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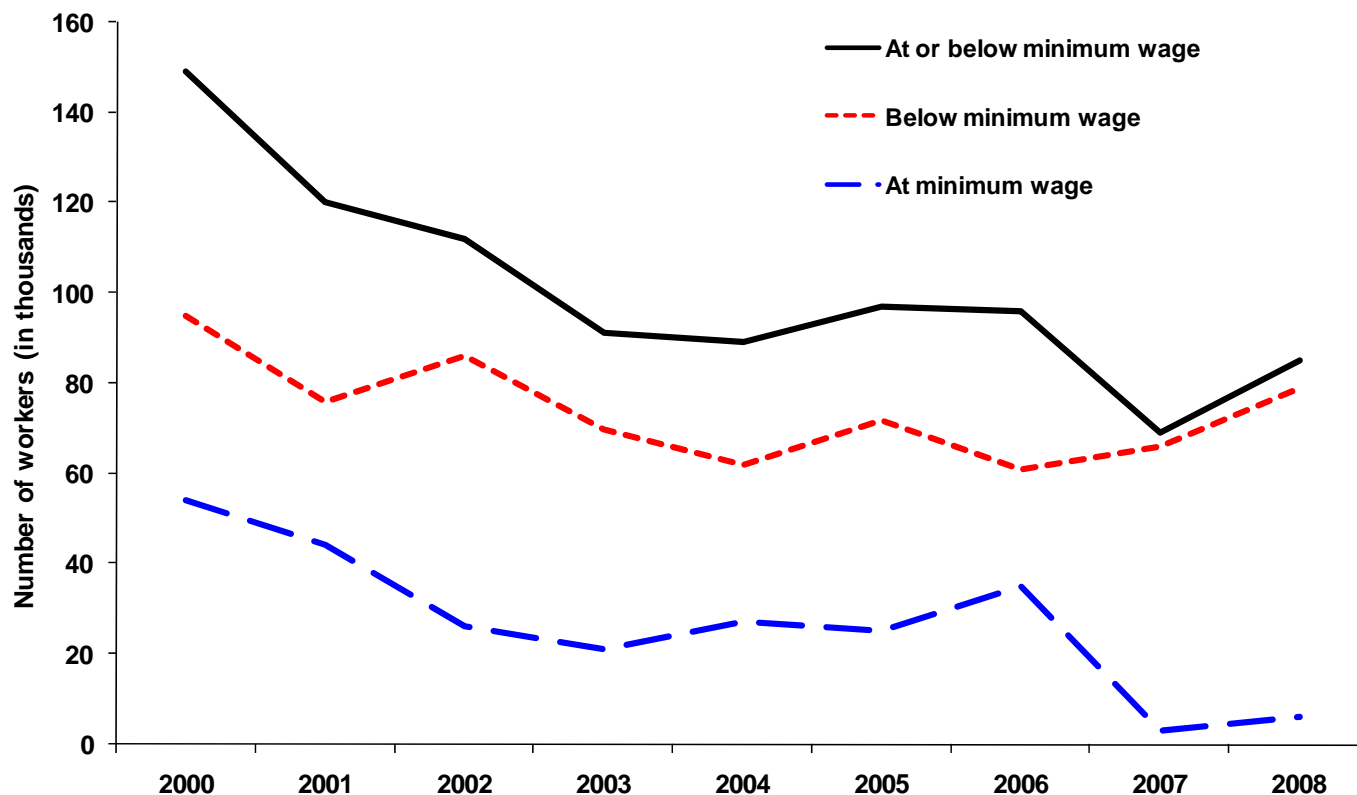
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MINIMUM WAGE WORKERS IN PENNSYLVANIA: 2008

In 2008, 85,000 hourly-paid workers in the Commonwealth of Pennsylvania had earnings at or below the Federal minimum wage¹, 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 63 percent of all wage and salary workers². Sheila Watkins, the Bureau's regional commissioner, noted that workers paid the Federal minimum wage or less³ made up 2.5 percent of all hourly-paid workers in the Commonwealth, up from 2.0 percent in 2007. (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, 2000-08 (numbers in thousands)



¹ On July 24, 2008, the Federal minimum wage increased to \$6.55 per hour from \$5.85 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 \$5.85 or less from January 2008 through July 2008 and those who earned \$6.55 or less from August 2008 through the end of the year).

