



pennsylvania

DEPARTMENT OF LABOR & INDUSTRY



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Analysis of the Pennsylvania Minimum Wage in 2011

Minimum Wage Advisory Board

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Preface

The General Assembly of Pennsylvania, in 2006, via Act 2006-112, amended the Minimum Wage Act and raised the state's minimum wage from \$5.15 an hour to \$6.25 on Jan. 1, 2007, and to \$7.15 on July 1, 2007. The minimum wage had last been raised in 1997. Effective July 24, 2009, the federal minimum wage increased from \$6.55 an hour to \$7.25. This change reflects the third and final federal minimum wage increase as provided by the amended Fair Labor Standards Act (FLSA). As mandated by Act 2006-112 and FLSA, Pennsylvania's minimum wage also increased to \$7.25, which became effective the same date as the federal minimum wage increase under the FLSA.

The amended Minimum Wage Act directs the Pennsylvania Department of Labor & Industry to produce an annual report by March 1 detailing data on the previous calendar year's demographics and any other relevant factors of those workers 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 hourly wages of minimum wage or less, analyzes the demographic characteristics of such hourly workers, 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. The National Bureau of Economic Research has determined that our national economy's recession, which began in December of 2007, ended in June of 2009. Labor markets typically lag behind output markets, and the recovery thus far has been slow and sluggish, particularly regarding employment and the unemployment rate. Therefore, a comparison is made between the years 2010 and 2011 to determine the effect of the early stages of recovery, following the recession, on hourly workers making at or near the minimum wage.

Pennsylvania last raised its minimum wage on July 24, 2009, from \$7.15 to \$7.25, when the federal minimum wage was increased from \$6.55 to \$7.25. It has remained at that level since then. While the nominal minimum wage was unchanged for over the past two years, changes in the economy and other factors, have impacted the population in question.

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 U.S. Bureau of the Census for the U.S. 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 focuses on those 16 years of age and older.

Both federal and state law provide for several exemptions and lower minimums to the minimum wage for certain employers and certain job classifications. For example, farm workers, seasonal workers and newspaper deliverers are exempt from both state and federal minimum wage law, while lower minimums are allowed for tipped employees and full-time students. The CPS data lack direct indicators to permit removal from the sample of those individuals affected by these exemptions and lower minimums. Some former exemptions have expired: the exemption for businesses with fewer than 10 full-time (or equivalent) employees expired on July 1, 2008, and the exemption for those employees under age 20 making a training wage for the first 60 days of employment expired on July 24, 2009.

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 minimum wage or below actually did receive additional compensation (mainly in the form of tips).

Finally, Pennsylvania's minimum-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. On July 24, 2009, Pennsylvania raised the minimum wage to \$7.25 as amended by the Fair Labor Standards Act (FLSA). This report describes the characteristics of minimum-wage earners and the industries that employ them.

Hourly Worker Population

- In 2011, there were 194,900 Pennsylvania workers earning minimum wage or less, or 6 percent of all hourly workers and 3 percent of total employment. In 2010, there were 205,900 workers making minimum wage or less, 11,000 (5.6 percent) above the 2011 level.
- Pennsylvania employment increased by roughly 83,500 (1.4 percent) in 2011 and U.S. employment rose by 807,000 (less than 1 percent). Pennsylvania hourly employment gained 150,500 (4.6 percent) and U.S. hourly employment increased by 1,078,000 (1.5 percent). The proportion of all workers receiving hourly rates rose slightly in both Pennsylvania and the nation from 2010. In 2011, Pennsylvania had a higher percentage of workers earning hourly rates than did the U.S. (58 percent versus 53 percent).
- The proportion of Pennsylvania hourly workers earning \$2.00 or more per hour above the minimum wage (\$9.25 or more) increased to above 77 percent from 2010 to 2011. This exceeded the roughly 75 percent of hourly workers in the U.S. who earned \$9.25 or more in 2011, although the latter increased by 0.8 percentage points.
- The proportion of Pennsylvania hourly workers who earned from \$0.01 to \$1.99 above the minimum wage remained at approximately 17 percent in 2011.
- In the early stages of the recovery from the recession which ended in June 2009, from 2010 to 2011 total employment and the number of workers in Pennsylvania receiving hourly rates increased by 1.4 percent and 4.6 percent respectively, while the number of Pennsylvania workers employed at or below the minimum wage decreased by 5.3 percent.

Worker Characteristics

- Pennsylvania earners at or below the minimum wage in 2011 tended 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, non-high school graduates and the never married each comprised a higher proportion of Pennsylvania minimum-wage earners than of all Pennsylvanians. Being a strong majority of Pennsylvania's population, Whites (not unexpectedly) comprised a significant majority of both minimum wage earners and non-minimum wage earners. (See tables on pages 16 and 20 for more details.)
- Pennsylvania's overall unemployment rate decreased from 8.7 percent to 7.8 percent from 2010 to 2011. While the unemployment rates of most demographic groups declined, the decreases were most pronounced for females (0.9 percent), Hispanics (4.6 percent), and 20-to-24-year-olds and 35-to-44-year-olds (3.5 percent and 2.2 percent respectively). For workers with some college education, but no degree, the unemployment rate declined by 3.2 percentage points from 11.5 percent to 8.5 percent.
- Workers having no children made up 79 percent of those earning the minimum wage or less in Pennsylvania.
- Eight percent of minimum-wage workers were single parents, and 12 percent were married with one or more children.
- The household income of those who earn the minimum wage or below varied greatly. Fifty-five percent of these households earned less than \$50,000 per year and 38 percent made less than \$30,000 per year. In contrast, 24 percent had annual household incomes of \$75,000 or more a year, and 14 percent made \$100,000 or more per year.
- Pennsylvania workers who earned above the minimum wage were equally likely to be male or female, and often were from one or more of the following demographic groups:
 - ❑ White
 - ❑ 25- to 54-year-olds
 - ❑ High school graduates
 - ❑ Married

Industry Characteristics

- The industries most likely to employ workers at or below the minimum wage were food services & drinking places; retail trade; educational services; and arts, entertainment & recreation. These industries employed 77 percent of all minimum wage earners in 2011. However, over three-quarters of the industry groups contained some minimum wage workers.
- Seventy-three percent of hourly-paid workers earning the minimum wage or less worked part time in 2011.
- The retail trade industry in Pennsylvania employs a large number of hourly-paid workers across all wage levels, and therefore accounted for a large proportion of workers earning more than the minimum-wage as well as those earning the minimum wage or less. Retail trade, in combination with manufacturing and non-hospital health care services, comprised 38 percent of all those earning above the minimum wage in 2011.
- Seventy-six percent of hourly workers earning above the minimum wage worked full time in 2011.
- In 2011, 44 percent of Pennsylvanians who earned minimum wage or less worked in food preparation & serving-related occupations. Such workers also were likely to be employed in sales & related (19 percent), personal care & service (18 percent), or transportation & material moving occupations (7 percent).

Historical Characteristics

- The number of minimum-wage workers more than doubled from 2006 to 2011, primarily because all those earning the previous minimum wage (\$5.15 per hour) joined the many workers with slightly higher earnings in seeing their hourly wage pushed upward to the higher \$7.25 per hour level by July 2009. This increase may have been due to the higher 2009 minimum wage of \$7.25 being more representative than the previous minimum wage of 2006 of what employers were actually paying their hourly workers. An increase in the number of workers earning minimum wages is consistent with past minimum-wage increases.
- The percentage of minimum-wage workers in food service & drinking places declined from 56 percent to 47 percent over the 5-year interval from 2006 to 2011. Pennsylvania minimum-wage workers who worked in food preparation & serving related occupations decreased by 14 percentage points from 2006 to 2011.

Inflation and Poverty

- In 2006, Pennsylvania's minimum wage was 26 percent of the average wage, an all-time low since this information first was documented (1938). The increase in the minimum wage to \$7.25 in 2009 brought the minimum wage up to 34 percent of the average wage, still below the original level set in 1938 of having the minimum wage at 50 percent of the present average wage. By 2011, Pennsylvania's minimum wage was 33 percent of the average wage.
- Inflation adversely affects the purchasing power of an unchanging minimum wage. Adjusting for projected inflation, the value of the 2011 minimum wage of \$7.25 as measured in 2010 dollars was only \$7.03 and is projected to fall to \$6.86 in 2012 and \$6.70 in 2013.
- In 2010, the annual income for an individual working full time in Pennsylvania and making the minimum wage (\$7.25) was \$15,080, or 106 percent of the Federal Poverty Threshold for a two-person household. If the minimum wage remains at \$7.25 per hour, its percent of the poverty threshold for a two-person family almost certainly will dip below 100 percent in 2013.
- The full-time earnings of \$15,080 which the minimum-wage worker received exceeded the 2010 Federal Poverty Threshold for one-person (\$11,139) and two-person households (\$14,218), but fell short of the poverty threshold for three-person households (\$17,374).

Other States

- In 2010, 14 states had higher minimum-wage rates than Pennsylvania. In 2011, 18 states had higher rates than Pennsylvania; such states minimum wages ranged from \$7.31 to \$8.67. For more information, please see the table on page 42.
- In 2011, the remaining 32 states (including Pennsylvania) all effectively had a minimum wage of \$7.25 per hour, which is the federal minimum wage. Of these 32 states, 23 (including Pennsylvania) have a minimum wage requirement equal to the federal rate, 4 states have a formal minimum lower than the federal level, and 5 states have no statutorily established minimum wage. When the federal rate exceeds the state rate, it supplants the latter rate since federal law supersedes state law. Therefore, the 9 states without a minimum wage or with one that is lower than the federal requirement effectively have a minimum wage equal to \$7.25 per hour, which also is Pennsylvania's rate.
- Of Pennsylvania's neighboring states, Ohio had the highest minimum wage in 2011 (\$7.40). Pennsylvania and the rest of its neighboring states will be at the same minimum wage in 2012 (\$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 2011, there were 194,900 Pennsylvania workers earning minimum wage or less, or 6 percent of all hourly workers and 3 percent of total employment. This was a decrease of 11,000 or 5.3 percent from 2010, when there were 205,900 workers making minimum wage or less.
- In the early stages of the recovery from the recession which ended in June 2009, from 2010 to 2011, the number of Pennsylvania workers at or below the minimum wage decreased (by 5.3 percent), while total employment and the number of all hourly workers increased by 1.4 percent and 4.6 percent respectively.
- Pennsylvania earners at or below the minimum wage tended to be from one or more of the following groups: female, 16- to 24-year-olds, high school graduates or less, never-married, or White, with Whites comprising both a majority of minimum wage earners as well as those earning more than the minimum wage.
- The number of minimum-wage workers more than doubled from 2006 to 2011, primarily because all those earning the previous minimum wage (\$5.15 per hour) joined the many workers with slightly higher earnings in seeing their hourly wage pushed upward to the higher \$7.25 per hour level by July 2009. This increase may have been due to the higher 2009 minimum wage of \$7.25 being more representative than the previous minimum wage of 2006 of what employers were actually paying their hourly workers. An increase in the number of workers earning the minimum wage is consistent with past minimum-wage increases.
- The industries most likely to employ workers at or below the minimum wage were food services & drinking places; retail trade; arts, entertainment & recreation; and educational services. Part-time workers made up almost 3 out of every 4 hourly workers earning the minimum wage.
- Inflation adversely affects the purchasing power of an unchanging minimum wage. Adjusting for projected inflation, the value of the 2011 minimum wage of \$7.25 as measured in 2010 dollars is projected to fall to \$6.70 by 2013.

