

# Hourly paid workers: who they are and what they earn

*More than half of all wage and salary workers were paid by the hour during 1984; median earnings were \$5.95 per hour, but a closer look reveals many variations among groups*

EARL F. MELLOR AND STEVEN E. HAUGEN

The Bureau of Labor Statistics publishes several different data series on the hourly earnings of workers, each highlighting different worker and job-related characteristics. All but one of these series are based on surveys of payroll and other records of business establishments. Data from these series contain considerable industrial detail. In contrast, the remaining earnings series is based on a nationwide sample survey of households, and provides detailed information on hourly earnings by the demographic and social characteristics of the wage earners.<sup>1</sup> (See the appendix on page 26.) Moreover, the earnings obtained in the Current Population Survey (CPS) of households represent *only* hourly wages paid to the employee—stripped of any effects of tips, premium pay for overtime, bonuses, and commissions. More than half of all wage and salary workers are in this category.

---

Earl F. Mellor and Steven E. Haugen are economists in the Division of Employment and Unemployment Analysis, Office of Employment and Unemployment Statistics, Bureau of Labor Statistics.

## **Who is paid by the hour**

Altogether, 92 million American workers were paid wages or salaries in 1984, and 54 million of them were paid at hourly rates. The method of remuneration received by workers is closely linked to the nature of jobs held. For example, 80 percent of all part-time workers were paid by the hour, compared with 54 percent of the full-time workers. The fact that women were more likely than men to work part time is reflected in the larger proportion of women who were paid by the hour—62 percent versus 56 percent (table 1).

The same explanation applies to younger versus older workers. The proportion paid hourly rates was highest for teenagers—89 percent—and lowest for those in the central prime age groups, comprising the 35 to 49 population. Even for those aged 70 and over, the proportion was far below that for teenagers and young adults. The high proportion of young workers paid by the hour reflects their tendency to work both part time and part year, and in occupations less likely to be salaried even when they are employed all year in full-time jobs.

**Table 1. Employed wage and salary workers paid hourly rates by selected characteristics, 1984 annual averages**

[Numbers in thousands]

