



Analysis of the Pennsylvania Minimum Wage

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 reflected the third and final federal minimum wage increase 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 characteristics of 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 the 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.

Minimum wage workers are defined in this report as hourly workers earning the minimum wage or below at their main jobs, excluding overtime pay, tips and commissions. A portion of workers reported as making minimum wage or below may have received additional compensation (mainly in the form of tips), and employers are legally obligated to supplement the earnings of tipped employees, if necessary, to ensure that hourly rates are never below 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 has not changed since then, 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 60,000 households (approximately 2,000 in Pennsylvania) conducted by the U.S. Bureau of the Census (Census Bureau) for the federal Bureau of Labor Statistics (BLS). 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 thresholds to the minimum wage for certain employers and certain job classifications. For example, farm workers, some seasonal workers, and newspaper deliverers are exempt from both state and federal minimum wage law, while lower minimum wages are allowed for tipped employees and full-time students. Other exemptions that were based on the number of employees employed by the business or the age of the worker have expired. The CPS data lack direct indicators to permit removal from the sample of those individuals affected by the exemptions still in effect and lower minimum wages.

The cohort of workers earning above the minimum wage, but close to it, are considered "near minimum wage," a category that has no precise range. A formal analysis of this cohort began with the 2013 report, at which time it was defined as \$7.26 to \$9.25, i.e., up to \$2.00 above the minimum wage. Since 2015, due to interest in a minimum wage of \$10.10, the "near minimum wage" category used in this report has been the range between \$7.26 and \$10.10. Therefore, one should not compare characteristics of this group to previous reports.

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. It should also be noted that the report utilizes the most current annual data available at the time of publication.

Demographic data from the CPS and inflation data from the Consumer Price Index (CPI) are from the calendar year of the report (2017). However, the most recent data on poverty thresholds and the state's average wage are lagged a year (2016), because the data for the most current calendar year will not be released until later this year.

Note: This report has been prepared using available data from the U.S. Bureau of the Census and the federal Bureau of Labor Statistics. While it is a comprehensive analysis of data collected on minimum wage workers in the state and the nation, there are limitations of the data. Details of the reliability of CPS estimates, in general, can be found at, https://www.bls.gov/cps/eetech_methods.pdf, while limitations of subnational (e.g. state) data can be found at, <https://www.bls.gov/gps/notescps.htm>.

While reliable data on minimum wage and price levels go back at least as far as the inception of the Federal Minimum Wage Law (1938), reliable historical demographic data of the minimum wage populations of years prior to 1994 are not readily available, and might not be comparable with the current minimum wage population due to definitional and methodological changes over time. These would include changes in categories of race and ethnicity, industry and occupational classifications, and methods of collecting and weighting samples. Reliable estimates of the current percentage of minimum wage workers in Pennsylvania who are working part time involuntarily (i.e., they would prefer to work full time and only work part time due to no full-time opportunities) are also not currently available.

Although the survey can be used to analyze the minimum wage population, it was not specifically designed to do so; that may lead to both overcounting and undercounting of certain segments of the minimum wage population. For instance, tipped employees, such as servers, may legally be paid a lower cash minimum wage, which is usually referred to as the tipped minimum wage, (set at \$2.83 per hour in Pennsylvania, since 1998) due to the employer being able to offset the cash wage paid with a tip credit; however, employers are legally obligated to supplement their earnings if necessary to ensure that hourly rates are never below the minimum wage. Such employees may inaccurately be included in the category of those earning below the minimum wage although their combined earnings including tips may be at or above the minimum wage. Alternatively, with respect to wage rate data, salaried and other non-hourly workers are excluded from the survey. This may lead to undercounting the number of workers earning at or below the minimum wage.

Further, many characteristics of the minimum wage population that might be desirable to measure are not captured in the survey. For example, the average length of time for which a person earns the minimum wage is not measured. The survey is a federally-taken snapshot in time and does not gather such information. Analysis of such data would require the commissioning and conducting of an additional survey.

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 provided by the amended Fair Labor Standards Act (FLSA). This report describes the characteristics of minimum wage earners and the industries that employ them.

Wage Distribution of All Hourly Workers

- In 2017, there were 106,500 Pennsylvania workers earning minimum wage or less, which was 38,800 (26.7 percent) lower than the 2016 level. The decrease in 2017 was due primarily to a decrease of 31,500 in those earning exactly the minimum wage, while the number of those earning below the minimum wage (\$7.25 per hour) also decreased by 7,300.
- Pennsylvania's hourly employment decreased by 106,100 (-3.0 percent), while U.S. hourly employment increased by 556,000 (+0.7 percent). The proportion of all workers receiving hourly rates decreased slightly in both Pennsylvania and the nation from 2016. In 2017, the percentage of the employed earning hourly rates was higher in Pennsylvania (56 percent) than in the U.S. overall (52 percent).
- Of the wage categories depicted on page 10, Pennsylvania had greater percentages relative to that of the U.S. in all but the \$10.11- \$15.00 category. In Pennsylvania, 77.9 percent of hourly workers earned more than \$10.10 per hour and 3.1 percent earned the minimum wage or below. These figures compare with 78.9 percent and 2.3 percent, respectively, for the U.S.
- In both Pennsylvania and the U.S., the proportion of hourly workers who earned at or below the minimum wage decreased in 2017, due to large decreases in both the number and percentage of workers earning below the minimum wage, but moreso due to larger percentage decreases in those earning exactly \$7.25 per hour. The proportion of those earning at least \$10.10 increased in both the U.S and in Pennsylvania, while the proportion of those earning near minimum wage fell.
- In terms of employment, the labor markets in the U.S. and Pennsylvania moved in opposite directions as the labor force increased in the U.S., while falling in Pennsylvania. This may be due to the differing demographic composition of each, e.g., Pennsylvania's aging population. However, the wage distribution in both the U.S. and Pennsylvania shifted to the right (smaller percentages earning at the lower wage rate categories and larger percentages earning at the highest wage rate categories). Wage improvement in Pennsylvania was concentrated in the highest category (more than \$15.00 an hour), while in the U.S. the two top categories increased. This occurred while there was a decrease (absolutely and in percentage terms) in those earning near minimum wage or less. This would imply that workers in the nation as well as in Pennsylvania were shifting from lower to higher wages.

Comparison of Minimum Wage Worker Characteristics to Other Populations

- A majority of Pennsylvania earners at or below the minimum wage in 2017 were from one or more of the following groups:
 - ❑ Female
 - ❑ White
 - ❑ 16-to-24-year-olds
 - ❑ High school graduates or less
 - ❑ Never married

- The proportions of Pennsylvania minimum wage earners who were either female, 16-to-24-year-old, non-high school graduates, or never married were higher than their corresponding proportions in the populations of Pennsylvanians who were at least 16 years old, employed, or earning above the minimum wage. However, the percentages of those demographic groups in the Pennsylvania minimum wage population were most similar to the corresponding percentages of minimum wage earners in the nation as a whole, as well as those earning “near minimum wage” in Pennsylvania. While these demographic groups were relatively overrepresented in the Pennsylvania minimum wage population, Whites, who constituted more than seven out of every 10 minimum wage earners in Pennsylvania, were underrepresented when compared to their proportion among the employed and the overall Pennsylvania population.

- Workers having no children (of their own under age 18) made up 93 percent of those earning the minimum wage or less in Pennsylvania.

- Six percent of minimum wage workers were married with one or more children and only one percent were single parents.

- The family income of those who earned the minimum wage or below varied greatly. Forty-nine percent of them were in families whose combined income was less than \$50,000 per year and 29 percent were in families with less than \$30,000 per year. In contrast, 33 percent had annual family incomes of \$75,000 or more a year, and 17 percent had annual family incomes of \$100,000 or more per year.

- All employed Pennsylvanians as well as Pennsylvania workers who earned above the minimum wage were approximately 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 and Occupational Distributions

- In Pennsylvania, workers earning at or below the minimum wage were most likely to be employed in the following industries: food services and drinking places; retail trade; arts, entertainment, and recreation; and hospitals. These industries employed over 83 percent of all minimum wage earners in 2017, with food services and drinking places by itself accounting for over 53 percent. However, almost three-quarters of the industry groups contained some minimum wage workers.
- In 2017, 72 percent of hourly-paid workers in Pennsylvania earning the minimum wage or less worked part time, while 76 percent of hourly workers earning above the minimum wage worked full time.
- The retail trade industry in Pennsylvania employs a large number of hourly-paid workers across all wage levels. Consequently, it accounted for a large proportion of both workers earning more than the minimum wage and those earning the minimum wage or less. Retail trade, together with manufacturing and non-hospital health care services, accounted for 38 percent of all workers earning above the minimum wage in 2017.
- In 2017, 49 percent of Pennsylvanians who earned the minimum wage or less worked in food preparation & serving related occupations. Such workers also were likely to be employed in sales & related occupations (13 percent), and transportation & material moving (eight percent).
- The distribution of occupations for Pennsylvanians who earned above the minimum wage was more diverse and differed considerably from those who earned the minimum wage or less. The top three occupations were office and administrative support (16 percent), sales & related (10 percent), and transportation & material moving (10 percent). Food preparation & serving related occupations accounted for only 19 percent of workers earning near minimum wage and seven percent of those earning above the minimum wage.

Recent Historical Comparisons (One and Five Years)

- The number of minimum wage workers fell by 88,000 (45.2 percent) from 2012 to 2017. The absolute decrease in the number of minimum wage workers from 2012 most likely reflects the relative decrease in the minimum wage compared to the average wage in Pennsylvania, inasmuch as there has been an improvement in the labor market over that time span. The decrease would probably have been more pronounced had it not been for the increase in employment.
- The relative predominance of food services and drinking places remained virtually unchanged from 2012 to 2017, (from 53.6 percent to 53.5 percent), even as it decreased on an absolute scale by 47,300 workers (-45.4 percent). From 2016 to 2017, Pennsylvania minimum wage workers who worked in office & administrative support occupations decreased by five percentage points while personal care & service occupations, and building and grounds cleaning & maintenance occupations both fell by four percentage points.

A Historical Perspective on the Minimum Wage in Relation to Inflation and the Poverty Threshold

- 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 50 percent of the then present average wage. By 2016, Pennsylvania's minimum wage had fallen to 29 percent of the average wage.
- Inflation adversely affects the purchasing power of an unchanging minimum wage. The value of the 2017 minimum wage of \$7.25 as measured in 2017 dollars was, of course, \$7.25. However, adjusting for projected inflation, it is projected to fall to \$7.13 in 2018 and \$7.01 in 2019.
- In 2016, the annual income for an individual working full time in Pennsylvania making the minimum wage (\$7.25) was \$15,080 or 96.9 percent of the 2016 Federal Poverty Threshold for a two-person household (\$15,569). If the minimum wage remains unchanged at \$7.25 in 2018, the earnings of an individual working full time at that wage almost certainly will remain below 100 percent of the Federal Poverty Threshold for a two-person household.
- The full-time earnings of \$15,080 which the minimum wage worker received exceeded the 2016 Federal Poverty Threshold for a one-person household (\$12,228). However, it fell short of the poverty threshold for a two-person (\$15,569) and three-person households (\$19,105).

Other States

- During 2017, 29 states had higher minimum wage rates than Pennsylvania, ranging from \$7.50 to \$11.00. The number was unchanged from that of 2015. For more information, please see the table on page 34.
- In 2017, the remaining 21 states (including Pennsylvania) all effectively had a minimum wage of \$7.25 per hour, which is the federal minimum wage. Of these 21 states, 14 (including Pennsylvania) had a minimum wage requirement equal to the federal rate, two states had a formal minimum lower than the federal level, and five states had not adopted a 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 seven states without a minimum wage or with one that is lower than the federal requirement effectively have a minimum wage equal to \$7.25/hour.
- Since the beginning of 2015, all of Pennsylvania's neighboring states have had higher minimum wages than Pennsylvania. In 2017 the minimum wages of Pennsylvania's neighboring states ranged from \$8.15 to \$10.40.

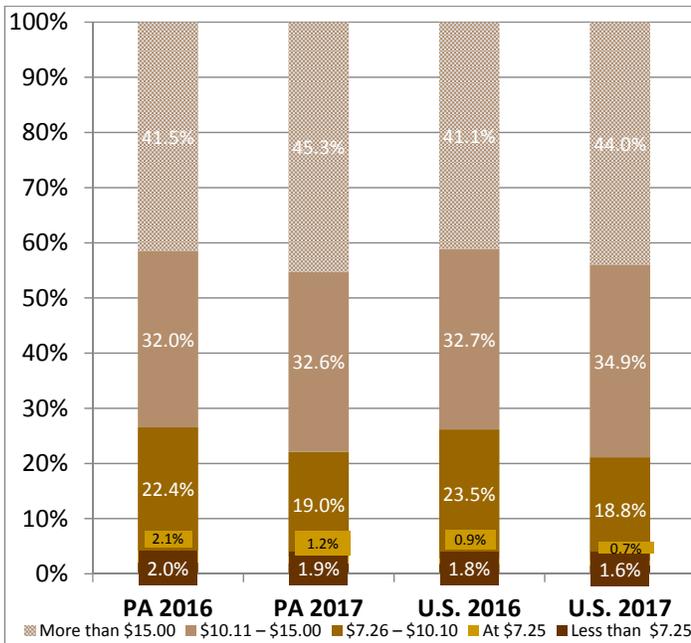
- Alaska, Florida, Minnesota, Missouri, Montana, Nevada, New Jersey, Ohio, and South Dakota currently have their minimum wage rates tied to the Consumer Price Index to provide automatic increases that keep pace with inflation. Overall, 21 states raised their minimum wages in 2017 and 20 states have already done so or are projected to do so in 2018.
- The tipped minimum wage in Pennsylvania has been at \$2.83 since 1997. During 2017, 27 states had higher tipped minimum wage rates than Pennsylvania, ranging from \$3.26 to \$11.00.