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

³ 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 2008, 75.3 million workers in the United States were paid at hourly rates, representing 58.2 percent of all wage and salary workers. Among those paid by the hour, 286,000 earned exactly the prevailing Federal minimum wage in 2008. About 1.9 million had wages below the minimum. Together, these 2.2 million workers with wages at or below the minimum made up 3.0 percent of all hourly-paid workers in the nation.

Relative to 2007, 16,000, or 23.2 percent, more hourly-paid workers in Pennsylvania earned at or below the federal minimum wage in 2008, with over four-fifths of the increase occurring among workers paid below the federal minimum wage. (See table A.) The minimum wage in Pennsylvania was \$7.15 per hour in 2008. Meanwhile, the prevailing federal minimum wage was \$5.85 per hour until July 24, 2008, when it rose to \$6.55 per hour.

Women accounted for 64 percent (54,000) of the hourly-paid workers who earned the prevailing Federal minimum wage or less in Pennsylvania in 2008, while men accounted for the remainder (30,000). Since 2000, the number of hourly-paid workers earning the prevailing Federal minimum wage or less in the Commonwealth fell by 64,000, with women accounting for 46,000 of the decline.

Table A. Employed wage and salary workers¹ paid hourly rates with earnings at or below the prevailing Federal minimum wage in the Commonwealth of Pennsylvania, by sex, annual averages, 2000-08

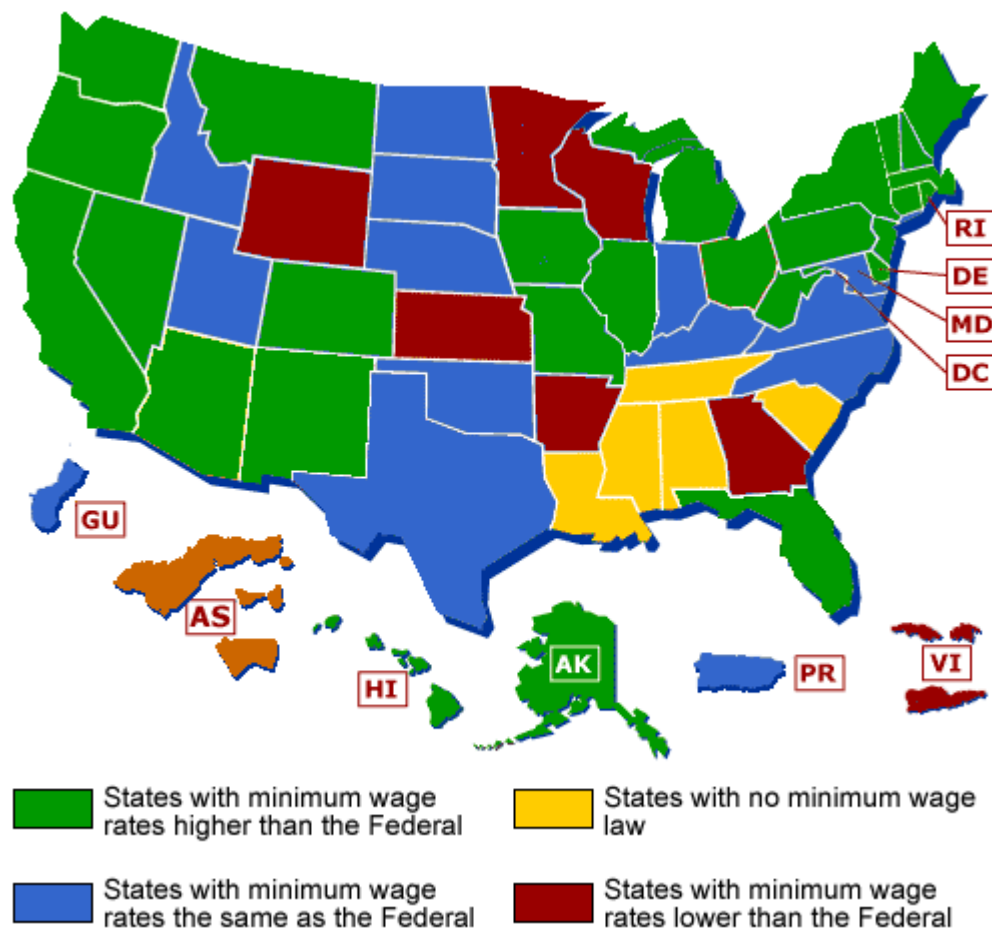
Pennsylvania	At or below minimum wage (number of workers in thousands)			All hourly-paid workers	
	Total	Below minimum wage	At minimum wage	Number of workers (thousands)	Median earnings (in dollars)
Total, both sexes					
2000	149	95	54	3,312	\$9.84
2001	120	76	44	3,332	10.42
2002	112	86	26	3,399	10.70
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
2008	85	79	6	3,457	12.62
Total, men					
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
2008	30	26	4	1,667	13.98
Total, women					
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
2008	54	52	2	1,790	11.75

