

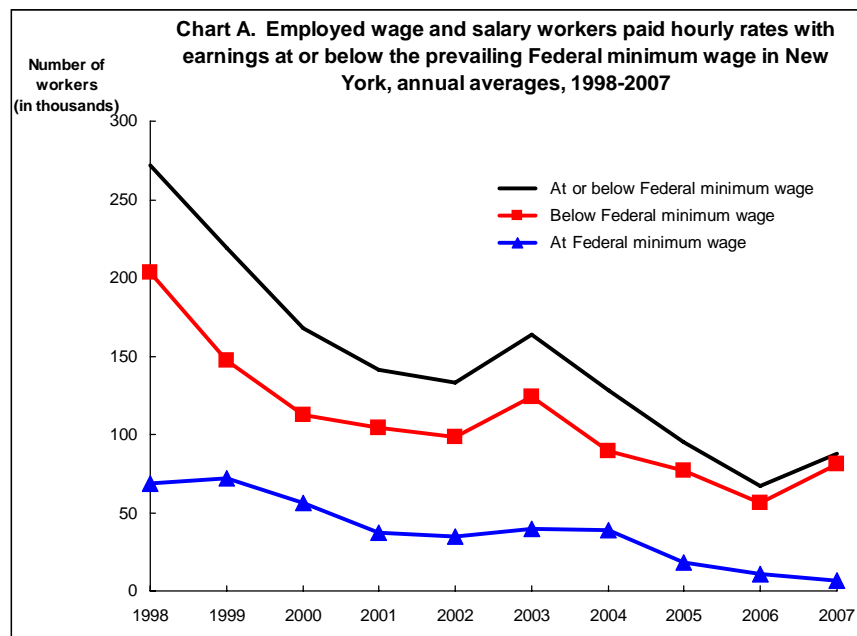


Internet Address: [www.bls.gov/ro2/home.htm](http://www.bls.gov/ro2/home.htm)  
Information: Martin Kohli, (646) 264-3620  
Media Contact: Michael L. Dolfman, (212) 337-2500

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## MINIMUM WAGE WORKERS IN NEW YORK: 2007

In 2007, 88,000 hourly-paid workers in New York had earnings at or below the prevailing Federal minimum wage,<sup>1</sup> according to the U.S. Department of Labor's Bureau of Labor Statistics. (See chart A.) In the State, about 4.1 million workers were paid by the hour.<sup>2</sup> Regional Commissioner Michael L. Dolfman noted that workers paid at or below the Federal minimum accounted for 2.2 percent of these hourly-paid workers in New York, which was close to the national average of 2.3 percent.<sup>3</sup> (See table 1.)



<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.

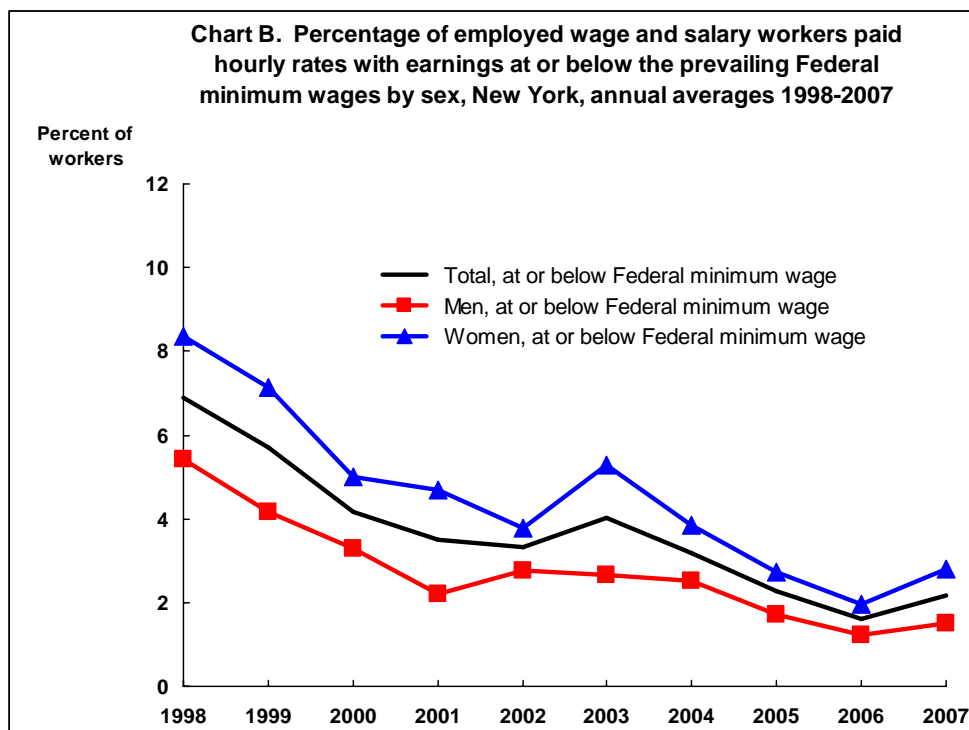
<sup>3</sup> It should be noted that the presence of a sizable number of workers with reported wages below the minimum does not necessarily indicate violations of the Fair Labor Standards Act, as there are exemptions to the minimum wage provisions of the law.



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, and 1,462,000 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.

The number of hourly-paid workers at or below the Federal minimum wage in New York has declined every year since 1998 with two exceptions—2003 and 2007. From 2006 to 2007, the number of workers in the State receiving hourly wages at or below the Federal minimum grew by 21,000. The increase occurred among those earning less than the Federal minimum wage. (See chart A.)

