



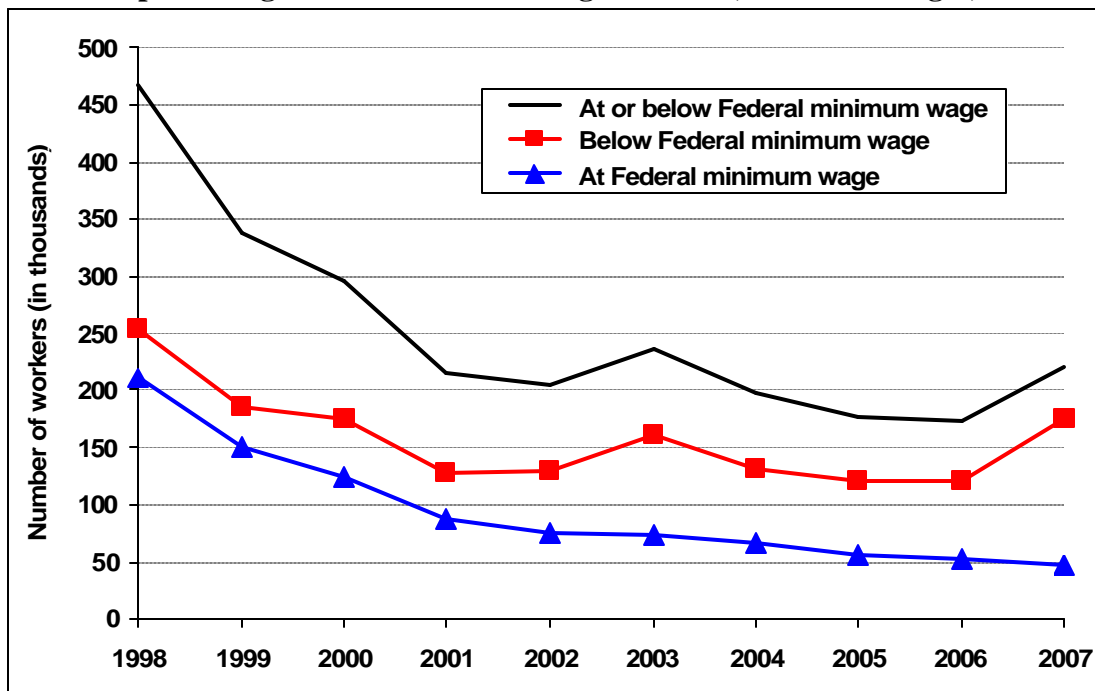
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MINIMUM WAGE WORKERS IN TEXAS: 2007

In 2007, 221,000 hourly-paid workers in Texas had earnings at or below the prevailing Federal minimum wage¹, according to the U.S. Department of Labor's Bureau of Labor Statistics. (See chart A.) In the State, about 5.6 million workers were paid at hourly rates, representing 53.9 percent of all wage and salary workers². Regional Commissioner Stanley W. Suchman noted that workers paid at or below the Federal minimum wage accounted for 4.0 percent of these hourly-paid workers in Texas³. This was one of the highest shares of workers in this pay range in the nation. (See table 1.)

Chart A. Employed wage and salary workers paid hourly rates with earnings at or below the prevailing Federal minimum wage in Texas, 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 Data are for wage and salary workers, excluding the incorporated self-employed, and refer to earnings on a person's sole or principal job.

