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# Analysis of the Pennsylvania Minimum Wage in 2008

Minimum Wage Advisory Board



**pennsylvania**

DEPARTMENT OF LABOR & INDUSTRY

# **Commonwealth of Pennsylvania**

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## **Preface**

The General Assembly of Pennsylvania, in 2006, via Senate Bill No. 1090, amended the Minimum Wage Act and raised the state's minimum wage from \$5.15 an hour to \$6.25 on January 1, 2007 and to \$7.15 on July 1, 2007. The minimum wage had last been raised in 1997. The federal minimum wage is \$6.55 (as of July 24, 2008) and will be raised to \$7.25 beginning July 24, 2009.

The amended Minimum Wage Act directs the Department of Labor & Industry to produce an annual report by March 1<sup>st</sup> of each year detailing data on the previous calendar year's demographics and any other relevant factors of those workers who are paid the minimum wage or below. This duty is assigned by the Secretary of Labor & Industry to the Center for Workforce Information & Analysis (CWIA).



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## Introduction

This report contains statistical information on Pennsylvanians who earn at or below minimum wage; analyzes the demographic characteristics of hourly workers making at or near the minimum wage; details the industry characteristics of those making at or near the minimum wage; discusses the issues of inflation and poverty in relation to the minimum wage; and considers other states' minimum wage data. A comparison is made between the years 2007 and 2008 to determine the impact of the minimum wage increases on Pennsylvania's workers, businesses and economy. It is important to note that the National Bureau of Economic Research has determined our national economy is in an ongoing recession, which began in December 2007.

Two minimum wage increases occurred in Pennsylvania in 2007: one on January 1<sup>st</sup> (to \$6.25) and the other on July 1<sup>st</sup> (to \$7.15). Therefore, to perform a comparison to 2008, an average of the number of workers who earned \$6.25 or below for the first half of the 2007, and the average of the number of workers who earned \$7.15 or below for the second half of the 2007 are combined for an overall annual average. This differs from the methodology used in last year's report in which an average of the two minimum wages was used (\$6.70) to annualize the two wage increases. The methodology change increases the accuracy of the data and accounts for the difference in levels of those who earn at or below the minimum wage between this and last year's report. The federal minimum wage was increased from \$5.15 to \$5.85 on July 24, 2007 and was increased again to \$6.55 on July 24, 2008. Since there were two federal minimum wages in both 2007 (\$5.15 and \$5.85) and 2008 (\$5.85 and \$6.55), the same methodology change as mentioned above is used to determine an overall annual average for both years.

The primary data source used for this report is the Current Population Survey (CPS), a nationwide monthly survey of about 50,000 households (approximately 2,000 in Pennsylvania) conducted by the Bureau of the Census for the Bureau of Labor Statistics. The CPS is the primary source of information on the labor force characteristics of the civilian noninstitutional population. Respondents are interviewed to obtain information about the employment status of each member of the household 15 years of age or older. This report will focus on those aged 16 years and older.

Federal and state law provides for several exemptions and lower minimums to the minimum wage for certain employers. Lower minimums are allowed for tipped employees, businesses with less than 10 full-time (or equivalent) employees, and those employees under age 20 making a training wage for the first 60 days of employment. In addition, there are exemptions for certain employment classifications (e.g. farm labor, domestic services, etc.). The CPS data lacks direct indicators to permit removal from the sample of those individuals affected by these exemptions and lower minimums.

Minimum wage workers are defined in this report as workers earning the minimum wage or below at their main job, excluding overtime pay, tips and commissions. A portion of workers reported as making at or below the minimum wage actually did receive additional compensation (mainly in the form of tips).

Finally, Pennsylvania's wage data and its analysis in this report should be used with some caution due to the small size of the CPS sample.





## Summary

The purpose of the minimum wage is to set a minimum threshold of wages for workers. To that end, Pennsylvania increased the minimum wage twice in 2007: from \$5.15 an hour to \$6.25 on January 1<sup>st</sup>, and to \$7.15 on July 1<sup>st</sup>. This report describes the characteristics of minimum wage earners and the industries that employ them.

### Hourly Worker Population

- Pennsylvania employment increased in the second half of 2007 as did the proportion of those making hourly rates. In addition, the proportion of those Pennsylvania hourly workers earning up to \$2.00 or more an hour above the minimum wage also increased in the second half of 2007. Thus, the effect of increasing the minimum wage in 2007 likely contributed to the increase in average wages of all hourly workers.
- In 2008, there were 262,600 Pennsylvania workers making minimum wage or less (\$7.15 and below), or nearly 8 percent of all hourly workers and over 4 percent of total employment. In 2007, there were 259,000 workers making minimum wage or less.
- Pennsylvania employment increased slightly in 2008 (by less than one percentage point) while U.S. employment declined slightly (also by less than one percentage point). However, the proportion of those making hourly rates remained essentially the same. In 2008, Pennsylvania had a higher percentage of those earning hourly rates than did the U.S., 57 percent versus 52 percent.

### Worker Characteristics

- Pennsylvania earners at or below the minimum wage tend to be from one or more of the following groups:
  - ☐ Female
  - ☐ White
  - ☐ 16- to 24-year olds
  - ☐ High school graduates or less
  - ☐ Never married
- Females, 16- to 24-year-olds, those with less than a high school diploma, and the never married comprise a higher proportion of Pennsylvania minimum wage earners than of all Pennsylvanians.
- Pennsylvania's overall unemployment rate increased from 4.4 percent to 5.5 percent from 2007 to 2008. The unemployment rate among females increased 0.8

of a percentage point from 4.5 percent to 5.3. Likewise, the unemployment rate increased among 16- to 24-year-olds 3 percentage points from 9.1 percent to 12.2 percent. For workers with less than a high school diploma, the unemployment rate went up 2.9 percentage points from 8.9 percent to 11.8 percent.

- Pennsylvania workers who earn above the minimum wage are equally male or female, and tend to be from one or more of the following groups:
  - ❑ White
  - ❑ 45- to 54-year-olds
  - ❑ High school graduates
  - ❑ Married
- Workers having no children make up 84 percent of those earning at or below the minimum wage in Pennsylvania.
- Eight percent of minimum wage workers are single parents, and 7 percent are married with children.
- The household income of those who earn the minimum wage or below varies greatly. At least 42 percent of these households make less than \$50,000 per year, with at least 26 percent making less than \$30,000 per year. In contrast, at least 41 percent make \$50,000 or more a year, with at least 22 percent making \$75,000 or more per year.

### **Industry Characteristics**

- The industries most likely to employ workers at or below the minimum wage are leisure and hospitality, and retail trade. These industries employed 65 percent of all minimum wage earners in 2008. However, nearly all industries contain some minimum wage workers.
- Sixty-nine percent of hourly workers earning at or below the minimum wage worked part-time in 2008.
- The industries most likely to employ hourly workers above the minimum wage are manufacturing, retail trade and health care services. These industries employed 39 percent of all those making above the minimum wage in 2008.
- Seventy-eight percent of hourly workers earning above the minimum wage worked full-time in 2008.
- In 2008, thirty-nine percent of Pennsylvanians who earned minimum wage or below work in food preparation and serving related occupations. In addition, minimum wage or below earners are also likely to be employed in sales and

related occupations (21 percent), and office and administrative support occupations (11 percent).

- Pennsylvania's 6-month total employment change was positive after both the January (+16,400) and July (+7,400) 2007 minimum wage increases, though less than the 10-year averages. Pennsylvania's 12-month employment change after the July minimum wage increase (+2,900) was also positive but less than the 10-year average.
- Industry data shows a less than 1 percent decline in retail trade employment over the short term (six months after January and July 2007). However, there was a greater than 1 percent decline in retail trade employment 12 months after July 2007. Leisure and hospitality employment increased by over 1 percent six months after January 2007 and also six and 12 months after July 2007.
- The 1997 minimum wage increase coincided with very strong total employment growth six months later in excess of the 10-year average change after the increase. The 1996 minimum wage increase also coincided with very strong employment growth six months later. Six months after the minimum wage increases in January and July 2007 employment showed positive growth, but less than the 10-year averages.
- The total number of Pennsylvania private sector small employer establishments (those having less than 20 employees) increased from first quarter 2007 (276,962) to first quarter 2008 (280,704). The number of small employer establishments in retail trade (36,383 to 36,517) and leisure and hospitality (23,730 to 23,968) also increased over the same time frame.
- The total number of Pennsylvania private sector large employer establishments (those having 20 or more employees) increased from first quarter 2007 (45,082) to first quarter 2008 (45,489). The number of large employer establishments decreased in retail trade (7,140 to 7,101) and increased in leisure and hospitality (6,884 to 6,936) over the same time frame.
- Pennsylvania's total wages and average weekly wage at both large and small private sector employer establishments were higher in fourth quarter 2007 than in fourth quarter 2006. Retail trade and leisure and hospitality establishments also had higher wages and average weekly wages in the fourth quarter of 2007 than one year earlier.
- Pennsylvania's total median wage rose 3.6 percent in the first quarter of 2008, greater than the first quarter 2007 total wage median change of 3.4 percent. Most significantly, total wages for those earning below the median (10<sup>th</sup> and 25<sup>th</sup> percentiles) rose faster than those earning above the median (75<sup>th</sup> and 90<sup>th</sup> percentiles) in first quarter 2008.

- The changes in first quarter 2008 median wages in Pennsylvania's retail trade and leisure and hospitality industries exceeded the changes in first quarter 2007. Wages in the retail trade and leisure and hospitality industries for those earning below the median rose faster than those earning above the median.

## **Inflation and Poverty**

- In 2006, Pennsylvania's minimum wage was at 26 percent of the average wage, an all-time low since this information has been documented (1938). The increase in the minimum wage to \$7.15 in 2007 brought the minimum wage up to 34 percent of the average wage. This is below the original level set in 1938 of 50 percent of the average wage.
- Inflation negatively impacts the minimum wage. Adjusting for projected inflation, the 2007 minimum wage increase to \$7.15 will be worth \$6.95 in 2009 and \$6.75 in 2010 (in 2008 dollars).
- In 2008, the annual income for an individual in Pennsylvania making the minimum wage (\$7.15) was \$14,872, or 105 percent of the Federal Poverty Threshold for a two-person household. If the minimum wage remains at \$7.15 per hour, its percent of the poverty threshold for a two-person family will dip below the 100 percent level in 2010 (assuming full-time employment).
- A person working full-time at \$7.15 per hour earns \$14,872 per year. This exceeded the 2007 Federal Poverty Threshold for one-person (\$10,590) and two-person households (\$13,540). However, this fell short of the poverty threshold for three-person households (\$16,530).

## **Other States**

- In 2007, nine states had higher minimum wage rates than Pennsylvania. In 2008, fourteen states had higher rates. Of those states, the rates ranged from \$7.25 to \$8.07. At least 13 states will have higher minimum wages than Pennsylvania in 2009, which will range from \$7.28 to \$8.55. (Please see table on page 48.)
- In 2008, four states had the same minimum wage as Pennsylvania, and 31 states and the nation had lower minimum wage rates than Pennsylvania. Thirty-seven states and the nation will have the same minimum wage (\$7.25) as Pennsylvania in 2009.
- Of Pennsylvania's neighboring states, West Virginia had the highest minimum wage in 2007 (\$7.25). Pennsylvania and its neighboring states (except for Ohio) will be at the same minimum wage in 2009 (\$7.25).

- Arizona, Colorado, Florida, Missouri, Montana, Nevada, Ohio, Oregon, Vermont and Washington have their minimum wage rates tied to the Consumer Price Index to provide automatic increases that keep pace with inflation.

## **Conclusion**

- In 2008, there were 262,600 Pennsylvania workers making minimum wage or less (\$7.15 and below), or nearly 8 percent of hourly workers and over 4 percent of total employment. In 2007, there were 259,000 workers making minimum wage or less.
- Pennsylvania earners at or below the minimum wage tend to be from one or more of the following groups: female, white, 16- to 24-year-olds, high school graduates or less, or never married.
- The industries most likely to employ workers at or below the minimum wage are leisure and hospitality, and retail trade. Part-time workers make up the majority of those hourly workers earning the minimum wage.
- Inflation negatively impacts the minimum wage. Adjusting for inflation, the 2007 minimum wage increase to \$7.15 will be worth \$6.95 in 2009 and \$6.75 in 2010.
- Industry data shows a less than 1 percent decline in retail trade employment over the short term (six months after January and July 2007). However, there was a greater than 1 percent decline in retail trade employment 12 months after July 2007. Leisure and hospitality employment increased by over 1 percent six months after January 2007 and also six and 12 months after July 2007.
- The 1997 minimum wage increase coincided with very strong total employment growth six months later in excess of the 10-year average change. The 1996 minimum wage increase also coincided with very strong employment growth six months later. Six months after the minimum wage increases in January and July 2007 shows positive total employment growth, but less than the 10-year averages. This suggests that other factors affecting employment may be notably more important than the minimum wage.
- Pennsylvania's total wages and average weekly wage at both large and small private sector employer establishments were higher in fourth quarter 2007 than in fourth quarter 2006.
- Pennsylvania's total median wage rose 3.6 percent in the first quarter of 2008, greater than the first quarter 2007 total wage median increase of 3.4 percent. Total wages for those earning below the median (10<sup>th</sup> and 25<sup>th</sup> percentiles) rose faster than those earning above the median (75<sup>th</sup> and 90<sup>th</sup> percentiles) in first quarter 2008.



# HOURLY WORKER POPULATION

**Pennsylvania and US  
Employed Wage & Salary Workers Paid Hourly Rates  
1st Half <sup>1/</sup> 2007 Average Compared to 2nd Half <sup>2/</sup> 2007 Average  
(Numbers of workers in thousands)**

Total, 16 Years and Over	1st Half 2007 <sup>1/</sup>				2nd Half 2007 <sup>2/</sup>				Percentage Point Change 1 <sup>st</sup> to 2 <sup>nd</sup> 2007	
	US	Pct.	PA	Pct.	US	Pct.	PA	Pct.	US	PA
Total Employment	145,366		6,024		146,727		6,096			
Total Paid Hourly Rates	74,644	100.0%	3,403	100.0%	77,102	100.0%	3,465	100.0%		
Less than \$5.15	1,217	1.6%	57	1.7%	1,316	1.7%	65.8	1.9%	0.1%	0.2%
At \$5.15	318	0.4%	3.4	0.1%	67	0.1%	1.7	0.0%	-0.3%	-0.1%
\$5.16 - \$5.84	632	0.8%	29.9	0.9%	427	0.6%	10.0	0.3%	-0.2%	-0.6%
At \$5.85	39	0.1%	0.0	0.0%	206	0.3%	3.6	0.1%	0.2%	0.1%
\$5.86 - \$6.24	1,271	1.7%	67.3	2.0%	1,052	1.4%	35.6	1.0%	-0.3%	-1.0%
At \$6.25	302	0.4%	52.4	1.5%	184	0.2%	0.0	0.0%	-0.2%	-1.5%
\$6.26 - \$6.54	991	1.3%	37.6	1.1%	807	1.0%	17.0	0.5%	-0.3%	-0.6%
\$6.55	19	0.0%	4.3	0.1%	9	0.0%	0.0	0.0%	0.0%	-0.1%
\$6.56 - \$7.14	3,252	4.4%	156.5	4.6%	2,900	3.8%	112.2	3.2%	-0.6%	-1.4%
At \$7.15	163	0.2%	8.3	0.2%	271	0.4%	62.1	1.8%	0.2%	1.6%
\$7.16 - \$8.14	7,562	10.1%	280.5	8.2%	7,907	10.3%	325.2	9.4%	0.2%	1.2%
\$8.15 - \$9.14	6,290	8.4%	258.5	7.6%	6,651	8.6%	288.2	8.3%	0.2%	0.7%
\$9.15 or more	52,588	70.5%	2,448	71.9%	55,305	71.7%	2,543	73.4%	1.2%	1.5%

<sup>1/</sup> Average of January to June 2007. <sup>2/</sup> Average of July to December 2007.  
Source: U.S. Census Bureau: Current Population Survey

In the first half of 2007, there were 210,000 Pennsylvania workers making minimum wage or less (\$6.25 and below), or 6 percent of hourly workers and over 3 percent of total employment. Of those, 52,400 worked at the minimum wage while 157,600 worked for less. By comparison, 2 percent of hourly workers in the U.S. earned at or below the federal minimum wage (\$5.15) or 1 percent of total employment.