Characteristic	All wage and salary workers			Workers paid hourly rates					
	Total	Men	Women	Number			As a percent of all workers		
				Total	Men	Women	Total	Men	Women
<b>Race and Hispanic origin</b>									
Total, 16 years and over	92,194	50,022	42,172	54,143	28,140	26,003	58.7	56.3	61.7
White	80,071	43,932	36,139	46,098	24,084	22,014	57.6	54.8	60.9
Black	9,699	4,819	4,880	6,623	3,346	3,277	68.3	69.4	67.2
Hispanic origin	5,271	3,067	2,204	3,643	2,165	1,479	69.1	70.6	67.1
<b>Age</b>									
16 to 19 years	6,243	3,171	3,072	5,552	2,787	2,765	88.9	87.9	90.0
20 to 24 years	13,661	7,189	6,472	10,092	5,442	4,650	73.9	75.7	71.8
25 to 29 years	14,559	8,021	6,539	8,667	4,756	3,911	59.5	59.3	59.8
30 to 34 years	12,917	7,164	5,754	6,898	3,744	3,154	53.4	52.3	54.8
35 to 39 years	11,222	6,107	5,115	5,658	2,838	2,820	50.4	46.5	55.1
40 to 44 years	8,917	4,811	4,107	4,535	2,214	2,321	50.9	46.0	56.5
45 to 49 years	7,097	3,887	3,211	3,586	1,766	1,820	50.5	45.4	56.7
50 to 54 years	6,391	3,561	2,832	3,302	1,687	1,615	51.7	47.4	57.0
55 to 59 years	5,694	3,176	2,517	2,954	1,506	1,448	51.9	47.4	57.5
60 to 64 years	3,599	1,947	1,652	1,894	935	959	52.6	48.0	58.1
65 to 69 years	1,148	591	557	606	267	340	52.8	45.2	61.0
70 years and over	743	398	345	398	198	200	53.6	49.7	58.0
<b>Hours usually worked</b>									
Part-time workers	17,282	5,368	11,914	13,880	4,243	9,637	80.3	79.0	80.9
Full-time workers	74,912	44,654	30,258	40,262	23,896	16,366	53.7	53.5	54.1
35 to 39 hours	6,961	2,132	4,829	3,784	1,185	2,599	54.4	55.6	53.8
40 hours	52,307	30,426	21,882	31,238	18,571	12,667	59.7	61.0	57.9
41 to 44 hours	1,517	992	525	829	550	279	54.6	55.4	53.1
45 to 48 hours	5,327	3,972	1,355	2,195	1,721	475	41.2	43.3	35.1
49 to 59 hours	6,076	4,838	1,238	1,678	1,409	270	27.6	29.1	21.8
60 hours or more	2,723	2,294	429	537	461	76	19.7	20.1	17.7
<b>Occupation</b>									
Managerial and professional specialty	20,817	11,412	9,404	4,641	1,636	3,005	22.3	14.3	32.0
Executive, administrative, and managerial	9,314	5,879	3,434	1,670	755	914	17.9	12.8	26.6
Professional specialty	11,504	5,533	5,970	2,972	881	2,091	25.8	15.9	35.0
Technical, sales, and administrative support	29,135	9,689	19,446	16,373	4,157	12,217	56.2	42.9	62.8
Technicians and related support	3,090	1,578	1,510	1,763	766	998	57.1	48.5	66.1
Sales occupations	9,916	4,806	5,111	5,220	1,439	3,781	52.6	29.9	74.0
Administrative support, including clerical	16,130	3,305	12,825	9,390	1,952	7,438	58.2	59.1	58.0
Service occupations	13,066	5,249	7,817	9,899	3,804	6,095	75.8	72.5	78.0
Private household	1,008	39	970	511	25	486	50.7	(1)	50.1
Protective service	1,659	1,438	220	892	756	137	53.8	52.6	62.3
Service, except private household and protective	10,396	3,772	6,626	8,496	3,023	5,473	81.7	80.1	82.6
Precision production, craft, and repair	11,188	10,224	964	8,521	7,742	778	76.2	75.7	80.7
Operators, fabricators, and laborers	16,213	11,908	4,305	13,667	9,921	3,746	84.3	83.3	87.0
Machine operators, assemblers, and inspectors	7,798	4,563	3,235	6,942	4,109	2,833	89.0	90.1	87.6
Transportation and material moving occupations	4,122	3,771	351	2,854	2,597	257	69.2	68.9	73.2
Handlers, equipment cleaners, helpers, and laborers	4,294	3,574	720	3,872	3,215	657	90.2	90.0	91.3
Farming, forestry, and fishing	1,776	1,540	236	1,041	879	162	58.6	57.1	68.6

<sup>1</sup>Data not shown where base is less than 50,000.

data for the "other races" group are not presented and Hispanics are included in both the white and black population groups.

NOTE: Detail for the above race and Hispanic origin groups will not sum to totals because

Among white workers, women were more likely than men to be paid hourly rates, while the reverse was true—albeit to a lesser extent—for blacks and Hispanics. The following tabulation shows, however, that the situation is quite different when numbers are reported for full- and part-time workers.

	Percent paid hourly rates			
	Full time		Part time	
	Men	Women	Men	Women
White	52.0	52.5	79.1	81.2
Black	68.3	64.3	77.5	77.3
Hispanic origin	69.4	61.6	80.3	84.7

For full-time employees, the more hours people work, the more likely they are to be in a salaried rather than in an hourly paid position. About three-fifths of the men who usually worked exactly 40 hours a week were paid hourly, compared with just over two-fifths for those working 45 to 48 hours and one-fifth for those working 60 hours or more. This pattern was similar for women working full time.

