



# NEWS RELEASE



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Atlanta, Ga.

**For release: Wednesday, October 10, 2012**

12-1849-ATL

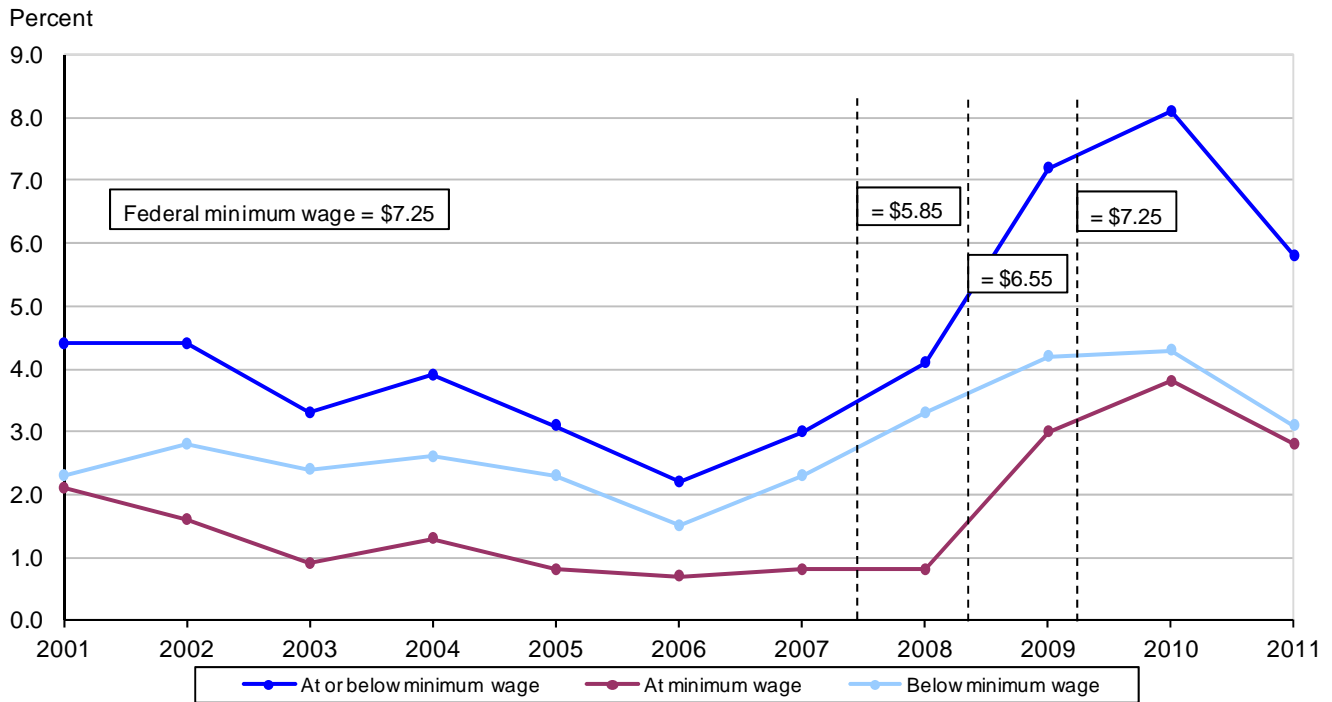
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## **MINIMUM WAGE WORKERS IN KENTUCKY—2011**

Of the 1.1 million workers paid hourly rates in Kentucky in 2011, 30,000 earned exactly the prevailing Federal minimum wage of \$7.25 per hour, while 33,000 earned less, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Janet S. Rankin noted that the 63,000 workers earning the Federal minimum wage or less made up 5.8 percent of all hourly-paid workers in the state. Nationwide, those earning the Federal minimum or less accounted for 5.2 percent of the hourly-paid workforce. (The Kentucky minimum wage is equal to the prevailing Federal minimum wage.)

In 2006, 26,000 hourly-paid workers earned the prevailing Federal minimum wage or less in Kentucky—the lowest level since data were first available in 2000—accounting for 2.2 percent of all workers paid an hourly wage. (See chart 1). In 2007, the Federal minimum wage began increasing after holding steady for nearly a decade. The initial result was that more Kentucky workers fell into this category, peaking at 91,000 in 2010.