In the second half of 2007, there were 308,000 Pennsylvania workers making minimum wage or less (\$7.15 and below), or nearly 9 percent of hourly workers and 5 percent of total employment. Of those, 62,100 worked at the minimum while 245,900 worked for less. By comparison, nearly 3 percent of hourly workers in the U.S. earned at or below the federal minimum wage (\$5.85) or over 1 percent of total employment.

Pennsylvania and U.S. employment increased in the second half of 2007 as did the proportion of those making hourly rates. In addition, the proportion of those Pennsylvania hourly workers earning up to \$2.00 or more an hour above the minimum wage also increased in the second half of 2007. Thus, the effect of increasing the minimum wage in 2007 likely contributed to the increase in average wages of all hourly workers.



<b>Pennsylvania and US Employed Wage &amp; Salary Workers Paid Hourly Rates 2007 Average Compared to 2008 Average (Numbers of workers in thousands)</b>										
<b>Total, 16 Years and Over</b>	<b>2007</b>				<b>2008</b>				<b>Percentage Point Change 2007 to 2008</b>	
	<b>US</b>	<b>Pct.</b>	<b>PA</b>	<b>Pct.</b>	<b>US</b>	<b>Pct.</b>	<b>PA</b>	<b>Pct.</b>	<b>US</b>	<b>PA</b>
Total Employment	146,047		6,060		145,362		6,068			
Total Paid Hourly Rates	75,873	100.0%	3,434	100.0%	75,305	100.0%	3,457	100.0%		
Less than \$5.15	1,267	1.7%	61.4	1.8%	1,204	1.6%	59.1	1.7%	-0.1%	-0.1%
At \$5.15	192	0.3%	2.5	0.1%	25	0.0%	1.8	0.1%	-0.3%	0.0%
\$5.16 - \$5.84	529	0.7%	19.9	0.6%	250	0.3%	7.6	0.2%	-0.4%	-0.4%
At 5.85	122	0.2%	1.8	0.1%	104	0.1%	2.2	0.1%	0.3%	0.0%
\$5.86 - \$6.24	1,161	1.5%	51.5	1.5%	737	1.0%	18.9	0.5%	-0.5%	-1.0%
At \$6.25	243	0.3%	26.2	0.8%	180	0.2%	4.1	0.1%	-0.1%	-0.7%
\$6.26 - \$6.54	899	1.2%	27.3	0.8%	620	0.8%	14.0	0.4%	-0.4%	-0.4%
\$6.55	14	0.0%	2.1	0.1%	203	0.3%	6.8	0.2%	0.3%	0.1%
\$6.56 - \$7.14	3,076	4.1%	134.3	3.9%	2,422	3.2%	90.5	2.6%	-0.9%	-1.3%
At \$7.15	217	0.3%	35.2	1.0%	241	0.3%	57.6	1.7%	0.0%	0.7%
\$7.16 - \$8.14	7,735	10.2%	302.9	8.8%	7,335	9.7%	322.4	9.3%	-0.5%	0.5%
\$8.15 - \$9.14	6,471	8.5%	273.3	8.0%	6,522	8.7%	253.2	7.3%	0.2%	-0.7%
\$9.15 or more	53,947	71.1%	2,495	72.7%	55,462	73.6%	2,619	75.8%	2.5%	3.1%

Source: U.S. Census Bureau: Current Population Survey

In 2008, there were 262,600 Pennsylvania workers making minimum wage or less (\$7.15 and below), or nearly 8 percent of all hourly workers and over 4 percent of total employment. Of those, 57,600 worked at the minimum wage while 205,000 worked for less. During 2007, the average number of earners at the minimum wage or below was 259,000 (an average of the number of minimum wage earners at or below the minimum wage in the first and second halves of 2007), 3,600 below the 2008 level.

Pennsylvania employment increased slightly in 2008 (by less than one percentage point) while U.S. employment declined slightly (also by less than one percentage point). However, the proportion of those making hourly rates remained essentially the same. In 2008, Pennsylvania had a higher percentage of those earning hourly rates than did the U.S., 57 percent versus 52 percent.

The proportion of Pennsylvania hourly workers earning \$2.00 or more an hour above the minimum wage (\$9.15 or more) increased by over 3 percentage points to 76 percent from 2007 to 2008. In comparison, nearly 74 percent of hourly workers in the U.S. earned \$9.15 or more, an increase of over 2 percentage points from 2007 to 2008. The proportion of Pennsylvania hourly workers who earned up to \$1.99 above the minimum wage remained essentially unchanged from 2007 to 2008.



# WORKER CHARACTERISTICS

<b>Pennsylvania and US</b> <b>Demographic Characteristics of Hourly Wage &amp; Salary Workers at the Minimum Wage or Below</b> <b>2007 Average Compared to 2008 Average</b> <b>(Numbers of workers in thousands)</b>										
Demographic Characteristics	2007				2008				Percentage Point Chg. 2007 to 2008	
	US <sup>1/</sup>	Pct.	PA <sup>2/</sup>	Pct.	US <sup>3/</sup>	Pct.	PA	Pct.	US	PA
<b>TOTAL</b>	1,775		259.0		2,379		262.6			
<b>Gender</b>										
Male	561	32%	95.3	37%	792	33%	105.6	40%	1%	3%
Female	1,214	68%	163.7	63%	1,586	67%	157.0	60%	-1%	-3%
<b>Race</b>										
Black, non-Hispanic	203	11%	20.2	8%	315	13%	17.0	7%	2%	-1%
Hispanic	251	14%	10.6	4%	355	15%	11.1	4%	1%	0%
Other, non-Hispanic	89	5%	0.7	<1%	128	5%	11.4	4%	0%	4%
White, non-Hispanic	1,232	69%	227.5	88%	1,581	67%	223.0	85%	-2%	-3%
<b>Age</b>										
16-19	391	22%	96.5	37%	604	25%	82.2	31%	3%	-6%
20-24	453	26%	47.0	18%	605	25%	61.0	23%	-1%	5%
25-34	407	23%	37.3	14%	507	21%	41.6	16%	-2%	2%
35-44	229	13%	18.8	7%	260	11%	23.9	9%	-2%	2%
45-54	151	9%	29.7	12%	212	9%	22.6	9%	0%	-3%
55-64	92	5%	17.6	7%	115	5%	17.2	7%	0%	0%
65 and over	52	3%	12.1	5%	77	3%	14.1	5%	0%	0%
<b>Education</b>										
Less than a high school diploma	437	25%	96.2	37%	638	27%	74.7	28%	2%	-9%
High school graduates, no college	584	33%	89.0	34%	764	32%	94.2	36%	-1%	2%
Some college, no degree	514	29%	50.9	20%	660	28%	58.9	22%	-1%	2%
Associate degree	98	6%	9.3	4%	125	5%	19.5	7%	-1%	3%
Bachelor's degree or higher	143	8%	13.5	5%	192	8%	15.3	6%	0%	1%
<b>Marital Status</b>										
Married Spouse Present	399	23%	60.4	23%	569	24%	44.4	17%	1%	-6%
Marital Status Other	257	15%	25.3	10%	321	14%	46.6	18%	-1%	8%
Never Married	1,119	63%	173.4	67%	1,489	63%	171.6	65%	0%	-2%

<sup>1/</sup> US minimum wages in 2007 - \$5.15 and \$5.85.

<sup>2/</sup> PA minimum wages in 2007 - \$6.25 and \$7.15.

<sup>3/</sup> US minimum wages in 2008 - \$5.85 and \$6.55.

Totals may not sum due to rounding.

Source: U.S. Census Bureau: Current Population Survey

Female workers make up 60 percent of those earning at or below the minimum wage in Pennsylvania in 2008, a decrease of 3 percentage points from 2007.

The majority of Pennsylvania workers making the minimum wage are White (85 percent). Blacks make up the next highest percentage of minimum wage earners (7 percent), followed by Hispanics (4 percent) and other races (4 percent). The other races cohort increased by 4 percentage points in 2008 while Whites and Blacks decreased (-3 percentage points and -1 percentage point). Pennsylvania has a smaller proportion of minimum wage workers who are either Black or Hispanic than the nation.

Minimum wage workers tend to be young, 16- to 34-years-old (70 percent), with the heaviest concentration among 16- to 19-year-olds (31 percent). In 2008, the proportion of those minimum wage earners age 16- to 19-years-old decreased by 6 percentage points while the proportion of minimum wage earners age 20- to 24-years old increased by 5 percentage points. The state has a higher percentage of older workers (55 and over) earning minimum wage or below than the U.S. as a whole.

Pennsylvania workers with a high school diploma or less make up 64 percent of those earning at or below the minimum wage in 2008, a decrease of 7 percentage points from 2007. The nation has a larger proportion of college-educated workers earning at or below the minimum wage than Pennsylvania.

Most minimum wage earners have never been married (65 percent). In 2008, the proportion of those minimum wage earners with a marital status of Married Other (divorced, separated, widowed) increased by 8 percentage points while those who are married decreased by 6 percentage points. The U.S. has a higher percentage of minimum wage earners who are married than Pennsylvania.

**Pennsylvania and US**  
**Demographic Characteristics of Hourly Wage & Salary Workers Above the Minimum Wage**  
**2007 Average Compared 2008 Average**  
**(Numbers of workers in thousands)**

Demographic Characteristics	2007				2008				Percentage Point Change 2007 to 2008	
	US <sup>1/</sup>	Pct.	PA <sup>2/</sup>	Pct.	US <sup>3/</sup>	Pct.	PA	Pct.	US	PA
<b>TOTAL</b>	74,098		3,175		72,927		3,195			
<b>Gender</b>										
Male	37,229	50%	1,574	49%	36,541	50%	1,562	49%	0%	0%
Female	36,869	50%	1,602	51%	36,385	50%	1,633	51%	0%	0%
<b>Race</b>										
Black, non-Hispanic	9,388	13%	285.9	9%	9,186	13%	315.8	10%	0%	1%
Hispanic	12,917	17%	131.9	4%	12,715	17%	151.3	5%	0%	1%
Other, non-Hispanic	4,171	6%	61.2	2%	4,257	6%	66.8	2%	0%	0%
White, non-Hispanic	47,622	64%	2,696	85%	46,769	64%	2,661	83%	0%	-2%
<b>Age</b>										
16-19	5,043	7%	160.4	5%	4,534	6%	166.7	5%	-1%	0%
20-24	10,389	14%	396.0	12%	9,937	14%	383.4	12%	0%	0%
25-34	16,505	22%	600.7	19%	16,386	23%	608.1	19%	1%	0%
35-44	15,796	21%	668.0	21%	15,219	21%	657.5	21%	0%	0%
45-54	15,400	21%	759.9	24%	15,413	21%	775.6	24%	0%	0%
55-64	8,521	11%	460.8	15%	8,872	12%	452.1	14%	1%	-1%
65 and over	2,444	3%	129.2	4%	2,566	4%	151.2	5%	1%	1%
<b>Education</b>										
Less than a high school diploma	11,765	16%	292.7	9%	10,614	15%	318.6	10%	-1%	1%
High school graduates, no college	27,118	37%	1,538	48%	26,399	36%	1,499	47%	-1%	-1%
Some college, no degree	16,469	22%	505.9	16%	16,607	23%	529.5	17%	1%	1%
Associate degree	7,626	10%	363.2	11%	7,876	11%	371.6	12%	1%	1%
Bachelor's degree or higher	11,119	15%	474.9	15%	11,431	16%	475.9	15%	1%	0%
<b>Marital Status</b>										
Married Spouse Present	35,494	48%	1,614	51%	35,214	48%	1,586	50%	0%	-1%
Marital Status Other	12,855	17%	542.0	17%	12,411	17%	522.5	16%	0%	-1%
Never Married	25,749	35%	1,019	32%	25,302	35%	1,087	34%	0%	2%

<sup>1/</sup> US minimum wages in 2007 - \$5.15 and \$5.85.

<sup>2/</sup> PA minimum wages in 2007 - \$6.25 and \$7.15.

<sup>3/</sup> US minimum wages in 2008 - \$5.85 and \$6.55.

Totals may not sum due to rounding.

Source: U.S. Census Bureau: Current Population Survey

In 2008, male and female workers are evenly represented among hourly workers above the minimum wage. On the other hand, earners at or below the minimum wage tend to be female.

Blacks and Hispanics make up a higher proportion of earners above the minimum wage than of earners at or below the minimum wage. Blacks, Hispanics and other races make up a larger proportion of the nation's above minimum wage workers than in Pennsylvania (36 percent versus 17 percent).

The heaviest concentration of workers making above the minimum wage are 35- to 54-years-old. This differs from minimum wage workers, who tend to be younger.

Pennsylvania workers having a high school diploma account for the highest percentage of above minimum wage earners (47 percent). Earners above the minimum wage tend to be more educated than workers receiving the minimum wage or less.

Fifty percent of workers earning above the minimum wage are married. On the other hand, earners at or below the minimum wage tend to never have been married.

<b>Pennsylvania and US Demographic Characteristics of All Employed Individuals 2007 Average Compared 2008 Average (Numbers of workers in thousands)</b>										
Demographic Characteristics	2007				2008				Percentage Point Chg. 2007 to 2008	
	US	Pct.	PA	Pct.	US	Pct.	PA	Pct.	US	PA
<b>TOTAL</b>	146,047		6,060		145,362		6,068			
<b>Gender</b>										
Male	78,254	54%	3,188	53%	77,486	53%	3,168	52%	-1%	-1%
Female	67,792	46%	2,872	47%	67,876	47%	2,901	48%	1%	1%
<b>Race</b>										
Black, non-Hispanic	15,458	11%	499.7	8%	15,378	11%	511.5	8%	0%	0%
Hispanic	20,396	14%	211.2	4%	20,264	14%	225.5	4%	0%	0%
Other, non-Hispanic	9,326	6%	137.8	2%	9,458	7%	155.9	3%	1%	1%
White, non-Hispanic	100,867	69%	5,211	86%	100,262	69%	5,176	85%	0%	-1%
<b>Age</b>										
16-19	5,904	4%	270.9	5%	5,557	4%	269.2	5%	0%	0%
20-24	13,954	10%	558.7	9%	13,633	9%	563.9	9%	-1%	0%
25-34	31,532	22%	1,175	19%	31,402	22%	1,161	19%	0%	0%
35-44	34,310	23%	1,335	22%	33,430	23%	1,316	22%	0%	0%
45-54	34,634	24%	1,528	25%	34,532	24%	1,559	26%	0%	1%
55-64	20,097	14%	929.2	15%	20,847	14%	913.3	15%	0%	0%
65 and over	5,616	4%	263.6	4%	5,962	4%	286.4	5%	0%	1%
<b>Education</b>										
Less than a high school diploma	16,175	11%	514.7	8%	15,049	10%	497.3	8%	-1%	0%
High school graduates, no college	42,791	29%	2,316	38%	41,662	29%	2,258	37%	0%	-1%
Some college, no degree	28,060	19%	842.9	14%	28,285	19%	857.0	14%	0%	0%
Associate degree	13,645	9%	593.2	10%	14,103	10%	627.0	10%	1%	0%
Bachelor's degree or higher	45,376	31%	1,794	30%	46,265	32%	1,830	30%	1%	0%
<b>Marital Status</b>										
Married Spouse Present	81,902	56%	3,398	56%	81,573	56%	3,389	56%	0%	0%
Marital Status Other	23,685	16%	912.6	15%	23,228	16%	896.9	15%	0%	0%
Never Married	40,460	28%	1,750	29%	40,562	28%	1,782	29%	0%	0%

Totals may not sum due to rounding.

Source: U.S. Census Bureau: Current Population Survey

In 2008, males make up a higher proportion of all employed individuals than females, 52 percent to 48 percent. This tendency differs from earners at the minimum wage or below who are apt to be female.