Conclusion

- In 2017, there were 106,500 Pennsylvania workers earning minimum wage or less, or 3.1 percent of all hourly workers. This was a decrease of 38,800 or 26.7 percent from 2016, when there were 145,400 workers making minimum wage or less.
- Pennsylvania earners at or below the minimum wage tended 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 number of minimum wage workers fell by 88,000 (45.2 percent) from 2012 to 2017. The absolute decrease in the number of minimum wage workers from 2012 most likely reflects the relative decrease in the minimum wage compared to the average wage in Pennsylvania, since labor market conditions have improved over that time span. The decrease would probably have been more pronounced had it not been for the increase in employment.
- Workers earning at or below the minimum wage were most likely to be employed in the following industries: food services and drinking places; retail trade; arts, entertainment, and recreation; and hospitals. Part-time workers accounted for more than seven out of every 10 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 2017 minimum wage of \$7.25 is projected to fall to \$7.01 by 2019, as measured in 2017 dollars.
- In 2017, 29 states had higher minimum wage rates than Pennsylvania, ranging from \$7.50 to \$11.00. Since January 1, 2015, all of Pennsylvania's neighboring states have minimum wages exceeding Pennsylvania's. Nine states have their minimum wage rates tied to the Consumer Price Index and an additional 10 states have approved (either legislatively or through ballot initiatives) cost of living adjustments to their minimum wages over the next few years. The tipped minimum wage in Pennsylvania has been at \$2.83 since 1997. During 2017, 27 states had higher tipped minimum wage rates than Pennsylvania, while 22 states had a lower rate.

WAGE DISTRIBUTION OF ALL HOURLY WORKERS

**Pennsylvania and U.S. Employed Wage & Salary Workers Paid Hourly Rates
2016 Average Compared to 2017 Average (Numbers of workers in thousands)**



Total, 16 Years and Over	2016		2017	
	US	PA	US	PA
Total Paid an Hourly Rate	79,944	3,522.1	80,500	3,416.0
Total at or below \$7.25	2,165	145.4	1,834	106.5
Less than \$7.25	1,458	71.3	1,288	64.0
At \$7.25	707	74.0	547	42.5
\$7.26 - \$10.10	18,750	789.0	15,159	649.5
\$10.11 - \$15.00	26,141	1,127.4	28,125	1,113.0
More than \$15.00	32,888	1,460.3	35,382	1,547.0

Source: U.S. Bureau of the Census, Current Population Survey
Both the U.S. minimum wage and the PA minimum wage were \$7.25 during 2016 and 2017.
Totals and differences may not sum due to rounding.

In 2017, there were 106,500 Pennsylvania workers earning minimum wage or less, which was 38,800 (26.7 percent) lower than the 2016 level. The decrease in 2017 was due primarily to a decrease of 31,500 in those earning exactly the minimum wage, (\$7.25 per hour), while the number of those earning below the minimum wage also decreased by 7,300. These workers constituted 3.1 percent of all hourly workers.

Pennsylvania's hourly employment decreased by 106,100 (-3.0 percent), while U.S. hourly employment increased by 556,000 (+0.7 percent). The proportion of all workers receiving hourly rates decreased slightly in both Pennsylvania and in the nation from 2016. In 2017, the percentage of the employed earning hourly rates was higher in Pennsylvania (56 percent) than in the U.S. overall (52 percent).

Of the wage categories depicted above, Pennsylvania had greater percentages relative to that of the U.S., in all but the \$10.11 - \$15.00 category. In Pennsylvania, 77.9 percent of hourly workers earned more than \$10.10 per hour and 3.1 percent earned the minimum wage or below. These figures compare with 78.9 percent and 2.3 percent, respectively, for the U.S. The proportion of workers earning minimum wage or less in both Pennsylvania and the nation decreased in 2017, due to large decreases in both the number and percentage of workers earning below the minimum wage, but moreso due to larger percentage decreases in those earning exactly \$7.25 per hour. For the U.S., overall, the proportion of workers in the two highest wage categories (earning more than \$10.10) were the only categories to increase, while those in the near minimum wage category fell by 4.6 percentage points. In Pennsylvania, the only wage category to increase absolutely was the highest, i.e., more than \$15.00 per hour, while each of the two top wage categories (more than \$10.10) increased in percentage terms. This would imply that workers in the nation as well as Pennsylvania were shifting from lower to higher wages.

COMPARISON OF MINIMUM WAGE WORKER CHARACTERISTICS TO OTHER POPULATIONS

Pennsylvania and U.S. 2017 Averages
Demographic Characteristics of Various Populations
 (Total numbers of workers in thousands, breakdown by characteristic in percents)

Demographic Characteristics	Minimum Wage or Below		Above Minimum Wage		All Employed	Population 16 and Over	
			Near	Total		PA	U.S.
	PA ¹	U.S. ¹	PA	PA	PA		
TOTAL	106.5	1,834	649.5	3,309.4	6,059.8	10,258.8	255,079
Gender							
Male	37.8%	37.0%	39.2%	49.7%	52.5%	48.2%	48.3%
Female	62.2%	63.0%	60.8%	50.3%	47.5%	51.8%	51.7%
Race							
Black, non-Hispanic	12.2%	16.0%	17.0%	11.3%	9.4%	10.0%	11.9%
Hispanic	8.1%	16.5%	8.3%	6.3%	5.8%	6.2%	16.2%
Other, non-Hispanic	6.8%	7.6%	4.2%	4.5%	5.0%	5.0%	8.3%
White, non-Hispanic	73.0%	59.9%	70.5%	77.9%	79.8%	78.8%	63.6%
Age							
16-19	33.8%	21.4%	22.7%	5.8%	4.1%	6.4%	6.6%
20-24	21.9%	27.7%	22.3%	12.7%	8.9%	7.7%	8.4%
25-34	13.3%	22.9%	18.7%	22.0%	21.3%	16.2%	17.2%
35-44	5.4%	11.4%	9.5%	16.1%	19.0%	14.2%	15.7%
45-54	8.2%	8.5%	10.2%	18.9%	20.6%	15.3%	16.4%
55-64	11.4%	5.7%	10.3%	18.6%	19.3%	18.3%	16.4%
65 and over	6.0%	2.5%	6.2%	6.0%	6.9%	21.9%	19.4%
Education							
Less than a high school diploma	30.8%	22.9%	23.2%	9.3%	7.3%	12.6%	13.8%
High school graduates, no college	28.1%	30.3%	38.5%	40.6%	31.6%	35.0%	28.1%
Some college, no degree	21.6%	28.8%	20.9%	15.6%	13.2%	13.4%	17.9%
Associate degree	6.7%	8.0%	7.6%	13.4%	10.7%	9.2%	9.4%
Bachelor's degree or higher	12.8%	10.0%	9.8%	21.0%	37.2%	29.8%	30.8%
Marital Status							
Married Spouse Present	21.6%	21.1%	25.3%	46.4%	53.7%	50.4%	50.0%
Marital Status Other	6.7%	10.3%	11.1%	14.0%	13.5%	18.1%	19.3%
Never Married	71.8%	68.6%	63.7%	39.7%	32.8%	31.5%	30.7%

¹Both the U.S. and PA minimum wages were \$7.25 during 2017.

Totals may not sum due to rounding.

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

Gender

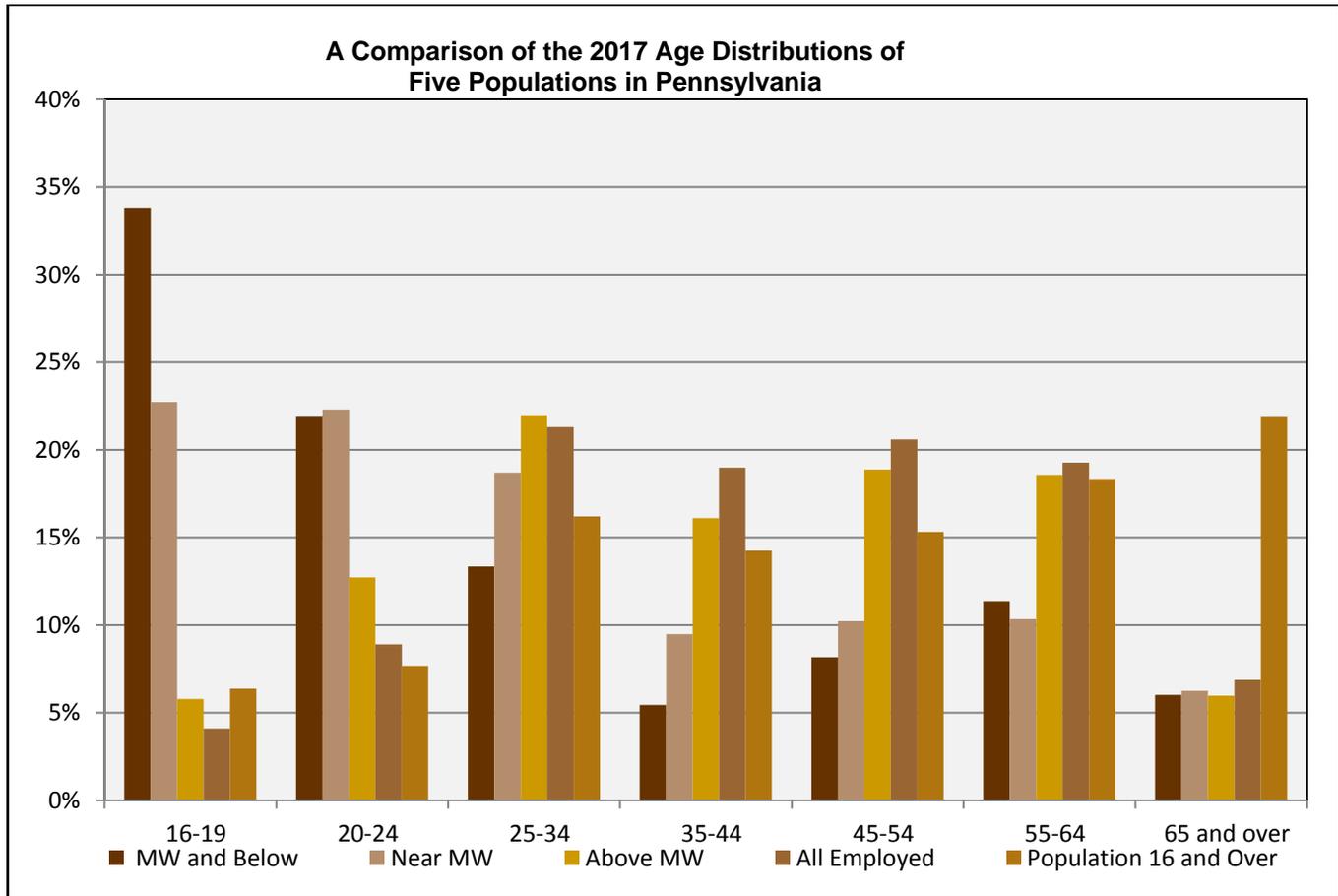
The gender composition of Pennsylvania's minimum wage workers, in 2017, was most similar to that of other minimum wage workers in the U.S. and to those in Pennsylvania earning the near minimum wage (between \$7.26 and \$10.10 inclusive), but differed considerably from other populations within Pennsylvania and the country overall. The overall population of those 16 years and older in both Pennsylvania and the U.S. was almost evenly divided between males and females (with a slight edge to females), as was the total population of those earning above the minimum wage in Pennsylvania. The Pennsylvania population of all employed was also almost evenly divided between males and females (although that population had a slightly higher percentage of males). In contrast, among minimum wage workers in Pennsylvania during 2017, females outnumbered males by almost 1.65 to 1 (62.2 percent to 37.8 percent).

Race

Being a significant majority of Pennsylvania's population, Whites, not unexpectedly, were similarly a significant majority of Pennsylvania's minimum wage workers (as well as the other populations depicted), however they were slightly underrepresented relative to their percentage of all employed and to their percentage in the population of those 16 and over. There was a greater underrepresentation of Whites in the near minimum wage population in Pennsylvania. Blacks made up the next highest percentage of all those employed and of the population in Pennsylvania. Their proportion of minimum wage workers exceeded their percentage of the employed in Pennsylvania and that of the population 16 and older. The

minimum wage population of Hispanics and that of Other non-Hispanics in Pennsylvania were similarly overrepresented relative to their percentages of employment and of their populations of those 16 years and older. Nationally among minimum wage workers, Blacks and (less so) Hispanics were overrepresented, while Whites and non-Hispanics were underrepresented relative to their overall populations.