HOURLY WORKER POPULATION

**Pennsylvania and U.S.
Employed Wage & Salary Workers Paid Hourly Rates
2010 Average Compared to 2011 Average
(Numbers of workers in thousands)**

Total, 16 Years and Over	2010				2011				Percentage Point Change 2010 to 2011	
	US ^{1/}	Pct.	PA ^{1/}	Pct.	US	Pct.	PA	Pct.	US	PA
Total Employment	139,062		5,780.1		139,869		5,863.6			
Total Paid an Hourly Rate	72,902	100.0%	3,254.9	100.0%	73,980	100.0%	3,405.4	100.0%		
Less than \$6.55	1,602	2.2%	72.4	2.2%	1,459	2.0%	56.1	1.6%	-0.2%	-0.6%
At \$6.55	7.8	<0.1%	0.0	0.0%	5	<0.1%	0.0	0.0%	0.0%	0.0%
\$6.56 – \$7.14	785	1.1%	27.4	0.8%	606	0.8%	33.0	1.0%	-0.3%	0.1%
At \$7.15	101.2	0.1%	14.2	0.4%	56	0.1%	6.8	0.2%	-0.1%	-0.2%
\$7.16 – \$7.24	44.6	0.1%	1.2	<0.1%	36	<0.1%	0.0	0.0%	0.0%	0.0%
At \$7.25	1,820	2.5%	90.9	2.8%	1,693	2.3%	99.0	2.9%	-0.2%	0.1%
\$7.26 – \$8.24	7,110	9.8%	282.7	8.7%	7,024	9.5%	292.7	8.6%	-0.3%	-0.1%
\$8.25 – 9.24	7,073	9.7%	264.9	8.1%	7,369	10.0%	282.5	8.3%	0.3%	0.2%
\$9.25 or more	54,360	74.6%	2,501.4	76.9%	55,732	75.3%	2,635.4	77.4%	0.8%	0.5%

^{1/} Both the U.S. minimum wage and the PA minimum wage were \$7.25 during 2010 and 2011

Totals may not sum due to rounding

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

In 2011, there were 194,900 Pennsylvania workers earning minimum wage or less, or 6 percent of all hourly workers and 3 percent of total employment. The 2010 level was 11,000 (5.6 percent) above the 2011 level. The decrease in 2011 was due to a decrease of 19,100 in those earning below the minimum wage, while the number of those earning exactly the minimum wage (\$7.25 per hour) increased by only 8,100.

Pennsylvania's total employment increased by roughly 83,500 (1.4 percent) in 2011, while U.S. employment increased by 807,000 (less than 1 percent). Pennsylvania's hourly employment increased by 150,500 (4.6 percent), while U.S. hourly employment increased by 1,078,000 (1.5 percent). The proportion of all workers receiving hourly rates rose slightly in both Pennsylvania and the nation from 2010. In 2011, the percentage of the employed earning hourly rates was higher in Pennsylvania (58 percent) than in the U.S. overall (53 percent).

The proportion of Pennsylvania hourly workers earning \$2.00 or more per hour above the minimum wage (\$9.25 or more) increased to above 77 percent from 2010 to 2011. At the national level, this proportion increased by a greater amount, to slightly over 75 percent, but still trailed Pennsylvania's percentage. Among hourly workers earning above the minimum wage, the proportion in Pennsylvania who earned up to \$1.99 above the minimum wage increased slightly from 16.8 percent in 2010 to 16.9 percent in 2011.

In the early stages of the recovery from the recession which ended in June 2009, from 2010 to 2011 total employment and the number of workers in Pennsylvania receiving hourly rates increased by 1.4 percent and 4.6 percent respectively, while the number of Pennsylvania workers employed at or below the minimum wage decreased by 5.3 percent.

WORKER CHARACTERISTICS

**Pennsylvania and U.S.
Demographic Characteristics of Hourly Wage & Salary Workers at the Minimum Wage or Below
2010 Average Compared to 2011 Average
(Numbers of workers in thousands)**

Demographic Characteristics	2010				2011				Percentage Point Change 2010 to 2011	
	US ^{1/}	Pct.	PA ^{1/}	Pct.	US	Pct.	PA	Pct.	US	PA
TOTAL	4,360		205.9		3,854		194.9			
Gender										
Male	1,612	37%	73.7	36%	1,443	37%	59.6	31%	0%	-5%
Female	2,748	63%	132.3	64%	2,411	63%	135.3	69%	0%	5%
Race										
Black, non-Hispanic	628	14%	15.6	8%	554	14%	27.9	14%	0%	6%
Hispanic	822	19%	7.7	4%	722	19%	15.3	8%	0%	4%
Other, non-Hispanic	249	6%	8.7	4%	210	5%	9.4	5%	-1%	1%
White, non-Hispanic	2,662	61%	173.8	84%	2,368	61%	142.3	73%	0%	-11%
Age										
16-19	994	23%	64.6	31%	911	24%	75.5	39%	1%	8%
20-24	1,142	26%	49.8	24%	1,009	26%	47.3	24%	0%	0%
25-34	844	19%	32.9	16%	809	21%	40.1	21%	2%	5%
35-44	530	12%	14.2	7%	398	10%	13.7	7%	-2%	0%
45-54	457	10%	17.6	9%	385	10%	6.3	3%	0%	-6%
55-64	227	5%	14.3	7%	220	6%	6.0	3%	1%	-4%
65 and over	167	4%	12.6	6%	123	3%	6.0	3%	-1%	-3%
Education										
Less than a high school diploma	1,285	29%	64.8	31%	1,075	28%	63.5	33%	-1%	2%
High school graduates, no college	1,334	31%	65.7	32%	1,184	31%	64.5	33%	0%	1%
Some college, no degree	1,155	26%	40.8	20%	1,064	28%	46.2	24%	2%	4%
Associate degree	259	6%	13.7	7%	252	7%	10.3	5%	1%	-2%
Bachelor's degree or higher	327	7%	20.9	10%	279	7%	10.4	5%	0%	-5%
Marital Status										
Married Spouse Present	1,054	24%	39.0	19%	834	22%	31.8	16%	-2%	-3%
Marital Status Other	588	13%	20.7	10%	530	14%	15.9	8%	1%	-2%
Never Married	2,718	62%	146.3	71%	2,490	65%	147.2	76%	3%	5%

^{1/} Both the U.S. minimum wage and the PA minimum wage were \$7.25 during 2010 and 2011

Totals may not sum due to rounding

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

Pennsylvania's experience in 2011 with minimum wage workers differed from that of the nation as a whole. While the U.S. population of workers earning the minimum wage or less decreased by 11.6 percent, Pennsylvania experienced a smaller decrease in this population of only 5.3 percent. Further the demographic composition of this group was little changed for the nation, while that of workers in Pennsylvania who earned the minimum wage or below changed dramatically from 2010 to 2011. During this period, the percentage of minimum wage workers shifted toward younger workers, racial minorities, females, those never married and those with lower educational attainment.

Female workers made up 69 percent of those earning the minimum wage or less in Pennsylvania in 2011, an increase of 5 percentage points from 2010.

Being a significant majority of Pennsylvania's population, Whites, not unexpectedly, remained the majority of Pennsylvania minimum wage workers, but their percentage decreased from 84 percent to 73 percent. Black workers made up the next highest percentage of minimum-wage earners, increasing their percentage from 8 percent to 14 percent, followed by Hispanic workers (8 percent) and workers of other races (5 percent).

The percentage of those earning the minimum wage or less who were Hispanic increased by 4 percentage points in 2011. In 2011, White workers continued to be overrepresented in Pennsylvania's minimum-wage worker population relative to that population in the U.S. overall, while Hispanics were under represented relative to the nation. The proportion of Blacks in Pennsylvania's minimum wage population was approximately equal to that in the nation as a whole after being underrepresented in 2010.

The young tend to predominate minimum-wage workers in Pennsylvania, with 16- to 24-year-olds accounting for 63 percent of this group and 16- to 19-year-olds alone comprising 39 percent. In 2011, the proportion of minimum-wage earners aged 16 to 24 years old increased by 8 percentage points, while the proportion of minimum-wage earners aged 25- to 34-years-old increased by another 5 percentage points. The percentage of minimum wage workers aged 35 or above decreased by 13 percentage points, with 45- to 54- year-olds decreasing by 6 percentage points. The state had a higher percentage of younger workers (16 to 24 years old) earning minimum wage or below than the U.S. as a whole, while 35- to 64-year-olds were underrepresented.

Pennsylvania workers with a high school diploma or less made up 66 percent of those earning the minimum wage or less in 2011, an increase of 3 percentage points from 2010. Those with some college education, but no degree, increased their share of the minimum wage labor force to 24 percent in 2011 from 20 percent in 2010. Pennsylvania had a slightly larger proportion of workers with a high school diploma or less earning the minimum wage or less than did the nation.

Most minimum-wage earners have never been married and their share in that population increased from 71 percent in 2010 to 76 percent in 2011. In 2011, the proportion of Pennsylvania minimum-wage earners with a marital status of other (divorced, separated, widowed) decreased by 2 percentage points while that of married with spouse present decreased by 3 percentage points.

**Pennsylvania and U.S.
Demographic Characteristics of Hourly Wage & Salary Workers Above the Minimum Wage
2010 Average Compared to 2011 Average
(Numbers of workers in thousands)**

Demographic Characteristics	2010				2011				Percentage Point Change 2010 to 2011	
	US ^{1/}	Pct.	PA ^{1/}	Pct.	US	Pct.	PA	Pct.	US	PA
TOTAL	68,542		3,049.0		70,125		3,210.5			
Gender										
Male	33,886	49%	1,541.4	51%	35,044	50%	1,627.1	51%	1%	0%
Female	34,656	51%	1,507.6	49%	35,081	50%	1,583.4	49%	-1%	0%
Race										
Black, non-Hispanic	8,425	12%	313.2	10%	8,530	12%	306.6	10%	0%	0%
Hispanic	12,155	18%	151.0	5%	12,540	18%	163.4	5%	0%	0%
Other, non-Hispanic	4,124	6%	70.8	2%	4,372	6%	90.4	3%	0%	1%
White, non-Hispanic	43,839	64%	2,514.0	82%	44,683	64%	2,650.2	83%	0%	1%
Age										
16-19	2,991	4%	142.1	5%	3,021	4%	162.6	5%	0%	0%
20-24	8,934	13%	370.5	12%	9,520	14%	423.0	13%	1%	1%
25-34	15,983	23%	638.5	21%	16,369	23%	629.6	20%	0%	-1%
35-44	13,832	20%	567.5	19%	13,788	20%	621.1	19%	0%	0%
45-54	14,859	22%	731.8	24%	14,942	21%	748.4	23%	-1%	-1%
55-64	9,357	14%	453.4	15%	9,818	14%	479.5	15%	0%	0%
65 and over	2,586	4%	145.2	5%	2,667	4%	146.3	5%	0%	0%
Education										
Less than a high school diploma	8,482	12%	263.6	9%	8,521	12%	248.6	8%	0%	-1%
High school graduates, no college	24,435	36%	1,385.6	45%	24,540	35%	1,417.4	44%	-1%	-1%
Some college, no degree	15,459	23%	522.6	17%	16,142	23%	597.1	19%	0%	2%
Associate degree	8,157	12%	353.0	12%	8,420	12%	408.0	13%	0%	1%
Bachelor's degree or higher	12,009	18%	524.2	17%	12,502	18%	539.3	17%	0%	0%
Marital Status										
Married Spouse Present	33,465	49%	1,529.8	50%	33,756	48%	1,555.4	48%	-1%	-2%
Marital Status Other	11,807	17%	450.9	15%	12,048	17%	480.6	15%	0%	0%
Never Married	23,270	34%	1,068.3	35%	24,321	35%	1,174.5	37%	1%	2%

^{1/} Both the U.S. minimum wage and the PA minimum wage were \$7.25 during 2010 and 2011

Totals may not sum due to rounding

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

In 2011, male and female workers in Pennsylvania were fairly evenly represented among hourly workers earning more than the minimum wage (51 percent and 49 percent, respectively). On the other hand, earners employed at or below the minimum wage disproportionately tended to be female (69 percent).

Black workers made up a smaller proportion of earners above the minimum wage (10 percent) than of workers employed at or below the minimum wage (14 percent). Collectively, workers of non-White races made up a larger proportion of the nation's above-minimum-wage workers than in Pennsylvania (36 percent versus 18 percent).