Blacks make up a slightly higher proportion of all employed workers than those at the minimum wage or below.

The heaviest concentration of the employed is among 25- to 54-year-olds. This differs from minimum wage or below workers, who tend to be 16- to 24-year-olds.

The plurality of Pennsylvania's employed are high school graduates (37 percent), followed by those having a bachelor's degree or higher (30 percent). Fifty-four percent of employed Pennsylvanians have at least some college compared to 35 percent for minimum wage earners or below.

Fifty-six percent of the employed are married. This differs from minimum wage earners, who tend to never have been married.

<b>Pennsylvania and US</b> <b>Demographic Characteristics of All Individuals Age 16 Years and Over</b> <b>2007 Average Compared 2008 Average</b> <b>(Numbers of workers in thousands)</b>										
Demographic Characteristics	2007				2008				Percentage Point Change 2007 to 2008	
	US	Pct.	PA	Pct.	US	Pct.	PA	Pct.	US	PA
<b>TOTAL</b>	231,867		9,829		233,788		9,824			
<b>Gender</b>										
Male	112,173	48%	4,707	48%	113,113	48%	4,704	48%	0%	0%
Female	119,694	52%	5,122	52%	120,675	52%	5,119	52%	0%	0%
<b>Race</b>										
Black, non-Hispanic	26,529	11%	922.1	9%	26,899	12%	922.8	9%	1%	0%
Hispanic	31,383	14%	317.0	3%	32,141	14%	387.1	4%	0%	1%
Other, non-Hispanic	14,865	6%	224.8	2%	15,073	6%	245.6	3%	0%	1%
White, non-Hispanic	159,090	69%	8,365	85%	159,676	68%	8,268	84%	-1%	-1%
<b>Age</b>										
16-19	16,982	7%	681.1	7%	17,075	7%	710.5	7%	0%	0%
20-24	20,427	9%	843.4	9%	20,409	9%	850.0	9%	0%	0%
25-34	39,751	17%	1,462	15%	39,993	17%	1,445	15%	0%	0%
35-44	42,401	18%	1,692	17%	41,699	18%	1,622	17%	0%	0%
45-54	43,554	19%	1,875	19%	43,996	19%	1,933	20%	0%	1%
55-64	32,536	14%	1,503	15%	33,494	14%	1,448	15%	0%	0%
65 and over	36,215	16%	1,773	18%	37,122	16%	1,815	19%	0%	1%
<b>Education</b>										
Less than a high school diploma	40,607	18%	1,466	15%	39,773	17%	1,430	15%	-1%	0%
High school graduates, no college	70,635	31%	3,913	40%	70,364	30%	3,852	39%	-1%	-1%
Some college, no degree	42,811	19%	1,356	14%	43,734	19%	1,380	14%	0%	0%
Associate degree	18,458	8%	754.6	8%	19,074	8%	788.3	8%	0%	0%
Bachelor's degree or higher	59,356	26%	2,339	24%	60,844	26%	2,374	24%	0%	0%
<b>Marital Status</b>										
Married Spouse Present	122,222	53%	5,068	52%	122,340	52%	5,045	51%	-1%	-1%
Marital Status Other	44,762	19%	1,919	20%	45,177	19%	1,888	19%	0%	-1%
Never Married	64,883	28%	2,842	29%	66,271	28%	2,891	29%	0%	0%

Totals may not sum due to rounding.

Source: U.S. Census Bureau: Current Population Survey

For the following comparisons please refer to the table: Pennsylvania Demographics Characteristics of Hourly Wage & Salary Workers at the Minimum Wage or Below on page 18.

Recall that in 2008, a higher proportion of minimum wage earners or below (60 percent) is female than is the overall Pennsylvania population (52 percent).

Blacks comprise a higher percentage of Pennsylvania's population than they do of workers at the minimum wage or below.

16- to 24-year-olds make up a much higher proportion of minimum wage or below earners than the population, 54 percent versus 16 percent.

Minimum wage earners or below have a higher percentage of those with less than a high school diploma than has the population, 28 percent versus 15 percent. Conversely, the population has a higher proportion of those with a bachelor's degree or higher than found among minimum wage earners or below, 24 percent versus 6 percent.

Never married individuals comprise a higher percentage of those earning at the minimum wage or below than they do within the general Pennsylvania population, 65 percent versus 29 percent.



**Pennsylvania and US**  
**Demographic Characteristics of All Unemployed Individuals**  
**2007 Average Compared 2008 Average**  
**(Numbers of workers in thousands)**

Demographic Characteristics	2007						2008						Percentage Point Rate Chg. 2007 to 2008	
	US	Pct.	Rate <sup>1/</sup>	PA	Pct.	Rate <sup>1/</sup>	US	Pct.	Rate <sup>1/</sup>	PA	Pct.	Rate <sup>1/</sup>	US	PA
<b>TOTAL</b>	7,078		4.6%	274.0		4.4%	8,924		5.8%	350.0		5.5%	1.2%	1.1%
<b>Gender</b>														
Male	3,868	55%	4.7%	139.9	51%	4.2%	5,063	57%	6.1%	188.5	54%	5.5%	1.4%	1.3%
Female	3,210	45%	4.5%	134.2	49%	4.5%	3,861	43%	5.4%	161.4	46%	5.3%	0.9%	0.8%
<b>Race</b>														
Black, non-Hispanic	1,349	19%	8.0%	35.2	13%	6.6%	1,718	19%	10.2%	55.6	16%	9.8%	2.2%	3.2%
Hispanic	1,180	17%	5.5%	10.0	4%	4.6%	1,672	19%	7.6%	31.7	9%	12.4%	2.1%	7.8%
Other, non-Hispanic	415	6%	4.3%	6.2	2%	4.3%	492	6%	4.9%	9.4	3%	5.7%	0.6%	1.4%
White, non-Hispanic	4,134	58%	3.9%	222.6	81%	4.1%	5,042	56%	4.8%	253.3	72%	4.7%	0.9%	0.6%
<b>Age</b>														
16-19	735	10%	11.1%	30.2	11%	10.1%	859	10%	13.4%	52.7	15%	16.4%	2.3%	6.3%
20-24	1,228	17%	8.1%	51.8	19%	8.5%	1,547	17%	10.2%	62.7	18%	10.0%	2.1%	1.5%
25-34	1,612	23%	4.9%	68.0	25%	5.5%	2,053	23%	6.1%	72.7	21%	5.9%	1.2%	0.4%
35-44	1,365	19%	3.8%	42.2	15%	3.1%	1,736	20%	4.9%	62.9	18%	4.6%	1.1%	1.5%
45-54	1,227	17%	3.4%	45.2	17%	2.9%	1,570	18%	4.3%	60.3	17%	3.7%	0.9%	0.8%
55-64	705	10%	3.4%	27.1	10%	2.9%	870	10%	4.0%	23.4	7%	2.5%	0.6%	-0.4%
65 and over	206	3%	3.5%	9.7	4%	3.6%	290	3%	4.6%	15.3	4%	5.1%	1.1%	1.5%
<b>Education</b>														
Less than a high school diploma	1,596	23%	9.0%	50.0	18%	8.9%	1,873	21%	11.1%	65.4	19%	11.7%	2.1%	2.8%
High school graduates, no college	2,444	35%	5.4%	116.2	42%	4.8%	3,227	36%	7.2%	153.3	44%	6.4%	1.8%	1.6%
Some college, no degree	1,423	20%	4.8%	48.6	18%	5.5%	1,833	21%	6.1%	52.7	15%	5.8%	1.3%	0.3%
Associate degree	504	7%	3.6%	21.7	8%	3.6%	594	7%	4.0%	23.7	7%	3.7%	0.4%	0.1%
Bachelor's degree or higher	1,111	16%	2.4%	37.5	14%	2.1%	1,397	16%	2.9%	54.9	16%	2.9%	0.5%	0.8%
<b>Marital Status</b>														
Married Spouse Present	2,473	35%	2.9%	90.4	33%	2.6%	3,156	35%	3.7%	98.9	28%	2.8%	0.8%	0.2%
Marital Status Other	1,368	19%	5.5%	43.3	16%	4.6%	1,713	19%	6.9%	60.8	17%	6.4%	1.4%	1.8%
Never Married	3,237	46%	7.4%	140.4	51%	7.5%	4,055	45%	9.1%	190.4	54%	9.7%	1.7%	2.2%

<sup>1/</sup>Unemployment Rate. Totals may not sum due to rounding.

Source: U.S. Census Bureau: Current Population Survey

The state's overall unemployment rate increased 1.1 percentage points from 4.4 percent to 5.5 percent from 2007 to 2008. It is important to note that the National Bureau of Economic Research has determined our national economy is in an ongoing recession, which began in December 2007.

Recall that minimum wage workers tend to be female, or 16- to 24-years-old, or having less than a high school diploma.

The unemployment rate among females increased by 0.8 of a percentage point while the unemployment rate among males increased by 1.3 percentage points from 2007 to 2008.

The unemployment rate increased notably among 16- to 24-year-olds from 9.1 percent to 12.2 percent. The unemployment rate among 25-year-olds and above increased from 3.6 percent to 4.3 percent. (The data for these calculations are not shown.)

The unemployment rate from 2007 to 2008 went up among those with less than a high school diploma, from 8.9 percent to 11.8 percent.

<b>Pennsylvania and US</b> <b>Family and Household Income Characteristics of Hourly Wage &amp; Salary Workers</b> <b>At the Minimum Wage or Below</b> <b>2007 Average Compared 2008 Average</b> <b>(Numbers of workers in thousands)</b>										
Characteristics	2007				2008				Percent Point Change 2007 to 2008	
	US <sup>1/</sup>	Pct.	PA <sup>2/</sup>	Pct.	US <sup>3/</sup>	Pct.	PA	Pct.	US	PA
<b>TOTAL</b>	1,775		259.0		2,379		262.6			
<b>Family Makeup</b>										
No Children (Single or Married)	1,343	76%	217.1	84%	1,831	78%	221.3	84%	2%	0%
Married Parent	229	13%	22.6	9%	314	13%	19.4	7%	0%	-2%
Single Parent	203	11%	19.4	8%	234	10%	21.9	8%	-1%	0%
1 child	120	7%	10.1	4%	123	5%	13.6	5%	-2%	1%
2 children	61	3%	8.2	3%	67	3%	6.4	2%	0%	-1%
3 children	10	1%	0.0	0%	33	1%	1.9	1%	0%	1%
4 or more children	12	1%	1.2	1%	11	0%	0.0	0%	-1%	-1%
<b>Household Annual Income</b>										
Refused or Don't Know	277	16%	42.0	16%	412	17%	44.6	17%	1%	1%
\$9,999 or less	163	9%	19.2	7%	180	8%	14.0	5%	-1%	-2%
\$10,000 to 19,000	243	14%	20.9	8%	280	12%	28.7	11%	-2%	3%
\$20,000 to 29,000	232	13%	23.9	9%	278	12%	26.4	10%	-1%	1%
\$30,000 to 39,000	177	10%	27.3	11%	256	11%	27.1	10%	1%	-1%
\$40,000 to 49,000	120	7%	24.7	10%	169	7%	15.1	6%	0%	-4%
\$50,000 to 59,000	104	6%	26.2	10%	178	8%	28.0	11%	2%	1%
\$60,000 To 74,999	159	9%	20.2	8%	181	8%	21.3	8%	-1%	0%
\$75,000 To 99,999	135	8%	31.5	12%	195	8%	20.7	8%	0%	-4%
\$100,000 To 149,999	107	6%	16.4	6%	163	7%	25.7	10%	1%	4%
\$150,000 and Over	58	3%	6.8	3%	86	4%	11.1	4%	1%	1%

<sup>1/</sup>US minimum wages in 2007 - \$5.15 and \$5.85.

<sup>2/</sup>PA minimum wages in 2007 - \$6.25 and \$7.15.

<sup>3/</sup>US minimum wages in 2008 - \$5.85 and \$6.55.

Totals may not sum due to rounding.

Source: U.S. Census Bureau: Current Population Survey

Workers having no children make up 84 percent of those earning at or below the minimum wage in Pennsylvania.

Eight percent of minimum wage workers are single parents, and 7 percent are married with children.

The family makeup of Pennsylvania's minimum wage workers hardly changed from 2007 to 2008.

A higher proportion of Pennsylvania minimum wage workers do not have children when compared to the corresponding percentage for the U.S., 84 percent versus 78 percent.

The household income of those who earn the minimum wage or below varies greatly. At least 42 percent of these households make less than \$50,000 per year, with at least 26 percent making less than \$30,000 per year. In contrast, at least 41 percent make \$50,000 or more a year, with at least 22 percent making \$75,000 or more per year.

A higher proportion of the nation's minimum wage workers make less than \$50,000 per year than what is found for Pennsylvania, 50 percent versus 42 percent.

# INDUSTRY CHARACTERISTICS

**Pennsylvania and US**  
**Industry Characteristics of Hourly Wage & Salary Workers at the Minimum Wage or Below**  
**2007 Average Compared 2008 Average**  
**(Numbers of workers in thousands)**

Industry	2007				2008				Percent Point Change 2007 to 2008	
	US <sup>1/</sup>	Pct.	PA <sup>2/</sup>	Pct.	US <sup>3/</sup>	Pct.	PA	Pct.	US	PA
<b>TOTAL</b>	1,775		259.0		2,379		262.6			
<b>Industry (Employment)</b>										
Agriculture, forestry, fishing, and hunting	10	1%	8.3	3%	15	1%	4.4	2%	0%	-1%
Mining	0	0%	0.0	0%	3	<1%	0.0	0%	<1%	0%
Construction	34	2%	4.0	2%	35	2%	3.3	1%	0%	-1%
Manufacturing	40	2%	7.9	3%	70	3%	7.1	3%	1%	0%
Wholesale trade	11	1%	1.2	<1%	13	1%	1.0	<1%	0%	0%
Retail trade	152	9%	53.1	21%	304	13%	70.0	27%	4%	6%
Transportation and utilities	24	1%	3.7	2%	45	2%	4.9	2%	1%	0%
Information	23	1%	7.0	3%	23	1%	1.0	<1%	0%	-3%
Financial activities	25	1%	6.2	2%	35	2%	4.0	2%	1%	0%
Professional and business services	47	2%	4.5	2%	64	3%	15.3	6%	1%	4%
Educational services	58	3%	8.6	3%	95	4%	15.9	6%	1%	3%
Hospitals	23	1%	7.8	3%	34	1%	2.8	1%	0%	-2%
Health care services, except hospitals	72	4%	7.3	3%	83	4%	7.6	3%	0%	0%
Social assistance	54	3%	8.5	3%	76	3%	9.1	3%	0%	0%
Arts, entertainment, and recreation	64	4%	8.1	3%	90	4%	7.5	3%	0%	0%
Accommodation	39	2%	6.7	3%	50	2%	2.9	1%	0%	-2%
Food services and drinking places	984	55%	104.0	40%	1,179	50%	90.2	34%	-5%	-6%
Other services	83	5%	11.0	4%	129	5%	13.1	5%	0%	1%
Public administration	34	2%	1.2	<1%	37	2%	2.9	1%	0%	1%
<b>Work Status</b>										
Full-time	809	46%	79.1	30%	989	42%	80.0	31%	-4%	1%
Part-time	966	54%	180.0	70%	1,390	58%	182.6	69%	4%	-1%

<sup>1/</sup> US minimum wages in 2007 - \$5.15 and \$5.85.

<sup>2/</sup> PA minimum wages in 2007 - \$6.25 and \$7.15.

<sup>3/</sup> US minimum wages in 2008 - \$5.85 and \$6.55.

Totals may not sum due to rounding.

Source: U.S. Census Bureau: Current Population Survey

The industries most likely to employ workers at or below the minimum wage are leisure and hospitality (consisting of: arts, entertainment, and recreation; accommodation; and food services and drinking places), and retail trade. These industries employed 65 percent of all minimum wage earners in 2008. However, nearly all industries contain some minimum wage workers. In 2008, the proportion of minimum wage earners increased by 6 percentage points in retail trade and by 4 percentage points in professional and business services, while the proportion in food services and drinking places decreased by 6 percentage points.