The occupational distribution of hourly paid workers sheds further light on this relationship. As shown in table 1, fewer than one-fifth of workers in executive, administrative, and managerial occupations and about one-fourth of those in professional specialty occupations were paid hourly rates. A substantial number of employees in these occupations put in

long workweeks, with one-quarter of the two groups (combined) working 49 hours or more a week.<sup>2</sup> In contrast, about nine-tenths of workers employed as machine operators, assemblers, and inspectors, and as handlers, equipment clean-

ers, helpers, and laborers were paid hourly wages, but fewer than one-tenth put in 49 or more hours a week.

The data illustrate the inverse relationship between the number of hours usually worked and the likelihood of being paid at an hourly rate. It is beyond the scope of this article, however, to fully explain the nature of this relationship, because information is not collected in the CPS on several of the factors which may be involved. These include data on the overtime provisions of the Fair Labor Standards Act, the provisions of collective bargaining agreements, the extent of nonpecuniary compensation derived from a job, and productivity.

### Median hourly earnings

Median hourly earnings for people who were *actually paid* hourly rates in 1984 were \$5.95—\$7.27 for men and \$5.08 for women. (See table 2.) It is important to understand the significance of what these data represent: Hourly earnings data are commonly calculated for *all* workers (wage and salary) based on information on their weekly or annual earnings. These figures will be typically higher than would be the case for those whose pay rate is hourly. For example, the median weekly earnings of all workers putting in *exactly* 40 hours a week—a majority of all workers—was \$312 in 1984; when divided by 40, this turns out to be \$7.80 an hour. The median hourly wage among workers actually paid by the hour and reported as usually working 40 hours a week was \$6.95. This difference is to be expected, because the weekly earnings data include components of earnings beyond straight-time wages and many higher-paying jobs are salaried.

The overall female-to-male earnings ratio for full-time workers paid hourly rates—70 percent—is 5 percentage points higher than that associated with the medians in the weekly earnings series for all full-time workers (65 percent). This finding may be explained by the more homogeneous universe for the hourly earnings data mentioned above; that is, male-dominated higher-paying occupations are more likely to be salaried.

Between 1979 and 1984, the female-to-male earnings ratio for hourly paid workers rose considerably for whites, blacks, and Hispanics, whereas the black-to-white and the Hispanic-to-white earnings ratios were virtually unchanged. (See table 3.) Regardless of race or ethnicity, the hourly earnings of men rose by about 25 percent over the period and those of women about 40 percent; the Consumer Price Index for All Urban Consumers rose 43 percent.

Among age groups, median hourly earnings ranged from \$3.64 for teenagers to highs in the \$7.17–\$7.37 range for age groups within the 30- to 54-year bracket in 1984. Men's wages peaked at about \$10 an hour for those between 40 and 54 years of age, while the peak for women—\$5.81—was not only much less, but also occurred at a younger age—among those in their thirties. The female-to-male earnings ratio, at about 90 percent for teenagers, declined with age to the 45-to-49 group, and rose thereafter. The higher ratios at