**Chart 1. Percentage of hourly-paid wage and salary workers with earnings at or below the prevailing Federal minimum wage in Kentucky, annual averages, 2001-2011**



Source: U.S. Bureau of Labor Statistics

From 2010 to 2011, the portion of hourly-paid workers in Kentucky who earned at or below the Federal minimum wage declined from 8.1 to 5.8 percent. This marks the first decrease in the portion of workers who earn at or below the Federal minimum wage since 2006. The percentage of workers earning less than the Federal minimum declined 1.2 percent in 2011, while the share earning exactly the minimum wage decreased 1.0 percent.

Of the 63,000 workers earning the prevailing Federal minimum wage or less in Kentucky in 2011, 42,000, or 67 percent, were women. These women represented 7.4 percent of all women paid hourly rates in the state. There were 21,000 men earning the prevailing minimum wage or less in Kentucky; this number made up 4.1 percent of all men who were paid hourly rates in the state. (See table A; numbers may not sum to totals due to rounding.)

Overall, employed wage and salary workers earning hourly rates in Kentucky had median hourly earnings of \$12.08 in 2011; nationally, the median was \$12.71. The median hourly rates for men and women in Kentucky in 2011 were \$12.85 and \$11.58, respectively. For the nation, the comparable figures were \$13.80 per hour for men and \$11.98 per hour for women.

**Table A. Employed wage and salary workers<sup>1</sup> paid hourly rates with earnings at or below the prevailing Federal minimum wage in Kentucky, by sex, annual averages, 2001-2011**

Kentucky	Number of workers (in thousands)				Percent of workers paid hourly rates			Median earnings (in dollars)
	Total paid hourly rates	At or below minimum wage			At or below minimum wage			
		Total <sup>2</sup>	At minimum wage	Below minimum wage	Total <sup>2</sup>	At minimum wage	Below minimum wage	
<b>Total, both</b>								
2001	1,051	46	22	24	4.4	2.1	2.3	\$9.99
2002	1,062	47	17	30	4.4	1.6	2.8	9.98
2003	1,103	36	10	26	3.3	0.9	2.4	10.17
2004	1,148	45	15	30	3.9	1.3	2.6	10.37
2005	1,120	35	9	26	3.1	0.8	2.3	11.01
2006	1,175	26	8	18	2.2	0.7	1.5	11.19
2007 <sup>3</sup>	1,152	35	9	26	3.0	0.8	2.3	11.41
2008 <sup>3</sup>	1,101	45	9	36	4.1	0.8	3.3	11.67
2009 <sup>3</sup>	1,070	77	32	45	7.2	3.0	4.2	11.70
2010	1,119	91	43	48	8.1	3.8	4.3	12.18
2011	1,077	63	30	33	5.8	2.8	3.1	12.08
<b>Total, men</b>								
2001	520	14	7	7	2.7	1.3	1.3	10.85
2002	497	17	8	9	3.4	1.6	1.8	11.07
2003	533	13	5	8	2.4	0.9	1.5	11.73
2004	578	22	8	14	3.8	1.4	2.4	11.65
2005	547	7	2	5	1.3	0.4	0.9	12.04
2006	591	13	4	9	2.2	0.7	1.5	12.40
2007 <sup>3</sup>	584	15	5	10	2.6	0.9	1.7	12.75
2008 <sup>3</sup>	559	17	2	15	3.0	0.4	2.7	12.96
2009 <sup>3</sup>	522	25	6	19	4.8	1.1	3.6	12.62
2010	521	27	14	13	5.2	2.7	2.5	13.94
2011	508	21	12	9	4.1	2.4	1.8	12.85
<b>Total, women</b>								
2001	531	33	15	18	6.2	2.8	3.4	9.46
2002	566	30	9	21	5.3	1.6	3.7	9.17
2003	570	24	5	19	4.2	0.9	3.3	9.27
2004	571	23	7	16	4.0	1.2	2.8	9.79
2005	573	28	8	20	4.9	1.4	3.5	10.08
2006	583	13	5	8	2.2	0.9	1.4	10.35
2007 <sup>3</sup>	568	20	4	16	3.5	0.7	2.8	10.19
2008 <sup>3</sup>	541	28	7	21	5.2	1.3	3.9	10.62
2009 <sup>3</sup>	549	52	26	26	9.5	4.7	4.7	10.84
2010	598	62	28	34	10.4	4.7	5.7	11.04
2011	568	42	18	24	7.4	3.2	4.2	11.58