Sixty-nine percent of those hourly workers earning at or below the minimum wage worked part-time in 2008, essentially unchanged from 2007. Pennsylvania differs from the nation in the proportion of minimum wage earners who are full-time workers (31 percent versus 42 percent).

**Pennsylvania and US**  
**Industry Characteristics of Workers Above the Minimum Wage**  
**2007 Average Compared 2008 Average**  
**(Numbers of workers in thousands)**

Industry	2007				2008				Percent Point Change 2007 to 2008	
	US <sup>1/</sup>	Pct.	PA <sup>2/</sup>	Pct.	US <sup>3/</sup>	Pct.	PA	Pct.	US	PA
<b>TOTAL</b>	74,098		3,175		72,927		3,195			
<b>Industry (Employment)</b>										
Agriculture, forestry, fishing, and hunting	708	1%	23.3	1%	718	1%	21.7	1%	0%	0%
Mining	439	1%	17.3	1%	469	1%	17.7	1%	0%	0%
Construction	6,308	9%	223.8	7%	5,642	8%	200.6	6%	-1%	-1%
Manufacturing	9,880	13%	467.6	15%	9,555	13%	498.2	16%	0%	1%
Wholesale trade	1,983	3%	97.8	3%	1,744	2%	90.7	3%	-1%	0%
Retail trade	10,586	14%	433.1	14%	10,457	14%	429.4	13%	0%	-1%
Transportation and utilities	4,128	6%	170.4	5%	4,185	6%	197.6	6%	0%	1%
Information	1,622	2%	64.0	2%	1,578	2%	70.2	2%	0%	0%
Financial activities	3,488	5%	145.0	5%	3,411	5%	149.8	5%	0%	0%
Professional and business services	5,923	8%	228.4	7%	5,791	8%	233.6	7%	0%	0%
Educational services	4,123	6%	172.7	5%	4,267	6%	164.4	5%	0%	0%
Hospitals	4,069	6%	265.3	8%	4,307	6%	239.2	7%	0%	-1%
Health care services, except hospitals	5,467	7%	308.3	10%	5,531	8%	318.1	10%	1%	0%
Social assistance	1,564	2%	70.3	2%	1,525	2%	76.9	2%	0%	0%
Arts, entertainment, and recreation	1,531	2%	37.0	1%	1,542	2%	53.8	2%	0%	1%
Accommodation	981	1%	29.2	1%	1,007	1%	20.2	1%	0%	0%
Food services and drinking places	5,234	7%	152.5	5%	5,057	7%	155.4	5%	0%	0%
Other services	2,872	4%	119.6	4%	2,877	4%	123.6	4%	0%	0%
Public administration	3,192	4%	149.4	5%	3,263	5%	133.7	4%	1%	-1%
<b>Work Status</b>										
Full-time	57,770	78%	2,480	78%	56,678	78%	2,501	78%	0%	0%
Part-time	16,328	22%	695.2	22%	16,249	22%	693.3	22%	0%	0%

<sup>1/</sup> US minimum wages in 2007 - \$5.15 and \$5.85.

<sup>2/</sup> PA minimum wages in 2007 - \$6.25 and \$7.15.

<sup>3/</sup> US minimum wages in 2008 - \$5.85 and \$6.55.

Totals may not sum due to rounding.

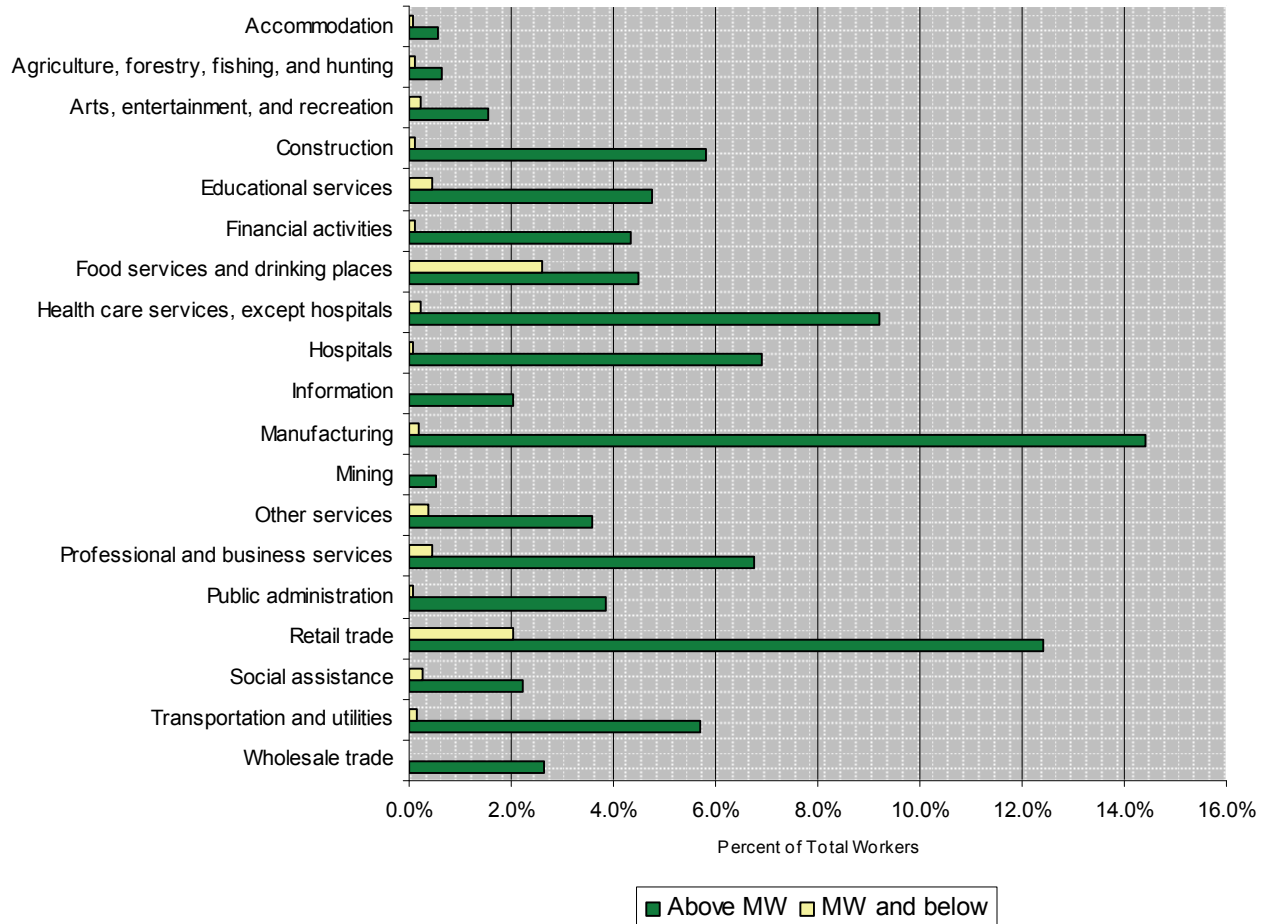
Source: U.S. Census Bureau: Current Population Survey

The Pennsylvania industries most likely to employ hourly workers above the minimum wage are manufacturing, retail trade and non-hospital health care services. These industries employed 39 percent of all those making above the minimum wage in 2008.

The industry distribution of those making above the minimum wage was little changed in Pennsylvania and the nation from 2007 to 2008.

Seventy-eight percent of hourly workers earning above the minimum wage worked full-time in 2008, unchanged from 2007.

**Pennsylvania**  
**Employed Wage & Salary Workers Paid Hourly Rates**  
**Industry Distribution 2008 Average**



The minimum wage in 2008 is \$7.15.  
 Source: U.S. Census Bureau: Current Population Survey

A high proportion of workers who earn at or below the minimum wage work in leisure and hospitality (consisting of: arts, entertainment, and recreation; accommodation; and food services and drinking places) and retail trade.

A high proportion of workers who earn above the minimum wage work in manufacturing, retail trade, health care services, hospitals, and professional and business services.

**Pennsylvania and US**  
**Occupational Characteristics of Hourly Wage & Salary Workers at the Minimum Wage or Below**  
**2007 Average Compared 2008 Average**  
**(Numbers of workers in thousands)**

Occupation	2007				2008				Percent Point Change 2007 to 2008	
	US <sup>1/</sup>	Pct.	PA <sup>2/</sup>	Pct.	US <sup>3/</sup>	Pct.	PA	Pct.	US	PA
<b>TOTAL</b>	1,775		259.0		2,379		262.6			
<b>Occupation</b>										
Architecture and engineering	1	<1%	0.0	0%	3	<1%	2.2	1%	<1%	1%
Arts, design, entertainment, sports, media	8	<1%	1.3	1%	12	<1%	0.0	0%	<1%	-1%
Building, grounds cleaning, maintenance	61	3%	10.6	4%	116	5%	14.7	6%	2%	2%
Business and financial operations	5	<1%	1.0	<1%	16	1%	1.0	<1%	<1%	0%
Community and social service	2	<1%	1.1	<1%	4	<1%	0.0	0%	<1%	0%
Computer and mathematical science	3	<1%	0.0	0%	3	<1%	0.0	0%	<1%	0%
Construction and extraction	27	2%	4.0	2%	35	1%	3.3	1%	-1%	-1%
Education, training, and library	22	1%	5.3	2%	42	2%	1.1	<1%	1%	-2%
Farming, fishing, and forestry	12	1%	8.3	3%	16	1%	5.3	2%	0%	-1%
Food preparation and serving related	1,028	58%	103.8	40%	1,212	51%	102.2	39%	-7%	-1%
Healthcare practitioner and technical	15	1%	3.8	1%	17	1%	2.1	1%	0%	0%
Healthcare support	39	2%	5.4	2%	60	3%	5.8	2%	1%	0%
Installation, maintenance, and repair	6	<1%	0.0	0%	14	1%	0.0	0%	<1%	0%
Legal	2	<1%	0.0	0%	2	<1%	1.5	1%	<1%	1%
Life, physical, and social service	2	<1%	0.0	0%	2	<1%	0.0	0%	<1%	0%
Management	17	1%	1.8	1%	16	1%	0.0	0%	0%	-1%
Office and administrative support	117	7%	20.3	8%	148	6%	27.6	11%	-1%	3%
Personal care and service	117	7%	14.3	6%	174	7%	15.1	6%	0%	0%
Production	42	2%	6.6	3%	47	2%	8.3	3%	0%	0%
Protective service	29	2%	3.1	1%	49	2%	3.6	1%	0%	0%
Sales and related	136	8%	48.9	19%	267	11%	53.9	21%	3%	2%
Transportation and material moving	84	5%	19.5	8%	124	5%	14.9	6%	0%	-2%

<sup>1/</sup> US minimum wages in 2007 - \$5.15 and \$5.85.

<sup>2/</sup> PA minimum wages in 2007 - \$6.25 and \$7.15.

<sup>3/</sup> US minimum wages in 2008 - \$5.85 and \$6.55.

Totals may not sum due to rounding.

Source: U.S. Census Bureau: Current Population Survey

In 2008, thirty-nine percent of Pennsylvanians who earned the minimum wage or below work in food preparation and serving-related occupations. In addition, minimum wage or below earners are also likely to be employed in sales and related (21 percent), office and administrative support (11 percent), transportation and material moving (6 percent), personal care and service (6 percent), and building maintenance (6 percent) occupations.

The occupational characteristics of Pennsylvania minimum wage workers changed little from 2007 to 2008.

A higher proportion of the nation's minimum wage workers are employed in food preparation and serving related occupations than in Pennsylvania, 51 percent versus 39 percent. However, a lower proportion of the nation's minimum wage workers or below are employed in sales and related occupations than in Pennsylvania, 11 percent versus 21 percent.

**Pennsylvania and US**  
**Employed Change in Jobs by Industry<sup>1/</sup> After Minimum Wage Increases in January and July 2007**  
**(Number of workers are in thousands)**

Industry	January MW Increase				July MW Increase <sup>2/</sup>							
	PA Emp Chg		US Emp Chg		PA Emp Chg				US Emp Chg			
	6 mo later	Pct Chg	6 mo later	Pct Chg	6 mo later	Pct Chg	12 mo later	Pct Chg	6 mo later	Pct Chg	12 mo later	Pct Chg
TOTAL	16.4	0.28%	574.0	0.42%	7.4	0.13%	2.9	0.05%	320.0	0.23%	-132.0	-0.10%
Agriculture, forestry, fishing, hunting	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Natural Resources & Mining	0.1	0.47%	20.0	2.83%	0.2	0.94%	0.2	0.94%	18.0	2.48%	51.0	7.02%
Construction	-1.8	-0.68%	-94.0	-1.22%	2.5	0.95%	-5.6	-2.13%	-206.0	-2.70%	-45.9	-6.01%
Manufacturing	-9.6	-1.44%	-131.0	-0.93%	-9.5	-1.44%	-16.8	-2.55%	-147.0	-1.06%	-397.0	-2.86%
Wholesale trade	0.6	0.25%	73.0	1.22%	0.9	0.37%	26.6	0.44%	26.6	-0.44%	-23.1	-0.38%
Retail Trade	-0.2	-0.03%	41.7	0.27%	-4.4	-0.67%	-8.9	-1.35%	-16.9	-0.11%	-186.7	-1.21%
Transportation and utilities	5.9	2.52%	9.0	0.18%	0.4	0.17%	-1.0	-0.42%	4.3	0.08%	-13.9	-0.27%
Information	-1.7	1.56%	-1.0	-0.03%	0.0	-0.09%	-1.9	-1.78%	-13.0	-0.43%	-39.0	-1.29%
Financial activities	-1.2	-0.36%	-18.0	-0.22%	-1.8	-0.54%	-3.2	-0.96%	-87.0	-1.04%	-125.0	-1.50%
Professional and business services	21.2	3.09%	110.0	0.62%	4.6	0.65%	8.7	1.23%	143.0	0.80%	-54.0	-0.30%
Educational and health services	1.8	0.17%	288.0	1.59%	9.6	0.89%	23.3	2.17%	257.0	1.40%	575.0	3.13%
Leisure and hospitality	8.3	1.69%	170.0	1.28%	6.1	1.22%	6.7	1.34%	168.0	1.25%	179.0	1.33%
Other services	-3.2	-1.23%	39.0	0.71%	-0.1	-0.04%	0.9	0.35%	7.0	0.13%	29.0	0.53%
Public administration	-3.8	-0.51%	67.0	0.30%	-1.0	-0.13%	0.5	0.07%	166.0	0.75%	332.0	1.50%
10-year Ave. Total Change	20.2	0.36%	717.2	0.55%	14.8	0.26%	24.6	0.55%	620.2	0.47%	1158.0	0.89%
10-year Ave. Manufacturing	-11.4	-1.45%	-201.4	-1.25%	-11.5	-1.52%	-21.4	-2.96%	-187	-1.20%	-393.4	-2.50%
10-year Ave. Retail Change	1.5	0.24%	47.7	0.32%	-1.4	-0.21%	-0.3	-0.03%	47.5	0.32%	68.1	0.47%
10-year Ave. Educ & Heath Serv Chg	1.1	0.61%	212.2	1.31%	10.0	1.00%	16.9	2.02%	220.7	1.35%	445.7	2.72%
10-year Ave. Leisure & Hospitality Chg	3.9	0.84%	120.8	0.99%	3.8	0.81%	6.6	1.64%	133.6	1.09%	240.7	1.97%
Sept. 1997 MW Increase <sup>3/</sup> Total Chg	48.2	0.89%	1544.0	1.25%	----	----	----	----	----	----	----	----
August 1996 MW Increase <sup>4/</sup> Total Chg	49.1	0.92%	1457.0	1.21%	----	----	----	----	----	----	----	----

<sup>1/</sup> Seasonally Adjusted.

<sup>2/</sup> The National Bureau of Economic Research determined a recession began in December 2007.

<sup>3/</sup> To \$5.15. Calculations 6 months later from September 1997.

<sup>4/</sup> To \$4.75. Calculations 6 months later from August 1996.

Totals may not sum due to rounding. Data as of December 2008.