The heaviest concentration of workers making above the minimum wage were 25 to 54 years old. This differed from minimum-wage workers, who tended to be younger.

The category of Pennsylvania workers having only a high school diploma accounted for the highest percentage of above-minimum-wage earners (44 percent). Earners above the minimum wage tended to be more educated than workers receiving the minimum wage or less.

Almost half of all workers earning above the minimum wage were married, while earners at or below the minimum wage tended never to have been married (76 percent).

**Pennsylvania and U.S.
Demographic Characteristics of All Employed Individuals
2010 Average Compared to 2011 Average
(Numbers of workers in thousands)**

Demographic Characteristics	2010				2011				Percentage Point Change 2010 to 2011	
	US	Pct.	PA	Pct.	US	Pct.	PA	Pct.	US	PA
TOTAL	139,062		5,780.1		139,869		5,863.6			
Gender										
Male	73,359	53%	3,043.4	53%	74,290	53%	3,107.6	53%	0%	0%
Female	65,703	47%	2,736.7	47%	65,579	47%	2,756.0	47%	0%	0%
Race										
Black, non-Hispanic	14,419	10%	458.5	8%	14,376	10%	498.4	8%	0%	0%
Hispanic	19,918	14%	235.5	4%	20,288	15%	264.1	5%	1%	1%
Other, non-Hispanic	9,059	7%	166.3	3%	9,358	7%	197.1	3%	0%	0%
White, non-Hispanic	95,666	69%	4,919.8	85%	95,847	69%	4,903.9	84%	0%	-1%
Age										
16-19	4,370	3%	216.0	4%	4,326	3%	260.6	4%	0%	0%
20-24	12,699	9%	508.7	9%	13,020	9%	558.0	10%	0%	1%
25-34	30,243	22%	1,191.7	21%	30,567	22%	1,168.6	20%	0%	-1%
35-44	30,667	22%	1,154.3	20%	30,281	22%	1,192.2	20%	0%	0%
45-54	33,156	24%	1,440.4	25%	32,822	23%	1,414.4	24%	-1%	-1%
55-64	21,654	16%	965.1	17%	22,223	16%	969.6	17%	0%	0%
65 and over	6,273	5%	304.0	5%	6,632	5%	300.4	5%	0%	0%
Education										
Less than a high school diploma	13,144	9%	443.0	8%	13,043	9%	414.0	7%	0%	-1%
High school graduates, no college	39,144	28%	2,054.7	36%	38,808	28%	2,079.0	35%	0%	-1%
Some college, no degree	26,542	19%	821.1	14%	26,771	19%	883.3	15%	0%	1%
Associate degree	14,057	10%	590.1	10%	14,362	10%	640.9	11%	0%	1%
Bachelor's degree or higher	46,175	33%	1,871.2	32%	46,885	34%	1,846.3	31%	1%	-1%
Marital Status										
Married Spouse Present	77,618	56%	3,310.2	57%	77,129	55%	3,185.2	54%	-1%	-3%
Marital Status Other	22,425	16%	786.9	14%	22,837	16%	850.6	15%	0%	1%
Never Married	39,018	28%	1,683.1	29%	39,903	29%	1,827.8	31%	1%	2%

Totals may not sum due to rounding

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

In many respects, the demographic composition of persons employed in Pennsylvania in 2011 in general was markedly different from workers earning the minimum wage or less. In particular, while the employed population had a majority (53 percent) of males, that of minimum wage earners predominantly was female.

The racial composition of the employed in 2011 changed little from the previous year. However, due to changes that occurred in the minimum wage population, this population was composed of more Whites and fewer non-Whites proportionately, than those earning the minimum wage or below.

Almost two-thirds of the employed (64 percent) were 25- to 54-year-olds, while workers earning minimum wage or less tended to be younger, with 63 percent being 16- to 24-year-olds.

A plurality of Pennsylvania's employed (35 percent) were high school graduates who attended no college, followed by those having a bachelor's degree or higher (31 percent). Fifty-seven percent of employed Pennsylvanians had attended at least some college, compared to 34 percent for workers earning the minimum-wage or less.

Fifty-four percent of the employed were married. In contrast, 76 percent of those earning minimum wage or less never had been married.

**Pennsylvania and U.S.
Demographic Characteristics of All Individuals Age 16 Years and Over
2010 Average Compared to 2011 Average
(Numbers of Individuals in thousands)**

Demographic Characteristics	2010				2011				Percentage Point Change 2010 to 2011	
	US	Pct.	PA	Pct.	US	Pct.	PA	Pct.	US	PA
TOTAL	237,827		10,015.0		239,618		10,041.3			
Gender										
Male	115,174	48%	4,808.9	48%	116,317	49%	4,834.0	48%	1%	0%
Female	122,653	52%	5,206.2	52%	123,300	51%	5,207.3	52%	-1%	0%
Race										
Black, non-Hispanic	27,596	12%	947.2	9%	27,887	12%	971.0	10%	0%	1%
Hispanic	33,708	14%	452.9	5%	34,420	14%	473.1	5%	0%	0%
Other, non-Hispanic	15,691	7%	285.1	3%	16,117	7%	362.5	4%	0%	1%
White, non-Hispanic	160,833	68%	8,329.8	83%	161,194	67%	8,234.7	82%	-1%	-1%
Age										
16-19	16,892	7%	704.2	7%	16,773	7%	697.9	7%	0%	0%
20-24	21,047	9%	852.7	9%	21,407	9%	868.6	9%	0%	0%
25-34	40,964	17%	1,558.5	16%	41,371	17%	1,540.0	15%	0%	-1%
35-44	40,107	17%	1,510.2	15%	39,515	16%	1,521.7	15%	-1%	0%
45-54	44,271	19%	1,871.8	19%	43,816	18%	1,884.5	19%	-1%	0%
55-64	35,812	15%	1,578.8	16%	36,931	15%	1,593.2	16%	0%	0%
65 and over	38,735	16%	1,938.9	19%	39,805	17%	1,935.4	19%	1%	0%
Education										
Less than a high school diploma	39,157	16%	1,479.4	15%	38,579	16%	1,363.6	14%	0%	-1%
High school graduates, no college	71,305	30%	3,830.2	38%	71,341	30%	3,848.3	38%	0%	0%
Some college, no degree	44,150	19%	1,422.0	14%	44,759	19%	1,449.8	14%	0%	0%
Associate degree	20,161	8%	816.0	8%	20,823	9%	903.7	9%	1%	1%
Bachelor's degree or higher	63,054	27%	2,467.4	25%	64,116	27%	2,475.9	25%	0%	0%
Marital Status										
Married Spouse Present	121,258	51%	5,152.1	51%	121,075	51%	5,078.3	51%	0%	0%
Marital Status Other	46,643	20%	1,833.0	18%	47,165	20%	1,874.4	19%	0%	1%
Never Married	69,926	29%	3,030.0	30%	71,378	30%	3,088.7	31%	1%	1%

Totals may not sum due to rounding

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

For the following comparisons, please refer to the *Pennsylvania and U.S. Demographic Characteristics of Hourly Wage & Salary Workers at the Minimum Wage or Below* table on page 16 as well as the 2011 portion of the table above.

In 2011, a higher proportion of workers earning minimum wage or less (69 percent) were female than the proportion of females in the overall Pennsylvania population (52 percent).

The proportion of whites in Pennsylvania's population was higher than that of minimum-wage workers. In 2010, the racial composition of the two groups was nearly the same.

Sixteen- to 24-year-olds made up a much higher proportion of workers earning minimum wage or less than of the population, 63 percent versus 16 percent.

The overall population was more educated than those earning the minimum wage or less. The former had a higher proportion with at least a bachelor's degree (25 percent versus 5 percent) and a lower proportion with less than a high school diploma (14 percent versus 33 percent). These disparities were more pronounced in 2011 than they had been in 2010.

Individuals who never had been married constituted a higher percentage of those earning at the minimum wage or less than they did within the general Pennsylvania population, 76 percent versus 31 percent.

**Pennsylvania and U.S.
Demographic Characteristics of All Unemployed Individuals
2010 Average Compared to 2011 Average
(Numbers of Individuals in thousands)**

Demographic Characteristics	2010						2011						Percentage Point Rate Change 2010 to 2011	
	US	Pct.	Rate ^{1/}	PA	Pct.	Rate ^{1/}	US	Pct.	Rate ^{1/}	PA	Pct.	Rate ^{1/}	US	PA
TOTAL	14,825		9.6%	549.0		8.7%	13,747		8.9%	496.6		7.8%		
Gender														
Male	8,700	59%	10.6%	313.0	57%	9.3%	7,731	56%	9.4%	288.3	58%	8.5%	-1.2%	-0.8%
Female	6,125	41%	8.5%	236.0	43%	7.9%	6,016	44%	8.4%	208.3	42%	7.0%	-0.1%	-0.9%
Race														
Black, non-Hispanic	2,708	18%	15.8%	74.5	14%	13.9%	2,661	19%	15.6%	75.0	15%	13.1%	-0.2%	-0.8%
Hispanic	2,787	19%	12.3%	46.4	8%	16.4%	2,538	18%	11.1%	35.1	7%	11.8%	-1.2%	-4.6%
Other, non-Hispanic	852	6%	8.6%	16.5	3%	9.0%	895	7%	8.7%	20.3	4%	9.4%	0.1%	0.4%
White, non-Hispanic	8,478	57%	8.1%	411.7	75%	7.7%	7,653	56%	7.4%	366.1	74%	7.0%	-0.7%	-0.7%
Age														
16-19	837	6%	16.1%	32.3	6%	13.0%	730	5%	14.4%	35.9	7%	12.1%	-1.7%	-0.9%
20-24	2,256	15%	15.1%	101.2	18%	16.6%	2,109	15%	13.9%	83.8	17%	13.1%	-1.2%	-3.5%
25-34	3,575	24%	10.6%	128.5	23%	9.7%	3,355	24%	9.9%	121.3	24%	9.4%	-0.7%	-0.3%
35-44	2,921	20%	8.7%	93.5	17%	7.5%	2,576	19%	7.8%	66.5	13%	5.3%	-0.9%	-2.2%
45-54	2,959	20%	8.2%	94.8	17%	6.2%	2,748	20%	7.7%	94.0	19%	6.2%	-0.5%	0.0%
55-64	1,792	12%	7.6%	76.3	14%	7.3%	1,694	12%	7.1%	70.0	14%	6.8%	-0.5%	-0.5%
65 and over	485	3%	7.2%	22.5	4%	6.9%	535	4%	7.5%	25.1	5%	7.7%	0.3%	0.8%
Education														
Less than a H.S. diploma	2,609	18%	16.6%	75.8	14%	14.6%	2,377	17%	15.4%	72.8	15%	15.0%	-1.2%	0.4%
High-school graduates	5,457	37%	12.2%	245.9	45%	10.7%	4,958	36%	11.3%	209.0	42%	9.2%	-0.9%	-1.5%
Some college, no degree	3,092	21%	10.4%	106.8	19%	11.5%	2,879	21%	9.7%	79.4	16%	8.3%	-0.7%	-3.2%
Associate degree	1,132	8%	7.5%	33.1	6%	5.3%	1,148	8%	7.4%	38.8	8%	5.7%	-0.1%	0.4%
Bachelor's degree or higher	2,535	17%	5.2%	87.5	16%	4.5%	2,386	17%	4.8%	96.7	19%	5.0%	-0.4%	0.5%
Marital Status														
Married Spouse Present	5,706	38%	6.8%	215.6	39%	6.1%	5,100	37%	6.2%	180.9	36%	5.4%	-0.6%	-0.7%
Marital Status Other	2,917	20%	11.5%	79.0	14%	9.1%	2,706	20%	10.6%	81.1	16%	8.7%	-0.9%	-0.4%
Never Married	6,202	42%	13.7%	254.4	46%	13.1%	5,941	43%	13.0%	234.5	47%	11.4%	-0.7%	-1.7%

^{1/}Unemployment Rate

Totals may not sum due to rounding

Source: U.S. Census Bureau, Current Population Survey and Pennsylvania Local Area Unemployment Statistics

From 2010 to 2011, Pennsylvania's overall unemployment rate decreased from 8.7 percent to 7.8 percent. Since the National Bureau of Economic Research determined that the national recession which began in December of 2007 ended in June of 2009, the period in question was in the early stages of the recovery. During this period, Pennsylvania's unemployment rate remained at historically elevated levels, but outperformed the national economy, whose unemployment rate remained higher, falling by only 0.7 percentage points.