**Table 2. Median hourly earnings of workers paid hourly rates by selected characteristics, 1984 annual averages**

Characteristic	Median hourly earnings		
	Total	Men	Women
<b>Race and Hispanic origin</b>			
Total, 16 years and over .....	\$5.95	\$7.27	\$5.08
White .....	6.02	7.39	5.09
Black .....	5.43	6.28	4.99
Hispanic origin .....	5.39	6.17	4.73
<b>Age</b>			
16 to 19 years .....	3.64	3.80	3.50
20 to 24 years .....	4.94	5.31	4.43
25 to 29 years .....	6.52	7.50	5.52
30 to 34 years .....	7.23	8.63	5.81
35 to 39 years .....	7.37	9.48	5.81
40 to 44 years .....	7.17	9.75	5.51
45 to 49 years .....	7.23	9.96	5.46
50 to 54 years .....	7.20	9.65	5.63
55 to 59 years .....	6.85	9.15	5.40
60 to 64 years .....	6.45	8.68	5.30
65 to 69 years .....	4.95	5.23	4.71
70 years and over .....	4.38	4.82	4.21
<b>Hours usually worked</b>			
Part-time workers .....	4.04	3.92	4.10
Full-time workers .....	6.80	8.03	5.59
35 to 39 hours .....	5.20	6.04	5.04
40 hours .....	6.95	8.12	5.74
41 to 44 hours .....	7.35	8.32	5.94
45 to 48 hours .....	7.40	8.05	5.91
49 to 59 hours .....	7.45	7.84	5.91
60 hours or more .....	7.14	7.38	4.96
<b>Occupation</b>			
Managerial and professional specialty .....	8.62	9.64	8.25
Executive, administrative, and managerial .....	7.25	8.48	6.59
Professional specialty .....	9.42	10.34	9.16
Technical, sales, and administrative support .....	5.45	6.85	5.26
Technicians and related support .....	7.79	9.29	7.15
Sales occupations .....	4.18	4.99	4.01
Administrative support, including clerical .....	5.95	7.62	5.71
Service occupations .....	4.08	4.50	3.88
Private household .....	3.25	(1)	3.23
Protective service .....	6.20	6.52	4.98
Service, except private household and protective .....	4.01	4.25	3.91
Precision production, craft, and repair .....	8.84	9.23	5.75
Operators, fabricators, and laborers .....	6.38	7.20	5.15
Machine operators, assemblers, and inspectors .....	6.59	8.04	5.18
Transportation and material moving occupations .....	7.51	7.77	6.01
Handlers, equipment cleaners, helpers, and laborers .....	5.28	5.39	4.74
Farming, forestry, and fishing .....	4.35	4.40	4.07
<b>Years of school completed</b>			
Total, 25 years and over .....	6.96	8.67	5.51
Less than 4 years of high school .....	5.79	7.22	4.55
Elementary, 8 years or less .....	5.43	6.46	4.34
High school, 1 to 3 years .....	6.04	7.91	4.71
High school, 4 years or more .....	7.30	9.28	5.91
High school, 4 years .....	6.97	9.17	5.41
College, 1 to 3 years .....	7.80	9.52	6.47
College, 4 years or more .....	8.37	9.44	7.68
College, 4 years .....	8.18	9.34	7.38
College, 5 years or more .....	9.14	9.90	8.48

<sup>1</sup>Data not shown where base is less than 50,000.

NOTE: Data refer to persons 16 years and over, except years of school completed, which refers to the population 25 years and over.

both ends of the age spectrum may stem from the fact that higher proportions of wage earners in these age groups are paid at or near the minimum wage.

Hourly pay is wide-ranging among occupational and industry groups. Median hourly pay ranged from \$4.08 for all service jobs to \$9.42 among the professional specialty jobs. In the latter group, the median for men was a little more than a dollar higher per hour than that for women, a gap much closer than the overall difference. Among the major industrial groups, median hourly wages of both men and women were highest in mining, construction, durable goods manufacturing, and the transportation and public utilities group. Wages were lowest in retail trade, private households, personal services, entertainment and recreation, social services, and agriculture.

### Earnings distribution

Clearly, median earnings do not tell the whole story. The median for two different groups could be similar; yet the distribution of earnings of one group may be tightly clustered around the median, while that for another group may be dispersed. Therefore, it is useful to look at distributions as well. Table 4 shows the percent distribution of hourly wages for major demographic groups. Regardless of the median, each demographic group has some people with earnings of less than \$3 an hour and others with as much as \$15 or more. (It should be noted that for some population groups, the extremes of the distribution may contain only a small number of sample observations.) The following discussion focuses briefly on the likelihood of wage earners receiving \$12 an hour or more, the figure that is roughly twice the overall median of \$5.95, and on those earning at or below the prevailing minimum wage of \$3.35, which is a little more than half the median. Each of these high-paying and low-paying categories accounts for roughly one-tenth of all hourly paid workers.

