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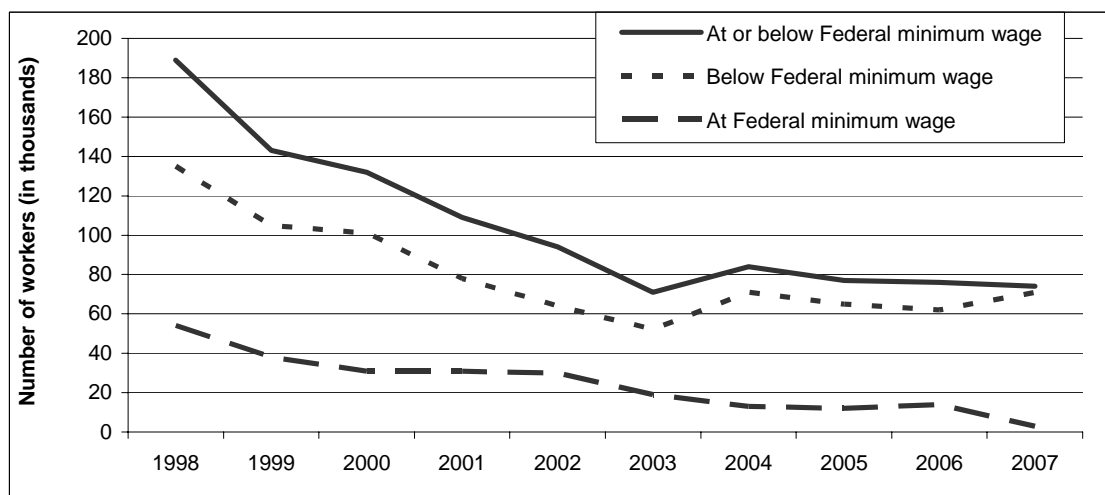
Friday, July 25, 2008

MINIMUM WAGE WORKERS IN ILLINOIS: 2007

In 2007, 74,000 hourly-paid workers in Illinois had earnings at or below the Federal minimum wage¹, according to the U.S. Department of Labor's Bureau of Labor Statistics. Regional Commissioner Jay A. Mousa noted that workers paid at or below the Federal minimum in Illinois accounted for 2.2 percent of the 3.3 million hourly-paid workers in the State². The workers paid at hourly rates represented 57.5 percent of the State's wage and salary workers³.

The number of hourly-paid workers at or below the Federal minimum in Illinois has declined almost continuously since 1998 when 189,000 workers fell into that wage bracket. However, the overall rate of decline has slowed considerably since 2004. (See chart A.)

Chart A. Employed wage and salary workers paid hourly rates with earnings at or below the Federal minimum wage in Illinois, annual averages, 1998-2007



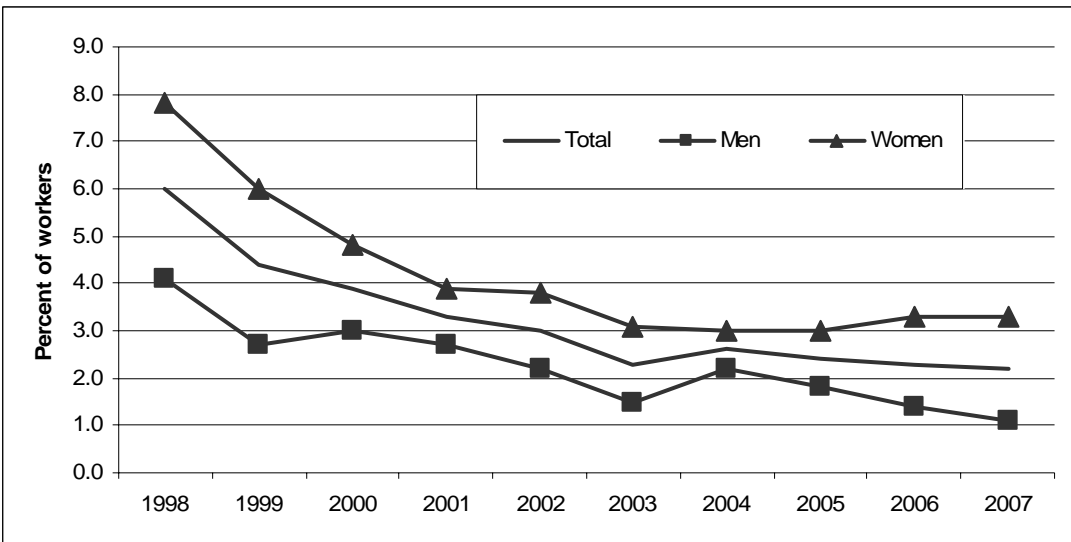
¹ On July 24, 2007, the Federal minimum wage increased to \$5.85 per hour from \$5.15 per hour. Data in this report reflect the average number of workers earning the prevailing Federal minimum wage or less for the year—those who earned \$5.15 or less from January 2007 through July 2007 and those who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

² 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.