From 2006 to 2007, the number of women at or below the Federal minimum wage in New York rose 38 percent compared to a 20-percent increase for men. As a result, women workers accounted for about 66 percent of all New York hourly-paid workers who earned the prevailing Federal minimum wage or less in 2007, compared to 63 percent in 2006. It should be noted that the percentage of women workers at or below the minimum wage in New York has varied considerably, from 69 percent in 2001 to 50 percent in 2003; however, the percentage has been moving upward over the last four years.



Overall, New York wage and salary workers paid hourly rates<sup>4</sup> had median hourly earnings of \$12.03 in 2007; nationally, the median was \$11.95. The 2007 median hourly rates for men and for women in New York were \$13.43 and \$11.09, respectively. (See table A.) For the United States as a whole, the comparable figures were \$12.95 for men and \$10.98 for women.

<sup>4</sup> 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.

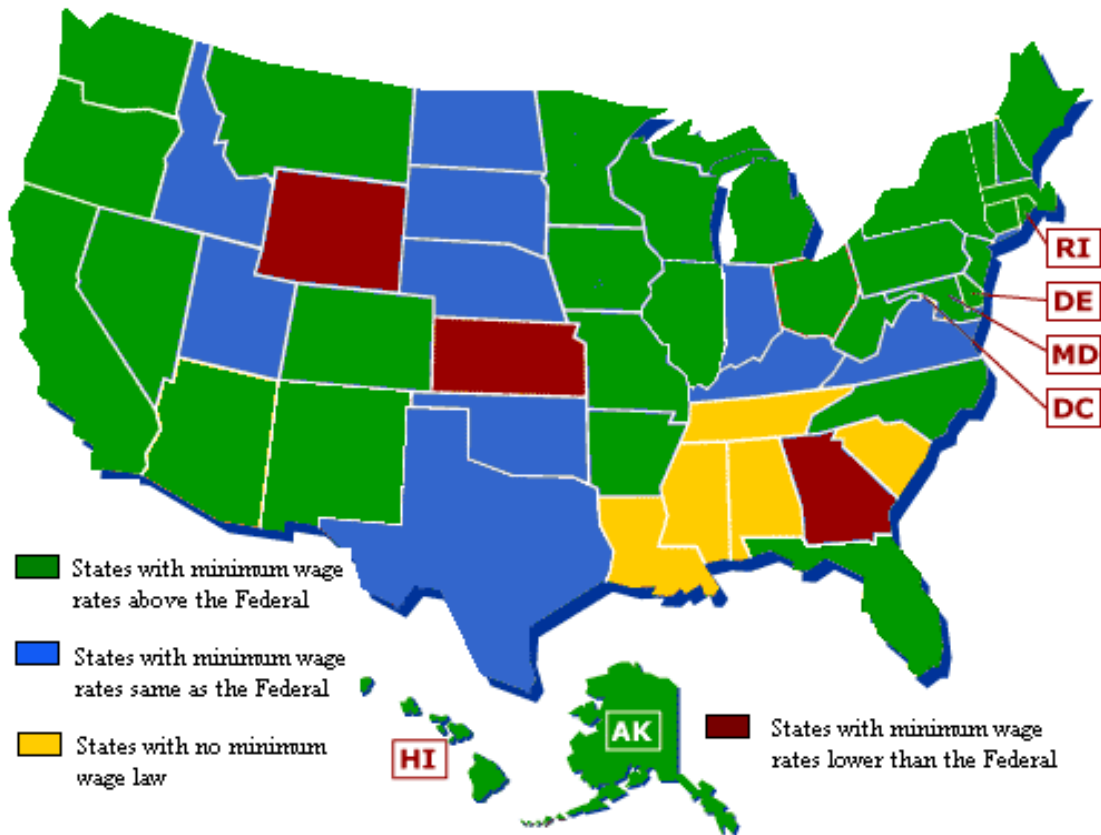
**Table A. Employed wage and salary workers paid hourly rates with earnings at or below the prevailing Federal minimum wage, and median earnings of all hourly-paid workers in New York, annual averages, 1998-2007**

New York	At or below Federal minimum wage (number of workers in thousands)			All hourly-paid workers	
	Total	Below prevailing	At prevailing	Number of workers (thousands)	Median earnings (in dollars)
<b>Total, both sexes</b>					
1998	272	203	69	3,949	\$9.76
1999	219	147	72	3,839	9.84
2000	168	112	56	4,029	10.00
2001	141	104	37	4,046	10.36
2002	133	98	35	4,011	10.76
2003	164	124	40	4,077	11.13
2004	128	89	39	4,009	11.10
2005	95	77	18	4,186	11.26
2006	67	56	11	4,166	11.96
2007	88	81	7	4,078	12.03
<b>Men</b>					
1998	105	77	28	1,938	\$10.81
1999	77	56	21	1,851	10.97
2000	65	48	17	1,976	11.19
2001	44	33	11	1,981	11.77
2002	53	38	15	1,915	11.90
2003	52	35	17	1,953	12.17
2004	50	35	15	1,982	12.42
2005	35	27	8	2,022	12.80
2006	25	19	6	2,019	13.21
2007	30	26	4	2,006	13.43
<b>Women</b>					
1998	168	126	42	2,011	\$8.64
1999	142	91	51	1,988	8.94
2000	103	64	39	2,053	9.23
2001	97	71	26	2,066	9.86
2002	79	59	20	2,096	10.00
2003	82	59	23	2,125	10.19
2004	78	54	24	2,027	10.14
2005	59	49	10	2,164	10.33
2006	42	37	5	2,147	10.86
2007	58	55	3	2,072	11.09

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 had the next highest shares, 4.0 percent each. California, Montana, Oregon, and Washington 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, 32 states and the District of Columbia had laws establishing minimum wage standards that exceeded the Federal level of \$5.85 per hour.<sup>5</sup> (See table 1 and chart C.)

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

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



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

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## 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 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 <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 (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 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 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.