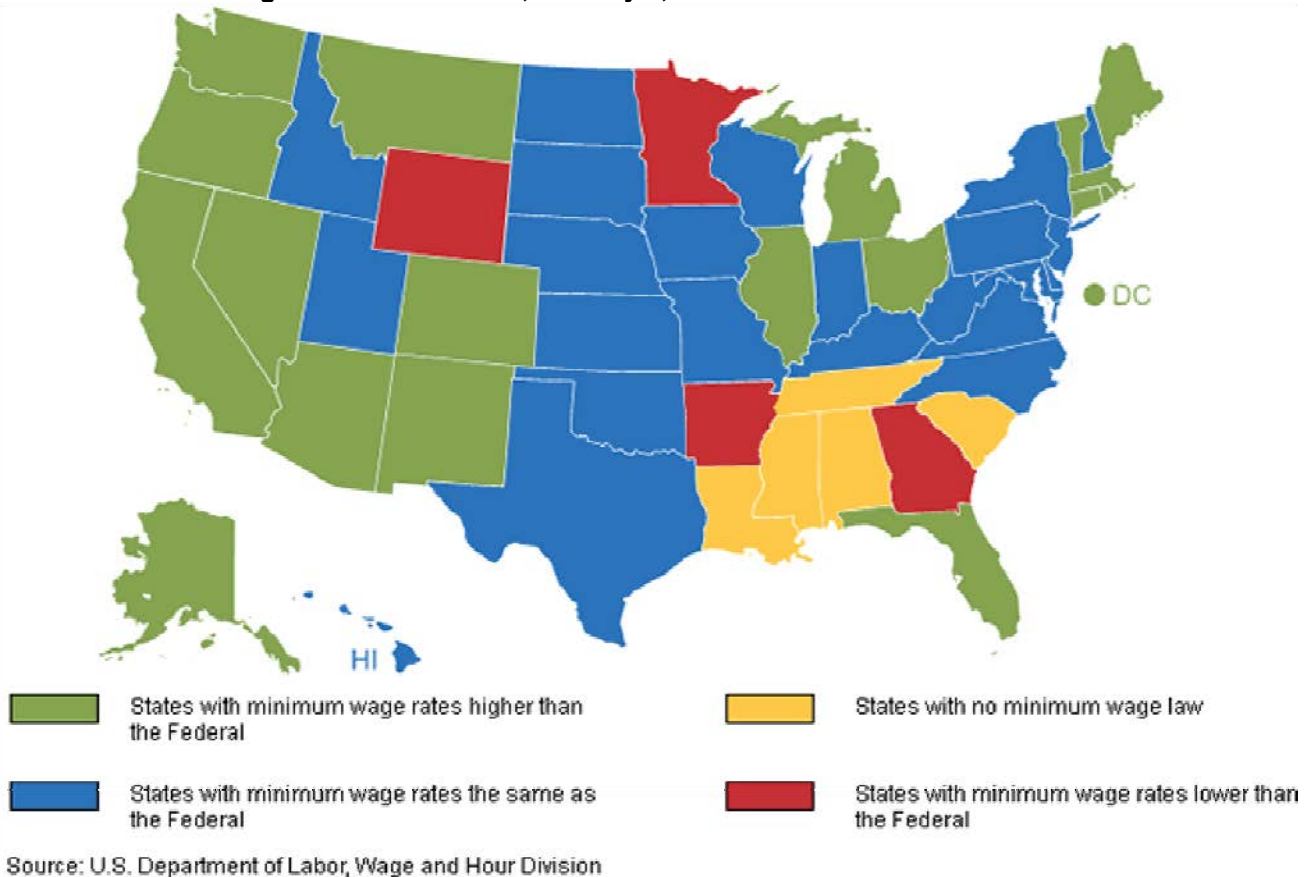
<sup>1</sup> All self-employed persons are excluded, whether or not their businesses are incorporated.