*Receiving \$12 or more per hour.* The likelihood of earning at least \$12 an hour in 1984 was over 5 times as great for men (about 17 percent) as for women (3 percent). The proportion for white men was about half again as high as that for black men; among women, both whites and blacks were about equally as likely to earn this amount (each about 3 percent). Fewer than 2 percent of the workers under age 25 were in this higher paying category. Among workers 25 and over, the proportion rose from 6 percent for those with only an elementary school education to 23 percent for those completing 4 or more years of college. At each level of schooling completed, men were more likely than women to earn \$12 an hour or more. However, the disparity narrowed at successively higher educational levels, as men not completing high school were more than 10 times as likely as women to earn this amount. Among those with 4 years of high school or more, men were 5 times as likely as women to earn \$12 per hour or more (26 versus 5 percent). The ratio was 2 to 1 among college graduates (31 versus 16 percent).

**Table 3. Median hourly earnings of workers paid hourly rates by sex, race, and Hispanic origin, 1979-84 annual averages**

Characteristic	1979	1980	1981	1982	1983	1984
<b>Median hourly earnings</b>						
Total	\$4.48	\$4.91	\$5.27	\$5.46	\$5.66	\$5.95
Men	5.73	6.28	6.72	6.99	7.06	7.27
Women	3.66	4.01	4.35	4.65	4.89	5.08
White	4.55	4.97	5.30	5.51	5.74	6.02
Men	5.89	6.42	6.84	7.14	7.21	7.39
Women	3.66	4.02	4.36	4.66	4.89	5.09
Black	4.20	4.49	5.01	5.17	5.27	5.43
Men	5.03	5.30	5.93	6.11	6.09	6.28
Women	3.60	3.94	4.27	4.52	4.79	4.99
Hispanic origin	4.16	4.48	4.90	5.13	5.23	5.39
Men	4.88	5.14	5.45	5.80	5.92	6.17
Women	3.45	3.84	4.15	4.41	4.46	4.73
<b>Earnings ratios (percent)</b>						
Female-to-male	63.9	63.9	64.7	66.5	69.3	69.9
White	62.1	62.6	63.7	65.3	67.8	68.9
Black	71.6	74.3	72.0	74.0	78.7	79.5
Hispanic origin	70.7	74.7	76.1	76.0	75.3	76.7
Black-to-white	92.3	90.3	94.5	93.8	91.8	90.2
Men	85.4	82.6	86.7	85.6	84.5	85.0
Women	98.4	98.0	97.9	97.0	98.0	98.0
Hispanic origin-to-white	91.4	90.1	92.5	93.1	91.1	89.5
Men	82.9	80.1	79.7	81.2	82.1	83.5
Women	94.3	95.5	95.2	94.6	91.2	92.9

About 13 percent of full-time wage earners made at least \$12—19 percent of the men and 4 percent of the women—but fewer than 3 percent of part-time workers earned this amount. Among workers putting in more than 40 hours a week, the proportion was 15 percent—18 percent for men and 6 percent for women.

Among the major occupational groups, 25 percent of both professional specialty workers and those in the precision production, craft, and repair group earned \$12 an hour or more in 1984. At the lower extreme, 2 percent or fewer of those in sales; service (except protective service); and farming, forestry, and fishery jobs earned this much.

*Minimum and subminimum wage workers.* The prevailing minimum wage, which has been \$3.35 per hour since January 1981, was established by the 1977 revisions to the Fair Labor Standards Act (FLSA) of 1938. About 4.1 million workers were reported as earning exactly \$3.35 an hour in 1984, and 1.8 million were reported as earning less than this amount. Together, these workers constituted about 11 percent of all hourly paid workers.

It is important to note at the outset that the presence of a sizable group of hourly paid workers receiving less than the minimum wage does not necessarily indicate widespread violations of the FLSA, as there are a number of exemptions to its minimum wage provisions. These exemptions are wide-ranging and include employees in outside sales work, low volume retail trade and service firms, and seasonal amusement establishments.<sup>3</sup>

For the most part, those earning \$3.35 an hour or less tend to be young. About 60 percent of those with these low earnings were under age 25—one-third were teenagers.

Among teenagers alone, nearly 40 percent earned \$3.35 or less. Persons 65 and over—while representing only 3 percent of the total number of minimum wage earners—also had a relatively high probability of earning at or below \$3.35, as nearly 1 out of 5 hourly paid persons in this age group earned this amount. (See table 5.)

