

Proportion of workers in selected pay ranges by region and State, 2005

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State differences in the distribution of workers earning hourly rates above or below the Federal minimum wage of \$5.15 are a function not only of the occupational distribution and prevailing wages in each State, but also of the widely ranging State minimum wage provisions above the current Federal minimum.¹ Since the last

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regional report on State pay ranges was issued with 2002 data,² some States that previously did not have minimum wage provisions have added them, while others have begun indexing existing State minimum wage requirements to provide annual increases. Several States that have not had minimum wage laws held referendums in 2006, allowing voters to determine whether their State should have provisions beyond the Federal minimum wage.

In 2005, 2.5 percent of the 75.6 million U.S. wage and salary workers who were paid hourly rates earned the Federal minimum wage of \$5.15 or less, down from 2.7 percent of such workers in 2004, 2.9 percent in 2003, and 3.0 percent in 2002. Among the census regions, the South recorded the highest proportion of work-

ers with earnings in this range, 3.1 percent, and the West registered the lowest share, 1.5 percent. Among the nine census geographic divisions, the West South Central reported the largest percentage at or below \$5.15, 3.4 percent, while the Pacific had the smallest, 0.9 percent. (See table 1.)

Twenty-nine States—including all of those in the South except Delaware and Maryland—recorded higher percentages of workers paid \$5.15 or less in 2005 than did the United States as a whole. In contrast, 21 States—including all of those in the Pacific and two-thirds of those in New England—and the District of Columbia had shares of workers earning at or below the Federal minimum wage that were smaller than the U.S. share. (See chart 1.) The largest proportions of hourly

Table 1. 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, division, and State, annual averages, 2005

Region, division, and State	Number of workers paid hourly rates (in thousands)			Percent paid hourly rates	
	Total	At or below \$5.15 per hour	At or above \$7.15 per hour	At or below \$5.15 per hour	At or above \$7.15 per hour
United States	75,609	1,882	64,356	2.5	85.1
Northeast	13,284	302	11,512	2.3	86.7
New England	3,836	71	3,459	1.9	90.2
Connecticut	892	9	825	1.0	92.5
Maine	409	8	365	2.0	89.1
Massachusetts	1,666	31	1,496	1.9	89.8
New Hampshire	377	11	340	2.9	90.2
Rhode Island	309	8	268	2.6	86.8
Vermont	182	3	165	1.6	91.0
Middle Atlantic	9,448	232	8,053	2.5	85.2
New Jersey	1,922	40	1,677	2.1	87.2
New York	4,186	95	3,532	2.3	84.4
Pennsylvania	3,340	97	2,844	2.9	85.2
Midwest	18,879	502	16,168	2.7	85.6
East North Central	13,015	341	11,174	2.6	85.9
Illinois	3,207	77	2,726	2.4	85.0
Indiana	1,794	37	1,571	2.1	87.6
Michigan	2,869	88	2,443	3.1	85.2
Ohio	3,403	111	2,890	3.3	84.9
Wisconsin	1,743	27	1,544	1.5	88.6
West North Central	5,864	160	4,994	2.7	85.2
Iowa	922	20	786	2.2	85.2
Kansas	770	27	636	3.5	82.6
Minnesota	1,593	29	1,415	1.8	88.8
Missouri	1,613	56	1,333	3.5	82.7
Nebraska	544	17	469	3.1	86.2
North Dakota	183	4	150	2.2	82.2
South Dakota	240	9	205	3.8	85.2
South	26,138	813	21,591	3.1	82.6
South Atlantic	13,578	388	11,531	2.9	84.9
Delaware	219	4	193	1.8	88.0
District of Columbia	110	2	99	1.8	90.6
Florida	4,404	117	3,714	2.7	84.3
Georgia	2,060	66	1,767	3.2	85.8
Maryland	1,318	28	1,162	2.1	88.2

Table 1. Continued—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, division, and State, annual averages, 2005