<sup>2</sup> Data may not add to totals due to rounding.

<sup>3</sup> Data for 2007-09 reflect changes in the minimum wage that took place in those years.

In 2011, Kentucky's proportion of hourly-paid workers earning at or below the prevailing Federal minimum wage ranked 18th among the 50 states and the District of Columbia in 2011. Georgia had the highest proportion of hourly-paid workers earning at or below the prevailing Federal minimum wage, 9.6 percent, followed by Mississippi at 8.5 percent and Texas at 8.0 percent. States with shares of 7.0 percent or higher were Louisiana, West Virginia, South Carolina, Missouri, Virginia, and Kansas. The states with the lowest percentage of workers earning the Federal minimum or below included Oregon, California, Washington, and Alaska, all less than 2.0 percent. It should be noted that, as of January 1, 2012, 18 states and the District of Columbia had laws establishing minimum wage standards that exceeded the federal level of \$7.25 per hour. (See table 1 and chart 2.)

**Chart 2. Minimum wage laws in the States, January 1, 2012**



### Technical Note

The Bureau of Labor Statistics' data on minimum wage earners are derived from the Current Population Survey (CPS). This survey is conducted monthly for the Bureau of Labor Statistics by the U.S. Census Bureau, using a national sample of about 60,000 households, with coverage in all 50 states and the District of Columbia. The earnings data are collected from one-fourth of the CPS monthly sample. Data in this summary are annual averages.

Statistics based on the CPS data are subject to both sampling and nonsampling error. The differences among data for the states reflect, in part, variations in the occupation, industry, and age composition of each state's labor force. In addition, sampling error for the state estimates is considerably larger than it is for the national data.

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. For technical documentation and related information, including reliability of the CPS estimates, see [www.bls.gov/cps/documentation.htm](http://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.

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; on July 24, 2008, to \$6.55 per hour; and on July 24, 2009, to \$7.25 per hour.

The principal definitions used in connection with the earnings series in this release are described below:

*Median hourly earnings.* The median is the amount which divides a given earnings distribution into two equal groups, one having earnings above the median and the other having earnings below the median. The median is less sensitive to extreme wages than the mean; this makes it a better measure for highly skewed distributions.

*Wage and salary workers.* Workers age 16 and over who receive wages, salaries, commissions, tips, payment in kind, or piece rates. Data refer to earnings on a person's sole or principal job. The group includes employees in both the private and public sectors but, for the purposes of the earnings series, excludes all self-employed persons, regardless of whether or not their businesses are incorporated.