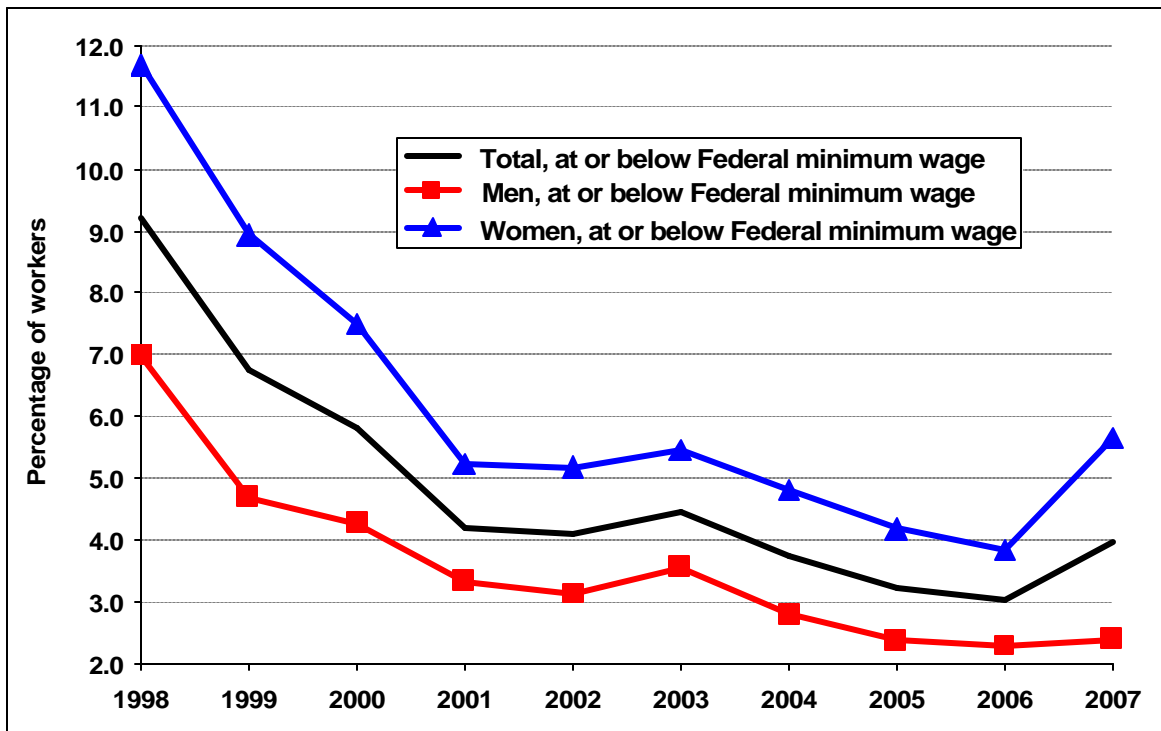
³ It should be noted that the presence of a sizable number of workers with reported wages below the minimum does not necessarily indicate violations of the Fair Labor Standards Act, as there are exemptions to the minimum wage provisions of the law.

According to Current Population Survey (CPS) estimates for 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. 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.

With the exception of a slight uptick in 2003, the number of hourly-paid workers at or below the Federal minimum wage had been steadily declining in Texas since 1998. That trend came to a halt in 2007 as both a larger number and a higher percentage of workers in the State received hourly wages at or below the increased Federal minimum. (See chart A.)

The most significant reversal came among female hourly workers in the State. Between 2006 and 2007, the number of women at or below the new Federal minimum wage rose sharply while the number of men was unchanged. Women earning at or below the minimum wage as a percent of all hourly-paid female workers in Texas, rose to 5.7 percent in 2007, up from 3.8 percent in 2006; the percentage for men, at 2.4 percent in 2007, was little changed over the year. As a result of the 2007 increase among women workers, they now account for about 69 percent of all Texas hourly-paid workers who earned the prevailing Federal minimum wage or less in 2007, up from about 60 percent in 2006. (See table A and chart B.)

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



Overall, Texas wage and salary workers paid hourly rates⁴ had median hourly earnings of \$10.54 in 2007; nationally, the median was \$11.95. The 2007 median hourly rates for men and for women in Texas were \$11.54 and \$9.86, respectively. (See table A.) For the United States as a whole, the comparable figures were \$12.95 for men and \$10.98 for women.

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 Texas, annual averages, 1998-2007