Age



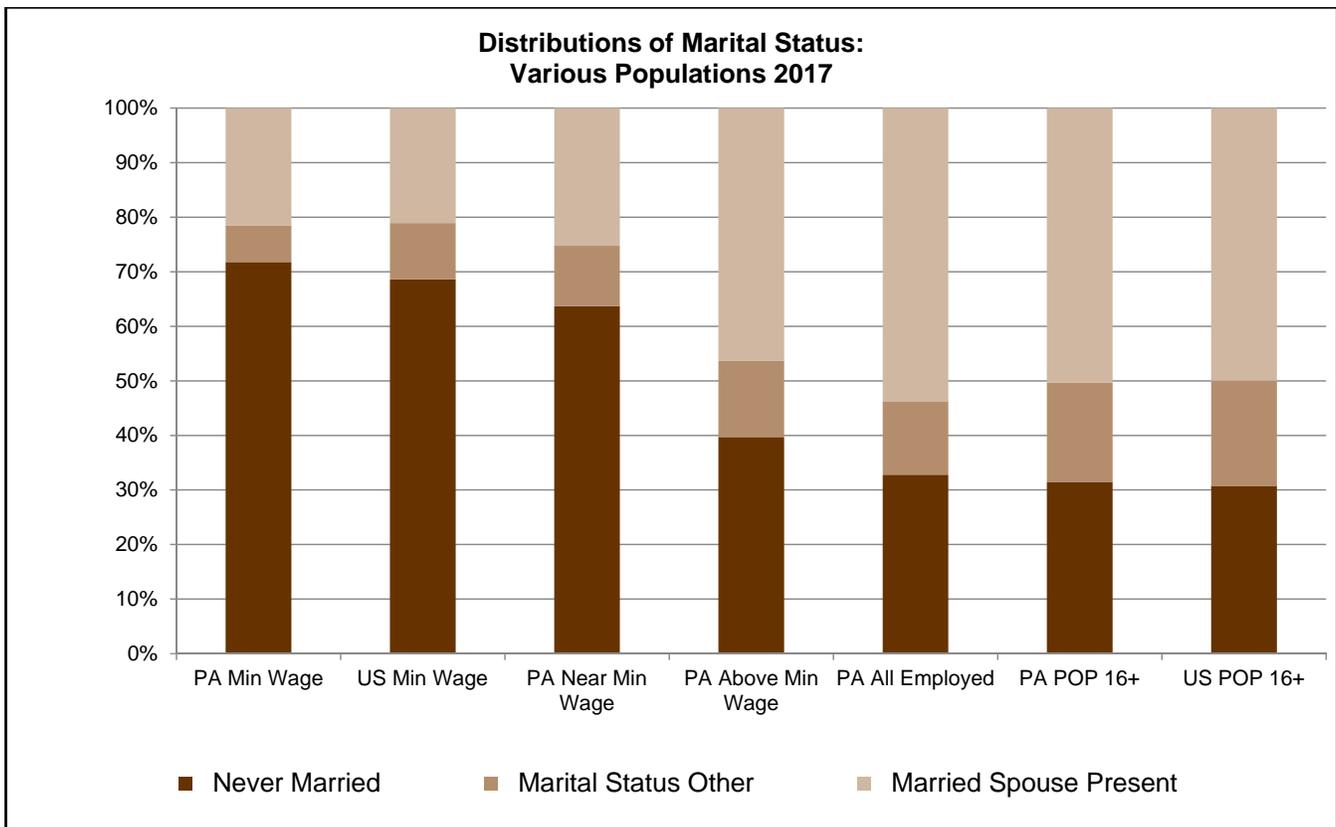
Source: U.S. Bureau of the Census, Current Population Survey

During 2017, Pennsylvania’s minimum wage workers tended to be younger than Pennsylvania’s or the nation’s overall population (16 and over). They also tended to be younger than the Pennsylvania population of all the employed or of workers earning above the minimum wage. Of the seven populations depicted in the table on the previous page, the age distribution of Pennsylvania’s minimum wage workers was most similar to minimum wage workers in the U.S. and near minimum wage earners in Pennsylvania, while being most different from the Pennsylvania and U.S. overall populations and that of all employed in Pennsylvania. Almost 56 percent of Pennsylvania’s minimum wage population was under 25 years of age, while only 13 percent of all employed were in that age group. Also, 27 percent of Pennsylvania’s minimum wage workers were between 25 and 54 years of age, while the corresponding percentage for all employed was almost 61 percent. Minimum wage workers who were 55 years old or older constituted only 16.7 percent of that population, while for the all employed population it was more than 26 percent. This age group constituted more than 40 percent of the Pennsylvania population who were at least 16 years old.

Education

The 2017 distribution of educational attainment for minimum wage earners in Pennsylvania was similar to such workers in the nation and to those earning near minimum wage, but differed from the population of all Pennsylvania's employed workers. A plurality (roughly 40 percent) of Pennsylvania workers being paid an hourly wage (independent of that wage) were high school graduates with no college, while the percentage for the total employed population was smaller. In general, minimum wage workers in Pennsylvania tended to be less educated than other employed workers in the state (which, given the age distribution, is not surprising). Those with a high school diploma or less accounted for almost 59 percent of those earning the minimum wage or less in 2017, as compared to about 39 percent for all employed. At the other end of the distribution, only 12.8 percent of minimum wage workers had at least a bachelor's degree, while the percentage for all employed was more than 37 percent.

Marital Status



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

A sizable majority (71.8 percent) of minimum wage earners had never been married, while the remainder was split between those who were married with spouse present (21.6 percent) and those with a marital status of other (divorced, separated, or widowed with 6.7 percent). While similar to the distribution of minimum wage workers in the nation, the percentage who had never married was roughly two times that of other Pennsylvania populations analyzed here with the exception of those earning near minimum wage.

**Family Status and Family Income of Wage and Salary Workers Paid Hourly Rates:
2017 Selected Groups in Pennsylvania and the U.S.
(Numbers of workers in thousands)**

Characteristics	At or Below the Minimum Wage		Above the Minimum Wage		Total Hourly Workers
	PA ¹	U.S. ¹	Near	Total	U.S.
			PA	PA	
TOTAL	106.5	1,834	649.5	3,309.4	80,500
Family Status²					
No Children (Single or Married)	93%	79%	79%	72%	70%
Married Parent	6%	10%	12%	20%	21%
Single Parent	1%	11%	9%	9%	9%
1 child	0%	6%	4%	5%	5%
2 children	1%	3%	3%	3%	3%
3 children	0%	2%	0%	1%	1%
4 or more children	0%	1%	1%	1%	0%
Family Annual Income					
\$9,999 or less	7%	9%	8%	3%	4%
\$10,000 to 19,999	6%	12%	10%	5%	7%
\$20,000 to 29,999	15%	13%	13%	9%	10%
\$30,000 to 39,999	13%	12%	11%	12%	13%
\$40,000 to 49,999	6%	8%	9%	9%	9%
\$50,000 to 59,999	3%	9%	10%	11%	9%
\$60,000 To 74,999	16%	10%	9%	13%	12%
\$75,000 To 99,999	16%	11%	13%	17%	14%
\$100,000 To 149,999	8%	10%	11%	14%	13%
\$150,000 and Over	9%	7%	7%	7%	8%

¹ PA and U.S. minimum wages in 2017 were \$7.25.

² Classification of an individual as a parent requires having at least one own child under the age of 18. All references to children also refer to own children under the age of 18. Totals in the table are rounded to the nearest percent and may differ from those in the text and may not sum correctly due to rounding.

Percentages less than one half of one percent were rounded to 0 percent.

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

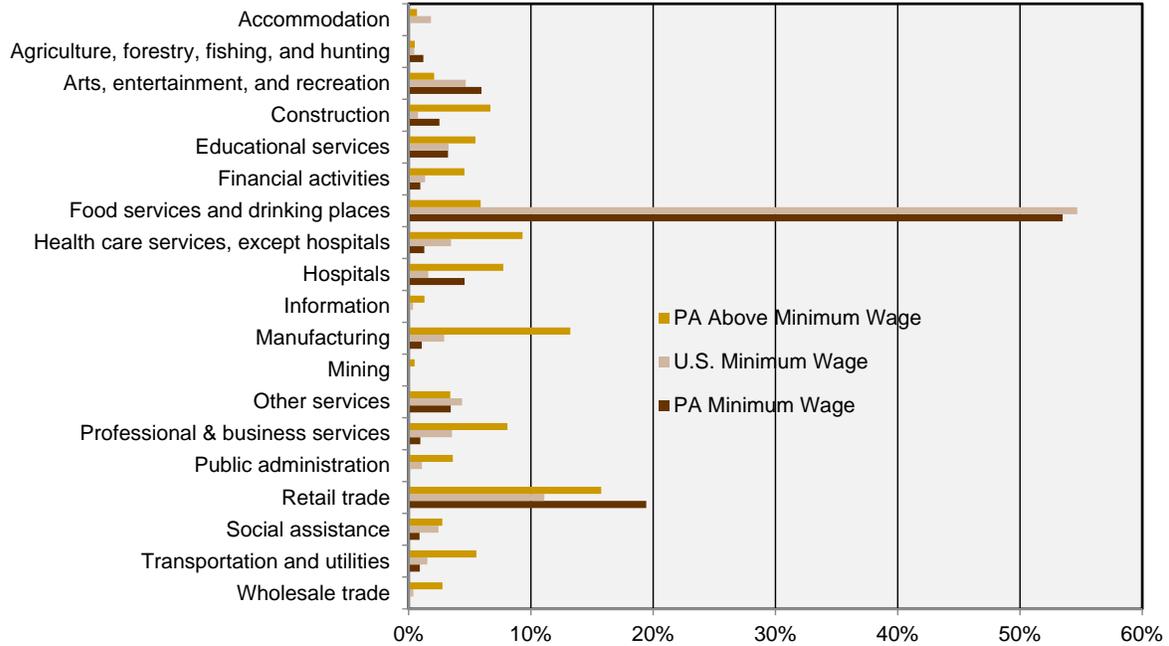
Workers having no children made up 93 percent of those earning the minimum wage or less in Pennsylvania, which was more than the percentage for the same population for the U.S., while married parents (six percent) and single parents (one percent) constituted a smaller percentage than the corresponding U.S. population. The family statuses of those earning near the minimum wage in Pennsylvania was more similar to the minimum wage population in the nation than that of the Pennsylvania's minimum wage population. These three populations differed considerably (regarding family status) from workers in Pennsylvania earning more than the minimum wage and hourly workers in the U.S. These latter two groups were characterized by a much larger percentage of married parents (more than a three-to-one multiple of the percentage for minimum wage workers in Pennsylvania) and smaller percentages of those without children.

In 2017, the sample of minimum wage workers in Pennsylvania who were single parents was too small to make reliable claims regarding their distribution of number of children.

The family income of those who earned the minimum wage or less in Pennsylvania varied greatly. Forty-nine percent of them were in families whose combined income was less than \$50,000 per year and 29 percent were in families with less than \$30,000 per year. In contrast, 33 percent had annual family incomes of \$75,000 or more a year, and 17 percent had annual family incomes of \$100,000 or more per year. This distribution was similar to near minimum wage workers in Pennsylvania, where 30 percent had family incomes of less than \$30,000 per year and 30 percent had annual family incomes of \$75,000 or more a year.

INDUSTRY AND OCCUPATIONAL DISTRIBUTIONS

A Comparison of Industry Distributions in 2017 of Various Populations: Pennsylvania and the United States

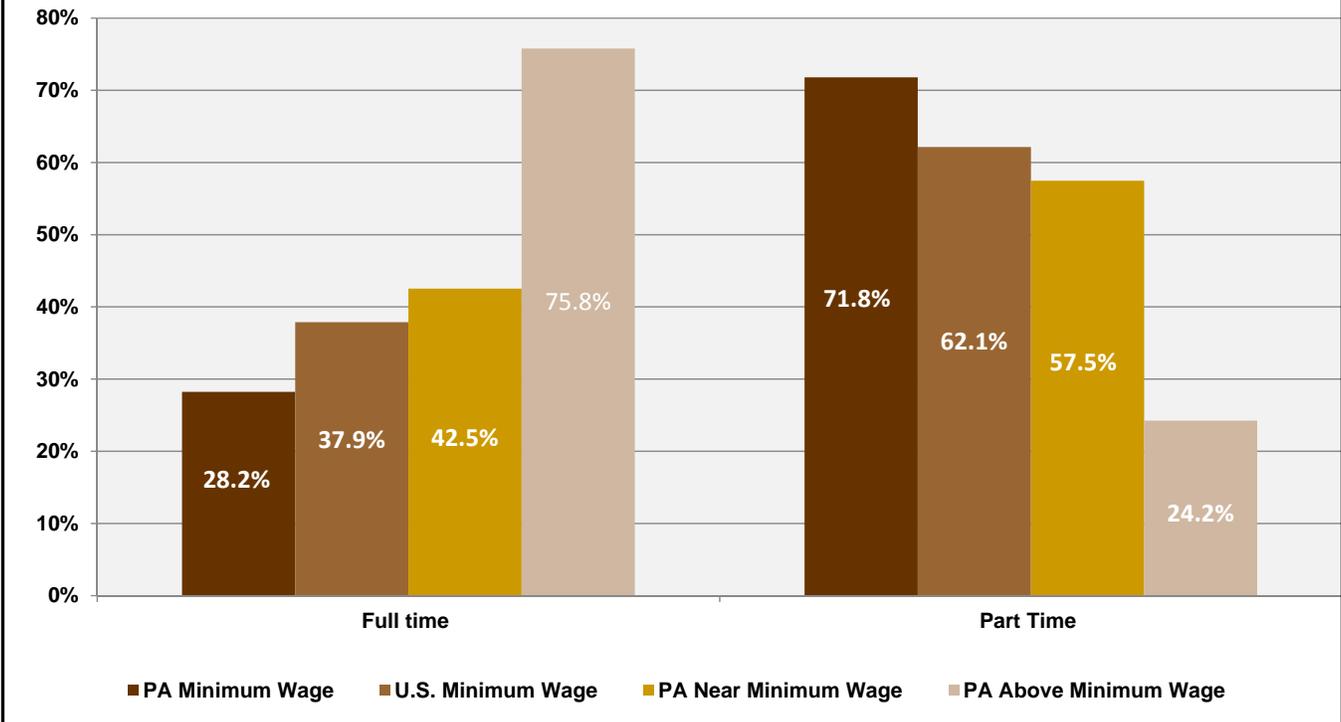


Source: U.S. Bureau of the Census, Current Population Survey
 PA and U.S. minimum wages in 2017 were both at \$7.25.