While the unemployment rates of most demographic groups declined, the decrease in Pennsylvania's overall rate from 2010 to 2011 was primarily due to partial retracements in the rates of groups who had experienced increased rates in the prior year.

The decrease in the Hispanic unemployment rate was the most pronounced, falling by 4.6 percentage points, while the rate for Blacks also fell by 0.8 percentage points. The most affected age groups were the 20- to 24-year-olds, whose rate decreased by 3.5 percentage points, from 16.6 percent to 13.1 percent, and 35- to 44-year-olds, whose rate declined by 2.2 percentage points. The biggest decrease among education groups was for those with some college, but no degree, whose rate decreased from 11.5 percent to 8.3 percent. The unemployment rate for women fell 0.9 percentage points, slightly better than the decrease of the rate for men, while the never-married demographic had the largest percentage decrease among groups differentiated by marital status.

Pennsylvania and U.S. Family and Household Income Characteristics of Hourly Wage & Salary Workers At the Minimum Wage or Below 2010 Average Compared to 2011 Average (Numbers of workers in thousands)										
Characteristics	2010				2011				Percentage Point Change 2010 to 2011	
	US ^{1/}	Pct.	PA ^{1/}	Pct.	US	Pct.	PA	Pct.	US	PA
TOTAL	4,360		205.9		3,854		194.9			
Family Makeup										
No Children (Single or Married)	3,334	76%	171.3	83%	2942	76%	154.6	79%	0%	-4%
Married Parent	548	13%	14.7	7%	479	12%	24.3	12%	-1%	5%
Single Parent	479	11%	19.9	10%	433	11%	16.0	8%	0%	-2%
1 child	277	6%	12.0	6%	250	6%	12.3	6%	0%	0%
2 children	128	3%	12.0	6%	120	3%	3.7	2%	0%	-4%
3 children	60	1%	2.0	1%	40	1%	0.0	0%	0%	-1%
4 or more children	14	<1%	0.0	0%	23	1%	0.0	0%	<1%	0%
Household Annual Income										
\$9,999 or less	513	12%	13.9	7%	406	11%	7.8	4%	-1%	-3%
\$10,000 to 19,999	717	16%	28.6	14%	607	16%	31.3	16%	0%	2%
\$20,000 to 29,999	609	14%	30.4	15%	586	15%	34.2	18%	1%	3%
\$30,000 to 39,999	516	12%	18.2	9%	479	12%	14.1	7%	0%	-2%
\$40,000 to 49,999	361	8%	15.1	7%	319	8%	18.7	10%	0%	3%
\$50,000 to 59,999	364	8%	19.8	10%	300	8%	14.1	7%	0%	-3%
\$60,000 to 74,999	378	9%	18.0	9%	334	9%	26.5	14%	0%	5%
\$75,000 to 99,999	421	10%	33.3	16%	346	9%	19.5	10%	-1%	-6%
\$100,000 to 149,999	298	7%	14.3	7%	307	8%	24.3	12%	1%	5%
\$150,000 and Over	183	4%	14.4	7%	169	4%	4.5	2%	0%	-5%

^{1/} PA and U.S. minimum wages in 2010 and 2011 were \$7.25

Totals may not sum due to rounding

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

Workers having no children made up 79 percent of those earning the minimum wage or less in Pennsylvania, a decrease of 4 percentage points from 2010. Single parents composed 8 percent of minimum-wage workers, and 12 percent were married with children.

The number of Pennsylvania's minimum-wage workers who were either married with children or single parents increased by 3 percentage points from 2010 to 2011.

The family makeup characteristics of those earning the minimum wage or less in Pennsylvania shifted toward married parents and away from households with no children or single parent households.

The household income of those who earned the minimum wage or less varied greatly. Fifty-five percent of such households earned less than \$50,000 per year and 38 percent made less than \$30,000 per year. In contrast, 24 percent had annual family incomes of \$75,000 or more a year, and 14 percent made \$100,000 or more per year.

INDUSTRY CHARACTERISTICS

**Pennsylvania and U.S.
Industry Characteristics of Hourly Wage & Salary Workers at the Minimum Wage or Below
2010 Average Compared to 2011 Average
(Numbers of workers in thousands)**

Industry	2010				2011				Percentage Point Change 2010 to 2011	
	US ^{1/}	Pct.	PA ^{1/}	Pct.	US	Pct.	PA	Pct.	US	PA
TOTAL	4,360		205.9		3,854		194.9			
Industry										
Agriculture, Forestry, Fishing & Hunting	31	1%	0.9	<1%	40	1%	2.6	1%	0%	1%
Mining	0	0%	0.0	0%	3	<1%	0.0	0%	<1%	0%
Construction	48	1%	0.0	0%	43	1%	0.0	0%	0%	0%
Manufacturing	160	4%	5.0	2%	91	2%	3.2	2%	-2%	0%
Wholesale Trade	46	1%	1.4	1%	28	1%	0.0	0%	0%	-1%
Retail Trade	768	18%	39.7	19%	652	17%	33.8	17%	-1%	-2%
Transportation & Warehousing	55	1%	4.7	2%	54	1%	1.4	1%	0%	-1%
Information	56	1%	2.4	1%	41	1%	1.1	1%	0%	0%
Financial & Insurance	76	2%	5.8	3%	40	1%	3.7	2%	-1%	-1%
Professional & Business Services	188	4%	4.8	2%	164	4%	2.4	1%	0%	-1%
Educational Services	183	4%	14.9	7%	139	4%	14.0	7%	0%	0%
Hospitals	51	1%	2.1	1%	39	1%	3.2	2%	0%	1%
Health Care Services, Except Hospitals	203	5%	5.1	2%	156	4%	8.1	4%	-1%	1%
Social Assistance	146	3%	0.0	0%	132	3%	7.5	4%	0%	4%
Arts, Entertainment & Recreation	166	4%	7.6	4%	167	4%	12.5	6%	0%	2%
Accommodation	100	2%	5.3	3%	113	3%	1.0	1%	1%	-2%
Food Services & Drinking Places	1775	41%	84.9	41%	1,723	45%	90.7	47%	4%	6%
Other Services	254	6%	18.5	9%	183	5%	9.9	5%	-1%	-4%
Public Administration	54	1%	2.8	1%	44	1%	0.0	0%	0%	-1%
Work Status										
Full-time	1,720	39%	62.1	30%	1,352	35%	52.9	27%	-4%	-3%
Part-time	2,640	61%	143.8	70%	2,502	65%	142.0	73%	4%	3%

^{1/} Both the U.S. minimum wage and the PA minimum wage were \$7.25 during 2010 and 2011

Totals may not sum due to rounding

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

In Pennsylvania, the industries most likely to employ workers at or below the minimum wage were food services & drinking places; retail trade; educational services; and arts entertainment & recreation. These industries employed 77 percent of all minimum-wage earners in 2011. However, more than three-quarters of the industry groups contained some minimum-wage workers. In 2011, the proportion of minimum-wage earners increased by 6 percentage points in food services & drinking places and by 4 percentage points in social assistance. The industries with the greatest percentage point decreases in 2011 were other services which decreased by 4 percentage points and accommodation and retail trade, which each decreased by 2 percentage points.

In 2011, both Pennsylvania and the nation as a whole saw an increase in the proportion of minimum wage earners who worked part time as opposed to full time. However, Pennsylvania's percentage of hourly-paid workers earning the minimum wage or less who were part time remained above the national average (73 percent versus 65 percent).

**Pennsylvania and U.S.
Industry Characteristics of Hourly Wage & Salary Workers Above the Minimum Wage
2010 Average Compared to 2011 Average
(Numbers of workers in thousands)**

Industry	2010				2011				Percentage Point Change 2010 to 2011	
	US ^{1/}	Pct.	PA ^{1/}	Pct.	US	Pct.	PA	Pct.	US	PA
TOTAL	68,542		3,049.0		70,125		3,197.1			
Industry (Employment)										
Agriculture, Forestry, Fishing & Hunting	725	1%	22.8	1%	765	1%	21.2	1%	0%	1%
Mining	422	1%	16.4	1%	487	1%	23.6	1%	0%	1%
Construction	4,495	7%	190.8	6%	4,548	6%	202.7	6%	-1%	-1%
Manufacturing	8,266	12%	408.2	13%	8,525	12%	449.6	14%	0%	1%
Wholesale Trade	1,573	2%	89.3	3%	1,669	2%	106.9	3%	0%	0%
Retail Trade	9,814	14%	394.4	13%	10,161	14%	451.2	14%	0%	1%
Transportation & Warehousing	3,873	6%	176.1	6%	3,978	6%	186.3	6%	0%	0%
Information	1,330	2%	48.8	2%	1,362	2%	58.5	2%	0%	0%
Financial & Insurance	3,182	5%	143.6	5%	3,296	5%	155.4	5%	0%	-1%
Professional & Business Services	5,639	8%	228.3	7%	5,886	8%	210.6	7%	0%	0%
Educational Services	4,302	6%	170.6	6%	4,289	6%	159.0	5%	0%	-1%
Hospitals	4,281	6%	229.3	8%	4,341	6%	219.3	7%	0%	0%
Health Care Services, Except Hospitals	5,991	9%	284.9	9%	5,930	8%	339.8	11%	-1%	1%
Social Assistance	1,621	2%	81.1	3%	1,606	2%	74.8	2%	0%	-1%
Arts, Entertainment & Recreation	1,507	2%	49.2	2%	1,535	2%	52.6	2%	0%	0%
Accommodation	898	1%	31.3	1%	902	1%	31.7	1%	0%	0%
Food Services & Drinking Places	4,603	7%	205.2	7%	4,849	7%	208.7	6%	0%	0%
Other Services	2,662	4%	102.8	3%	2,812	4%	103.0	3%	0%	-1%
Public Administration	3,358	5%	176.0	6%	3,185	5%	155.7	5%	0%	0%
Work Status										
Full-time	51,911	76%	2,326.2	76%	53,105	76%	2,440.5	76%	0%	0%
Part-time	16,631	24%	722.8	24%	17,020	24%	770.0	24%	0%	0%

^{1/}Both the U.S. minimum wage and the PA minimum wage were \$7.25 during 2010 and 2011