Source: Current Employment Statistics Survey

The purpose of this chart is to see if Pennsylvania's employment declined due to increased labor costs arising from the two minimum wage increases in 2007. The data is seasonally adjusted. Therefore, effects due to recurring seasonal patterns (e.g., holidays, weather, and schooling) have been removed leaving the underlying trend and other non-seasonal movements (such as a possible response to the minimum wage increase) intact in the data series. In addition, it is important to note that the National Bureau of Economic Research has determined our national economy is in an ongoing recession, which began in December 2007.

Looking first at the January increase, the 6-month Pennsylvania total employment change was positive (+16,400). However, total employment growth was less than the 10-year statewide average change (+20,200). The nation exhibited the same overall trend. Pennsylvania retail trade declined in the 6-month later time frame (-200). This change was counter to the 10-year retail average change (+1,500). However, while national retail trade exhibited 6-month growth, the growth was less than the 10-year average change.



Pennsylvania leisure and hospitality had stronger than average growth over the 6-month later time frame, the same held true in the nation.

Checking the July increase, the 6-month and 12-month Pennsylvania total employment changes were also positive (+7,400 and +2,900). However, total employment growth was less than the 10-year statewide average changes (+14,800 and +24,600). The nation exhibited the same overall trend in the 6-month time frame, but total employment change in the 12-month time frame was negative. Pennsylvania retail trade declined in both the 6-month and 12-month later time frames (-4,400 and -8,900). This change was more severe than the 10-year retail average changes (-1,400 and -300). National retail trade also exhibited a 6-month and 12-month loss. This ran counter to its 10-year average growth. Pennsylvania leisure and hospitality increased in the 6-month and 12-month later time frames (+6,100 and +6,700). Both of these changes were better than the 10-year average changes (+3,800 and +6,600). The nation had stronger than average growth over the 6-month interval, but weaker than average growth over the 12-month time frame.

A useful comparison is weighing the 2007 increases against the previous two minimum wage increases in 1997 and 1996. The 1997 increase coincided with very strong total employment growth six months later in excess of the 10-year average change. The 1996 increase also coincided with very strong total employment growth six months later. Six months after the minimum wage increases in January and July 2007 shows positive total employment growth, but less than the 10-year averages.

In summary, the data shows a less than 1 percent decline in retail trade employment over the short term (six months after January and July 2007). However, there was a greater than 1 percent decline in retail trade employment 12 months after July 2007. Leisure and hospitality employment increased by over 1 percent six months after January 2007 and also six and 12 months after July 2007. Pennsylvania's 6-month total employment change was positive after both the January (+16,400) and July (+7,400) minimum wage increases, though less than the 10-year averages. Pennsylvania's 12-month employment change after the July minimum wage increase (+2,900) followed the same pattern.

**Pennsylvania**  
**Change in Industry Employer Establishments<sup>1/</sup> having less than 20 Employees,**  
**After Minimum Wage Increases in January and July 2007**

Industry	1st Qtr 2006	2nd Qtr 2006	3rd Qtr 2006	4th Qtr 2006	1st Qtr 2007 <sup>2/</sup>	2nd Qtr 2007	3rd Qtr 2007 <sup>3/</sup>	4th Qtr 2007 <sup>4/</sup>	1st Qtr 2008
<b>TOTAL</b>	<b>270,720</b>	<b>273,720</b>	<b>273,696</b>	<b>277,245</b>	<b>276,962</b>	<b>278,599</b>	<b>279,064</b>	<b>279,697</b>	<b>280,704</b>
Agriculture, forestry, fishing, and hunting	1,560	1,555	1,542	1,557	<b>1,579</b>	1,561	<b>1,565</b>	1,565	1,604
Natural Resources & Mining	708	725	747	757	<b>761</b>	767	<b>761</b>	774	794
Construction	28,118	28,527	28,276	28,571	<b>28,438</b>	28,598	<b>28,434</b>	28,232	28,231
Manufacturing	10,527	10,524	10,482	10,546	<b>10,498</b>	10,518	<b>10,429</b>	10,381	10,406
Wholesale trade	22,099	22,338	22,247	22,539	<b>22,549</b>	22,630	<b>22,629</b>	22,614	22,479
Retail Trade	36,527	36,944	36,690	36,845	<b>36,383</b>	36,671	<b>36,648</b>	36,713	36,517
Transportation and utilities	6,390	6,517	6,687	6,644	<b>6,696</b>	6,727	<b>6,896</b>	6,839	6,853
Information	3,950	3,979	3,964	3,956	<b>3,818</b>	3,826	<b>3,836</b>	3,824	3,774
Financial activities	26,004	26,246	26,281	26,640	<b>26,640</b>	26,620	<b>26,579</b>	26,667	26,751
Professional and business services	43,504	44,308	44,413	45,164	<b>45,165</b>	45,606	<b>45,796</b>	45,915	46,195
Educational and health services	39,023	39,634	40,209	41,077	<b>41,177</b>	41,920	<b>42,557</b>	42,966	43,678
Leisure and hospitality	22,894	22,812	22,616	23,234	<b>23,730</b>	23,585	<b>23,391</b>	23,616	23,968
Other services	29,270	29,429	29,381	29,545	<b>29,392</b>	29,461	<b>29,461</b>	29,497	29,333
Public administration	NA	NA	NA	NA	<b>NA</b>	NA	<b>NA</b>	NA	NA
Unclassified	146	182	161	170	<b>136</b>	109	<b>82</b>	94	121

<sup>1/</sup> Private Sector Employers Only

<sup>2/</sup> Minimum wage increased from \$5.15 to \$6.25 on January 1, 2007.

<sup>3/</sup> Minimum wage increased from \$6.25 to \$7.15 on July 1, 2007.

<sup>4/</sup> The National Bureau of Economic Research determined a recession began in December 2007.

Data as of December 2008. Source: Quarterly Census of Employment and Wages.

The purpose of this chart is to see if the number of Pennsylvania's small employer establishments (private sector only) declined as labor costs rose following the two minimum wage increases in 2007.

Looking first at the January 2007 increase, the total number of small employer establishments (those having less than 20 employees) in the first quarter of 2007 was 276,962. This was an increase of 6,242 units over the 2006 number of 270,720 (first quarter 2006). In addition, the total number of small employer establishments was higher by 1,637 in the second quarter of 2007, compared to the quarter having the January minimum wage increase. Retail trade had fewer small employer establishments than in first quarter 2006 (-144) while leisure and hospitality had more (+836). However, retail trade had more establishments in the quarter following the minimum wage increase (+288) while leisure and hospitality had fewer (-145).

Checking the July 2007 increase, the total number of small employer establishments in the third quarter of 2007 was 279,064. This was an increase of 5,368 units over the 2006 number of 273,696 (third quarter 2006). In addition, the total number of small employer establishments was higher by 1,007 in the fourth quarter of 2007, the quarter following the July minimum wage increase. Retail trade had fewer small employer establishments than one year ago (-42) while leisure and hospitality had more (+775). Both retail trade and leisure and hospitality had an increase in the number of small employer establishments in the quarter following the minimum wage increase (+65 and +409).

The total number of Pennsylvania's private sector small employer establishments increased from first quarter 2007 (276,962) to first quarter 2008 (280,704). Also increasing over the same time was the number small employer establishments in retail trade (36,383 to 36,517) and leisure and hospitality (23,730 to 23,968).

**Pennsylvania**  
**Change in Industry Employer Establishments<sup>1/</sup> having 20 or more Employees,**  
**After Minimum Wage Increases in January and July 2007**

Industry	1st Qtr 2006	2nd Qtr 2006	3rd Qtr 2006	4th Qtr 2006	1st Qtr 2007 <sup>2/</sup>	2nd Qtr 2007	3rd Qtr 2007 <sup>3/</sup>	4th Qtr 2007 <sup>4/</sup>	1st Qtr 2008
<b>TOTAL</b>	<b>44,401</b>	<b>45,435</b>	<b>46,336</b>	<b>46,069</b>	<b>45,082</b>	<b>45,814</b>	<b>46,867</b>	<b>46,577</b>	<b>45,489</b>
Agriculture, forestry, fishing, and hunting	237	270	287	293	218	263	277	295	235
Natural Resources & Mining	219	226	235	237	226	237	252	250	230
Construction	2,588	2,744	2,953	2,856	2,644	2,739	3,004	2,905	2,528
Manufacturing	5,641	5,687	5,701	5,697	5,649	5,622	5,696	5,709	5,646
Wholesale trade	2,580	2,620	2,663	2,650	2,595	2,631	2,678	2,636	2,600
Retail Trade	7,081	6,922	7,048	7,138	7,140	6,962	7,124	7,125	7,101
Transportation and utilities	1,976	1,996	1,878	2,021	2,023	2,060	1,933	2,069	2,072
Information	1,007	1,014	1,034	1,025	1,007	1,005	1,012	993	1,017
Financial activities	2,304	2,303	2,355	2,302	2,239	2,275	2,352	2,274	2,224
Professional and business services	5,775	5,974	6,054	6,001	5,976	6,189	6,256	6,217	6,170
Educational and health services	6,854	7,012	6,941	7,041	7,026	7,100	7,138	7,203	7,226
Leisure and hospitality	6,634	7,091	7,598	7,256	6,884	7,234	7,599	7,370	6,936
Other services	1,505	1,576	1,589	1,552	1,455	1,497	1,546	1,531	1,504
Public administration	NA	NA	NA	NA	NA	NA	NA	NA	NA
Unclassified	0	0	0	0	0	0	0	0	0

<sup>1/</sup>Private Sector Employers Only

<sup>2/</sup>Minimum wage increased from \$5.15 to \$6.25 on January 1, 2007.

<sup>3/</sup>Minimum wage increased from \$6.25 to \$7.15 on July 1, 2007.

<sup>4/</sup>The National Bureau of Economic Research determined a recession began in December 2007.

Data as of December 2008. Source: Quarterly Census of Employment and Wages.

The purpose of this chart is to see if the number of Pennsylvania's large employer establishments (private sector only) declined as labor costs rose following the two minimum wage increases in 2007.

Looking at the January 2007 increase, the total number of large employer establishments (those having 20 or more employees) in the first quarter of 2007 was 45,082. This was an increase of 681 units over the 2006 number of 44,401 (first quarter 2006). In addition, the total number of large employer establishments was higher by 732 in the second quarter of 2007, the quarter following the January minimum wage increase. Both retail trade and leisure and hospitality had an increase in the number of large employer establishments from first quarter 2006 (+59 and +250). However, retail trade had fewer establishments in the quarter following the minimum wage increase (-178), while leisure and hospitality had more (+350).

Checking the July 2007 increase, the total number of large employer establishments in the third quarter of 2007 was 46,867. This was an increase of 531 units over the 2006 number of 46,336 (third quarter 2006). However, the total number of larger employer establishments was lower by 290 in the fourth quarter of 2007, the quarter following the July minimum wage increase. Both retail trade and leisure and hospitality had an increase in the number of large employer establishments over one year ago (+76 and +1). Retail trade had more establishments in the quarter following the minimum wage increase (+1) while leisure and hospitality had less (-229).

The total number of Pennsylvania's private sector large employer establishments increased from first quarter 2007 (45,082) to first quarter 2008 (45,489). Over the same time frame the number of large employer establishments decreased in retail trade (7,140 to 7,101) and increased in leisure and hospitality (6,884 to 6,936).

Pennsylvania																
Change in Industry Wages <sup>1/</sup> for Employer Establishments having less than 20 Employees, After Minimum Wage Increases in January and July 2007, not seasonally adjusted (Total Wages in millions of dollars)																
Industry	1st Qtr 2006		2nd Qtr 2006		3rd Qtr 2006		4th Qtr 2006		1st Qtr 2007 <sup>2/</sup>		2nd Qtr 2007		3rd Qtr 2007 <sup>3/</sup>		4th Qtr 2007 <sup>4/</sup>	
	Total Wages \$	Ave. Wkly Wage	Total Wages \$	Ave. Wkly Wage	Total Wages \$	Ave. Wkly Wage	Total Wages \$	Ave. Wkly Wage	Total Wages \$	Ave. Wkly Wage	Total Wages \$	Ave. Wkly Wage	Total Wages \$	Ave. Wkly Wage	Total Wages \$	Ave. Wkly Wage
TOTAL	10,414	654	10,483	641	10,628	647	12,364	752	11,176	692	11,145	673	11,237	677	12,961	783
Agriculture, forestry, fishing, hunting	40	425	46	440	46	434	51	490	43	453	46	451	46	446	52	516
Natural Resources & Mining	49	893	45	794	48	801	64	1,083	46	805	56	953	61	1,042	54	923
Construction	923	682	1,021	693	1,051	700	1,173	804	949	704	1,059	727	1,085	732	1,215	844
Manufacturing	595	686	612	700	609	698	683	781	619	722	637	737	617	721	713	836
Wholesale trade	1,229	1,102	1,170	1,039	1,182	1,048	1,459	1,284	1,353	1,198	1,278	1,122	1,265	1,108	1,539	1,333
Retail Trade	1,158	423	1,152	416	1,171	422	1,259	453	1,167	431	1,187	431	1,212	438	1,288	466
Transportation and utilities	275	686	281	688	290	707	302	733	297	718	293	704	302	723	317	750
Information	240	1,041	219	939	232	994	238	1,018	249	1,088	232	1,004	232	1,004	245	1,046
Financial activities	1,406	918	1,277	827	1,294	836	1,505	970	1,558	1,008	1,357	874	1,359	876	1,557	1,004
Professional and business services	1,928	927	1,965	905	1,933	893	2,500	1,147	2,120	992	2,089	937	2,097	944	2,656	1,195
Educational and health services	1,540	638	1,608	665	1,683	690	1,960	784	1,653	662	1,754	697	1,787	714	2,073	813
Leisure and hospitality	395	247	428	254	424	248	464	277	453	272	463	264	477	270	515	302
Other services	633	437	654	444	665	449	702	476	668	457	693	465	694	467	736	496
Public administration	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Unclassified	3	1,236	3	1,030	3	999	3	1,123	2	926	1	839	1	838	1	825

<sup>1/</sup> Private Sector Employers Only.

<sup>2/</sup> Minimum wage increased from \$5.15 to \$6.25 on January 1, 2007.

<sup>3/</sup> Minimum wage increased from \$6.25 to \$7.15 on July 1, 2007.

<sup>4/</sup> The National Bureau of Economic Research determined a recession began in December 2007.

Totals may not sum due to rounding. Data as of December 2008.

Source: Quarterly Census of Employment and Wages.

The purpose of this chart is to see if Pennsylvania's total wages and average weekly wage (private sector only) at small employer establishments declined after the two minimum wage increases in 2007. Due to the seasonality of wages (i.e. bonuses, hours worked, employment levels) in the first and fourth quarters of each year, analysis of wage data is limited to comparing similar quarters (i.e. first to first).

Looking first at the January 2007 increase, total wages at small employer establishments (those having less than 20 employees) in the first quarter of 2007 was \$11,176 million. This was an increase of \$762 million (7 percent) in total wages over the 2006 tally of \$10,414 million (first quarter 2006). Pennsylvania's average weekly wage for small employer establishments in first quarter 2007 was \$692. This was higher by \$38 (6 percent) than the year ago average weekly wage of \$654. Retail trade had an increase of \$9 million (<1 percent) in total wages at small employer establishments in first quarter 2007 as compared to one year previous. Similarly, leisure and hospitality had an increase of \$58 million (15 percent) in total wages as compared to one year ago. In addition, retail trade had an increase of \$8 (2 percent) in the average weekly wage as compared to first quarter 2006, and leisure and hospitality had an increase of \$25 (10 percent).

Checking the July 2007 increase, total wages for small employer establishments in the third quarter of 2007 was \$11,237 million. This was an increase of \$609 million (6 percent) in total wages over the year ago tally of \$10,628 million (third quarter 2006). Pennsylvania's average weekly wage for small employer establishments in third quarter 2007 was \$677. This was higher by \$30 (5 percent) than the third quarter 2006 average weekly wage of \$647. Retail trade had an increase of \$41 million (4 percent) in total wages at small employer establishments in third quarter 2007 as compared to one year previous. Similarly, leisure and hospitality had an increase of \$53 million (13 percent) in total wages as compared to one year ago. Furthermore, retail trade had an increase of \$16 (4 percent) in the average weekly wage as compared to third quarter 2006, and leisure and hospitality had an increase of \$22 (9 percent).