In Pennsylvania, workers earning at or below the minimum wage were most likely to be employed in the following industries: food services and drinking places; retail trade; arts, entertainment, and recreation; and hospitals. These industries employed over 83 percent of all minimum wage earners in 2017, with food services and drinking places by itself accounting for over 53 percent. In contrast, this industry accounted for only six percent of those earning above minimum wage. However, almost three-quarters of the industry groups contained some minimum wage workers. Almost 75 percent of workers earning at or below the minimum wage in the nation, worked in food services and drinking places; retail trade; arts, entertainment, and recreation; and other services. Food services and drinking places by itself accounted for almost 55 percent of minimum wage earners at the national level. Workers in this industry may earn above the minimum wage, when tips are included, but be counted as below minimum wage earners since the measured wage excludes tips.

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 (16 percent), as well as those earning the minimum wage or less (19 percent). Among workers earning the near minimum wage, the proportion was even higher (28 percent). Retail trade, in combination with manufacturing and non-hospital health care services, accounted for 38 percent of all those earning above the minimum wage in 2017. The industry distribution for workers earning more than the minimum wage in Pennsylvania had representation in all of the major industry groups and was not as concentrated as that of workers in Pennsylvania earning at or below the minimum wage. More detailed information on these industry distributions as well as that of the near minimum wage population can be found in the Appendix on page 40.

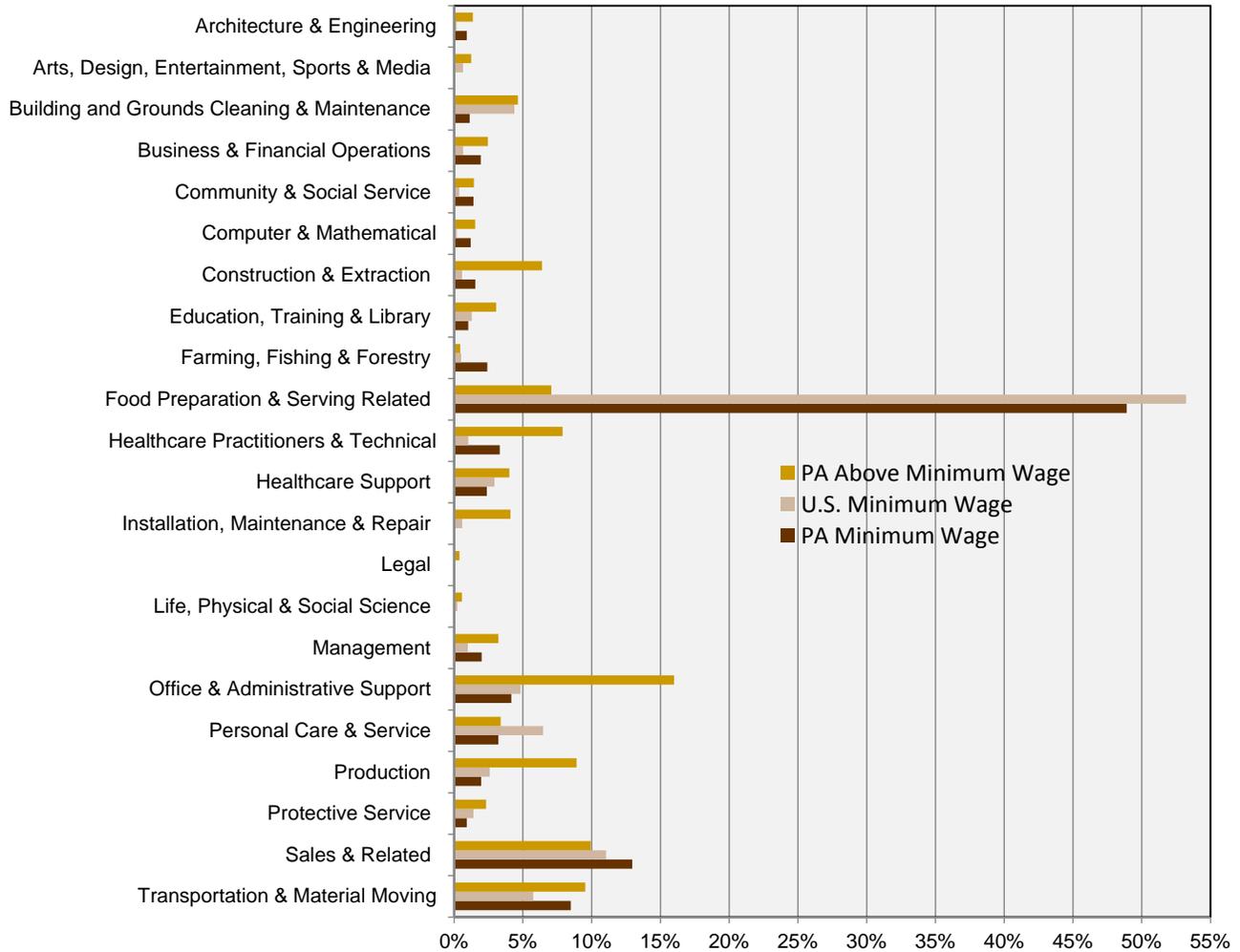
**Distribution of Workers Between Full Time and Part Time:
2017 Various Populations**



Source: U.S. Bureau of the Census, Current Population Survey
PA and U.S. minimum wages in 2017 were both at \$7.25.

Any worker who works at least 35 hours for pay in the survey week is classified by the U.S. Bureau of the Census as full time. This is irrespective of whether those hours were worked at one job or at many. Conversely, any worker whose cumulative hours worked in the survey week was between one and 34 hours is classified as part time. In 2017, less than one out of every three minimum wage earners in Pennsylvania worked full time, while more than seven out of 10 of those workers were employed on a part-time basis. The proportions for all hourly workers earning above the minimum wage in Pennsylvania were more extreme, but reversed when compared to minimum wage workers, with more than three out of four of such workers working on a full-time basis. The ratio of full-time to part-time work for minimum wage workers in the nation as a whole was similar to that of Pennsylvania workers earning near (but above) the minimum wage. That ratio was also closer to the full-time to part-time ratio of minimum wage earners in Pennsylvania than to that of workers earning above the minimum wage in Pennsylvania.

2017 Occupational Group Distributions: Pennsylvania's Minimum Wage Population Compared to its Above Minimum Wage Population and the Minimum Wage Population of the U.S.



Both the PA and U.S. minimum wages were \$7.25 in 2017.
 Source: U.S. Bureau of the Census, Current Population Survey

In 2017, almost half (49 percent) of Pennsylvanians who earned the minimum wage or less worked in food preparation & serving related occupations. In addition, such workers also were often employed in sales & related occupations (13 percent), and transportation & material moving (eight percent). For U.S. workers earning at or below the minimum wage, the top two occupations were the same, but personal care & service occupations edged out transportation & material moving to round out the top three. Minimum wage workers in Pennsylvania were slightly less concentrated in the top two occupations than those of the U.S. with 62 percent in them compared with 64 percent for the U.S.

The distribution of occupations for Pennsylvanians who earned above the minimum wage was more diverse and differed considerably from those who earned the minimum wage or less. The top three occupations were office and administrative support (16 percent), sales & related (10 percent) and transportation & material moving (10 percent). Food preparation & serving related occupations accounted for only 19 percent of workers earning near minimum wage and seven percent of those earning above the minimum wage. More detailed information on these occupational distributions as well as that of the near minimum wage population can be found in the Appendix on page 41.

RECENT HISTORICAL COMPARISONS (ONE AND FIVE YEARS)

Pennsylvania Demographic Characteristics of Wage & Salary Workers Paid Hourly Rates at or Below the Minimum Wage Annual Average 2017 Compared to Annual Average 2016 and 2012 (Total numbers of workers in thousands, all other numbers in percent)					
Demographic Characteristics	2012	2016	2017	Percentage Point Change	
	PA ¹	PA ²	PA ²	2012 to 2017	2016 to 2017
TOTAL	194.5	145.4	106.5	-	-
Gender					
Male	34%	41%	38%	4%	-3%
Female	66%	59%	62%	-4%	3%
Race					
Black, non-Hispanic	9%	9%	12%	3%	3%
Hispanic	6%	5%	8%	2%	3%
Other, non-Hispanic	7%	8%	7%	0%	-1%
White, non-Hispanic	78%	79%	73%	-5%	-6%
Age					
16-19	26%	22%	34%	8%	12%
20-24	31%	29%	22%	-9%	-7%
25-34	23%	13%	13%	-9%	0%
35-44	7%	9%	5%	-1%	-3%
45-54	8%	11%	8%	0%	-3%
55-64	4%	12%	11%	7%	0%
65 and over	3%	5%	6%	4%	1%
Education					
Less than a high school diploma	26%	17%	31%	5%	14%
High school graduates, no college	31%	41%	28%	-2%	-13%
Some college, no degree	30%	34%	22%	-8%	-12%
Associate degree	5%	7%	7%	2%	0%
Bachelor's degree or higher	8%	2%	13%	5%	11%
Marital Status					
Married Spouse Present	14%	17%	22%	8%	4%
Marital Status Other	13%	13%	7%	-7%	-6%
Never Married	73%	70%	72%	-1%	2%

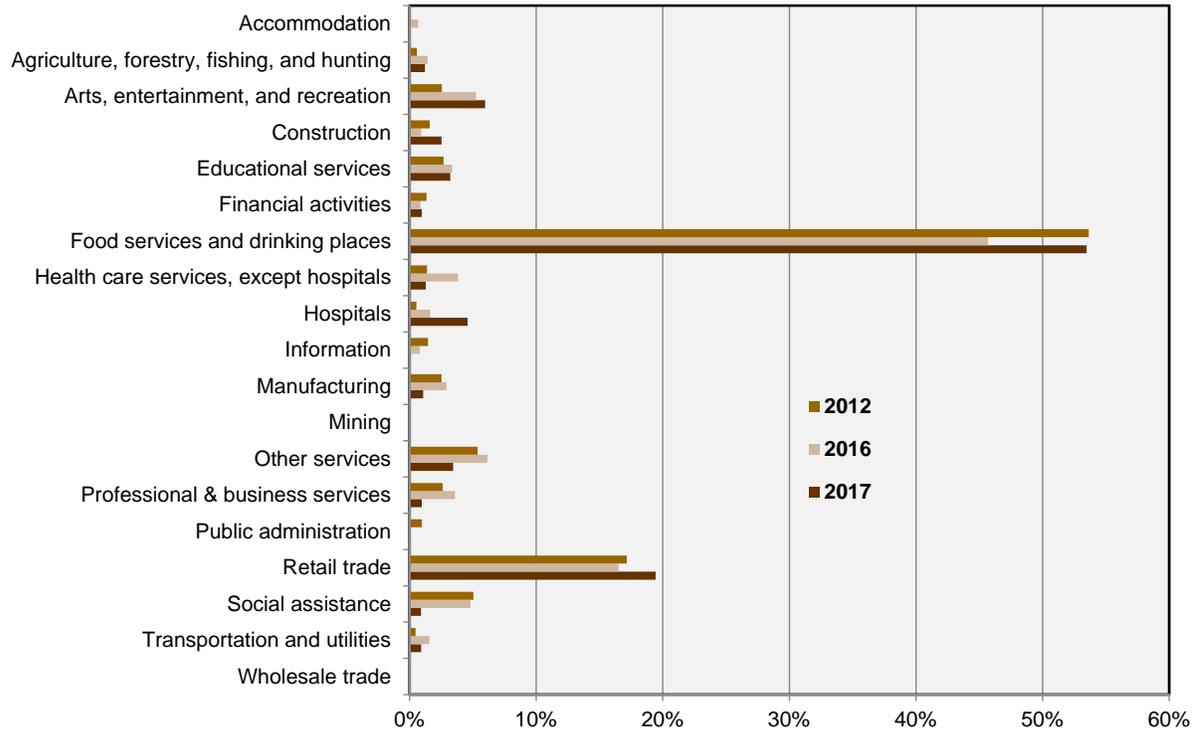
¹ The minimum wage in 2012, 2016, and 2017 was \$7.25 and was unchanged during those years.
Totals and changes may not sum due to rounding.
Source: U.S. Bureau of the Census: Current Population Survey

From 2012 through 2017, the minimum wage in Pennsylvania remained unchanged at \$7.25 having last been increased in July of 2009. During that period, the number of minimum wage workers in Pennsylvania dramatically declined by 88,000 or 45.2 percent. Labor market conditions over this period improved in Pennsylvania as evidenced by the growth in employment as well as by an increase in average wages. The labor market in 2012 was still recovering from the effects of the Great Recession. As overall wages were increasing, it is likely that the entire wage distribution shifted to the right and some formerly minimum wage jobs now paid above minimum wage, leading to the decrease in the number of minimum wage workers. The decrease in the number of minimum wage workers would probably have been greater if overall employment had not increased.