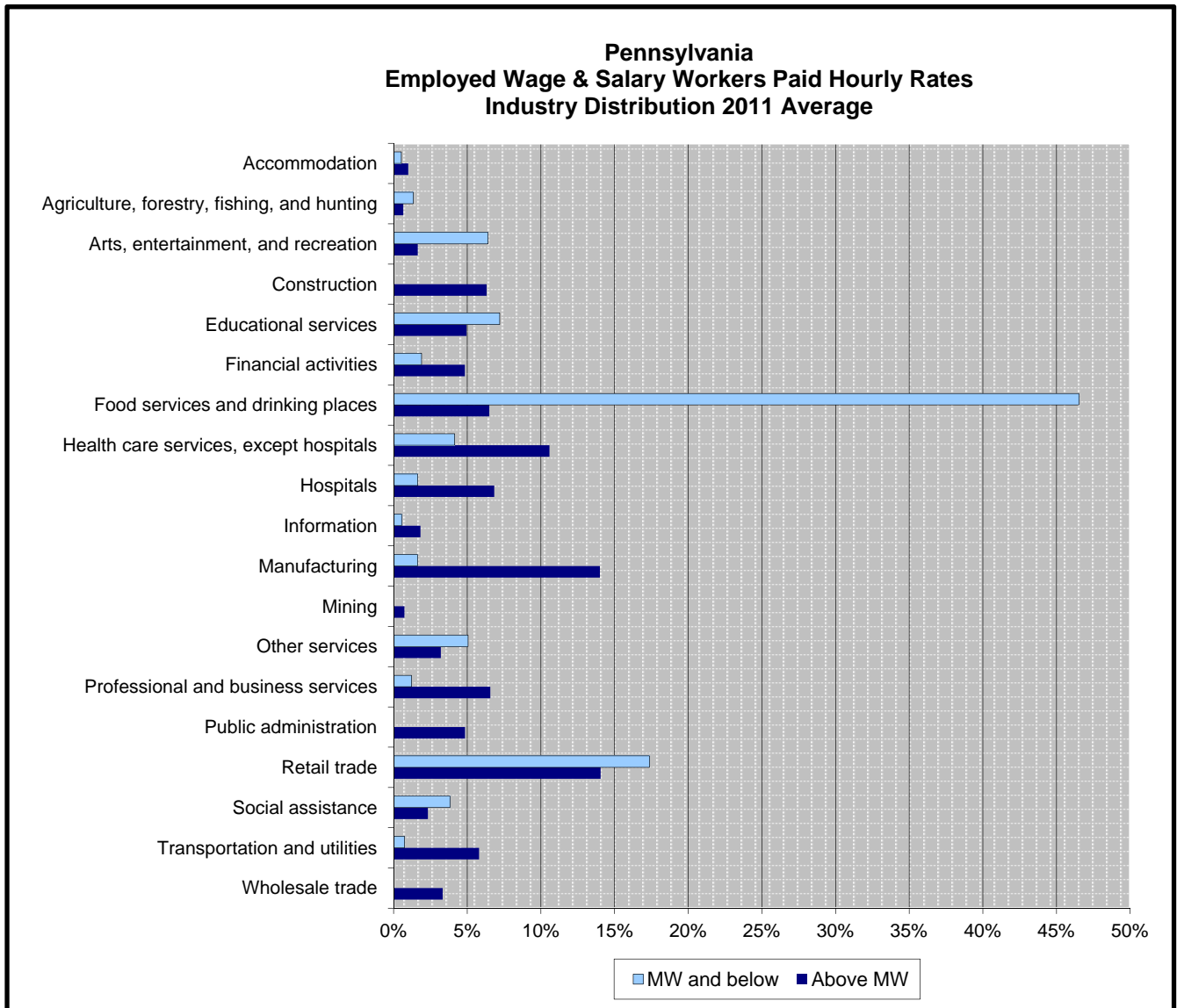
Totals may not sum due to rounding

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

The retail trade industry in Pennsylvania employs a large number of hourly-paid workers across all wage levels, and therefore accounted for a large proportion of workers earning more than the minimum wage as well as those earning the minimum wage or less. Retail trade, in combination with manufacturing and non-hospital health care services, comprised 39 percent of all those earning above the minimum wage in 2011.

The industry distribution of those making above the minimum wage changed little in both Pennsylvania and the nation from 2010 to 2011.

Among hourly workers earning above the minimum wage, 76 percent worked full time in 2011, in both Pennsylvania and the nation. In Pennsylvania, the breakdown between part-time and full-time workers was almost reversed for those earning above the minimum wage as opposed to those earning that wage or less.



PA minimum wage in 2011 – \$7.25

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

A high proportion of workers who earned at or below the minimum wage worked in food services & drinking places and in retail trade.

A high proportion of workers who earned above the minimum wage worked in retail trade, manufacturing, health care services, hospitals, professional & business services construction, food services & drinking places, and transportation & utilities.

**Pennsylvania and U.S.
Occupational Characteristics of Hourly Wage & Salary Workers at the Minimum Wage or Below
2010 Average Compared to 2011 Average
(Numbers of workers in thousands)**

Occupation	2010				2011				Percentage Point Change 2010 to 2011	
	US ^{1/}	Pct.	PA ^{1/}	Pct.	US	Pct.	PA	Pct.	US	PA
TOTAL	4,360		205.9		3,854		194.9			
Occupation										
Architecture & Engineering	2	<1%	0.0	0%	3	<1%	0.0	0%	0%	0%
Arts, Design, Entertainment, Sports & Media	21	<1%	3.6	2%	23	1%	1.1	1%	<1%	-1%
Building, Grounds Cleaning, & Maintenance	281	6%	9.0	4%	211	5%	8.0	4%	-1%	0%
Business & Financial Operations	19	<1%	1.3	1%	10	<1%	0.0	0%	0%	-1%
Community & Social Service	19	<1%	0.0	0%	4	<1%	0.0	0%	0%	0%
Computer & Mathematical Science	8	<1%	1.3	1%	4	<1%	1.0	1%	0%	0%
Construction & Extraction	39	1%	0.9	<1%	29	1%	0.0	0%	0%	0%
Education, Training & Library	82	2%	2.1	1%	70	2%	3.9	2%	0%	1%
Farming, Fishing & forestry	34	1%	0.9	<1%	40	1%	3.2	2%	0%	2%
Food Preparation & Serving Related	1,695	39%	85.8	42%	1,670	43%	85.0	44%	4%	2%
Healthcare Practitioner & Technical	32	1%	2.1	1%	38	1%	2.0	1%	0%	0%
Healthcare Support	135	3%	2.9	1%	99	3%	3.3	2%	0%	1%
Installation, Maintenance & Repair	31	1%	0.0	0%	27	1%	1.1	1%	0%	1%
Legal	3	<1%	0.0	0%	3	<1%	1.2	1%	0%	1%
Life, Physical & Social Service	5	<1%	0.0	0%	2	<1%	0.0	0%	0%	0%
Management	34	1%	1.2	1%	38	1%	1.1	1%	0%	0%
Office & Administrative Support	326	7%	19.8	10%	260	7%	4.1	2%	0%	-8%
Personal Care & Service	325	7%	16.2	8%	299	8%	26.9	14%	1%	6%
Production	171	4%	4.8	2%	100	3%	2.2	1%	-1%	-1%
Protective Service	76	2%	2.1	1%	62	2%	1.4	1%	0%	0%
Sales & Related	733	17%	38.2	19%	604	16%	35.0	18%	-1%	-1%
Transportation & Material Moving	292	7%	13.6	7%	260	7%	14.5	7%	0%	0%

^{1/}Both the U.S. minimum wage and the PA minimum wage were \$7.25 during 2010 and 2011

Totals may not sum due to rounding

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

In 2011, a plurality (44 percent) of Pennsylvanians who earned the minimum wage or less worked in food preparation & serving-related occupations. In addition, such earners also were likely to be employed in sales & related occupations (18 percent), personal care & service (14 percent), and transportation & material moving (7 percent).

From 2010 to 2011, the percentage of Pennsylvania minimum-wage workers who worked in personal care & service increased by 6 percentage points. Minimum-wage earners in office & administrative support occupations decreased from 2010 to 2011 by 8 percentage points.

The occupational characteristics of those earning the minimum wage or less in Pennsylvania and the nation were fairly similar.

HISTORICAL CHARACTERISTICS

Pennsylvania
Demographic Characteristics of Hourly Wage & Salary Workers at the Minimum Wage or Below
Annual Average 2006 Compared to Annual Average 2011
(Numbers of workers in thousands)

Demographic Characteristics	2006		2011		Percentage Point Change 2006 to 2011
	PA ^{1/}	Pct.	PA ^{2/}	Pct.	
TOTAL	95.2		194.9		
Gender					
Male	21.5	23%	59.6	31%	8%
Female	73.7	77%	135.3	69%	-8%
Race					
Black, non-Hispanic	4.0	4%	27.9	14%	10%
Hispanic	1.7	2%	15.3	8%	6%
Other, non-Hispanic	1.1	1%	9.4	5%	4%
White, non-Hispanic	88.3	93%	142.3	73%	-20%
Age					
16-19	23.6	25%	75.5	39%	14%
20-24	21.8	23%	47.3	24%	1%
25-34	21.0	22%	40.1	21%	-1%
35-44	11.2	12%	13.7	7%	-5%
45-54	7.4	8%	6.3	3%	-5%
55-64	4.6	5%	6.0	3%	-2%
65 and over	5.5	6%	6.0	3%	-3%
Education					
Less than a high school diploma	25.9	27%	63.5	33%	6%
High school graduates, no college	29.2	31%	64.5	33%	2%
Some college, no degree	23.4	25%	46.2	24%	-1%
Associate degree	10.7	11%	10.3	5%	-6%
Bachelor's degree or higher	6.0	6%	10.4	5%	-1%
Marital Status					
Married Spouse Present	26.5	28%	31.8	16%	-12%
Marital Status Other	12.7	13%	15.9	8%	-5%
Never Married	55.9	59%	147.2	76%	17%

^{1/}PA minimum wage in 2006 was \$5.15

^{2/}PA minimum wage for 2011 was \$7.25

Totals may not sum due to rounding

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

The number of minimum-wage workers more than doubled from 2006 to 2011, primarily because all those earning the previous minimum wage (\$5.15 per hour) joined the many workers with slightly higher earnings in seeing their hourly wage pushed upward to the higher \$7.25 per hour level by July 2009. This increase may have been due to the higher 2009 minimum wage of \$7.25 being more representative than the previous minimum wage of 2006 of what employers actually were paying their hourly workers. An increase in the number of workers earning minimum wages is consistent with past minimum-wage increases.

Males comprised 31 percent of minimum-wage workers, an increase of 8 percentage points from 2006 to 2011.

The percentage of minimum-wage workers classified as White decreased by 20 percentage points since 2006, even as their absolute number increased from 88,300 to 142,300.

From 2006 to 2011, the population of minimum-wage earners became younger and less formally educated. The percentage who were younger workers (age 16-19) increased by 14 percentage points since 2006, while those with no more than a high school diploma increased by 8 percentage points.

Pennsylvania Industry Characteristics of Hourly Wage & Salary Workers at the Minimum Wage or Below Annual Average 2006 Compared to Annual Average 2011 (Numbers of workers in thousands)					
Industry	2006		2011		Percentage Point Change 2006 to 2011
	PA ^{1/}	Pct.	PA ^{2/}	Pct.	
TOTAL	95.2		194.9		
Industry (Employment)					
Agriculture, Forestry, Fishing & Hunting	1.1	1%	2.6	1%	0%
Mining	0.0	0%	0.0	0%	0%
Construction	0.0	0%	0.0	0%	0%
Manufacturing	0.8	1%	3.2	2%	1%
Wholesale Trade	0.8	1%	0.0	0%	-1%
Retail Trade	9.2	10%	33.8	17%	7%
Transportation & Warehousing	0.8	1%	1.4	1%	0%
Information	0.9	1%	1.1	1%	0%
Financial & Insurance	0.0	0%	3.7	2%	2%
Professional & Business Services	1.0	1%	2.4	1%	0%
Educational Services	4.6	5%	14.0	7%	2%
Hospitals	0.0	0%	3.2	2%	2%
Health Care Services, Except Hospitals	0.9	1%	8.1	4%	3%
Social Assistance	2.8	3%	7.5	4%	1%
Arts, Entertainment & Recreation	2.1	2%	12.5	6%	4%
Accommodation	4.2	4%	1.0	1%	-3%
Food Services & Drinking Places	53.2	56%	90.7	47%	-9%
Other Services	10.7	11%	9.9	5%	-6%
Public Administration	2.0	2%	0.0	0%	-2%
Work Status					
Full-time	22.1	23%	52.9	27%	4%
Part-time	73.1	77%	142.0	73%	-4%

^{1/}PA minimum wage in 2006 was \$5.15

^{2/}PA minimum wage for 2011 was \$7.25

Totals may not sum due to rounding

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

In 2006, the industries most likely to employ workers at or below the minimum wage were food services & drinking places, other services, and retail trade, similar to 2011, except that in 2011 other services had declined in importance, and was replaced by educational services. However, the percentage of minimum-wage workers in food services & drinking places declined from 56 percent to 47 percent while retail trade increased its share by 7 percentage points. By 2011, other industries that increased their share of minimum-wage workers were arts, entertainment & recreation, and non-hospital health care services, while other services had the largest percentage decline after food services & drinking places.