³ Data are for wage and salary workers, excluding the incorporated self-employed, and refer to earnings on a person's sole or principal job.

According to Current Population Survey (CPS) estimates for 2007, 75.9 million workers in the United States were paid at hourly rates, representing about 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 1.5 million were reported as earning wages below the minimum. Together, these 1.7 million workers with wages at or below the Federal minimum made up 2.3 percent of all hourly-paid workers.

Chart B. Percentage of employed wage and salary workers paid hourly rates with earnings at or below the prevailing Federal minimum wage in Illinois, by sex, annual averages, 1998-2007



Women accounted for 55,000, almost three-fourths of all hourly-paid workers who earned the prevailing Federal minimum wage or less in Illinois in 2007, and men numbered 19,000. The numbers for both these groups have decreased since 1998--70 percent for men and 56 percent for women. (See table A.) Matching these numerical declines was the drop in the respective percentages of workers earning the Federal minimum wage or less. In 1998, 7.8 percent of all women paid hourly wages and 4.1 percent of all men earned the Federal minimum wage or less; by 2007, these proportions had fallen considerably—to 3.3 percent for women and 1.1 percent for men. However, it should be noted that the downward trend among women halted in 2004, whereas the number of men with wages at or below the Federal minimum continued to decline during the last three years.

Overall, Illinois wage and salary workers paid hourly rates⁴ had median hourly earnings of \$11.94 in 2007; nationally, the median was \$11.95. The median hourly rates for men and for women in Illinois in 2007 were \$12.96 and \$10.98, respectively. (See table A.) For the United States as a whole, the comparable figures were \$12.95 for men and \$10.98 for women.

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

Table A. Employed wage and salary workers paid hourly rates with earnings at or below the Federal minimum wage, and median earnings of all hourly-paid workers in Illinois, annual averages, 1998-2007