¹ 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 earnings⁴ of \$12.62 in 2008; nationally, the median was \$12.23. The median hourly rates for men and for women in Pennsylvania in 2008 were \$13.98 and \$11.75, respectively. For the U.S. as a whole, the comparable figures were \$13.46 per hour for men and \$11.49 per hour for women.

Among the 50 states and the District of Columbia in 2008, Mississippi, at 6.0 percent, had the highest proportion of hourly-paid workers earning at or below the prevailing Federal minimum wage, followed by South Carolina, at 5.9 percent, and Tennessee, at 5.8 percent. Oklahoma and West Virginia had the next highest shares, at 5.5 and 5.3 percent, respectively. Oregon had the lowest share, with 0.8 percent of hourly-paid workers earning the Federal minimum or below, followed by Alaska and California, with 1.0 percent each. It should be noted that as of January 1, 2009, 27 states and the District of Columbia had laws establishing minimum wage standards that exceeded the Federal level of \$6.55 per hour. Two of these states enacted minimum wages above the federal level after the current federal minimum of \$6.55 went into effect on July 24, 2008.⁵ These new levels went into effect on September 1, 2008, for New Hampshire and January 1, 2009, for Montana. Both of these states had minimum wages above the federal minimum prior to the federal increase from \$5.85 to \$6.55 in July. (See table 1 and chart B.)

Chart B. Minimum wage laws in the States, January 1, 2009



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

⁴ 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.

⁵ 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, 2009.

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. These updated controls have little or no effect on unemployment rates and other ratios, such as union membership rates. For technical documentation and related information, including reliability of the CPS estimates, see www.bls.gov/cps/documentation.htm.

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.