Between 2006 and 2011, there was little change in the proportion of hourly workers earning the minimum wage or less who worked part time. In both years, approximately 3 out of every 4 of those workers worked part time, although the percentage dropped from 77 percent in 2006, to 73 percent in 2011.

Pennsylvania
Occupational Characteristics of Hourly Wage & Salary Workers at the Minimum Wage or Below
Annual Average 2006 Compared to Annual Average 2011
(Numbers of workers in thousands)

Occupation	2006		2011		Percentage Point Change 2006 to 2011
	PA ^{1/}	Pct.	PA ^{2/}	Pct.	
TOTAL	95.2		194.9		
Architecture & Engineering	0.0	0%	0.0	0%	0%
Arts, Design, Entertainment, Sports & Media	0.0	0%	1.1	1%	1%
Building, Grounds Cleaning & Maintenance	6.8	7%	8.0	4%	-3%
Business & Financial Operations	0.0	0%	0.0	0%	0%
Community & Social Service	0.9	1%	0.0	0%	-1%
Computer & Mathematical Science	0.0	0%	1.0	1%	1%
Construction & Extraction	0.0	0%	0.0	0%	0%
Education, Training & Library	0.0	0%	3.9	2%	2%
Farming, Fishing & forestry	1.1	1%	3.2	2%	1%
Food Preparation & Serving Related	55.6	58%	85.0	44%	-14%
Healthcare Practitioner & Technical	0.0	0%	2.0	1%	1%
Healthcare Support	0.9	1%	3.3	2%	1%
Installation, Maintenance & Repair	0.0	0%	1.1	1%	1%
Legal	0.0	0%	1.2	1%	1%
Life, Physical & Social Service	0.0	0%	0.0	0%	0%
Management	0.0	0%	1.1	1%	1%
Office & Administrative Support	12.1	13%	4.1	2%	-11%
Personal Care & Service	10.1	11%	26.9	14%	3%
Production	0.0	0%	2.2	1%	1%
Protective Service	2.0	2%	1.4	1%	-1%
Sales & Related	3.8	4%	35.0	18%	14%
Transportation & Material Moving	1.9	2%	14.5	7%	5%

^{1/}PA minimum wage in 2006 was \$5.15

^{2/} PA minimum wage for 2011 was \$7.25

Totals may not sum due to rounding

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

In 2006, a majority (58 percent) of Pennsylvanians who earned the minimum wage or less worked in food preparation & serving-related occupations. In addition, such earners also were likely to be employed in office & administrative support (13 percent), occupations and personal care & service (11 percent), and building, grounds cleaning & maintenance (7 percent).

The proportion of Pennsylvania minimum-wage earners who worked in food preparation & serving-related occupations decreased by 14 percentage points from 2006 to 2011, while that of those in office and administrative support occupations fell by 11 percentage points. Minimum-wage earners in sales & related occupations, transportation & material moving, and personal care & service occupations increased from 2006 to 2011 by 14 percentage points, 5 percentage points and 3 percentage points, respectively.

Pennsylvania
Additional Characteristics Summary of Workers at the Minimum Wage or Below
Annual Average 2006 Compared to Annual Average 2011
(Numbers of workers in thousands)

Characteristic	2006		2011		Percentage Point Change 2006 to 2011
	PA ^{1/}	Pct.	PA ^{2/}	Pct.	
TOTAL	95.2		194.9		
Family Makeup					
No Children (Single or Married)	75.2	79%	154.6	79%	0%
Married Parent	10.6	11%	24.3	12%	1%
Single Parent	9.4	10%	16.0	8%	-2%
1 child	3.6	4%	12.3	6%	2%
2 children	3.8	4%	3.7	2%	-2%
3 children	2.0	2%	0.0	0%	-2%
4 or more children	0.0	0%	0.0	0%	0%
Household Income^{3/}					
\$9,999 or less	-	-	7.8	4%	-
\$10,000 to 19,999	-	-	31.3	16%	-
\$20,000 to 29,999	-	-	34.2	18%	-
\$30,000 to 39,999	-	-	14.1	7%	-
\$40,000 to 49,999	-	-	18.7	10%	-
\$50,000 to 59,999	-	-	14.1	7%	-
\$60,000 To 74,999	-	-	26.5	14%	-
\$75,000 To 99,999	-	-	19.5	10%	-
\$100,000 To 149,999	-	-	24.3	12%	-
\$150,000 and Over	-	-	4.5	2%	-

^{1/}PA minimum wage in 2006 was \$5.15

^{2/} PA minimum wage for 2011 was \$7.25

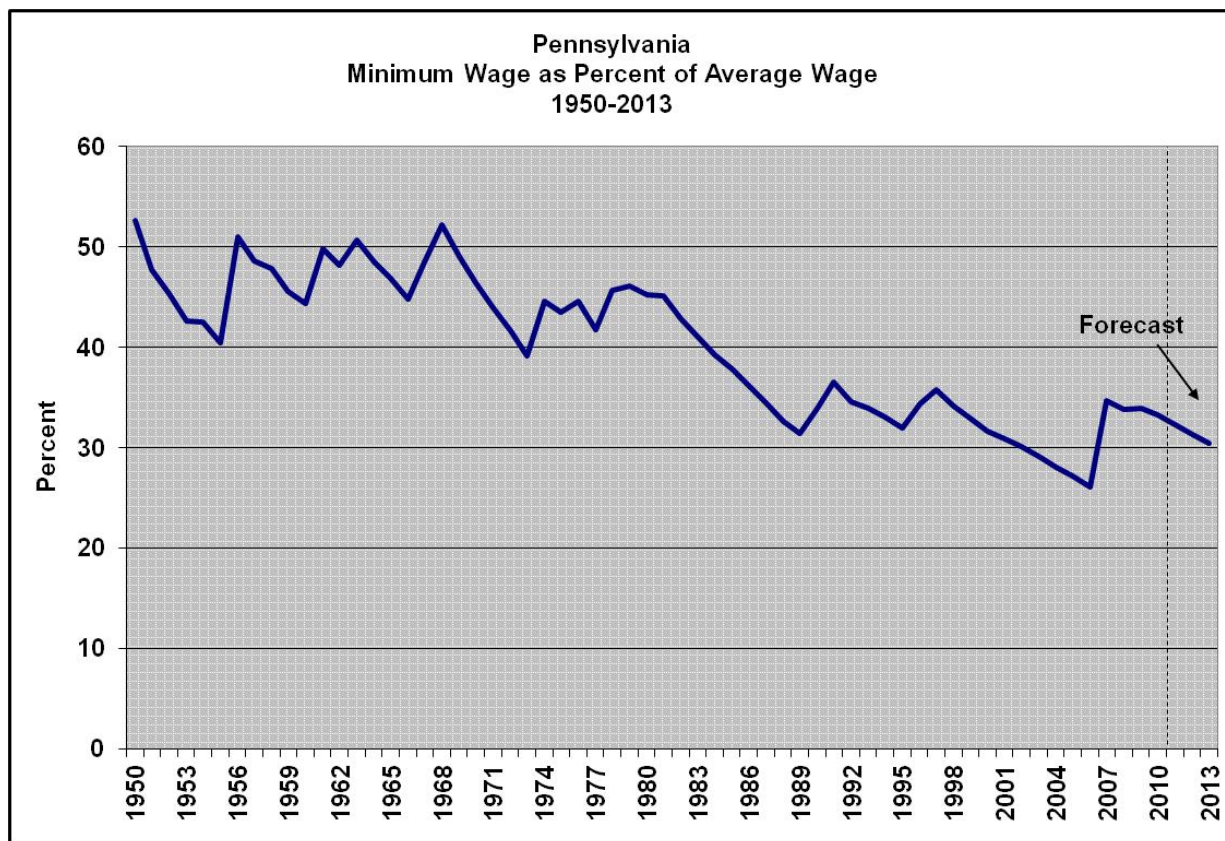
^{3/}The U.S. Census Bureau changed the Household Annual Income variable in 2010, making it meaningless to compare to 2006 data
Totals may not sum due to rounding

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

Workers having no children made up 79 percent of those earning the minimum wage or less in Pennsylvania in 2011, the same percentage as in 2006.

The percentage of minimum-wage workers who were single parents dropped from 10 percent to 8 percent from 2006 to 2011.

INFLATION AND POVERTY

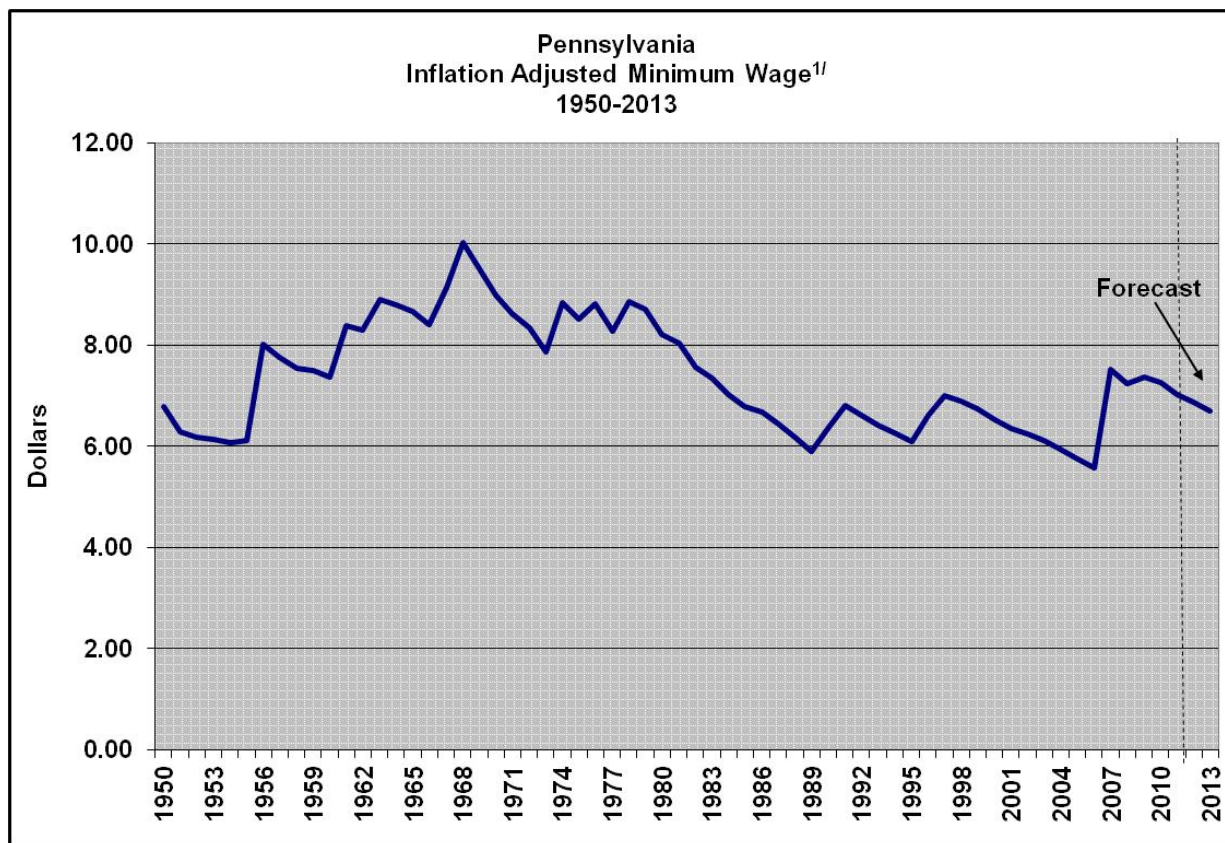


Average Wage forecast based on ten-year arithmetic average
The minimum wage in 2011 was \$7.25

The original level of the minimum wage was set in 1938 at 50 percent of the average manufacturing wage. Over time as the coverage of the minimum wage expanded and manufacturing employment declined as a percentage of total employment, the statewide average wage replaced the average manufacturing wage as the relevant comparison wage. Adjusted for projected wage inflation (based on its 10-year average), 50 percent of the average wage was \$10.90 in 2010 and \$11.23 in 2011, and is projected to be \$11.56 in 2012.