In 2017, males comprised 38 percent of minimum wage workers, an increase of four percentage points from 2012, even after declining by three percentage points from 2016.

From 2012 to 2017, the proportion of Pennsylvania's minimum wage earners under 20 years of age increased by eight percentage points, those older than 54 years of age increased by 11 percentage points, and those between 20 and 54 fell by 19 percentage points. The shifts in age distribution most likely was a contributing factor to the increase of five percentage points in minimum wage earners without a high school diploma. Over this period, there was also a shift in the composition of minimum wage workers away from Whites. Educationally, there was an increase in those with a bachelor's degree or higher as well as those without a high school diploma, while those with some college (no degree) fell.

A Comparison of Industry Distributions of Pennsylvania's Workers Earning At or Below the Minimum Wage: 2017 vs. 2016 and 2012¹



¹ The minimum wage was constant at \$7.25 from 2012 through 2017.
Source: U.S. Bureau of the Census: Current Population Survey

In 2012 and 2017, workers earning at or below the minimum wage were most likely to be employed in the industries of food services and drinking places, as well as retail trade. These top two groups of industries maintained their relative standing over the five-year interval despite decreasing respectively by over 45 percent and 38 percent in their absolute number of minimum wage workers. In 2017, arts, entertainment, and recreation rose to third place after being in fourth place in 2016. Other services (a catchall category for services not classified elsewhere, including personal care services, pet care services, and private households employing workers on premises in activities concerned with the operation of the household) fell from third place in 2016 to fifth place in 2017. The relative predominance of food services and drinking places remained virtually unchanged over the five-year interval, (from 53.6 percent to 53.5 percent), even as it decreased on an absolute scale by 47,300 workers. Minimum wage workers in this industry decreased by a slightly greater percentage than the percentage decrease in the total number of workers earning at or below the minimum wage (both over 45 percent), from 2012 to 2017. Retail trade rose in relative terms while falling in absolute terms from 2012 to 2017. Over the five-year interval, the industries, in addition to food services and drinking places whose share of minimum wage workers decreased by the most (in percentage points) were: social assistance (-4.1 percentage points), other services (-1.9 percentage points), professional & business services (-1.7 percentage points) and information (-1.5 percentage points). Only four groups of industries experienced growth in their absolute number of minimum wage workers over the five-year period. They were: hospitals; arts, entertainment, and recreation; agriculture, forestry, fishing, and hunting; and transportation and utilities.

Between 2012 and 2016, the proportion of hourly workers earning the minimum wage or less who worked part time decreased from 73.0 percent to 69.0 percent. The proportion then rose to 71.8 percent in 2017.

**Occupational Characteristics of Wage & Salary Workers Paid Hourly Rates at or Below the Minimum Wage
Pennsylvania Annual Average 2017 Compared to Annual Average 2016 and 2012
(Total numbers of workers in thousands, all others are in percents)**

Occupation	2012	2016	2017	Percentage Point Change	
	PA ¹	PA ¹	PA ¹	2012 to 2017	2016 to 2017
TOTAL	194.5	145.4	106.5	-	-
Architecture & Engineering	0%	0%	1%	1%	1%
Arts, Design, Entertainment, Sports & Media	0%	0%	0%	0%	0%
Building and Grounds Cleaning & Maintenance	3%	5%	1%	-2%	-4%
Business & Financial Operations	0%	0%	2%	2%	2%
Community & Social Service	1%	0%	1%	1%	1%
Computer & Mathematical Science	1%	0%	1%	1%	1%
Construction & Extraction	1%	0%	2%	1%	2%
Education, Training & Library	1%	1%	1%	1%	0%
Farming, Fishing & Forestry	0%	1%	2%	2%	2%
Food Preparation & Serving Related	47%	48%	49%	2%	1%
Healthcare Practitioner & Technical	1%	1%	3%	3%	3%
Healthcare Support	2%	3%	2%	0%	0%
Installation, Maintenance & Repair	0%	0%	0%	0%	0%
Legal	0%	0%	0%	0%	0%
Life, Physical & Social Service	0%	0%	0%	0%	0%
Management	0%	1%	2%	2%	1%
Office & Administrative Support	4%	9%	4%	0%	-5%
Personal Care & Service	7%	7%	3%	-4%	-4%
Production	1%	3%	2%	1%	-1%
Protective Service	2%	0%	1%	-1%	1%
Sales & Related	19%	12%	13%	-6%	1%
Transportation & Material Moving	11%	9%	8%	-2%	-1%

¹The PA minimum wage in 2012, 2016 and 2017 was \$7.25.

Totals and changes may not add up due to rounding.

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

In 2012, a plurality (47 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 (19 percent), and transportation & material moving (11 percent).

From 2012 to 2017, the proportion of Pennsylvania minimum wage earners who worked in food preparation & serving related occupations increased by two percentage points. The occupational category whose proportion decreased by the largest percentage was sales and related occupations, which fell by six percentage points. The share of minimum wage earners in the personal care & service occupations, which was unchanged at seven percent from 2012 to 2016, decreased by four percentage points from 2016 to 2017. The share of minimum wage workers in the healthcare practitioner & technical occupations increased by three percentage points from 2016 to 2017, after remaining unchanged from 2012 to 2016. In 2017, with the exceptions of the aforementioned occupational groups, all the other occupational groups were within two percentage points of their percentages in 2012. The largest one-year changes in percentage points in the proportion of Pennsylvania minimum wage earners among occupational groups were all decreases. In addition to the aforementioned decrease in the personal care & service occupations, office & administrative support occupations fell by five percentage points, returning to its 2012 percentage, while building and grounds cleaning & maintenance occupations fell by four percentage points after gaining two percentage points from 2012 to 2016.

**Pennsylvania Family Status and Family Income Characteristics of Wage & Salary Workers Paid Hourly Rates
at or Below the Minimum Wage
Comparison of 2017 to 2016 and 2012**

Characteristic	2012	2016	2017	Percentage Point Change	
	PA ¹	PA ¹	PA ¹	2012 to 2017	2016 to 2017
TOTAL (in thousands)	194.5	145.4	106.5	-	-
Family Status² (in Percent)					
No Children (Single or Married)	77%	85%	93%	16%	9%
Married Parent	7%	9%	6%	-1%	-3%
Single Parent	16%	7%	1%	-14%	-5%
1 child	9%	4%	0%	-9%	-4%
2 children	6%	3%	1%	-5%	-2%
3 children	0%	0%	0%	0%	0%
4 or more children	0%	0%	0%	0%	0%
Family Annual Income (in Percent)					
\$9,999 or less	8%	16%	7%	0%	-9%
\$10,000 to 19,999	12%	11%	6%	-5%	-5%
\$20,000 to 29,999	13%	11%	15%	2%	4%
\$30,000 to 39,999	11%	12%	13%	3%	1%
\$40,000 to 49,999	6%	8%	6%	0%	-1%
\$50,000 to 59,999	9%	7%	3%	-6%	-4%
\$60,000 To 74,999	10%	11%	16%	5%	4%
\$75,000 To 99,999	17%	7%	16%	-1%	9%
\$100,000 To 149,999	9%	11%	8%	-1%	-3%
\$150,000 and Over	6%	5%	9%	3%	4%

¹ The PA minimum wage in 2012, 2016, and 2017 was \$7.25.

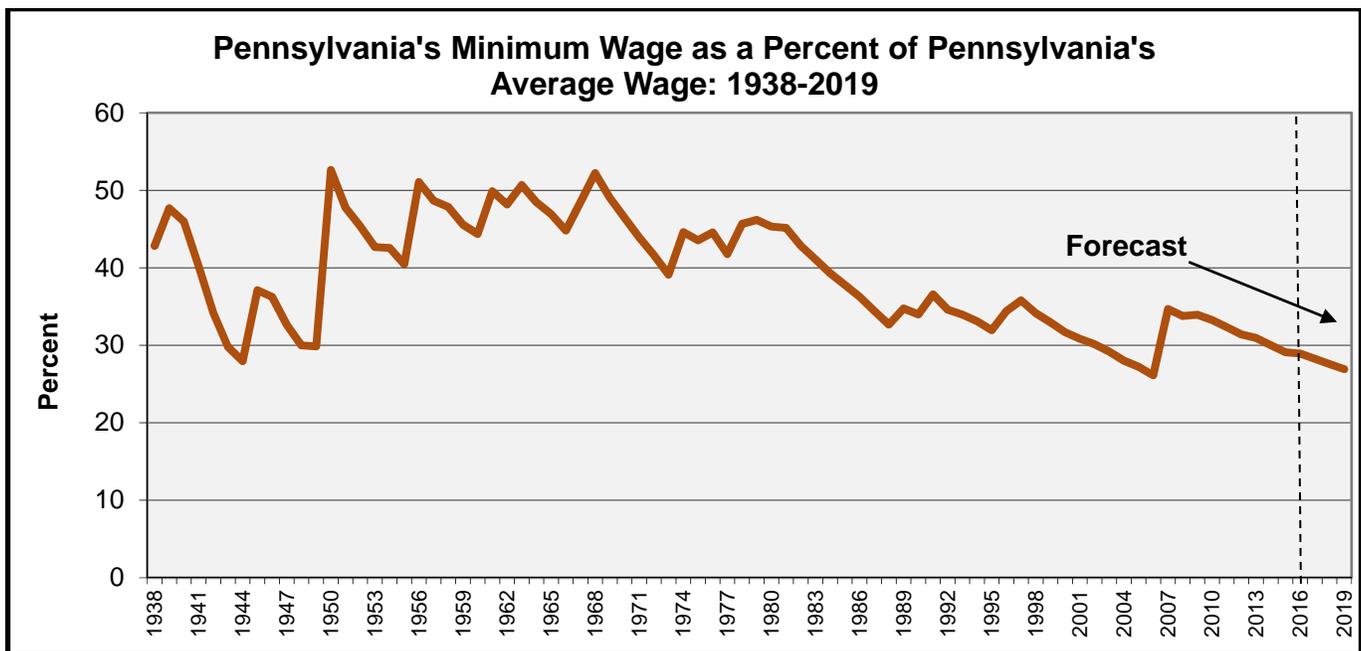
² Classification of an individual as a parent requires having at least one own child under the age of 18. All references to children also refer to own children under the age of 18. Totals in the table are rounded to the nearest percent and may differ from those in the text and may not sum correctly due to rounding.

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

The biggest change in family composition of minimum wage workers from 2012 to 2017 was the large increase (16 percentage points) of those having no children, which was almost made up by the decrease of 14 percentage points in those who were single parents. The proportion of such workers who were married parents decreased slightly over this period. The changes in family composition over this period were probably related to the change in the age distribution of minimum wage workers. Overall, the the shift towards no children and away from single parents was seen in 2016, but became even more pronounced in 2017. Due to the small number of single parents among minimum wage workers in Pennsylvania in 2017, reliable estimates of the changes in the distribution of the number of their children were not attainable.

From 2016 to 2017, the percentage of minimum wage workers whose family income was less than \$30,000 increased by 10 percentage points to 29 percent, but was only three percentage points lower than in 2012. At the same time, the percentage of such workers with family income of at least \$75,000 increased by nine percentage points to 33 percent from 2016, but was only two percentage points higher than in 2012. The distribution of household income among minimum wage workers in 2017 was much closer to the distribution in 2012, rather than that in 2016. The one year changes were concentrated at the tails of the distribution, as the percentage of minimum wage workers with household income less than \$20,000 decreased by 14 percentage points, while those with household incomes between \$75,000 and \$99,999 increased by nine percentage points. In addition, the percentage of those with household incomes in excess of \$150,000 also increased by four percentage points. These changes may be related to the large percentage increase in the 16 to 19 years old cohort, who were probably living in households with higher incomes.

A HISTORICAL PERSPECTIVE ON THE MINIMUM WAGE IN RELATION TO INFLATION AND THE POVERTY THRESHOLD



The Average Wage forecast was based on its ten-year arithmetic average.
The minimum wage in 2016 was \$7.25.

The original level of the minimum wage was set in 1938 at 25 cents which was 50 percent of the national average manufacturing wage. According to Jonathan Grossman, a Department of Labor historian, “To ..., the act applied only to interstate commerce and to accommodate various interests, exemption after exemption was granted. A ‘guesstimate’¹ is that one fifth of the American labor force, ... were covered by the FLSA.”² 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, as shown in the above chart. Adjusted for projected wage inflation (based on its 10-year average), 50 percent of the average wage was \$12.53 in 2016. It was projected to rise to \$12.83 in 2017, \$13.15 in 2018, and \$13.47 in 2019.