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, and on July 24, 2008, from \$5.85 per hour to \$6.55 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 \$5.85 or less from January 2008 through July 2008 and those who earned \$6.55 or less from August 2008 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/. 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, 2008 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	75,305	2,226	286	1,940	100.0	100.0	100.0	100.0	3.0	0.4	2.6
Alabama	1,119	47	17	30	1.5	2.1	5.9	1.5	4.2	1.5	2.7
Alaska	204	2	-	2	0.3	0.1	-	0.1	1.0	-	1.0
Arizona	1,533	46	5	41	2.0	2.1	1.7	2.1	3.0	0.3	2.7
Arkansas	703	26	5	21	0.9	1.2	1.7	1.1	3.7	0.7	3.0
California	8,778	86	6	80	11.7	3.9	2.1	4.1	1.0	0.1	0.9
Colorado	1,211	48	1	47	1.6	2.2	0.3	2.4	4.0	0.1	3.9
Connecticut	892	16	1	15	1.2	0.7	0.3	0.8	1.8	0.1	1.7
Delaware	220	6	-	6	0.3	0.3	-	0.3	2.7	-	2.7
District of Columbia	110	3	-	3	0.1	0.1	-	0.2	2.7	-	2.7
Florida	4,058	127	5	122	5.4	5.7	1.7	6.3	3.1	0.1	3.0
Georgia	2,084	76	13	63	2.8	3.4	4.5	3.2	3.6	0.6	3.0
Hawaii	338	5	-	5	0.4	0.2	-	0.3	1.5	-	1.5
Idaho	412	15	4	11	0.5	0.7	1.4	0.6	3.6	1.0	2.7
Illinois	3,211	80	-	80	4.3	3.6	-	4.1	2.5	-	2.5
Indiana	1,812	64	10	54	2.4	2.9	3.5	2.8	3.5	0.6	3.0
Iowa	927	21	1	20	1.2	0.9	0.3	1.0	2.3	0.1	2.2
Kansas	791	31	5	26	1.1	1.4	1.7	1.3	3.9	0.6	3.3
Kentucky	1,101	45	9	36	1.5	2.0	3.1	1.9	4.1	0.8	3.3
Louisiana	953	48	9	39	1.3	2.2	3.1	2.0	5.0	0.9	4.1
Maine	397	7	-	7	0.5	0.3	-	0.4	1.8	-	1.8
Maryland	1,339	37	5	32	1.8	1.7	1.7	1.6	2.8	0.4	2.4
Massachusetts	1,543	35	2	33	2.0	1.6	0.7	1.7	2.3	0.1	2.1
Michigan	2,641	73	2	71	3.5	3.3	0.7	3.7	2.8	0.1	2.7
Minnesota	1,511	40	6	34	2.0	1.8	2.1	1.8	2.6	0.4	2.3
Mississippi	667	40	9	31	0.9	1.8	3.1	1.6	6.0	1.3	4.6
Missouri	1,592	50	4	46	2.1	2.2	1.4	2.4	3.1	0.3	2.9
Montana	287	4	2	2	0.4	0.2	0.7	0.1	1.4	0.7	0.7
Nebraska	551	20	3	17	0.7	0.9	1.0	0.9	3.6	0.5	3.1
Nevada	736	16	2	14	1.0	0.7	0.7	0.7	2.2	0.3	1.9
New Hampshire	380	11	-	11	0.5	0.5	-	0.6	2.9	-	2.9
New Jersey	1,781	53	5	48	2.4	2.4	1.7	2.5	3.0	0.3	2.7
New Mexico	495	13	-	13	0.7	0.6	-	0.7	2.6	-	2.6
New York	4,105	100	6	94	5.5	4.5	2.1	4.8	2.4	0.1	2.3
North Carolina	2,235	78	11	67	3.0	3.5	3.8	3.5	3.5	0.5	3.0
North Dakota	199	8	1	7	0.3	0.4	0.3	0.4	4.0	0.5	3.5
Ohio	3,329	77	5	72	4.4	3.5	1.7	3.7	2.3	0.2	2.2
Oklahoma	878	48	19	29	1.2	2.2	6.6	1.5	5.5	2.2	3.3
Oregon	999	8	2	6	1.3	0.4	0.7	0.3	0.8	0.2	0.6
Pennsylvania	3,457	85	6	79	4.6	3.8	2.1	4.1	2.5	0.2	2.3
Rhode Island	296	6	-	6	0.4	0.3	-	0.3	2.0	-	2.0
South Carolina	1,111	66	6	60	1.5	3.0	2.1	3.1	5.9	0.5	5.4
South Dakota	256	6	1	5	0.3	0.3	0.3	0.3	2.3	0.4	2.0
Tennessee	1,533	89	12	77	2.0	4.0	4.2	4.0	5.8	0.8	5.0
Texas	5,527	262	54	208	7.3	11.8	18.9	10.7	4.7	1.0	3.8
Utah	736	18	5	13	1.0	0.8	1.7	0.7	2.4	0.7	1.8
Vermont	183	4	-	4	0.2	0.2	-	0.2	2.2	-	2.2
Virginia	1,809	70	5	65	2.4	3.1	1.7	3.4	3.9	0.3	3.6
Washington	1,875	26	3	23	2.5	1.2	1.0	1.2	1.4	0.2	1.2
West Virginia	494	26	10	16	0.7	1.2	3.5	0.8	5.3	2.0	3.2
Wisconsin	1,748	53	9	44	2.3	2.4	3.1	2.3	3.0	0.5	2.5
Wyoming	160	7	1	6	0.2	0.3	0.3	0.3	4.4	0.6	3.8

NOTE: Data exclude all self-employed persons whether or not their businesses are incorporated. Users are reminded that these data are based on a sample and therefore are subject to sampling error; the degree of error may be quite large for less populous States. It is not possible to determine clearly 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 Federal minimum wage may not in fact be covered by Federal or State minimum wage laws. Also, there are a number of States that have minimum wages that exceed the Federal minimum wage. 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.