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, 2011 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 <sup>1</sup>	At minimum wage	Below minimum wage		Total <sup>1</sup>	At minimum wage	Below minimum wage	Total	At minimum wage	Below minimum wage
Total, 16 years and over	73,926	3,829	1,677	2,152	100.0	100.0	100.0	100.0	5.2	2.3	2.9
Alabama	1,147	74	43	31	1.6	1.9	2.6	1.4	6.5	3.7	2.7
Alaska	212	4	1	3	0.3	0.1	0.1	0.1	1.9	0.5	1.4
Arizona	1,517	85	20	65	2.1	2.2	1.2	3.0	5.6	1.3	4.3
Arkansas	746	49	33	16	1.0	1.3	2.0	0.7	6.6	4.4	2.1
California	8,706	139	53	86	11.8	3.6	3.2	4.0	1.6	0.6	1.0
Colorado	1,222	49	9	40	1.7	1.3	0.5	1.9	4.0	0.7	3.3
Connecticut	870	25	4	21	1.2	0.7	0.2	1.0	2.9	0.5	2.4
Delaware	213	11	3	8	0.3	0.3	0.2	0.4	5.2	1.4	3.8
District of Columbia	94	4	1	3	0.1	0.1	0.1	0.1	4.3	1.1	3.2
Florida	3,891	246	73	173	5.3	6.4	4.4	8.0	6.3	1.9	4.4
Georgia	2,041	196	105	91	2.8	5.1	6.3	4.2	9.6	5.1	4.5
Hawaii	321	15	8	7	0.4	0.4	0.5	0.3	4.7	2.5	2.2
Idaho	379	19	12	7	0.5	0.5	0.7	0.3	5.0	3.2	1.8
Illinois	3,095	109	29	80	4.2	2.8	1.7	3.7	3.5	0.9	2.6
Indiana	1,730	108	54	54	2.3	2.8	3.2	2.5	6.2	3.1	3.1
Iowa	941	53	28	25	1.3	1.4	1.7	1.2	5.6	3.0	2.7
Kansas	802	56	27	29	1.1	1.5	1.6	1.3	7.0	3.4	3.6
Kentucky	1,077	63	30	33	1.5	1.6	1.8	1.5	5.8	2.8	3.1
Louisiana	1,011	75	33	42	1.4	2.0	2.0	2.0	7.4	3.3	4.2
Maine	381	14	3	11	0.5	0.4	0.2	0.5	3.7	0.8	2.9
Maryland	1,274	65	27	38	1.7	1.7	1.6	1.8	5.1	2.1	3.0
Massachusetts	1,539	60	11	49	2.1	1.6	0.7	2.3	3.9	0.7	3.2
Michigan	2,550	117	29	88	3.4	3.1	1.7	4.1	4.6	1.1	3.5
Minnesota	1,544	78	47	31	2.1	2.0	2.8	1.4	5.1	3.0	2.0
Mississippi	686	58	37	21	0.9	1.5	2.2	1.0	8.5	5.4	3.1
Missouri	1,543	109	54	55	2.1	2.8	3.2	2.6	7.1	3.5	3.6
Montana	271	10	6	4	0.4	0.3	0.4	0.2	3.7	2.2	1.5
Nebraska	532	29	15	14	0.7	0.8	0.9	0.7	5.5	2.8	2.6
Nevada	670	22	9	13	0.9	0.6	0.5	0.6	3.3	1.3	1.9
New Hampshire	368	14	4	10	0.5	0.4	0.2	0.5	3.8	1.1	2.7
New Jersey	1,795	99	41	58	2.4	2.6	2.4	2.7	5.5	2.3	3.2
New Mexico	459	20	6	14	0.6	0.5	0.4	0.7	4.4	1.3	3.1
New York	3,930	199	91	108	5.3	5.2	5.4	5.0	5.1	2.3	2.7
North Carolina	2,055	140	65	75	2.8	3.7	3.9	3.5	6.8	3.2	3.6
North Dakota	208	11	6	5	0.3	0.3	0.4	0.2	5.3	2.9	2.4
Ohio	3,224	150	27	123	4.4	3.9	1.6	5.7	4.7	0.8	3.8
Oklahoma	828	56	36	20	1.1	1.5	2.1	0.9	6.8	4.3	2.4
Oregon	1,010	12	4	8	1.4	0.3	0.2	0.4	1.2	0.4	0.8
Pennsylvania	3,400	193	97	96	4.6	5.0	5.8	4.5	5.7	2.9	2.8
Rhode Island	289	11	3	8	0.4	0.3	0.2	0.4	3.8	1.0	2.8
South Carolina	1,078	79	42	37	1.5	2.1	2.5	1.7	7.3	3.9	3.4
South Dakota	253	13	7	6	0.3	0.3	0.4	0.3	5.1	2.8	2.4
Tennessee	1,455	101	48	53	2.0	2.6	2.9	2.5	6.9	3.3	3.6
Texas	5,896	473	259	214	8.0	12.4	15.4	9.9	8.0	4.4	3.6
Utah	765	35	15	20	1.0	0.9	0.9	0.9	4.6	2.0	2.6
Vermont	182	4	1	3	0.2	0.1	0.1	0.1	2.2	0.5	1.6
Virginia	1,697	121	57	64	2.3	3.2	3.4	3.0	7.1	3.4	3.8
Washington	1,686	31	6	25	2.3	0.8	0.4	1.2	1.8	0.4	1.5
West Virginia	462	34	20	14	0.6	0.9	1.2	0.7	7.4	4.3	3.0
Wisconsin	1,711	78	32	46	2.3	2.0	1.9	2.1	4.6	1.9	2.7
Wyoming	167	10	5	5	0.2	0.3	0.3	0.2	6.0	3.0	3.0

<sup>1</sup> Data may not add to totals due to rounding.

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 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. Hourly earnings do not include overtime pay, commissions, or tips.