In summary, Pennsylvania's total wages and average weekly wage at small employer establishments were higher in both the first and third quarters of 2007, the quarters in which the two minimum wage increases occurred, than in the same quarters in 2006. Similarly, retail trade and leisure and hospitality followed the same trend. Finally, Pennsylvania's total wages and average weekly wage at small employer establishments were higher in fourth quarter 2007 than in fourth quarter 2006. Retail trade and leisure and hospitality also had higher wages and average weekly wages in the fourth quarter of 2007 than one year previous. Thus, the minimum wage increases in 2007 likely did not have the effect of reducing small employer total wages or their average weekly wages.

**Pennsylvania**  
**Change in Industry Wages<sup>1/</sup> for Employer Establishments having 20 or more Employees,**  
**After Minimum Wage Increases in January and July 2007, not seasonally adjusted**  
**(Total Wages in millions of dollars)**

Industry	1st Qtr 2006		2nd Qtr 2006		3rd Qtr 2006		4th Qtr 2006		1st Qtr 2007 <sup>2/</sup>		2nd Qtr 2007		3rd Qtr 2007 <sup>3/</sup>		4th Qtr 2007 <sup>4/</sup>	
	Total Wages \$	Ave. Wkly Wage	Total Wages \$	Ave. Wkly Wage	Total Wages \$	Ave. Wkly Wage	Total Wages \$	Ave. Wkly Wage	Total Wages \$	Ave. Wkly Wage	Total Wages \$	Ave. Wkly Wage	Total Wages \$	Ave. Wkly Wage	Total Wages \$	Ave. Wkly Wage
<b>TOTAL</b>	<b>39,675</b>	<b>859</b>	<b>37,627</b>	<b>792</b>	<b>37,961</b>	<b>795</b>	<b>41,468</b>	<b>868</b>	<b>42,153</b>	<b>905</b>	<b>39,725</b>	<b>829</b>	<b>40,011</b>	<b>830</b>	<b>44,206</b>	<b>915</b>
Agriculture, forestry, fishing, hunting	95	526	103	501	106	491	107	549	92	555	103	513	107	514	117	599
Natural Resources & Mining	219	1,160	214	1,054	217	1,055	231	1,136	229	1,182	223	1,062	239	1,093	250	1,173
Construction	1,842	1,046	1,997	1,007	2,152	1,032	2,337	1,179	1,904	1,078	2,135	1,058	2,291	1,074	2,499	1,253
Manufacturing	7,781	996	7,310	927	7,263	918	7,904	1,005	7,901	1,028	7,378	955	7,366	953	7,959	1,038
Wholesale trade	2,238	1,161	2,071	1,048	2,120	1,062	2,430	1,221	2,403	1,232	2,211	1,111	2,306	1,152	2,566	1,275
Retail Trade	2,602	459	2,620	460	2,696	474	2,825	469	2,651	467	2,720	476	2,690	470	2,922	487
Transportation and utilities	2,081	839	1,964	790	1,987	820	2,122	827	2,248	878	2,116	819	2,086	836	2,290	871
Information	1,347	1,151	1,194	1,012	1,280	1,081	1,256	1,063	1,428	1,237	1,235	1,061	1,262	1,084	1,291	1,120
Financial activities	4,645	1,657	3,520	1,244	3,302	1,165	3,786	1,358	4,908	1,788	3,672	1,325	3,388	1,212	3,930	1,429
Professional and business services	7,358	1,138	6,749	1,014	6,737	997	7,884	1,165	8,419	1,248	7,596	1,090	7,574	1,073	8,973	1,263
Educational and health services	7,601	731	7,893	751	8,026	768	8,457	797	8,010	758	8,258	776	8,520	802	9,081	834
Leisure and hospitality	1,364	313	1,466	300	1,556	311	1,579	342	1,454	329	1,554	315	1,642	324	1,728	364
Other services	503	531	524	526	520	520	550	565	505	545	525	541	541	546	601	618
Public administration	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Unclassified	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-2	1,538

<sup>1/</sup> Private Sector Employers Only.

<sup>2/</sup> Minimum wage increased from \$5.15 to \$6.25 on January 1, 2007.

<sup>3/</sup> Minimum wage increased from \$6.25 to \$7.15 on July 1, 2007.

<sup>4/</sup> The National Bureau of Economic Research declared a recession began in December 2007.

Totals may not sum due to rounding. Data as of December 2008.

Source: Quarterly Census of Employment and Wages.

The purpose of this chart is to see if Pennsylvania's total wages and average weekly wage (private sector only) at large employer establishments declined after the two minimum wage increases in 2007.

Looking first at the January 2007 increase, total wages at large employer establishments (those having 20 or more employees) in the first quarter of 2007 was \$42,153 million. This was an increase of \$2,478 million (6 percent) in total wages over the 2006 tally of \$39,675 million (first quarter 2006). Pennsylvania's average weekly wage for large employer establishments in first quarter 2007 was \$905. This was higher by \$46 (5 percent) than the first quarter 2006 average weekly wage of \$859. Retail trade had an increase of \$49 million (2 percent) in total wages at large employer establishments in first quarter 2007 as compared to one year ago. Similarly, leisure and hospitality had an increase of \$90 million (7 percent) in total wages as compared to one year ago. In addition, retail trade had an increase of \$8 (2 percent) in the average weekly wage as compared to first quarter 2006, and leisure and hospitality had an increase of \$16 (5 percent).

Checking the July 2007 increase, total wages for large employer establishments in the third quarter of 2007 was \$40,011 million. This was an increase of \$2,050 million (5 percent) in total wages over the year ago tally of \$37,961 million (third quarter 2006). Pennsylvania's average weekly wage for large employer establishments in third quarter 2007 was \$830. This was higher by \$35 (4 percent) than the third quarter 2006 average weekly wage of \$795. Retail trade had a decrease of \$6 million (<1 percent) in total wages among large

employers in the third quarter of 2007 as compared to one year ago. In contrast, leisure and hospitality had an increase of \$86 million (6 percent) in total wages as compared to one year ago. Retail trade had a decrease of \$4 (1 percent) in the average weekly wage as compared to third quarter 2006, while leisure and hospitality had an increase of \$13 (4 percent).

In summary, Pennsylvania's total wages and average weekly wage for large employer establishments were higher in both the first and third quarters of 2007, the quarters in which the two minimum wage increases occurred, than in the same quarters in 2006. While leisure and hospitality fared similarly, retail trade had lower total wages in the third quarter of 2007 as compared to one year ago. Finally, Pennsylvania's total wages and average weekly wage at large employer establishments were higher in fourth quarter 2007 than in fourth quarter 2006. Retail trade and leisure and hospitality also had higher total wages and average weekly wages in the fourth quarter of 2007 than one year ago. Thus, the minimum wage increases in 2007 likely did not have the effect of reducing large employer total wages or their average weekly wages.



**Pennsylvania**  
**Change in Select Industry Quarterly Wages by Percentiles, 2003 - 2008<sup>1/</sup>**

Time	Industry	10th Pctl	Pct. Chg.	25th Pctl	Pct. Chg.	50th Pctl	Pct. Chg.	75th Pctl	Pct. Chg.	90th Pctl	Pct. Chg.
1st Qtr 2003	Total	\$513		\$1,850		\$5,374		\$9,783		\$16,060	
1st Qtr 2004	Total	\$525	2.3%	\$1,878	1.5%	\$5,430	1.0%	\$9,976	2.0%	\$16,390	2.1%
1st Qtr 2005	Total	\$520	-1.0%	\$1,885	0.4%	\$5,442	0.2%	\$10,056	0.8%	\$16,711	2.0%
1st Qtr 2006	Total	\$542	4.2%	\$1,980	5.0%	\$5,833	7.2%	\$10,822	7.6%	\$17,994	7.7%
1st Qtr 2007	Total	\$577	6.5%	\$2,064	4.2%	\$6,033	3.4%	\$11,231	3.8%	\$18,765	4.3%
1st Qtr 2008	Total	\$619	7.3%	\$2,195	6.3%	\$6,250	3.6%	\$11,629	3.5%	\$19,508	4.0%
5 -Yr Ave. Chg	Total		3.9%		3.5%		3.1%		3.5%		4.0%
1st Qtr 2003	Manufacturing	\$2,359		\$5,090		\$8,055		\$12,204		\$18,560	
1st Qtr 2004	Manufacturing	\$2,400	1.7%	\$5,198	2.1%	\$8,204	1.8%	\$12,380	1.4%	\$18,717	0.8%
1st Qtr 2005	Manufacturing	\$2,396	-0.2%	\$5,255	1.1%	\$8,400	2.4%	\$12,805	3.4%	\$19,564	4.5%
1st Qtr 2006	Manufacturing	\$2,518	5.1%	\$5,664	7.8%	\$9,024	7.4%	\$13,616	6.3%	\$20,828	6.5%
1st Qtr 2007	Manufacturing	\$2,654	5.4%	\$5,753	1.6%	\$9,161	1.5%	\$14,047	3.2%	\$21,789	4.6%
1st Qtr 2008	Manufacturing	\$2,804	5.7%	\$5,986	4.1%	\$9,473	3.4%	\$14,561	3.7%	\$22,736	4.3%
5 -Yr Ave. Chg	Manufacturing		3.5%		3.3%		3.3%		3.6%		4.2%
1st Qtr 2003	Retail	\$347		\$1,057		\$2,943		\$6,139		\$10,085	
1st Qtr 2004	Retail	\$358	3.2%	\$1,081	2.3%	\$2,979	1.2%	\$6,202	1.0%	\$10,400	3.1%
1st Qtr 2005	Retail	\$353	-1.4%	\$1,089	0.7%	\$3,019	1.3%	\$6,234	0.5%	\$10,425	0.2%
1st Qtr 2006	Retail	\$357	1.1%	\$1,112	2.1%	\$3,116	3.2%	\$6,577	5.5%	\$11,109	6.6%
1st Qtr 2007	Retail	\$367	2.8%	\$1,142	2.7%	\$3,180	2.1%	\$6,776	3.0%	\$11,482	3.4%
1st Qtr 2008	Retail	\$399	8.7%	\$1,218	6.7%	\$3,309	4.1%	\$6,894	1.7%	\$11,760	2.4%
5 -Yr Ave. Chg	Retail		2.9%		2.9%		2.4%		2.4%		3.1%
1st Qtr 2003	Leis. & Hosp.	\$188		\$563		\$1,520		\$3,380		\$6,238	
1st Qtr 2004	Leis. & Hosp.	\$188	0.0%	\$570	1.2%	\$1,552	2.1%	\$3,442	1.8%	\$6,289	0.8%
1st Qtr 2005	Leis. & Hosp.	\$187	-0.5%	\$560	-1.8%	\$1,529	-1.5%	\$3,437	-0.1%	\$6,346	0.9%
1st Qtr 2006	Leis. & Hosp.	\$181	-3.2%	\$573	2.3%	\$1,588	3.9%	\$3,598	4.7%	\$6,680	5.3%
1st Qtr 2007	Leis. & Hosp.	\$200	10.5%	\$614	7.2%	\$1,668	5.0%	\$3,718	3.3%	\$6,903	3.3%
1st Qtr 2008	Leis. & Hosp.	\$218	9.0%	\$563	8.8%	\$1,809	8.5%	\$3,908	5.1%	\$7,164	3.8%
5 -Yr Ave. Chg	Leis. & Hosp.		3.2%		3.6%		3.6%		3.0%		2.8%

<sup>1/</sup> Private Sector Employers Only. Wages above \$100,000 dollars are not reported. Included are full-time and part-time earners. Percent change is calculated based on the prior year.

Minimum wage increased from \$5.15 to \$6.25 on January 1, 2007. Minimum wage increased from \$6.25 to \$7.15 on July 1, 2007.

The National Bureau of Economic Research determined a recession began in December 2007.

Data as of December 2008.

Source: Unemployment Compensation Wage Records

The purpose of this chart is to examine the effect of Pennsylvania's 2007 minimum wage increases on wages in 2008 (private sector only). A percentile is the value of a variable (e.g. wage) below which a certain percent of observations fall. For example, a 10<sup>th</sup> percentile is the value below which 10 percent of the observations fall and 90 percent of the observations are above. The 50<sup>th</sup> percentile is also known as the median.

In first quarter 2008, the total median wage (50<sup>th</sup> percentile) had risen 3.6 percent from the previous year, which was greater than the 5-year average total wage median change of 3.1 percent, and greater than the first quarter 2007 total wage median change of 3.4 percent. Likewise, in first quarter 2008, the 10<sup>th</sup> and 25<sup>th</sup> percentile total wage changes of 7.3 percent and 6.3 percent were greater than their respective 5-year average changes (3.9 percent and 3.5 percent) as well as the first quarter 2008 total wage median gain (3.6 percent). The first quarter 2008 total wage changes in the 75<sup>th</sup> and 90<sup>th</sup> percentiles were the same as their five-year average changes. The 75<sup>th</sup> percentile total wage rose 3.5 percent, 0.1 of a percentage point below the 2008 total wage median gain, and the 90<sup>th</sup> percentile rose 4.0 percent, 0.4 of a percentage point above the 2008 total wage median gain. Total wages in the lower percentiles (10<sup>th</sup> and 25<sup>th</sup>) rose faster than total wages in the higher percentiles (75<sup>th</sup> and 90<sup>th</sup>) in 2008.



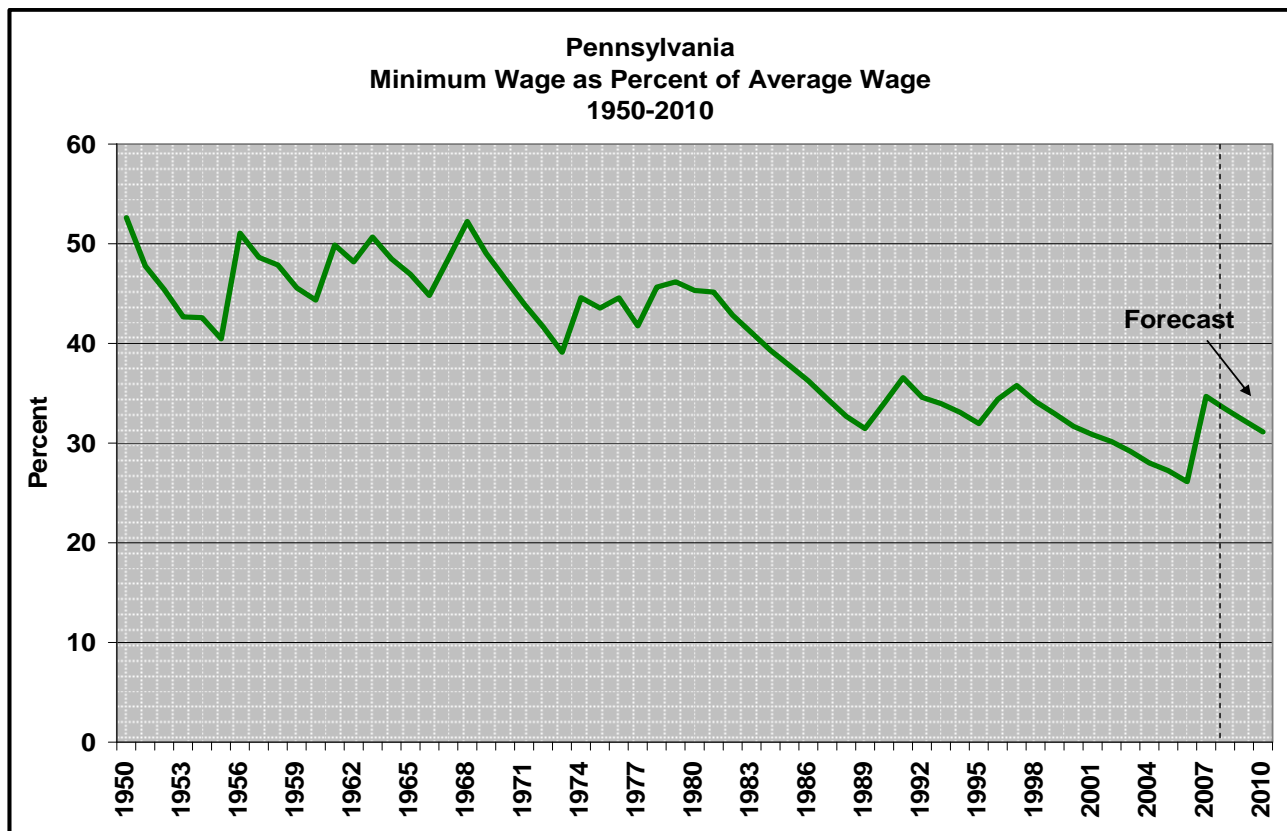
Looking at the retail industry, in the first quarter of 2008, the median wage over the year rose 4.1 percent, which was greater than the 5-year average retail wage median gain of 2.4 percent, and greater than the first quarter 2007 retail wage median change of 2.1 percent. Similarly, in first quarter 2008, the 10<sup>th</sup> and 25<sup>th</sup> percentile retail wage changes of 8.7 percent and 6.7 percent were greater than their respective 5-year average changes (both at 2.9 percent) and the first quarter 2008 retail median wage gain (4.1 percent). The first quarter 2008 retail wage changes in the 75<sup>th</sup> and 90<sup>th</sup> percentiles were lower than their 5-year average changes. The 75<sup>th</sup> percentile retail wage rose 1.7 percent, 2.4 percentage points below the 2008 retail wage median change, and the 90<sup>th</sup> percentile rose 2.4 percent, 1.7 percentage points below the 2008 retail wage median change. Retail wages in the lower percentiles (10<sup>th</sup> and 25<sup>th</sup>) rose faster than retail wages in the higher percentiles (75<sup>th</sup> and 90<sup>th</sup>) in 2008.