Region, division, and State	Number of workers paid hourly rates (in thousands)			Percent paid hourly rates	
	Total	At or below \$5.15 per hour	At or above \$7.15 per hour	At or below \$5.15 per hour	At or above \$7.15 per hour
North Carolina	2,176	58	1,856	2.7	85.3
South Carolina	1,073	34	884	3.2	82.4
Virginia	1,753	60	1,487	3.4	84.8
West Virginia	466	20	369	4.3	79.3
East South Central	4,442	145	3,666	3.3	82.5
Alabama	1,152	36	926	3.1	80.4
Kentucky	1,120	35	946	3.1	84.5
Mississippi	664	23	534	3.5	80.4
Tennessee	1,506	51	1,260	3.4	83.6
West South Central	8,118	279	6,394	3.4	78.8
Arkansas	700	25	561	3.6	80.1
Louisiana	1,109	42	857	3.8	77.2
Oklahoma	841	36	676	4.3	80.3
Texas	5,467	176	4,300	3.2	78.7
West	17,309	266	15,087	1.5	87.2
Mountain	5,237	158	4,437	3.0	84.7
Arizona	1,396	47	1,183	3.4	84.8
Colorado	1,131	34	1,007	3.0	89.0
Idaho	415	12	340	2.9	81.8
Montana	278	6	224	2.2	80.5
Nevada	684	19	587	2.8	85.7
New Mexico	505	18	406	3.6	80.4
Utah	677	16	565	2.4	83.4
Wyoming	150	4	125	2.7	82.9
Pacific	12,071	108	10,650	.9	88.2
Alaska	192	1	185	.5	96.1
California	8,846	82	7,620	.9	86.1
Hawaii	341	4	297	1.2	87.0
Oregon	959	10	910	1.0	94.9
Washington	1,733	10	1,638	.6	94.5

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 therefore may include slight rounding error. It is not possible to determine definitely 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.

workers earning \$5.15 or less were reported in Oklahoma and West Virginia, 4.3 percent each, followed by Louisiana and South Dakota, 3.8 percent each; Arkansas and New Mexico, 3.6 percent each; and Kansas, Mississippi, and Missouri, 3.5 percent each. The largest numbers of workers earning the Federal minimum wage or less lived in Texas (176,000), Florida (117,000), Ohio (111,000), Pennsylvania (97,000), New York (95,000), Michigan (88,000), and California (82,000).

Pacific division States generally had

the lowest proportions of workers earning \$5.15 or less—Alaska, 0.5 percent; Washington, 0.6 percent; California, 0.9 percent; and Oregon, which tied with Connecticut at 1.0 percent. All 14 of the States and the District with minimum wage provisions above the Federal minimum had lower shares of workers earning \$5.15 or less than did the United States, with the exception of Rhode Island, which was slightly above the U.S. share at 2.6 percent.

In a higher wage group, 85.1 percent of U.S. workers paid by the hour earned

at least \$7.15 in 2005. Among regions, the West had the highest share of workers, 87.2 percent, paid in this range, while the South registered the lowest share, 82.6 percent. Among the nine divisions, New England reported the largest proportion of workers, 90.2 percent, earning at or above \$7.15 per hour, with all six States recording shares above the national average. The West South Central division had the lowest proportion of workers in this range, 78.8 percent, with all four States below the U.S. average.