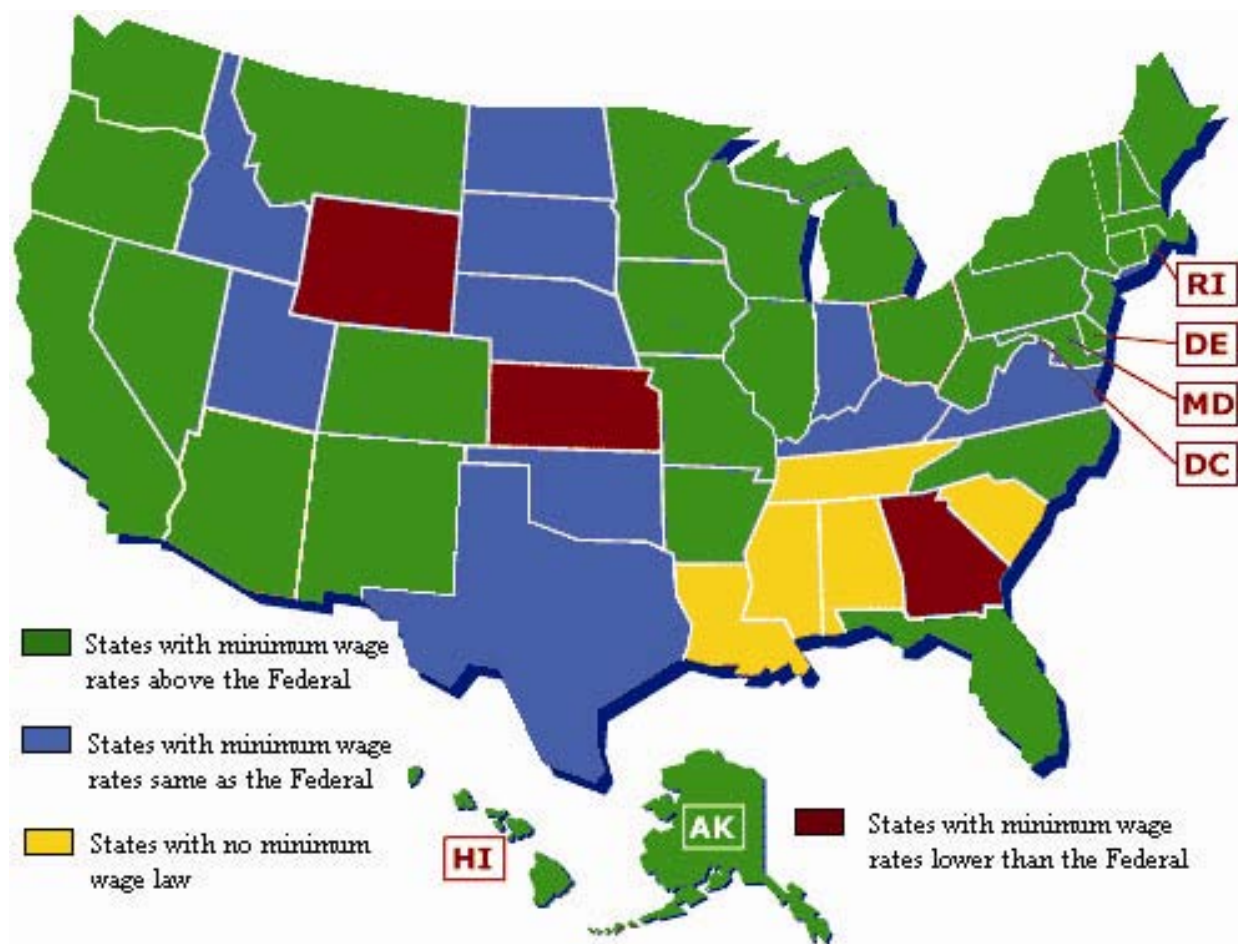
Illinois	At or below Federal minimum wage (number of workers in thousands)			All hourly-paid workers	
	Total	Below Prevailing	At Prevailing	Number of Workers (in thousands)	Median Earnings (in dollars)
Total					
1998	189	135	54	3,160	\$9.17
1999	143	105	38	3,261	9.87
2000	132	101	31	3,385	9.96
2001	109	78	31	3,295	10.62
2002	94	64	30	3,166	10.82
2003	71	52	19	3,111	11.18
2004	84	71	13	3,184	11.22
2005	77	65	12	3,207	11.27
2006	76	62	14	3,251	11.82
2007	74	71	3	3,335	11.94
Men					
1998	64	38	26	1,548	\$10.30
1999	43	29	14	1,589	11.13
2000	49	37	12	1,652	11.08
2001	44	30	14	1,633	12.01
2002	35	22	13	1,596	11.99
2003	23	15	8	1,541	12.24
2004	36	29	7	1,603	12.36
2005	28	25	3	1,579	12.21
2006	22	18	4	1,624	12.98
2007	19	18	1	1,678	12.96
Women					
1998	125	97	28	1,611	\$8.39
1999	100	76	24	1,672	8.89
2000	83	64	19	1,733	9.13
2001	65	48	17	1,662	9.86
2002	59	42	17	1,570	9.92
2003	48	37	11	1,570	10.23
2004	47	42	5	1,581	10.15
2005	49	40	9	1,628	10.49
2006	54	44	10	1,627	10.51
2007	55	53	2	1,657	10.98

NOTE: Data are for wage and salary workers, excluding the incorporated self-employed, and refer to earnings on a person's sole or principal job.

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. Texas, Massachusetts, and South Carolina were next, all at 4.0 percent. Montana, California, Washington, and Oregon had the lowest percentages, 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, 33 states and the District of Columbia had laws establishing

minimum wage standards that exceeded the Federal level of \$5.85 per hour⁵. (See table 1 and chart C.)

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



Source: U.S. Department of Labor, Employment Standards Administration

⁵ U.S. Department of Labor, Employment and Standards Administration, Wage and Hour Division: <http://www.dol.gov/esa/minwage/america.htm>.

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 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 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 2007 employment level by 153,000 and the unemployment level of 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/cps07.adj.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 ([PDF 415K](#)).

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).

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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 & 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 an hourly wage of \$5.15 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.