Checking the leisure and hospitality industry, in first quarter 2008, the median wage rose 8.5 percent, which was greater than the 5-year average leisure and hospitality median wage change of 3.6 percent, and greater than the first quarter 2007 leisure and hospitality median wage change of 5.0 percent. Likewise, in first quarter 2008, the 10<sup>th</sup> and 25<sup>th</sup> percentile leisure and hospitality wage changes of 9.0 percent and 8.8 percent were greater than their respective 5-year average changes (3.2 percent and 3.6 percent) and the first quarter 2008 leisure and hospitality median wage change (3.6 percent). The first quarter 2008 leisure and hospitality wage changes in the 75<sup>th</sup> and 90<sup>th</sup> percentiles were greater than their 5-year average changes. However, the 75<sup>th</sup> percentile leisure and hospitality wage rose 5.1 percent, which is 3.4 percentage points below the industry's 2008 median wage change, and the 90<sup>th</sup> percentile rose 3.8 percent, which is 4.7 percentage points below the 2008 leisure and hospitality median wage change. Leisure and hospitality wages in the lower percentiles (10<sup>th</sup> and 25<sup>th</sup>) rose faster than leisure and hospitality wages in the higher percentiles (75<sup>th</sup> and 90<sup>th</sup>) in 2008.

To reiterate the key findings, the total median wage rose 3.6 percent in the first quarter of 2008, which was greater than the 5-year average total wage median change of 3.1 percent, and greater than the first quarter 2007 total wage median change of 3.4 percent. Total wages for those earning below the median (10<sup>th</sup> and 25<sup>th</sup> percentiles) rose faster than those earning above the median (75<sup>th</sup> and 90<sup>th</sup> percentiles) in first quarter 2008. In the first quarter of 2008, the retail median wage rose 4.1 percent, which was greater than the 5-year average retail median wage change of 2.4 percent, and greater than the first quarter 2007 retail median wage change of 2.1 percent. Likewise, in leisure and hospitality, the median wage rose 8.5 percent in first quarter 2008, which was greater than the industry's 5-year average median change of 3.6 percent, and greater than the industry's year ago median wage change of 5.0 percent. The change in the first quarter 2008 median wage in the leisure and hospitality industry (+8.5 percent) exceeded both the change in total median wages (+3.6 percent) and the change in retail median wages (+4.1 percent).



# INFLATION AND POVERTY



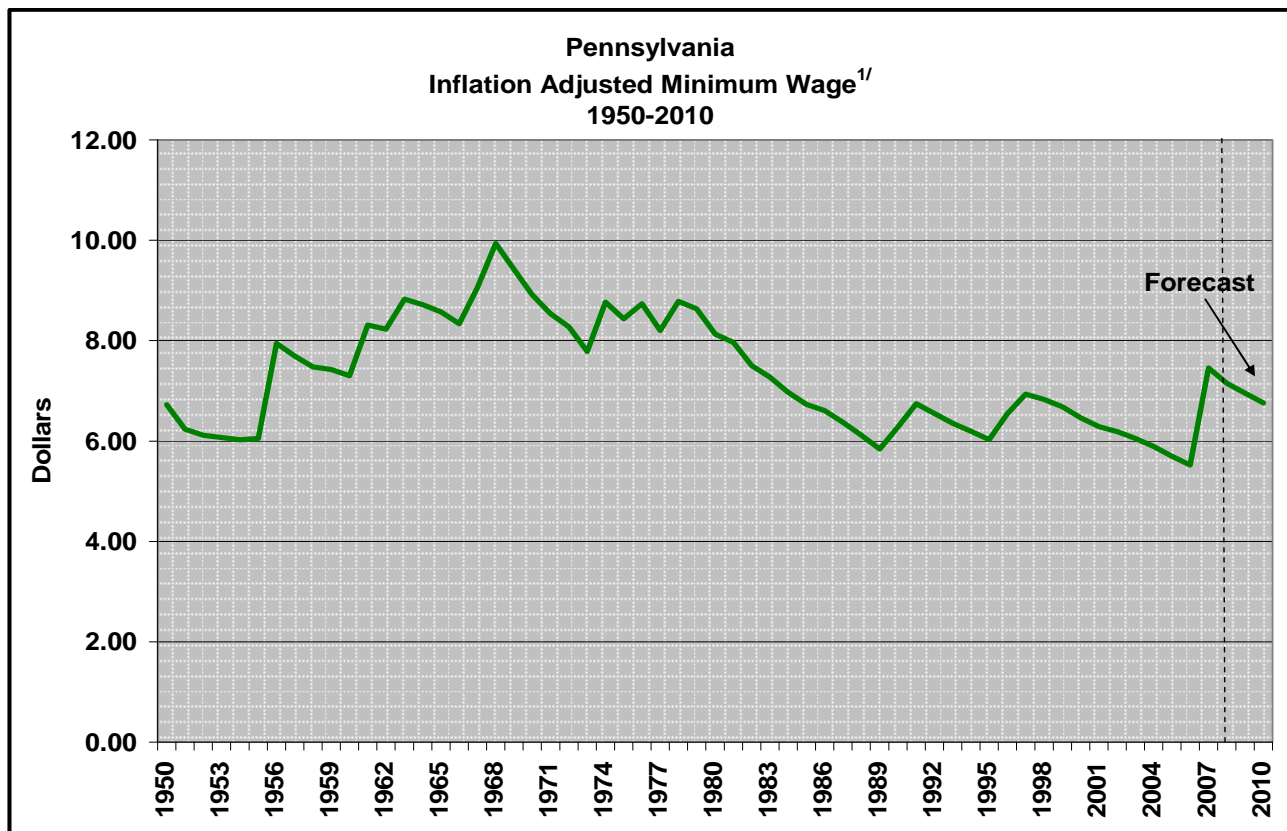
Average Wage forecast based on ten-year average  
The minimum wage in 2008 is \$7.15.

The original level of the minimum wage was set in 1938 at 50 percent of the average manufacturing wage (now calculated using the statewide average wage instead due to the decline in manufacturing). In 1969 a gradual decline in the minimum wage as a percent of the average wage began.

In 2006, Pennsylvania's minimum wage was 26 percent of the average wage, an all-time low since this information has been documented (1938).

The increase in the minimum wage to \$7.15 in 2007 brought the minimum wage up to 34 percent of the average wage. This is below the original level of 50 percent of the average wage.

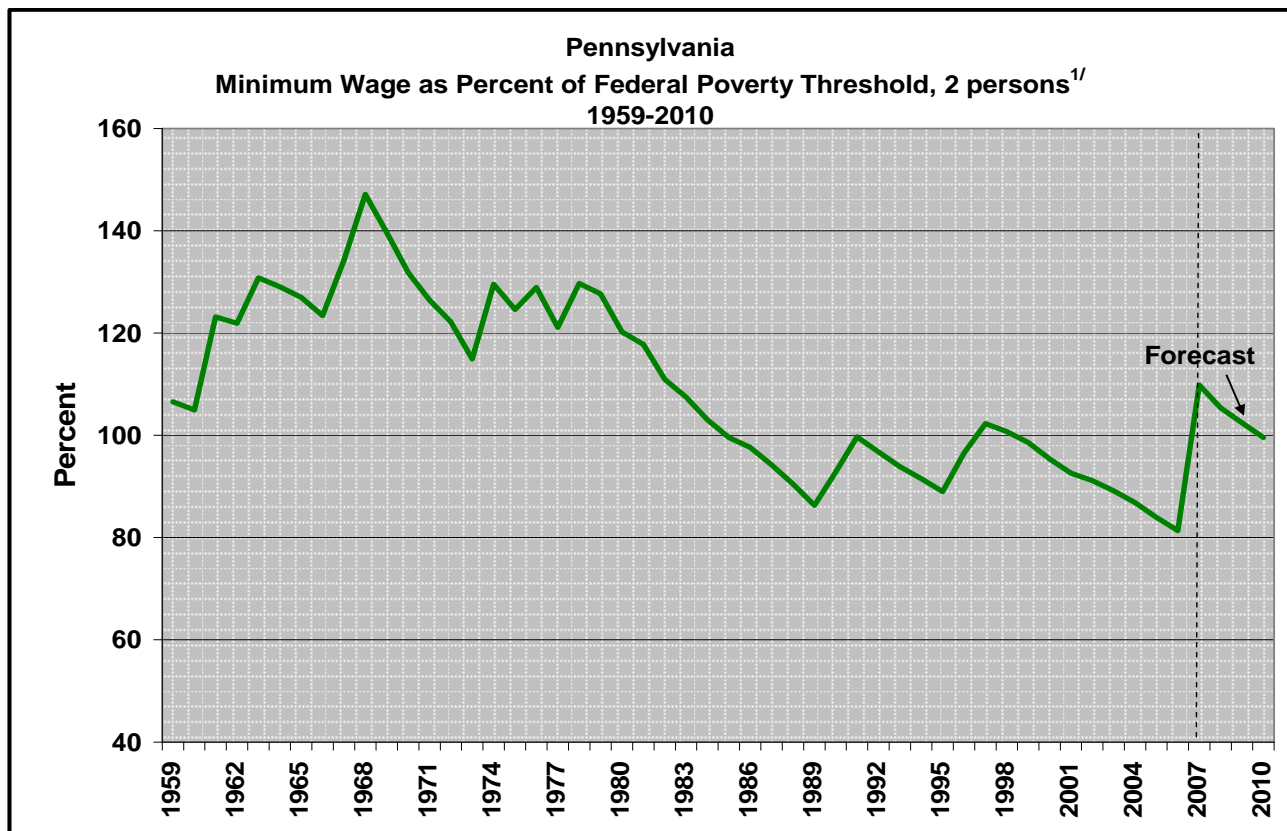
In order to be at 50 percent of the average wage and to counter the effects of inflation (inflation forecast based on its 10-year average), the minimum wage in 2008 needed to be \$10.70, and would need to be \$11.10 in 2009, and \$11.50 in 2010.



<sup>1/</sup>Indexed to 2008  
Inflation forecast based on 10-year average applied to the minimum wage  
The minimum wage in 2008 is \$7.15.

Inflation negatively impacts the minimum wage. Adjusting for projected inflation, the 2007 minimum wage increase to \$7.15 will be worth \$6.95 in 2009 and \$6.75 in 2010 (in 2008 dollars).

In 2008 dollars, the current minimum wage of \$7.15 was equivalent to \$10.00 in 1968. Pennsylvania's minimum wage (and the federal minimum wage) remained unchanged from September 1997 to the end of 2006, while prices rose considerably. In 2006, the purchasing power of the minimum wage was less than at any time since the 1950s.

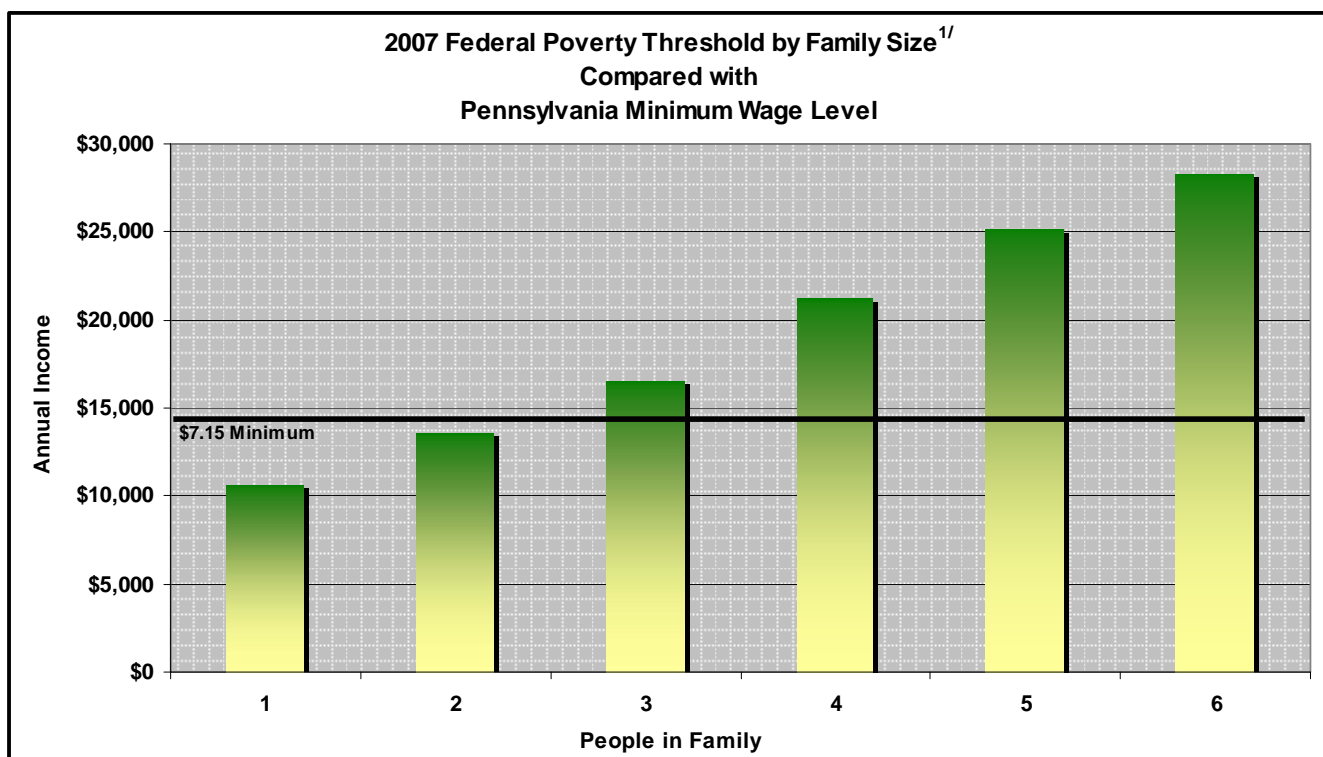


<sup>1/</sup> Average-weighted threshold  
Inflation forecast based on ten-year average applied to the poverty threshold  
Source: U.S. Census Bureau

In 2006, the Federal Poverty Threshold for a two-person household was \$13,167 and the annual income for an individual working full-time at the minimum wage (then \$5.15) was \$10,710, or 81 percent of the poverty threshold, an all-time low.