Among the States, Alaska had the

Chart 1. Shares of workers paid \$5.15 per hour or less by State compared with the United States, 2005 annual averages

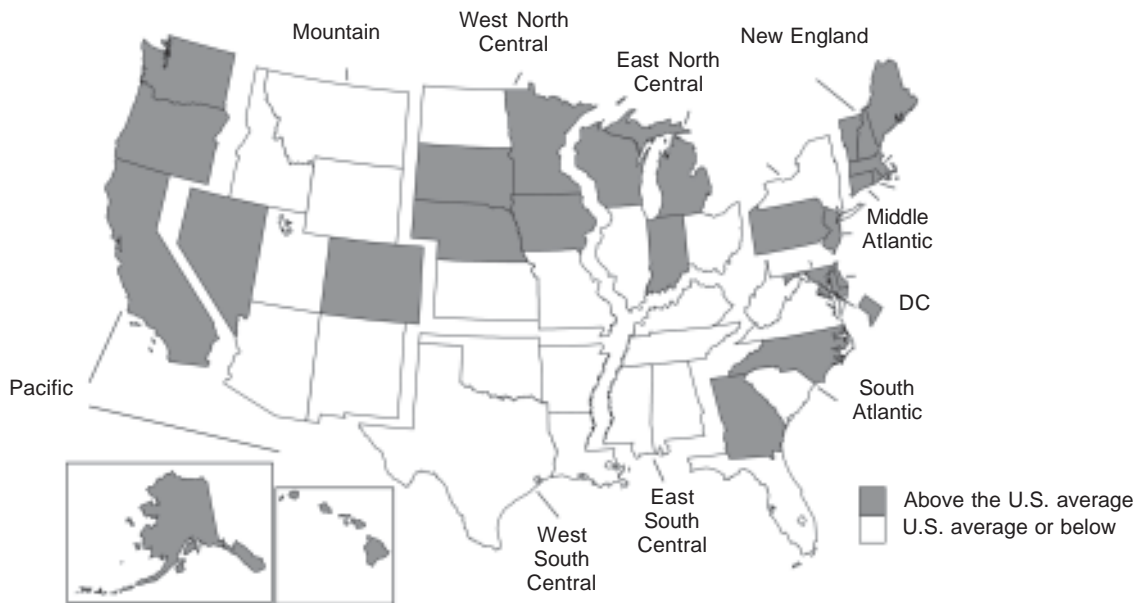
(U.S. average = 2.5 percent)



NOTE: "Workers" refers to those paid hourly rates.

Chart 2. Shares of workers paid at least \$7.15 per hour by State compared with the United States, 2005 annual averages

(U.S. average = 85.1 percent)



NOTE: "Workers" refers to those paid hourly rates.

highest percentage, 96.1 percent, of hourly workers earning \$7.15 or more in 2005, followed by Oregon, 94.9 percent; Washington, 94.5 percent; and Connecticut, 92.5 percent. Twenty-six States and the District of Columbia reported higher shares in this pay range than did the United States, including 12 of the 14 places with minimum wage provisions in effect in 2005 that were higher than the Federal minimum wage.³ (See chart 2.)

Louisiana reported the lowest proportion, 77.2 percent, of hourly workers earning at least \$7.15. Six additional States in the South, along with New

Mexico, reported the next lowest proportions—Texas, 78.7 percent; West Virginia, 79.3 percent; Arkansas, 80.1 percent; Oklahoma, 80.3 percent; and New Mexico, Mississippi, and Alabama, 80.4 percent each. As noted earlier, these States were also among those with the highest shares of workers earning \$5.15 per hour or less. □

Notes

¹ State minimum wage provisions vary from the Federal provisions not only in hourly wage rates, but in size of establishment covered (number employed or

annual revenue), youth provisions, and other factors.

² See “Proportions of workers in selected pay ranges, by region and State,” Marie-Claire Guillard, *Monthly Labor Review*, September 2003, pp. 41–3.

³ The States and the District with minimum wage laws in effect in 2005 with provisions higher than \$5.15 per hour were Alaska, California, Connecticut, Delaware, Hawaii, Illinois, Maine, Massachusetts, New York, Oregon, Rhode Island, Vermont, Washington, and the District of Columbia. Florida enacted minimum wage legislation beginning in 2006, while a number of States increased existing minimum wage levels effective in 2006. Florida, Oregon, and Washington now have laws stipulating automatic annual increases in the minimum wage.