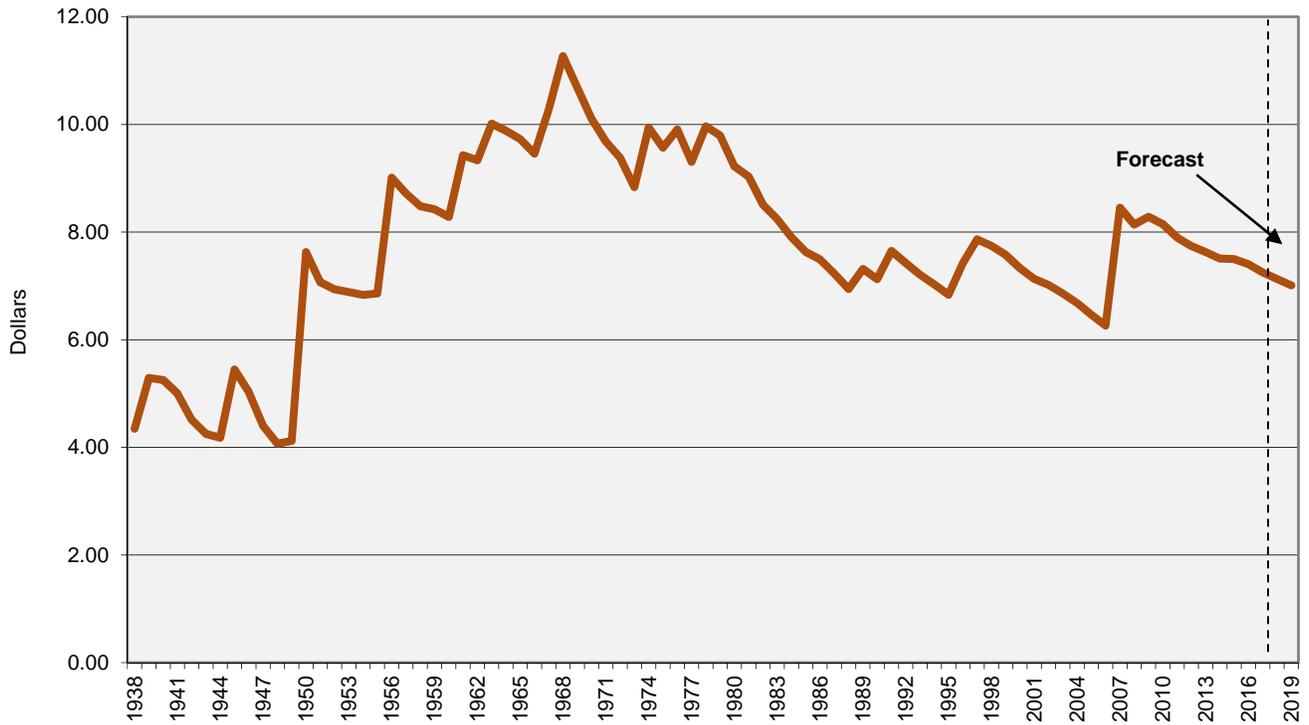
A gradual decline in the minimum wage as a percentage of the Pennsylvania’s average wage began in 1969, such that by 2006 Pennsylvania’s minimum wage was 26 percent of the average wage; an all-time low since this information first was documented (1938).

The increase in the minimum wage to \$7.25 in July 2009 brought the minimum wage up to 34 percent of the average wage. In 2016, Pennsylvania’s minimum wage was 29 percent of the average wage, 21 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 27 percent of the average Pennsylvania wage by 2019.

¹ Data on the estimated number covered was reported in The Twenty-Seventh Annual Report of the Secretary of Labor (1939), as of September 1938 (p.198). The section on coverage of the act begins, “It will not be possible to prepare completely accurate estimates of the number of employees who are covered by the act ...” Later it states that the BLS estimated the coverage six months later and it was 1.45 million (18%), higher. Furthermore, it was well known that inter census labor force numbers prior to 1940 (when the CPS (predecessor) began), were not comparable (conceptually and by the fact that they included people 14 years and older) and that data on unemployment may not be accurate. These facts may have led Grossman to characterize the ratio as a ‘guesstimate.’

² Grossman, Jonathan, “Fair Labor Standards Act of 1938: maximum struggle for a minimum wage,” Monthly Labor Review, June 1978 p. 29. Grossman begins that paragraph with, “A major problem with the FLSA was its limited coverage.” This attitude may explain why he compared coverage with the labor force rather than employment, particularly in a year when the unemployment rate was 19%. That would make the cover ratio lower. Not all employees in industries engaged in or producing goods for interstate commerce were covered. Among the exemptions were interstate retailing enterprises, non- railroad transportation workers, and agriculture.

**Pennsylvania
Inflation Adjusted Minimum Wage¹
1938-2019**

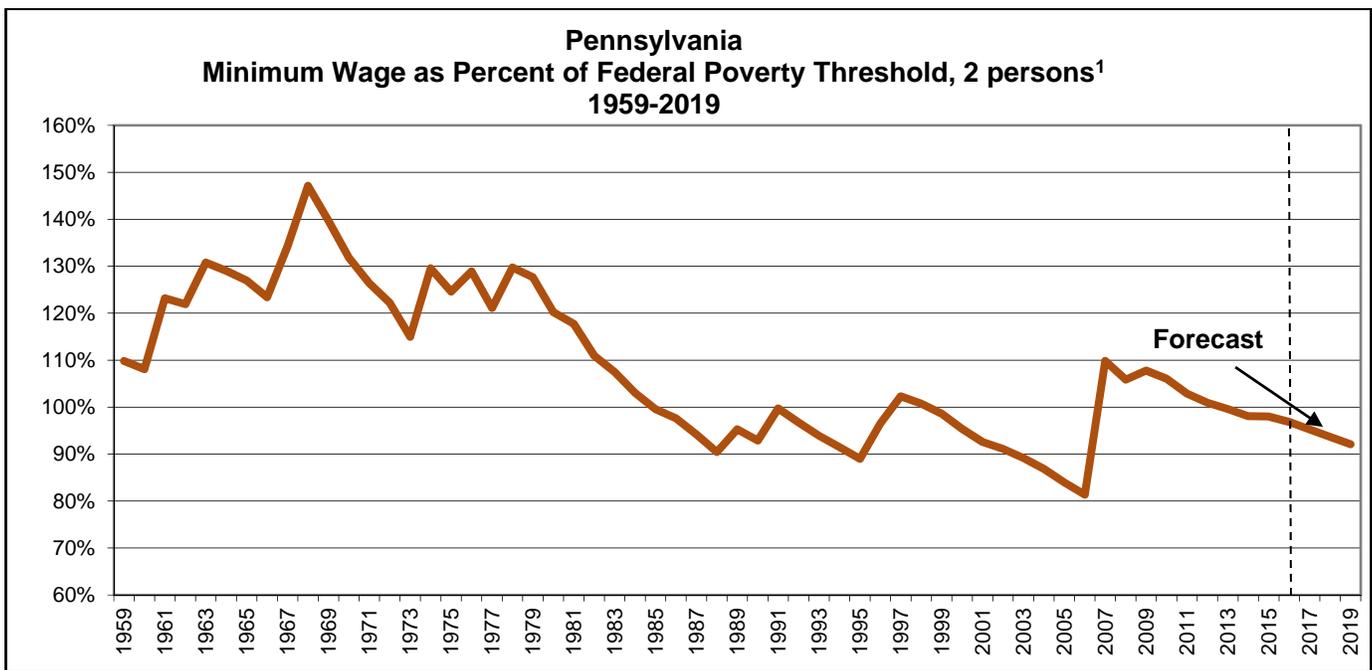


¹Indexed to 2017 dollars
The inflation forecast was based on its 10-year arithmetic average applied to the minimum wage.
The minimum wage in 2017 was \$7.25.

Inflation adversely affects the purchasing power of an unchanging minimum wage. The value of the 2017 minimum wage of \$7.25 as measured in 2017 dollars was, of course, \$7.25. However, adjusting for projected inflation, it is projected to fall to \$7.13 in 2018 and \$7.01 in 2019.

In 1938, the year in which the minimum wage was instituted, its level of \$0.25 would have been equivalent in purchasing power to \$4.35 in 2017 dollars. The minimum wage was raised to \$0.30 in 1939 and to \$0.40 in 1945 causing its purchasing power to increase. However, the post-war inflation that followed caused the purchasing power of the minimum wage (still \$0.40) to fall to its all-time low of \$4.07 in 1948.

In 1968, the year in which the purchasing power of the minimum wage peaked, the then current nominal minimum wage of \$1.60 was equivalent to \$11.27 in 2017 dollars. Pennsylvania's minimum wage (and the federal minimum wage) remained unchanged from September of 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 the 1950s. The purchasing power of the minimum wage has been steadily declining since 2009, the last year in which it was raised.



¹ Weighted average threshold (there are slight variations based on the breakdown between adults and children in the household)
 The inflation forecast was based on its 10-year average applied to the poverty threshold.
 Source: U.S. Bureau of the Census

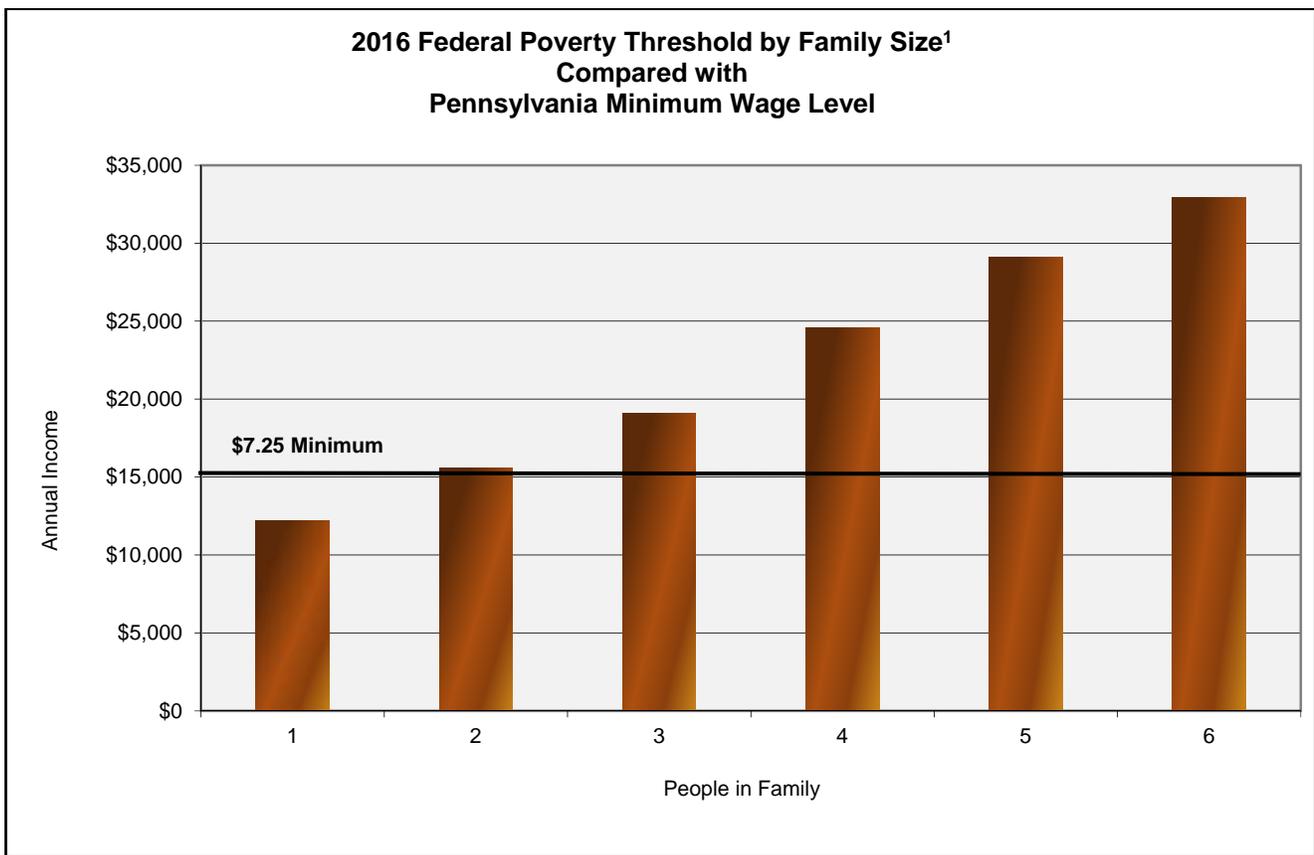
The U.S. Bureau of the Census annually sets poverty thresholds for families that vary by family size and the ages of its members. Each threshold is a monetary sum that is compared to the family’s income to determine the poverty status of all the members of that family³. For purposes of this comparison, family income is pre-tax and includes earnings, unemployment compensation, public assistance, and a variety of other unearned income and transfer payments, but excludes capital gains, noncash benefits (e.g., food stamps), and tax credits (e.g., Earned Income Tax Credit or EITC). To provide perspective on the relation between the minimum wage and poverty, hypothetical examples are constructed and illustrated below and on the following page.

In 2006, the Federal Poverty Threshold for a two-person household was \$13,167, and the annual income for an individual working full time⁴ at the minimum wage (then \$5.15) was \$10,712, or 81 percent of the poverty threshold; an all-time low. The two 2007 increases in the minimum wage (cumulatively to \$7.15) raised the corresponding annual income at year end to \$14,872, which was almost 110% of the poverty threshold.

