,619	2.8	82.1
Maryland .....	1,347	35	1,145	2.6	85.0
North Carolina .....	2,043	64	1,660	3.1	81.2
South Carolina .....	930	31	745	3.3	80.1
Virginia .....	1,596	46	1,298	2.9	81.3
West Virginia .....	443	25	321	5.6	72.4
East South Central .....	4,256	161	3,336	3.8	78.4
Alabama .....	1,054	36	807	3.4	76.6
Kentucky .....	1,061	49	831	4.6	78.3
Mississippi .....	640	34	476	5.3	74.3
Tennessee .....	1,499	43	1,222	2.9	81.5
West South Central .....	7,568	329	5,595	4.3	73.9
Arkansas .....	653	34	457	5.2	70.0
Louisiana .....	1,034	54	770	5.2	74.5
Oklahoma .....	869	34	649	3.9	74.7
Texas .....	5,013	207	3,719	4.1	74.2
West .....	16,436	288	13,415	1.8	81.6
Mountain .....	4,939	172	3,979	3.5	80.6
Arizona .....	1,293	52	1,021	4.0	79.0
Colorado .....	1,141	34	978	3.0	85.7
Idaho .....	378	15	293	4.0	77.5
Montana .....	241	7	183	2.9	75.9
Nevada .....	612	15	507	2.5	83.0
New Mexico .....	488	23	369	4.7	75.6
Utah .....	644	17	516	2.6	80.0
Wyoming .....	141	5	112	3.5	79.0
Pacific .....	11,497	116	9,436	1.0	82.1
Alaska .....	190	2	171	1.1	90.2
California .....	8,441	85	6,810	1.0	80.7
Hawaii .....	293	6	235	2.0	80.1
Oregon .....	924	11	779	1.2	84.3
Washington .....	1,648	12	1,441	.7	87.4

NOTE: The source of the data in this table is the Current Population Survey (CPS). Earnings data are collected from the outgoing rotation groups only (one-quarter of the CPS sample). Data exclude the incorporated self-employed. 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. The number and percent distribution of workers paid hourly rates at or above \$7.15 for regions and divisions were derived from

State totals and may therefore include slight rounding error. It is not possible to determine definitively whether workers surveyed in the CPS are actually covered by the Fair Labor Standards Act or by individual State minimum wage laws. Thus, the presence of workers with wages below the prevailing Federal minimum wage does not necessarily indicate violations of the Act or of applicable State laws, because numerous exclusions and exemptions pertain to the minimum wage statutes.

**Chart 2. States' shares of workers paid hourly rates with earnings of at least \$7.15 per hour, compared with U.S. average of 81.1 percent, annual averages, 2002**



registered the lowest share, 78.2 percent. Of the nine divisions, New England reported the largest proportion of workers earning these higher wages, 87.1 percent, with all of its component States recording percentages above the national average. Meanwhile, below-average shares were found in all States in the West South Central division, which, as a whole, had the lowest percentage of workers earning in the higher range, 73.9 percent.

At the State level, Alaska had the highest percentage (90.2 percent) of

hourly workers earning \$7.15 or more, followed closely by New Hampshire (89.5 percent). A total of 13 States reported at least 85.0 percent of hourly workers paid in this range. Of these States, which included 5 in New England and 3 in the South Atlantic division, 7 had minimum wages set above the Federal level.

Arkansas reported the lowest percentage (70.0 percent) of hourly workers earning at least \$7.15. The other five States reporting shares below 75.0 percent also were located in the South: Louisiana,

Mississippi, Oklahoma, Texas, and West Virginia. As mentioned earlier, four of these six southern states had the largest proportions of workers earning the minimum wage or less.

Table 1 shows the number and percent distribution of hourly paid workers with earnings at or below \$5.15 and the number and percent of those with earnings at or above \$7.15. Charts 1 and 2 display the States' shares of workers with earnings in each of those wage ranges, compared with the U.S. average. □