In 2008, the annual income for an individual in Pennsylvania making the minimum wage (\$7.15) was \$14,872, or 105 percent of the Federal Poverty Threshold for a two-person household (\$14,115).

If the minimum wage remains unchanged at \$7.15 (it will increase to \$7.25 in 2009 because of the new federal minimum), its percent of the Federal Poverty Threshold for a two-person household will dip below the 100 percent level in 2010 (assuming full-time employment).



<sup>1/</sup> Average-weighted threshold  
Source: U.S. Census Bureau

A person working full-time at \$7.15 per hour earns \$14,872 per year. This income exceeded the 2007 Federal Poverty Threshold for one-person (\$10,590) and two-person households (\$13,540). However, this fell short of the poverty threshold for three-person households (\$16,530).

Therefore, a single parent with two children, working full-time at \$7.15 would earn wages below the poverty threshold. However, a two-parent family with two children, with both parents working full-time at the minimum wage would exceed the poverty threshold for a four-person household (\$21,203).





# OTHER STATES

Minimum Wage Rates by State									
Area	2006	2007	2008	2009	Area	2006	2007	2008	2009
Federal	\$5.15	\$5.85	\$6.55	\$7.25	Federal	\$5.15	\$5.85	\$6.55	\$7.25
Alabama	\$5.15	\$5.85	\$6.55	\$7.25	Montana <sup>1/</sup>	\$5.15	\$6.15	\$6.55	\$7.25
Alaska	\$7.15	\$7.15	\$7.15	\$7.25	Nebraska	\$5.15	\$5.85	\$6.55	\$7.25
Arizona <sup>1/</sup>	\$5.15	\$6.75	\$6.90	\$7.25	Nevada <sup>1/</sup>	\$6.15	\$6.33	\$6.85	\$7.25
Arkansas	\$6.25	\$6.25	\$6.55	\$7.25	New Hampshire	\$5.15	\$6.50	\$7.25	\$7.25
California	\$6.75	\$7.50	\$8.00	\$8.00	New Jersey	\$7.15	\$7.15	\$7.15	\$7.25
Colorado <sup>1/</sup>	\$5.15	\$6.85	\$7.02	\$7.28	New Mexico	\$5.15	\$5.85	\$6.55	\$7.50
Connecticut	\$7.40	\$7.65	\$7.65	\$8.00	New York	\$6.75	\$7.15	\$7.15	\$7.25
Delaware	\$6.15	\$6.65	\$7.15	\$7.25	North Carolina	\$5.15	\$6.15	\$6.55	\$7.25
Florida <sup>1/</sup>	\$6.40	\$6.67	\$6.79	\$7.25	North Dakota	\$5.15	\$5.85	\$6.55	\$7.25
Georgia	\$5.15	\$5.85	\$6.55	\$7.25	Ohio <sup>1/</sup>	\$5.15	\$6.85	\$7.00	\$7.30
Hawaii	\$6.75	\$7.25	\$7.25	\$7.25	Oklahoma	\$5.15	\$5.85	\$6.55	\$7.25
Idaho	\$5.15	\$5.85	\$6.55	\$7.25	Oregon <sup>1/</sup>	\$7.50	\$7.80	\$7.95	\$8.40
Illinois	\$6.50	\$7.50	\$7.75	\$8.00	Pennsylvania	\$5.15	\$7.15	\$7.15	\$7.25
Indiana	\$5.15	\$5.85	\$6.55	\$7.25	Rhode Island	\$7.10	\$7.40	\$7.40	\$7.40
Iowa	\$5.15	\$6.20	\$7.25	\$7.25	South Carolina	\$5.15	\$5.85	\$6.55	\$7.25
Kansas	\$5.15	\$5.85	\$6.55	\$7.25	South Dakota	\$5.15	\$5.85	\$6.55	\$7.25
Kentucky	\$5.15	\$5.85	\$6.55	\$7.25	Tennessee	\$5.15	\$5.85	\$6.55	\$7.25
Louisiana	\$5.15	\$5.85	\$6.55	\$7.25	Texas	\$5.15	\$5.85	\$6.55	\$7.25
Maine	\$6.75	\$7.00	\$7.25	\$7.50	Utah	\$5.15	\$5.85	\$6.55	\$7.25
Maryland	\$6.15	\$6.15	\$6.55	\$7.25	Vermont <sup>1/</sup>	\$7.25	\$7.53	\$7.68	\$8.06
Massachusetts	\$6.75	\$7.50	\$8.00	\$8.00	Virginia	\$5.15	\$5.85	\$6.55	\$7.25
Michigan	\$6.95	\$7.15	\$7.40	\$7.40	Washington <sup>1/</sup>	\$7.63	\$7.93	\$8.07	\$8.55
Minnesota	\$6.15	\$6.15	\$6.55	\$7.25	West Virginia	\$5.85	\$6.55	\$7.25	\$7.25
Mississippi	\$5.15	\$5.85	\$6.55	\$7.25	Wisconsin	\$5.70	\$6.50	\$6.55	\$7.25
Missouri <sup>1/</sup>	\$6.50	\$6.50	\$6.65	\$7.25	Wyoming	\$5.15	\$5.85	\$6.55	\$7.25

<sup>1/</sup> Minimum wage tied to inflation rate - Consumer Price Index (CPI)

Data accurate as of December 2, 2008

Source: U.S. Department of Labor

In 2007, nine states had higher minimum wage rates than Pennsylvania. In 2008, fourteen states had higher rates. Of those states having higher minimums, the rates ranged from \$7.25 to \$8.07. At least 13 states will have a higher minimum wage than Pennsylvania in 2009, ranging from \$7.28 to \$8.55.

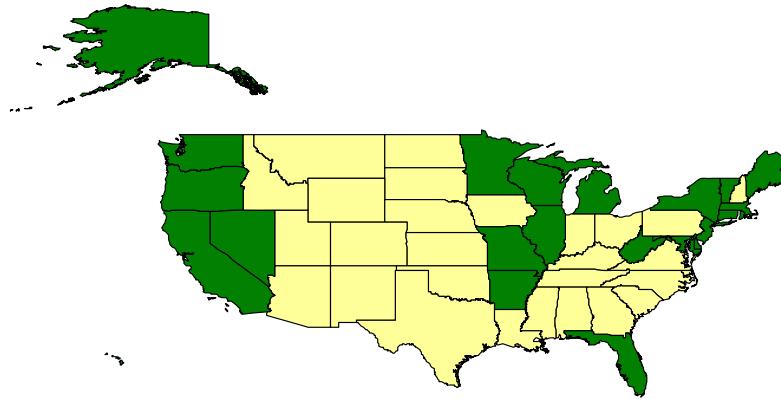
Nineteen states were at the federal minimum wage (\$5.85) in 2007. In 2008, twenty-six states were at the new federal minimum wage (\$6.55). Thirty-seven states will be at the next federal minimum wage (\$7.25) in 2009.

In 2008, four states had the same minimum wage as Pennsylvania, and 31 states and the nation had lower minimum wage rates than Pennsylvania. Thirty-seven states and the nation will have the same minimum wage (\$7.25) as Pennsylvania in 2009.

Of Pennsylvania's neighboring states, West Virginia had the highest minimum wage (\$7.25) in 2008. Pennsylvania and its neighboring states (shaded above) except for Ohio will be at the same minimum wage (\$7.25) in 2009.

Arizona, Colorado, Florida, Missouri, Montana, Nevada, Ohio, Oregon, Vermont and Washington have their minimum wage rates tied to the Consumer Price Index to provide an automatic increase for inflation purposes.

## 2006 Pennsylvania and Other States Minimum Wage Comparison

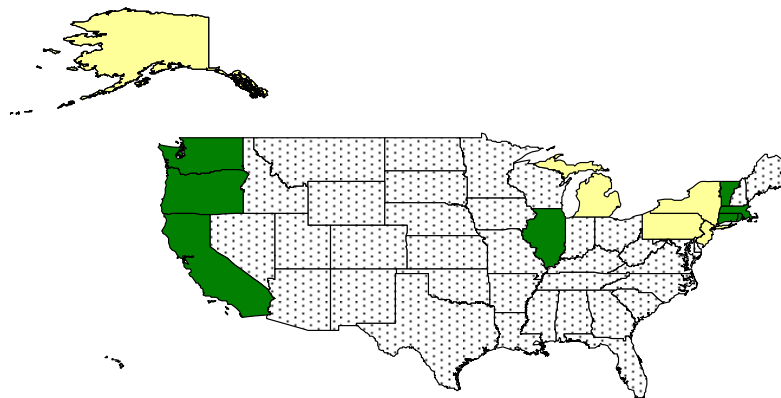


Same as PA's minimum wage  
 Higher than PA's minimum wage

Note: PA's minimum wage= \$5.15

As of 12/2/2008

## 2007 Pennsylvania and Other States Minimum Wage Comparison

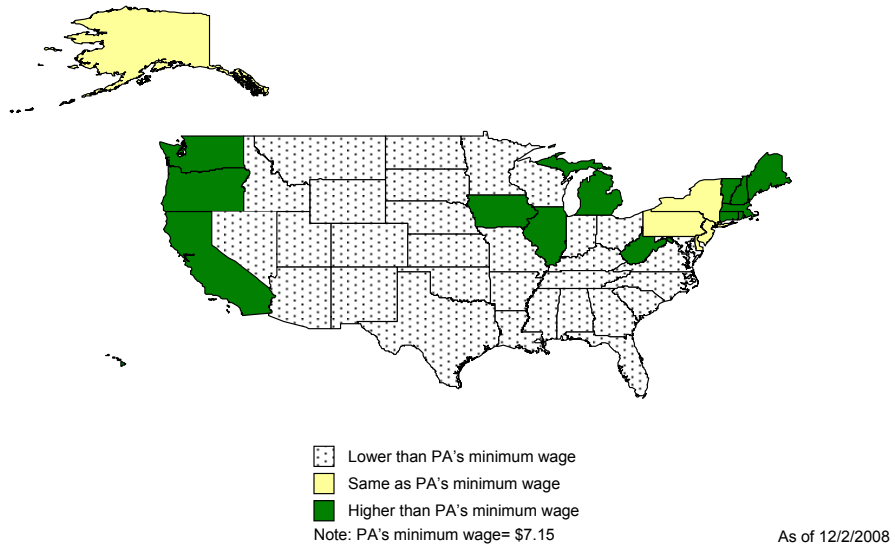


Lower than PA's minimum wage  
 Same as PA's minimum wage  
 Higher than PA's minimum wage

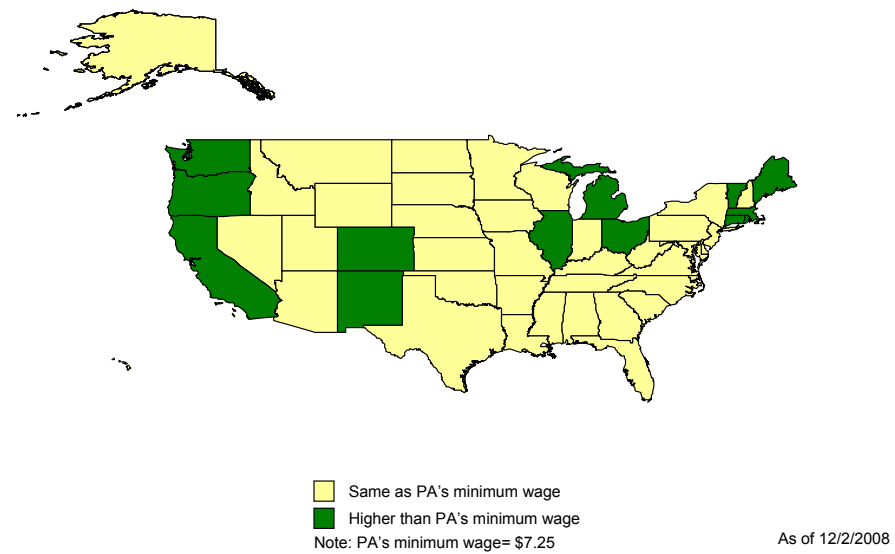
Note: PA's minimum wage= \$7.15

As of 12/2/2008

## 2008 Pennsylvania and Other States Minimum Wage Comparison



## 2009 Pennsylvania and Other States Minimum Wage Comparison



# APPENDIX

## Terms, Definitions and Sources

- Bureau of Labor Statistics (BLS) – The Bureau of Labor Statistics, in the U.S. Department of Labor, is the principal fact-finding agency for the Federal Government in the broad field of labor economics and statistics.
- Bureau of the Census – The Bureau of the Census, in the U.S. Department of Commerce, collects general information from individuals and establishments in order to compile statistics.
- Census - A census is an enumeration of all the people of a nation or a registration region, a systematic and complete count of all who are living in specified places, usually on a specific date. Like most modern democracies, the United States conducts a complete enumeration every ten years, under the auspices of the Bureau of the Census, which publishes detailed reports.
- Current Employment Statistics (CES) – Each month the Current Employment Statistics program surveys about 160,000 national businesses and government agencies, representing approximately 400,000 individual worksites, in order to provide detailed industry data on employment, hours, and earnings of workers on non-farm payrolls. This is a collaborative effort between BLS and the states.
- Consumer Price Index (CPI) – Monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services. BLS produces the CPI.
- Cost of Living Adjustment (COLA) – Adjustment of wages designed to offset changes in the cost of living, usually as measured by the Consumer Price Index.
- Current Population Survey (CPS) – The Current Population Survey (CPS) is a statistical survey conducted by the United States Census Bureau on behalf of the Bureau of Labor Statistics (BLS). The BLS uses the data to provide a monthly report on the national employment situation. This report provides estimates of the number of unemployed people in the United States.
- Employed – Employed persons are all persons who, during the week which includes the 12th day of the month, (a) did any work as paid employees, worked in their own businesses or professions or on their own farm, or worked 15 hours or more as unpaid workers in enterprises operated by members of their families, or (b) were not working but who had jobs from which they were temporarily absent. Each employed person is counted only once, even if the person holds more than one job.
- Fair Minimum Wage Act of 2007 – The act amends the Fair Labor Standards Act of 1938 to increase the federal minimum wage by \$2.10 over two years – from \$5.15 to \$7.25 an hour. On July 24<sup>th</sup>, 2007, the minimum wage increased

from \$5.15 to \$5.85. On July 24<sup>th</sup>, 2008, the minimum wage increased from \$5.85 to \$6.55. On July 24<sup>th</sup>, 2009, the final increase will occur, from \$6.55 to \$7.25.

- Federal Poverty Threshold – The set minimum amount of income that a family needs for food, clothing, transportation, shelter and other necessities as determined by the Bureau of the Census. Poverty thresholds vary according to family size. The number is adjusted for inflation and reported annually.
- Fair Labor Standards Act (FLSA) – Passed by the U.S. Congress in 1938 to establish minimum living standards for workers engaged directly or indirectly in interstate commerce, including those involved in production of goods bound for such commerce. A major provision of the act was establishment of a minimum wage, overtime pay, recordkeeping, and child labor standards affecting full-time and part-time workers in the private sector and in the federal, state and local governments.
- Inflation – Inflation is a process of continuously rising prices, or equivalently, of a continuously falling value of money. The consumer price index is the standard used to measure inflation.
- Minimum wage – Minimum wage is the lowest level at which workers may be compensated by their employers and is established by the FLSA at the federal level, and by the Minimum Wage Act in Pennsylvania.
- Quarterly Census of Employment and Wages (QCEW) - is a comprehensive tabulation of employment and wage information for workers covered by Pennsylvania unemployment insurance laws. QCEW covers approximately 98 percent of total employment. The data is generally available nine to 12 months after a quarter ends.
- Unemployed – Unemployed persons are persons aged 16 years and older who had no employment during the reference week (contains the 12<sup>th</sup> day of the month), were available for work - except for temporary illness, and had made specific efforts to find employment sometime during the 4-week period ending with the reference week. Persons who were waiting to be recalled to jobs from which they had been laid off need not have been looking for work to be classified as unemployed.





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