In 2016, the annual income for an individual in Pennsylvania making the minimum wage (\$7.25) was \$15,080 or 96.9 percent of the 2016 Federal Poverty Threshold for a two-person household (\$15,569). If the minimum wage remains unchanged at \$7.25 in 2018, the earnings of an individual working full time at that wage almost certainly will remain below 100 percent of the Federal Poverty Threshold for a two-person household.

³ Poverty thresholds are used mainly for statistical purposes. Poverty guidelines, which are a simplification of poverty thresholds, are issued by the U.S. Department of Health and Human Services for use for administrative purposes, e.g., determining eligibility for federal programs.

⁴ Full time in this context means working 52 weeks per year and 40 hours per week.



¹ Weighted average threshold (there are slight variations based on the breakdown between adults and children in the household)
Source: U.S. Bureau of the Census

A person working full time at the minimum wage of \$7.25 per hour earned \$15,080 during 2016. This income exceeded the 2015 Federal Poverty Threshold for a one-person household (\$12,228). However, it fell short of the poverty threshold for two-person (\$15,569) and three-person households (\$19,105).

Therefore, a single parent with two children, working full time at \$7.25 per hour, would earn wages below the applicable poverty threshold. However, a two-parent family with two children and 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 (\$24,563).⁵

Families of minimum wage workers who are below the poverty threshold may be eligible to participate in state and federal government programs designed to assist the poor. A description of some of these major programs is found in the Appendix on page 42.

⁵ These examples are for illustration purposes only and are not representative of the majority of minimum wage earners, although they may reflect the situation of some families. As pointed out earlier, most minimum wage earners work fewer than 35 hours a week and would earn less than \$15,080 per year.

OTHER STATES

Minimum Wage Rates by State

Area	2016	2017	2018	Change 2016-2017	Change 2017-2018
Federal	\$7.25	\$7.25	\$7.25	-	-
Alabama	\$7.25	\$7.25	\$7.25	-	-
Alaska ¹	\$9.75	\$9.80	\$9.84	\$0.05	\$0.04
Arizona	\$8.05	\$10.00	\$10.50	\$1.95	\$0.50
Arkansas	\$8.00	\$8.50	\$8.50	\$0.50	-
California	\$10.00	\$10.50	\$11.00	\$0.50	\$0.50
Colorado	\$8.31	\$9.30	\$10.20	\$0.99	\$0.90
Connecticut	\$9.60	\$10.10	\$10.10	\$0.50	-
Delaware	\$8.25	\$8.25	\$8.25	-	-
Florida ¹	\$8.05	\$8.10	\$8.25	\$0.05	\$0.15
Georgia	\$7.25	\$7.25	\$7.25	-	-
Hawaii	\$8.50	\$9.25	\$10.10	\$0.75	\$0.85
Idaho	\$7.25	\$7.25	\$7.25	-	-
Illinois	\$8.25	\$8.25	\$8.25	-	-
Indiana	\$7.25	\$7.25	\$7.25	-	-
Iowa	\$7.25	\$7.25	\$7.25	-	-
Kansas	\$7.25	\$7.25	\$7.25	-	-
Kentucky	\$7.25	\$7.25	\$7.25	-	-
Louisiana	\$7.25	\$7.25	\$7.25	-	-
Maine	\$7.50	\$9.00	\$10.00	\$1.50	\$1.00
Maryland	\$8.75	\$9.25	\$10.10	\$0.50	\$0.85
Massachusetts	\$10.00	\$11.00	\$11.00	\$1.00	-
Michigan	\$8.50	\$8.90	\$9.25	\$0.40	\$0.35
Minnesota ¹	\$9.50	\$9.50	\$9.65	-	\$0.15
Mississippi	\$7.25	\$7.25	\$7.25	-	-
Missouri ¹	\$7.65	\$7.70	\$7.85	\$0.05	\$0.15

Area	2016	2017	2018	Change 2016-2017	Change 2017-2018
Federal	\$7.25	\$7.25	\$7.25	-	-
Montana ¹	\$8.05	\$8.15	\$8.30	\$0.10	\$0.15
Nebraska	\$9.00	\$9.00	\$9.00	-	-
Nevada ¹	\$8.25	\$8.25	\$8.25	-	-
New Hampshire	\$7.25	\$7.25	\$7.25	-	-
New Jersey ¹	\$8.38	\$8.44	\$8.60	\$0.06	\$0.16
New Mexico	\$7.50	\$7.50	\$7.50	-	-
New York	\$9.70	\$10.40	\$11.10	\$0.70	\$0.70
North Carolina	\$7.25	\$7.25	\$7.25	-	-
North Dakota	\$7.25	\$7.25	\$7.25	-	-
Ohio ¹	\$8.10	\$8.15	\$8.30	\$0.05	\$0.15
Oklahoma	\$7.25	\$7.25	\$7.25	-	-
Oregon	\$9.75	\$10.25	\$10.75	\$0.50	\$0.50
Pennsylvania	\$7.25	\$7.25	\$7.25	-	-
Rhode Island	\$9.60	\$9.60	\$10.10	-	\$0.50
South Carolina	\$7.25	\$7.25	\$7.25	-	-
South Dakota ¹	\$8.55	\$8.65	\$8.85	\$0.10	\$0.20
Tennessee	\$7.25	\$7.25	\$7.25	-	-
Texas	\$7.25	\$7.25	\$7.25	-	-
Utah	\$7.25	\$7.25	\$7.25	-	-
Vermont	\$9.60	\$10.00	\$10.50	\$0.40	\$0.50
Virginia	\$7.25	\$7.25	\$7.25	-	-
Washington	\$9.47	\$11.00	\$11.50	\$1.53	\$0.50
West Virginia	\$8.75	\$8.75	\$8.75	-	-
Wisconsin	\$7.25	\$7.25	\$7.25	-	-
Wyoming	\$7.25	\$7.25	\$7.25	-	-

¹ Minimum wage tied to inflation rate – Consumer Price Index (CPI)

The data for 2018 (which includes enacted, but not yet effective statutory increases) was accurate as of January 11, 2018. Some states have multiple minimum wage rates due to type of work or number of employees, while others are based on geography. The highest rate is used above for non-geographic rates, while for geographic ones those applicable to most of the state are used.

Data for the Federal government and states that abut Pennsylvania are shaded in gray.

Source: U.S. Department of Labor and state websites

During 2017, 29 states had higher minimum wage rates than Pennsylvania, ranging from \$7.50 to \$11.00. Since 2015, the number and composition of the states that had minimum wages in excess of Pennsylvania's has remained unchanged. Since the beginning of 2015, all of Pennsylvania's neighboring states have had higher minimum wages than Pennsylvania. In 2017 the minimum wages of Pennsylvania's neighboring states ranged from \$8.15 to \$10.40.

In 2017, the remaining 21 states (including Pennsylvania) all effectively had a minimum wage of \$7.25 per hour, which is the federal minimum wage. Of these 21 states, 14 (including Pennsylvania) had a minimum wage requirement equal to the federal rate, two states had a formal minimum lower than the federal level, and five states had not adopted a statutorily established minimum wage. When the federal rate exceeds a state rate, it supplants the latter rate since federal law supersedes state law. Therefore, the seven states without a statutory minimum wage or with one that is lower than the federal requirement effectively have minimum wages equal to \$7.25 per hour, which is also Pennsylvania's rate.

Alaska, Florida, Minnesota, Missouri, Montana, Nevada, New Jersey, Ohio, and South Dakota currently have their minimum wages tied to the Consumer Price Index to provide automatic increases that keep pace with inflation. An additional 10 states have approved (either legislatively or through ballot initiatives) cost of living adjustments to their minimum wages over the coming years. Overall, 21 states raised their minimum wages in 2017 and 20 states have already done so or are projected to do so in 2018.

Tipped Minimum Wage Rates by State

Area	2016	2017	2018	Change 2016-2017	Change 2017-2018
Federal	\$2.13	\$2.13	\$2.13	-	-
Alabama	\$2.13	\$2.13	\$2.13	-	-
Alaska ¹	\$9.75	\$9.80	\$9.84	\$0.05	\$0.04
Arizona	\$5.05	\$7.00	\$7.50	\$1.95	\$0.50
Arkansas	\$2.63	\$2.63	\$2.63	-	-
California ¹	\$10.00	\$10.50	\$11.00	\$0.50	\$0.50
Colorado	\$5.29	\$6.28	\$7.18	\$0.99	\$0.90
Connecticut	\$6.07	\$6.38	\$6.38	\$0.31	-
Delaware	\$2.23	\$2.23	\$2.23	-	-
Florida	\$5.03	\$5.08	\$5.23	\$0.05	\$0.15
Georgia	\$2.13	\$2.13	\$2.13	-	-
Hawaii ¹	\$8.50	\$9.25	\$10.10	\$0.75	\$0.85
Idaho	\$3.35	\$3.35	\$3.35	-	-
Illinois	\$4.95	\$4.95	\$4.95	-	-
Indiana	\$2.13	\$2.13	\$2.13	-	-
Iowa	\$4.35	\$4.35	\$4.35	-	-
Kansas	\$2.13	\$2.13	\$2.13	-	-
Kentucky	\$2.13	\$2.13	\$2.13	-	-
Louisiana	\$2.13	\$2.13	\$2.13	-	-
Maine	\$3.75	\$5.00	\$5.00	\$1.25	-
Maryland	\$3.63	\$3.63	\$3.63	-	-
Massachusetts	\$3.35	\$3.75	\$3.75	\$0.40	-
Michigan	\$3.23	\$3.38	\$3.52	\$0.15	\$0.14
Minnesota ¹	\$9.50	\$9.50	\$9.65	-	\$0.15
Mississippi	\$2.13	\$2.13	\$2.13	-	-
Missouri	\$3.83	\$3.85	\$3.93	\$0.02	\$0.08

Area	2016	2017	2018	Change 2016-2017	Change 2017-2018
Federal	\$2.13	\$2.13	\$2.13	-	-
Montana ¹	\$8.05	\$8.15	\$8.30	\$0.10	\$0.15
Nebraska	\$2.13	\$2.13	\$2.13	-	-
Nevada ¹	\$8.25	\$8.25	\$8.25	-	-
New Hampshire	\$3.26	\$3.26	\$3.26	-	-
New Jersey	\$2.13	\$2.13	\$2.13	-	-
New Mexico	\$2.13	\$2.13	\$2.13	-	-
New York	\$7.50	\$7.50	\$7.50	-	-
North Carolina	\$2.13	\$2.13	\$2.13	-	-
North Dakota	\$4.86	\$4.86	\$4.86	-	-
Ohio	\$4.05	\$4.08	\$4.15	\$0.03	\$0.08
Oklahoma	\$2.13	\$2.13	\$2.13	-	-
Oregon ¹	\$9.75	\$10.25	\$10.75	\$0.50	\$0.50
Pennsylvania	\$2.83	\$2.83	\$2.83	-	-
Rhode Island	\$3.39	\$3.89	\$3.89	\$0.50	-
South Carolina	\$2.13	\$2.13	\$2.13	-	-
South Dakota	\$4.28	\$4.33	\$4.33	\$0.05	-
Tennessee	\$2.13	\$2.13	\$2.13	-	-
Texas	\$2.13	\$2.13	\$2.13	-	-
Utah	\$2.13	\$2.13	\$2.13	-	-
Vermont	\$4.80	\$5.00	\$5.25	\$0.20	\$0.25
Virginia	\$2.13	\$2.13	\$2.13	-	-
Washington ¹	\$9.47	\$11.00	\$11.50	\$1.53	\$0.50
West Virginia	\$2.62	\$2.62	\$2.62	-	-
Wisconsin	\$2.33	\$2.33	\$2.33	-	-
Wyoming	\$2.13	\$2.13	\$2.13	-	-

¹ Tipped minimum wage equals the state's minimum wage.

The data for 2018 (which includes enacted, but not yet effective statutory increases) was accurate as of January 11, 2018.

Data for the Federal government and states that abut Pennsylvania are shaded in gray.

Source: U.S. Department of Labor and state websites.

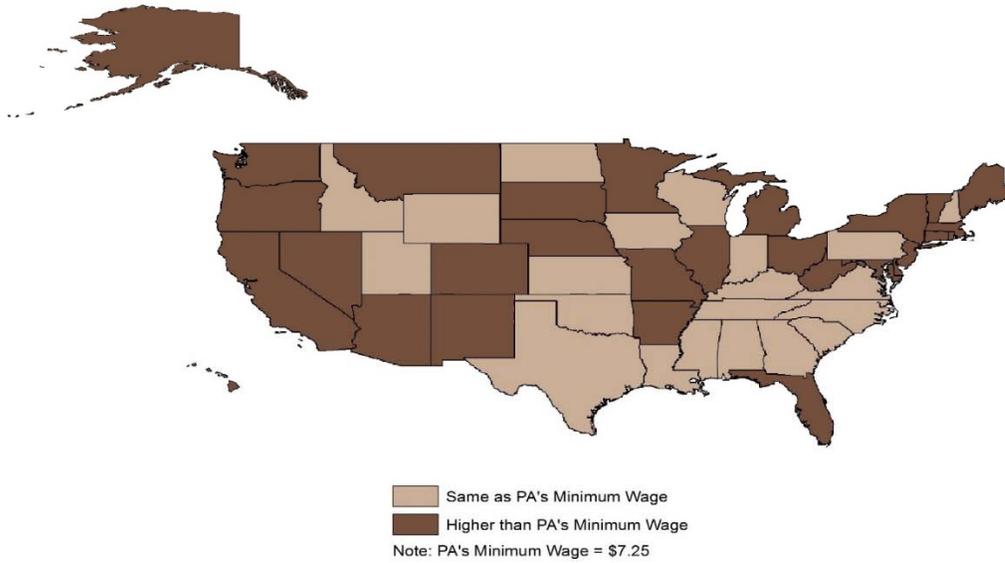
Many states as well as the federal government allow employers of tipped employees (however defined) to take a tip credit and thereby lower the direct cash wage that minimally must be paid to these employees (i.e., the tipped minimum wage). These laws require that the sum of the direct cash payment and the tipped amount must at least equal the full minimum wage. States vary regarding which employees are covered, and many differentiate their rates based on the number of employees in the firm and/or by geography.