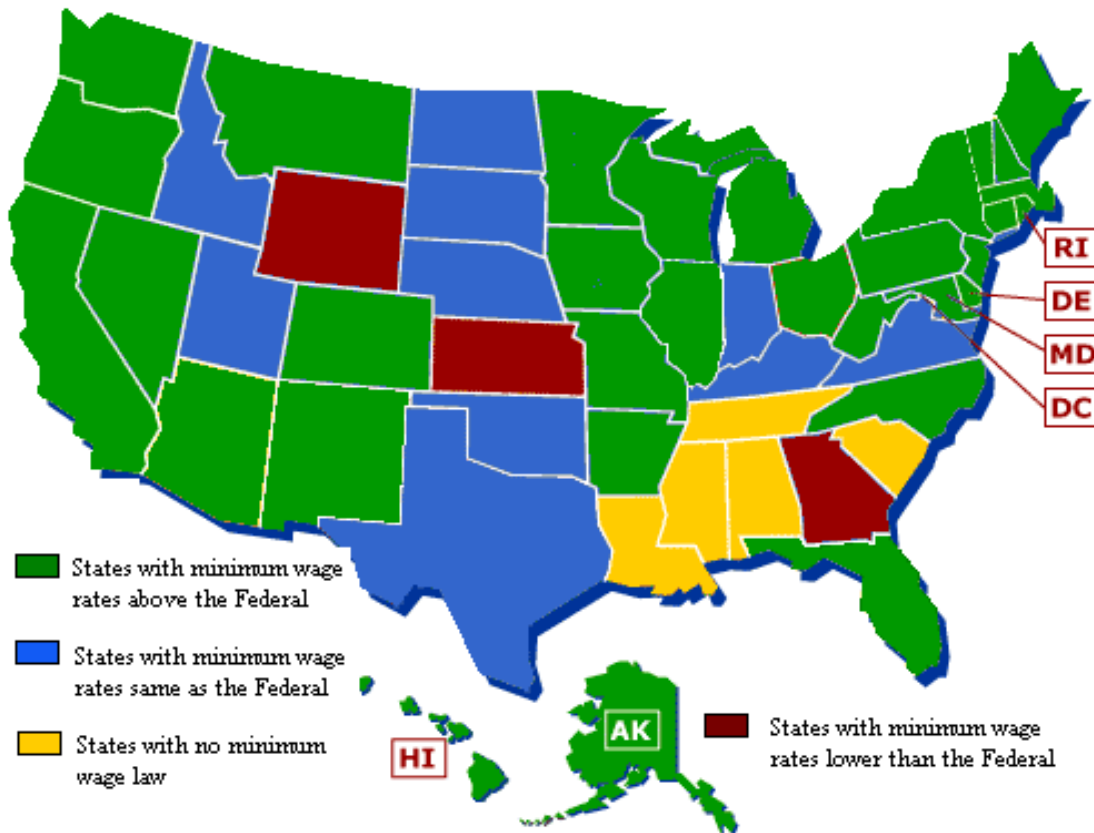
Texas	At or below Federal minimum wage (number of workers in thousands)			All hourly-paid workers	
	Total	Below Prevailing	At Prevailing	Number of workers (in thousands)	Median earnings (in dollars)
Total					
1998	466	255	211	5,055	\$ 8.23
1999	337	186	151	4,990	8.54
2000	297	174	123	5,112	9.01
2001	215	128	87	5,101	9.48
2002	205	129	76	5,002	9.76
2003	235	161	74	5,258	9.82
2004	198	131	67	5,293	9.95
2005	176	121	55	5,467	10.04
2006	173	121	52	5,724	10.22
2007	221	175	46	5,585	10.54
Men					
1998	186	108	78	2,660	\$ 8.97
1999	120	68	52	2,560	9.35
2000	114	70	44	2,667	9.83
2001	90	50	40	2,712	10.11
2002	82	61	21	2,623	10.11
2003	96	70	26	2,704	10.18
2004	77	48	29	2,753	10.41
2005	67	48	19	2,835	10.87
2006	69	47	22	3,011	11.18
2007	69	53	16	2,895	11.54
Women					
1998	280	147	133	2,395	\$ 7.50
1999	217	118	99	2,430	7.84
2000	183	104	79	2,445	8.18
2001	125	78	47	2,389	8.55
2002	123	68	55	2,379	8.90
2003	139	91	48	2,553	8.95
2004	122	84	38	2,541	9.33
2005	110	73	37	2,632	9.24
2006	104	74	30	2,713	9.80
2007	152	122	30	2,690	9.86

Note: All self-employed persons are excluded, regardless of whether or not their business is incorporated.

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.

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 tied for third with 4.0 percent of hourly-paid workers at or below the Federal minimum. Alabama and West Virginia also tied at 3.3 percent, followed by Georgia at 3.2 percent. Rounding out the 10 states with the highest percentages of workers at or below the Federal minimum wage were Kansas and Nebraska, both at 3.1 percent. Montana, California, Washington, and Oregon had the lowest rates, 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 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 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 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 & 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