In 1969, a gradual decline in the minimum wage as a percentage of the average wage began, and in 2006, Pennsylvania's minimum wage was 26 percent of the average wage; an all-time low since this information was first documented (1938).

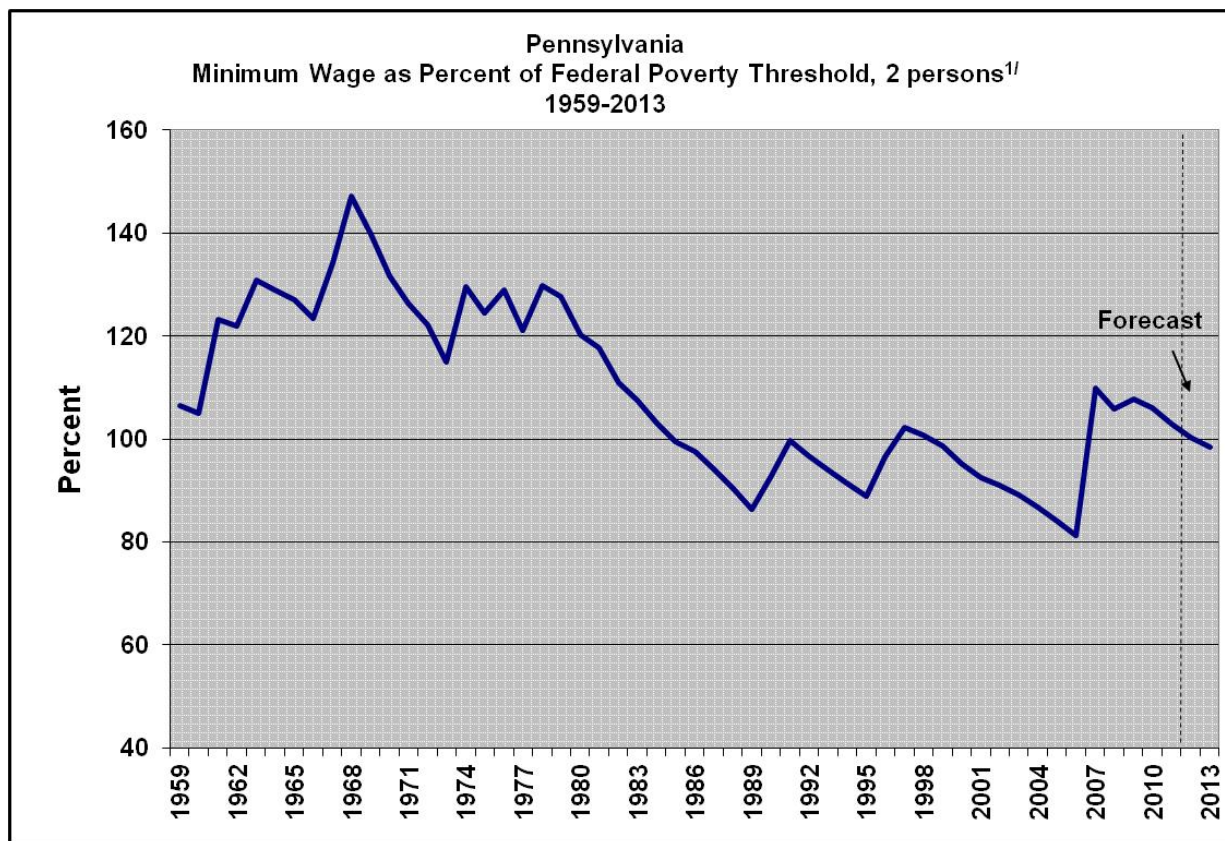
The increase in the minimum wage to \$7.25 in July 2009 brought the minimum wage up to 34 percent of the average wage. In 2010, Pennsylvania's minimum wage was 33 percent of the average wage, 17 percentage points below the original level of 50 percent of the average wage. If the minimum wage stays at its current level and the average wage grows at its projected 10-year-average rate, the minimum wage will drop to 30 percent of the average Pennsylvania wage by 2013.



^{1/}Indexed to 2010 dollars
Inflation forecast based on 10-year arithmetic average applied to the minimum wage
The minimum wage in 2011 was \$7.25

Inflation adversely affects the purchasing power of an unchanging minimum wage. Adjusting for projected inflation, the value of the 2011 minimum wage of \$7.25 as measured in 2010 dollars was worth \$7.03, and is projected to fall to \$6.86 in 2012 and \$6.70 in 2013.

In 1968, the year in which the purchasing power of the minimum wage began to decline, the current nominal minimum wage of \$7.25 was equivalent to \$10.03. Pennsylvania's minimum wage (and the federal minimum wage) remained unchanged from September 1997 to the end of 2006, while prices rose considerably. As the above graph indicates, in 2006, the purchasing power of the minimum wage was less than at any time since before the 1950s. The purchasing power of the minimum wage has been steadily declining since 2009, the last year in which it was raised.



^{1/}Average-weighted threshold

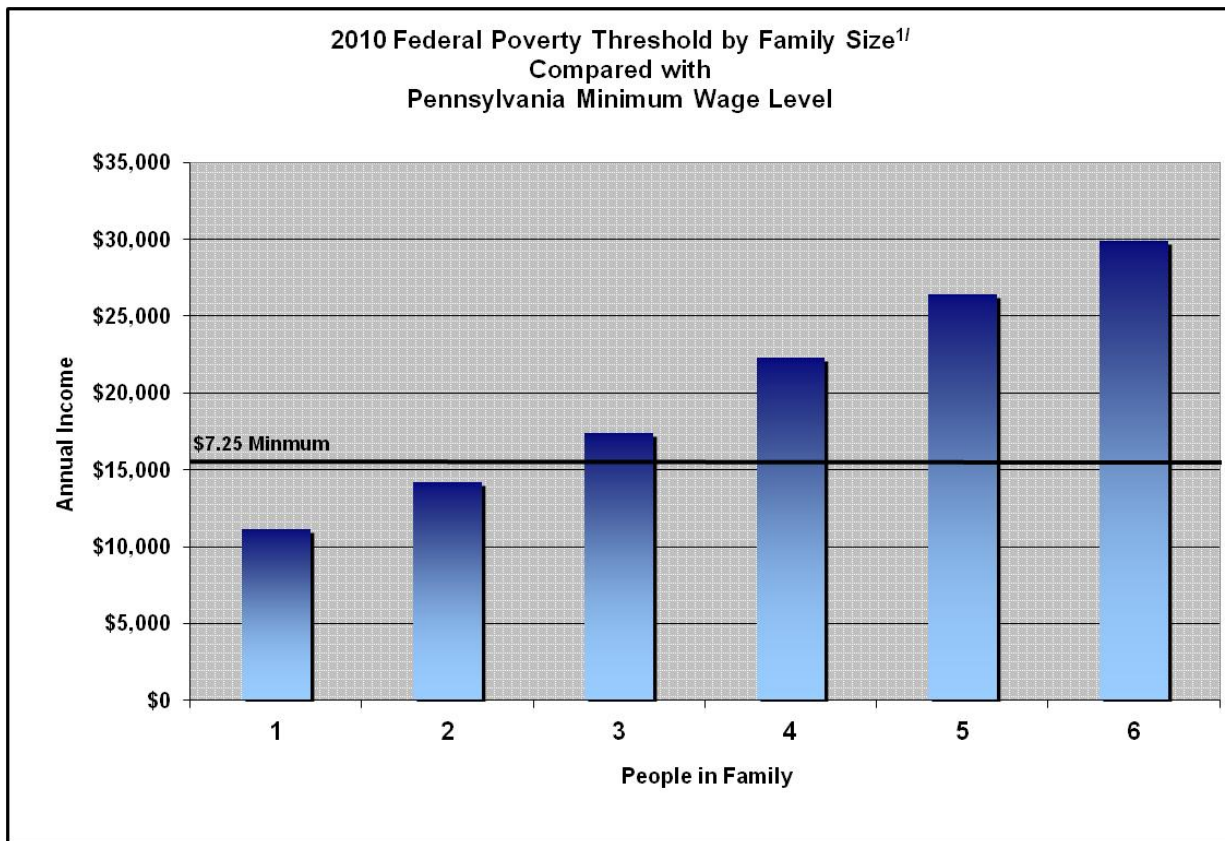
Inflation forecast based on 10-year average applied to the poverty threshold

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 2010, the annual income for an individual in Pennsylvania making the minimum wage (\$7.25) was \$15,080 or 106 percent of the 2010 Federal Poverty Threshold for a two-person household (\$14,218).

If the minimum wage remains unchanged at \$7.25 in 2013, the earnings of an individual working full time at that wage almost certainly will dip below 100 percent of the Federal Poverty Threshold for a two-person household.



^{1/}Average-weighted threshold
Source: U.S. Census Bureau

A person working full time at \$7.25 per hour earned \$15,080 per year. This income exceeded the 2010 Federal Poverty Threshold for one-person (\$11,139) and two-person households (\$14,218). However, it fell short of this poverty threshold for three-person households (\$17,374) and was only 106 percent of the poverty threshold for the two-person household.

Therefore, a single parent with two children, working full time at \$7.25 per hour, 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 earn \$30,160, and would exceed the poverty threshold for a four-person household (\$22,314).

OTHER STATES

Minimum Wage Rates by State

Area	2008	2009	2010	2011	2012	Area	2008	2009	2010	2011	2012
Federal ^{2/}	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25	Federal ^{2/}	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25
Alabama	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25	Montana ^{1/}	\$6.55	\$7.25	\$7.25	\$7.35	\$7.65
Alaska	\$7.15	\$7.25	\$7.75	\$7.75	\$7.75	Nebraska	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25
Arizona ^{1/}	\$6.90	\$7.25	\$7.25	\$7.35	\$7.65	Nevada ^{1/}	\$6.55	\$7.25	\$7.55	\$8.25	\$8.25
Arkansas	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25	New Hampshire	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25
California	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	New Jersey	\$7.15	\$7.25	\$7.25	\$7.25	\$7.25
Colorado ^{1/}	\$7.02	\$7.28	\$7.25	\$7.36	\$7.64	New Mexico	\$6.55	\$7.50	\$7.50	\$7.50	\$7.50
Connecticut	\$7.65	\$8.00	\$8.25	\$8.25	\$8.25	New York	\$7.15	\$7.25	\$7.25	\$7.25	\$7.25
Delaware	\$7.15	\$7.25	\$7.25	\$7.25	\$7.25	North Carolina	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25
Florida ^{1/}	\$6.79	\$7.25	\$7.25	\$7.31	\$7.67	North Dakota	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25
Georgia	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25	Ohio ^{1/}	\$7.00	\$7.30	\$7.30	\$7.40	\$7.70
Hawaii	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	Oklahoma	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25
Idaho	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25	Oregon ^{1/}	\$7.95	\$8.40	\$8.40	\$8.50	\$8.80
Illinois	\$7.50	\$7.75	\$8.00	\$8.25	\$8.25	Pennsylvania ^{2/}	\$7.15	\$7.25	\$7.25	\$7.25	\$7.25
Indiana	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25	Rhode Island	\$7.40	\$7.40	\$7.40	\$7.40	\$7.40
Iowa	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	South Carolina	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25
Kansas	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25	South Dakota	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25
Kentucky	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25	Tennessee	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25
Louisiana	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25	Texas	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25
Maine	\$7.00	\$7.25	\$7.50	\$7.50	\$7.50	Utah	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25
Maryland	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25	Vermont ^{1/}	\$7.68	\$8.06	\$8.06	\$8.15	\$8.46
Massachusetts	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	Virginia	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25
Michigan	\$7.15	\$7.40	\$7.40	\$7.40	\$7.40	Washington ^{1/}	\$8.07	\$8.55	\$8.55	\$8.67	\$9.04
Minnesota	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25	West Virginia	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25
Mississippi	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25	Wisconsin	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25
Missouri ^{1/}	\$6.65	\$7.25	\$7.25	\$7.25	\$7.25	Wyoming	\$6.55	\$7.25	\$7.25	\$7.25	\$7.25