The tipped minimum wage in Pennsylvania has been at \$2.83 since 1997 and is the only state at that level. During 2017, 27 states had higher tipped minimum wage rates than Pennsylvania, ranging from \$3.26 to \$11.00. Seven of those states do not have a tip credit, making their tipped minimum wage equal to their full minimum wage. Hawaii has a tip credit only when tips are at least \$7.00 per hour, otherwise the tipped worker must receive the full minimum wage.

The Federal tipped minimum wage has been at \$2.13 since 1991. During 2017, 18 states had their tipped minimum wage rates equal to the federal level, while another four states had a tipped minimum wage above the federal level, but lower than Pennsylvania's. Of the six states abutting Pennsylvania, only New Jersey has a tipped minimum wage equal to the federal level, while three states have higher rates than Pennsylvania and two are below.

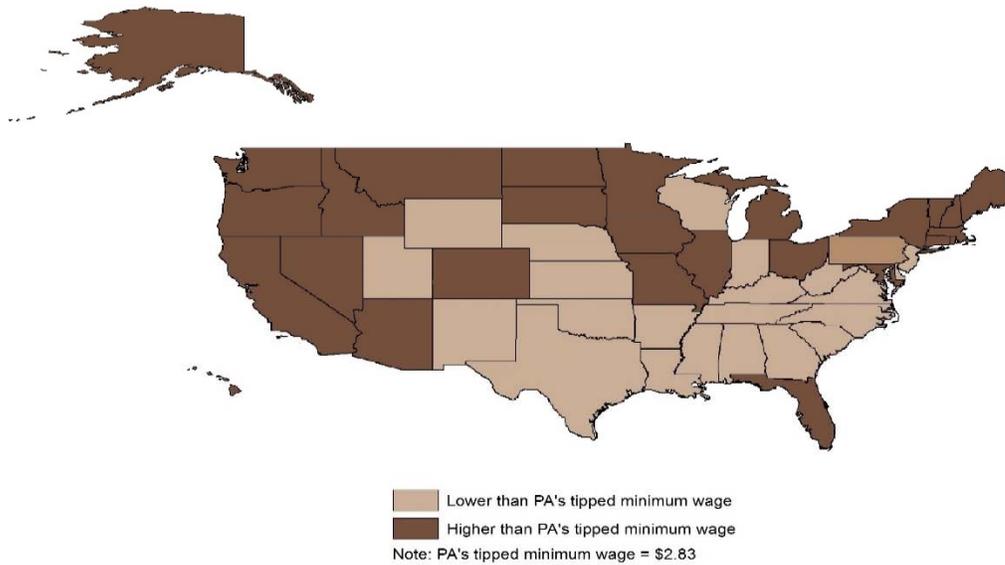
The tipped minimum wage was raised in 18 states during 2017 and has already been increased in 2018 (or is projected to do so by year end) in 14 states.

2017 Pennsylvania and Other States Minimum Wage Comparison



As of 01/11/2018

2017 Pennsylvania and Other States Tipped Minimum Wage Comparison



As of 01/11/2018

APPENDIXES

Terms, Definitions and Sources

- Bureau of the Census – The U.S. Bureau of the Census, in the U.S. Department of Commerce, collects general information from individuals and establishments in order to compile statistics.
- Bureau of Labor Statistics (BLS) – The federal 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 – 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 U.S. Bureau of the Census, which publishes detailed reports.
- 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 CPS is a statistical survey conducted by the U.S. Bureau of the Census on behalf of the federal Bureau of Labor Statistics (BLS). The BLS uses the data to provide a monthly report on the national employment situation; including employment, unemployment, labor force and the unemployment rate.
- Employed – A count of persons (not jobs) 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. Current Population Survey estimates of the employed (as in this report), can differ from the official statistics of Pennsylvania's employed persons, which come from the Local Area Unemployment Statistics.
- Fair Minimum Wage Act of 2007 – The act amended 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 annual income that a family needs for food, clothing, transportation, shelter, and other necessities as determined by the U.S. Bureau of the Census. The U.S. Bureau of the Census uses a set of annual money income thresholds that vary by family size and composition to determine who is in poverty. Every member of a family is deemed to be in poverty if the family's total income is less than the applicable threshold. The calculation of family income includes before tax income from earnings, unearned income (interest, dividends, rents, etc.), and cash transfer payments (unemployment compensation, Social Security, SSI, public assistance, etc.), but excludes capital gains and losses, tax credits (e.g., EITC), and noncash benefits (e.g., food stamps). 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. In addition to establishing a minimum wage, it also established a maximum workweek, overtime pay, record keeping requirements, and child labor standards affecting full-time and part-time workers in the private sector and in federal, state, and local governments.
- Inflation – Inflation is a sustained increase in the general price level of goods and services in an economy over some period of time. Equivalently, it also represents a decreasing value of the country’s money. The inflation rate is the annualized percentage change in some price index. The Consumer Price Index (CPI) is a commonly used standard to measure inflation, since it measures the average change over time of the prices paid by urban consumers for a market basket of consumer goods and services.
- Minimum Wage – Minimum wage is the lowest lawful hourly 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.
- Minimum Wage Worker – For purposes of this report, workers earning **at or below** the minimum wage are referred to as minimum wage workers.
- 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.
- Near Minimum Wage – A range of wage rates somewhat in excess of the legal minimum wage, but close to it. In addition to those earning at or below the minimum wage, the group most likely to be affected by an increase in the minimum wage are those earning the near minimum wage. For purposes of this report, wage rates between \$7.26 and \$10.10 per hour are referred to as the near minimum wage.
- Tipped Minimum Wage – Labor law in many states (including Pennsylvania) as well as federal law allows employers of tipped workers (variously defined) to take a “tip credit” that lowers the mandated cash minimum wage below that of the actual mandated minimum wage, if the combined cash and tip income is at least equal to the full minimum wage. The mandated hourly direct cash payment for these workers is usually referred to as the tipped minimum wage.
- Wage and Salary Workers – These are workers age 16 and older who receive wages, salaries, commissions, tips, payments in kind, or piece rates on their sole or principal job. This group includes employees in both the private and public sectors, as well as both hourly and non-hourly workers. All self-employed workers are excluded whether or not their businesses are incorporated.
- Workers Paid by the Hour (Hourly Workers) – These are employed wage and salary workers who report that they are paid at an hourly rate on their job. Historically, workers paid an hourly wage have made up approximately three-fifths of all wage and salary workers nationally. Estimates of workers paid by the hour include both full- and part-time workers unless otherwise specified.

Table of Industry Distributions

A Comparison of Industry Distributions of Various Populations

Pennsylvania and U.S.: 2017 Averages

(Total numbers of workers in thousands, breakdown by occupation in percents)

Industry Characteristics of Hourly Wage & Salary Workers at the Minimum Wage or Below	Minimum Wage or Below		Above Minimum Wage	
			Near	Total
	PA ¹	U.S. ¹	PA	PA
TOTAL	106.5	1,834	649.5	3,309.4
Industry				
Accommodation	0%	2%	1%	1%
Agriculture, forestry fishing, and hunting	1%	0%	1%	1%
Arts, entertainment, and recreation	6%	5%	5%	2%
Construction	3%	1%	2%	7%
Educational services	3%	3%	6%	5%
Financial activities	1%	1%	3%	5%
Food services and drinking places	53%	55%	17%	6%
Health care services, except hospitals	1%	3%	9%	9%
Hospitals	5%	2%	2%	8%
Information	0%	0%	1%	1%
Manufacturing	1%	3%	6%	13%
Mining	0%	0%	0%	0%
Other services	3%	4%	5%	3%
Professional and business services	1%	4%	6%	8%
Public administration	0%	1%	1%	4%
Retail trade	19%	11%	28%	16%
Social assistance	1%	2%	3%	3%
Transportation and utilities	1%	2%	2%	6%
Wholesale trade	0%	0%	2%	3%
Work Status				
Full-time	28%	38%	43%	76%
Part-time	72%	62%	57%	24%

¹ Both the U.S. minimum wage and the PA minimum wage were \$7.25 during 2017

Totals may not sum due to rounding

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

Table of Occupational Distributions

A Comparison of Occupational Distributions of Various Populations

Pennsylvania and U.S.: 2017 Averages

(Total numbers of workers in thousands, breakdown by industry in percents)

Occupation	Minimum Wage or Below		Above Minimum Wage	
	PA ¹	U.S. ¹	Near	Total
			PA	PA
TOTAL	106.5	1,834	649.5	3,309.4
Occupation				
Architecture & Engineering	1%	0%	0%	1%
Arts, Design, Entertainment, Sports & Media	0%	1%	1%	1%
Building, Grounds Cleaning & Maintenance	1%	4%	6%	5%
Business & Financial Operations	2%	1%	1%	2%
Community & Social Service	1%	0%	0%	1%
Computer & Mathematical Science	1%	0%	0%	2%
Construction & Extraction	2%	1%	1%	6%
Education, Training & Library	1%	1%	2%	3%
Farming, Fishing & Forestry	2%	1%	1%	0%
Food Preparation & Serving Related	49%	53%	19%	7%
Healthcare Practitioner & Technical	3%	1%	2%	8%
Healthcare Support	2%	3%	5%	4%
Installation, Maintenance & Repair	0%	1%	1%	4%
Legal	0%	0%	0%	0%
Life, Physical & Social Service	0%	0%	0%	1%
Management	2%	1%	2%	3%
Office & Administrative Support	4%	5%	11%	16%
Personal Care & Service	3%	6%	7%	3%
Production	2%	3%	3%	9%
Protective Service	1%	1%	2%	2%
Sales & Related	13%	11%	23%	10%
Transportation & Material Moving	8%	6%	10%	10%

¹ Both the U.S. minimum wage and the PA minimum wage were \$7.25 during 2017

Totals may not sum due to rounding

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

Programs that May Assist Minimum Wage Workers

There are a multitude⁶ of state and federal programs including cash aid, education, energy, food aid, health care, etc. that provide assistance to low income families. Below is a brief description of some of the major programs for which some minimum wage workers may be eligible. While the requirements of each program differ, they generally have a work requirement, and are based on family characteristics and income. Consequently, many minimum wage workers may not be eligible.

Earned income Tax Credit (EITC): is a refundable federal tax credit that offsets some payroll and income taxes of low-income working families. To qualify, one needs to file a tax return (cannot file married, filing separately), have earned income (i.e., work), have less than \$53,505 of both earned and adjusted gross income (limits are lower for less than three qualifying children and if not filing “married filing jointly”), and no more than \$3,400 in investment income. The maximum benefit ranges from \$506 (no qualifying children) to \$6,269 (three or more qualifying children).

Child Tax Credit (CTC): helps working families offset the cost of raising children. Eligibility requires one to file taxes, have at least one qualified child, and have earned income (work). The maximum modified adjusted gross income is as high as \$110,000, for married couples filing jointly. The maximum tax credit is \$1,000 for each qualified child and equals 15 percent of earnings over \$3,000. The Additional Child Tax Credit (ACTC) is a refundable component of the CTC.

Pennsylvania - Temporary Assistance for Needy Families (TANF): is a federal program administered through the state via a block grant, and is designed to help needy families achieve self-sufficiency. It is also referred to as Cash Assistance. There are both resource and income constraints as well as a maximum time limit (60 months) that one can access these benefits.

Supplemental Nutrition Assistance Program (SNAP): is the new name for the Food Stamp program. These benefits are used to buy food and help eligible low-income households in Pennsylvania obtain more nutritious diets by increasing their food purchasing power at grocery stores and supermarkets. There are gross monthly income limits based on family size and presence of disabled persons.

Medicaid/ Medical Assistance (MA): pays for health care services for eligible individuals. Income limits are based on a multiple of the Federal Poverty Guidelines, which depends on family size and composition.

More detailed information on these programs can be found at: <https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/do-i-qualify-for-earned-income-tax-credit-eitc>
<https://www.irs.gov/pub/irs-pdf/p972.pdf>.
<http://www.dhs.pa.gov/citizens/cashassistance/tanfandmovingtoindependence/>.
<http://www.dhs.pa.gov/citizens/supplementalnutritionassistanceprogram/>
<http://www.dhs.pa.gov/citizens/healthcaremedicalassistance/>

⁶ In FY 2012, there were at least 92 federal programs that were designed to help lower-income Americans, according to, The War on Poverty: 50 Years Later, March 3, 2014, by the House Budget Committee Majority Staff.

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