^{1/}Minimum wage tied to inflation rate – Consumer Price Index (CPI)

^{2/}Pennsylvania and Federal Minimum Wages set at end of year

Data accurate as of Jan. 23, 2012

Source: U.S. Department of Labor

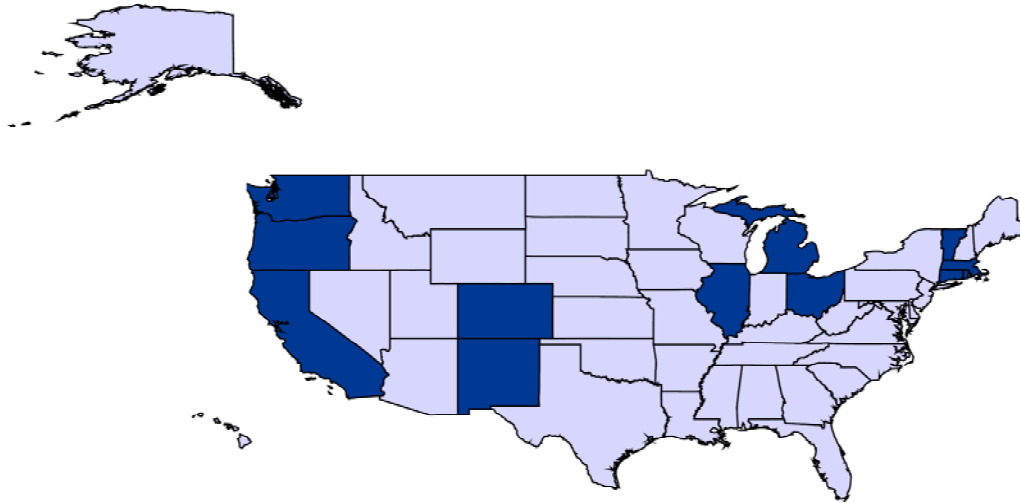
In 2010, 14 states had higher minimum-wage rates than Pennsylvania. In 2011, 18 states had higher rates, which ranged from \$7.31 to \$8.67.

In 2011, the remaining 32 states (including Pennsylvania) all effectively had a minimum wage of \$7.25 per hour, which is the federal minimum wage. Of these 32 states, 23 (including Pennsylvania) have a minimum wage requirement equal to the federal rate, 4 states have a formal minimum lower than the federal level, and 5 states have no statutorily established minimum wage. When the federal rate exceeds the state rate, it supplants the latter rate since federal law supersedes state law. Therefore, the 9 states without a minimum wage or with one that is lower than the federal requirement effectively have a minimum wage equal to \$7.25 per hour, which is also Pennsylvania's rate.

Of Pennsylvania's neighboring states, Ohio had the highest minimum wage (\$7.40) in 2011. Pennsylvania and its neighboring states (shaded above), with the exception of Ohio, will be at the same minimum wage (\$7.25) in 2012.

Arizona, Colorado, Florida, Missouri, Montana, Nevada, Ohio, Oregon, Vermont and Washington have their minimum wage rates tied to the Consumer Price Index (CPI) to provide automatic increases that keep pace with inflation. All of these states except Missouri (which is also keeping its minimum wage constant in 2012), increased their minimum wage rates in 2011. Effective Jan. 1, 2012, 8 of these states raised their rates again, and Nevada may do so in July of 2012.

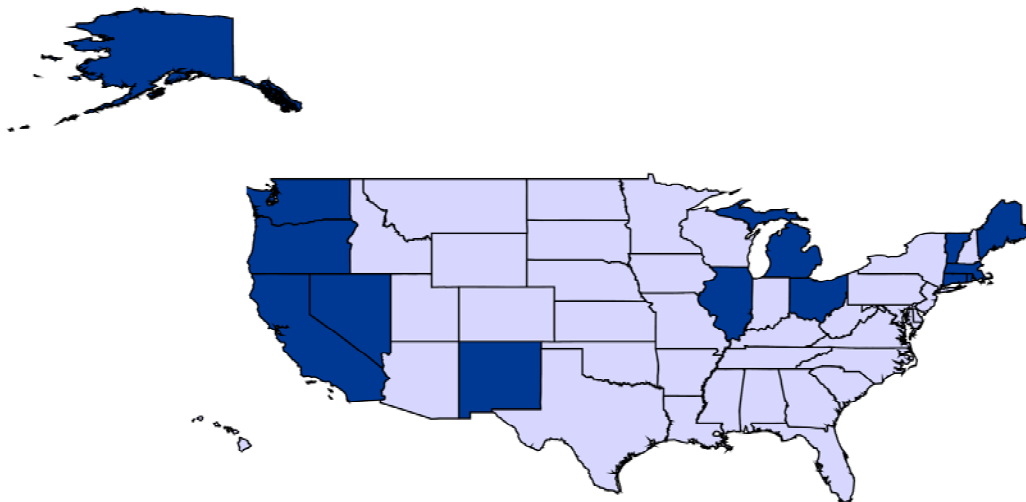
2009 Pennsylvania and Other States Minimum Wage Comparison



Same as PA's minimum wage
 Higher than PA's minimum wage
 Note: PA's minimum wage= \$7.25

As of 1/23/2012

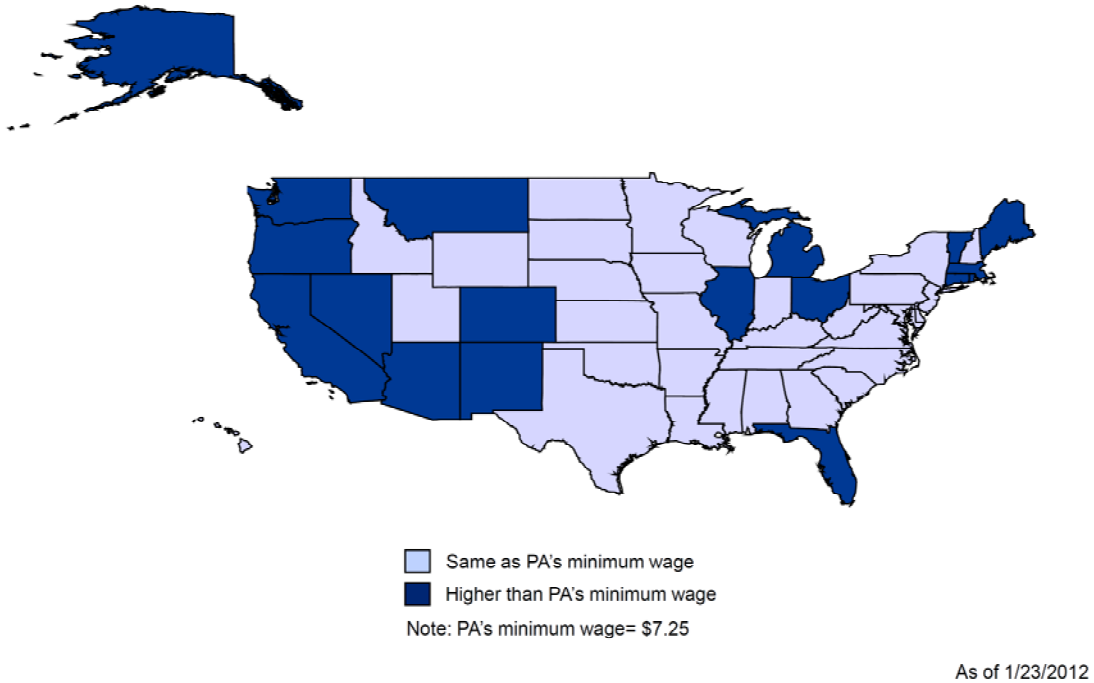
2010 Pennsylvania and Other States Minimum Wage Comparison



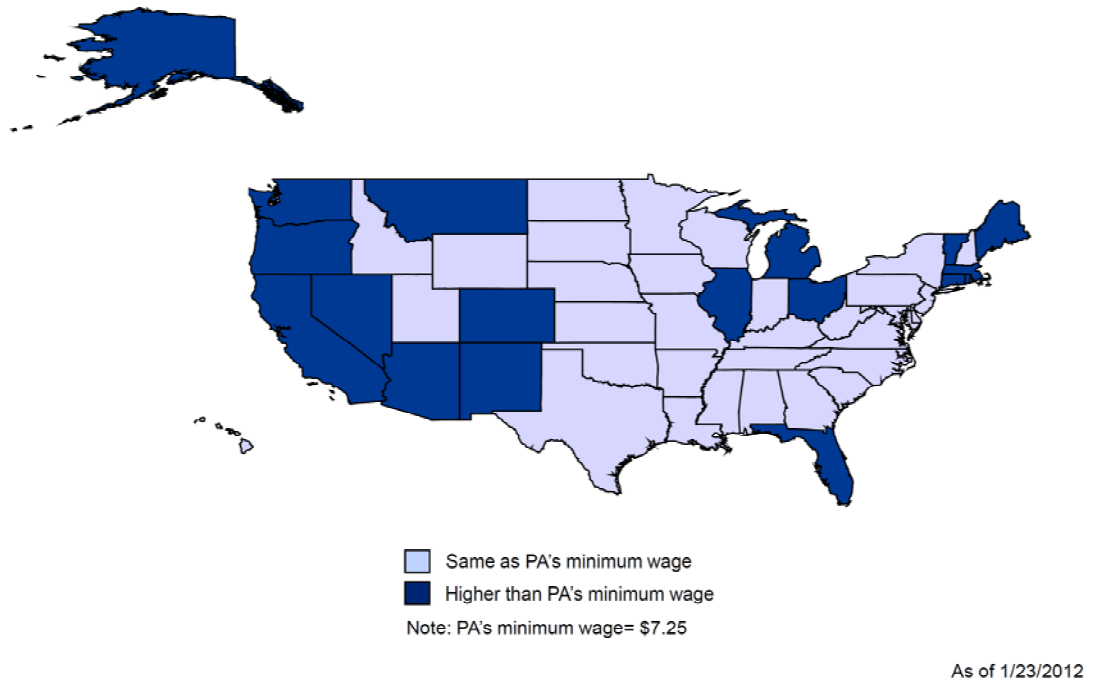
Same as PA's minimum wage
 Higher than PA's minimum wage
 Note: PA's minimum wage= \$7.25

As of 1/23/2012

2011 Pennsylvania and Other States Minimum Wage Comparison



2012 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.
- Census Bureau – The Census Bureau, 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 the population 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 many modern democracies, the United States conducts a complete enumeration every 10 years, under the auspices of the Census Bureau, which publishes detailed reports.
- Current Employment Statistics (CES) – Each month the Current Employment Statistics program surveys about 200,000 national businesses and government agencies 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 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 that 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, 2007, the minimum wage increased from \$5.15 to \$5.85. On July 24, 2008, the minimum wage increased from \$5.85 to \$6.55. On July 24, 2009, the final increase occurred, 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 Census Bureau. 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 real 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. Changes in the CPI are the measurements of inflation.
- Minimum Wage – Minimum wage is the lowest lawful level at which workers may be compensated by their employers; it is established by the FLSA at the federal level, and by the Minimum Wage Act in Pennsylvania.
- National Bureau of Economic Research (NBER) – The NBER is the nation's leading nonprofit economic research organization. Due to its work on national accounts and business cycles, the NBER is well-known for providing start and end dates for recessions in the United States.
- Quarterly Census of Employment and Wages (QCEW) – 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 generally is 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 (the week containing the 12th day of the month), were available for work (except for temporary illness), and made specific efforts to find employment sometime during the four-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 to have been looking for work to be classified as unemployed.

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