Nearly 15 percent of all women who were paid hourly rates earned the prevailing minimum wage or below, which was double the proportion for men. These percentages, however, differed greatly according to whether the employee usually worked full or part time, as shown in the following tabulation:

	Percent at or below \$3.35		
	Both sexes	Men	Women
Total .....	11.0	7.5	14.8
Part-time workers .....	28.0	30.2	27.0
Full-time workers .....	5.2	3.5	7.6
35 to 39 hours .....	12.1	10.5	12.8
40 hours .....	4.6	3.3	6.5
41 hours or more .....	3.7	2.4	8.5

The number of part-time workers earning \$3.35 or less, at 3.9 million, was nearly twice the number working full

time. Given the fact that women made up a disproportionate share of part-time workers paid hourly rates (69 percent), those working part time accounted for almost 45 percent of all low-wage workers in 1984; men working part time accounted for about 21 percent.

An examination of minimum wage workers by race and ethnicity shows that only a slightly higher proportion of blacks than whites and Hispanics earned \$3.35 or less. Nearly 14 percent of the black population were in this earnings group, compared with 11 percent of both Hispanics and whites.

Given the direct correlation of educational attainment and earnings, the likelihood that a person had hourly earnings at or below \$3.35 per hour diminished with increased schooling. Among hourly paid workers aged 25 years and over with less than 4 years of high school, 10 percent were low wage earners, compared with 6 percent who finished 4 years of high school, and less than 4 percent of those with 4 years or more of college.

Of the four major regions in the United States, the largest proportion of those at or below the minimum wage lived in the South (40 percent). Overall, 13 percent of all hourly paid

**Table 4. Percent distribution of hourly earnings of workers paid hourly rates by selected characteristics, 1984 annual averages**

Characteristic	Number of workers (in thousands)	Percent distribution										Median hourly earnings	
		Total	Under \$3.00	\$3.00 to \$3.99	\$4.00 to \$4.99	\$5.00 to \$5.99	\$6.00 to \$6.99	\$7.00 to \$7.99	\$8.00 to \$9.99	\$10.00 to \$11.99	\$12.00 to \$14.99		\$15.00 or more
<b>Sex and age</b>													
Total, 16 years and over .....	54,143	100.0	2.2	18.9	15.3	14.1	10.2	8.2	11.7	9.4	7.0	3.2	\$5.95
16 to 24 years .....	15,644	100.0	4.4	37.2	21.6	14.9	8.1	5.1	4.9	2.3	1.1	.5	4.30
25 years and over .....	38,499	100.0	1.3	11.4	12.7	13.7	11.1	9.4	14.4	12.2	9.4	4.3	6.96
Men, 16 years and over .....	28,140	100.0	.8	13.5	11.3	11.8	9.5	8.7	14.4	13.2	11.3	5.3	7.27
16 to 24 years .....	8,228	100.0	1.8	32.1	21.0	16.3	9.5	6.9	6.6	3.3	1.7	.7	4.66
25 years and over .....	19,911	100.0	.4	5.8	7.3	10.0	9.5	9.5	17.7	17.3	15.3	7.2	8.67
Women, 16 years and over .....	26,003	100.0	3.7	24.7	19.6	16.5	10.9	7.5	8.7	5.2	2.4	.9	5.08
16 to 24 years .....	7,416	100.0	7.2	42.8	22.3	13.3	6.4	3.2	3.0	1.3	.3	.2	3.99
25 years and over .....	18,587	100.0	2.3	17.4	18.5	17.7	12.7	9.2	10.9	6.8	3.2	1.2	5.51
<b>Race, Hispanic origin, and sex</b>													
White .....	46,098	100.0	2.4	18.2	15.1	13.9	10.2	8.3	11.8	9.6	7.3	3.3	6.02
Men .....	24,084	100.0	.8	12.8	11.0	11.5	9.5	8.9	14.6	13.6	11.8	5.6	7.39
Women .....	22,014	100.0	4.0	24.1	19.6	16.5	10.9	7.6	8.8	5.3	2.3	.8	5.09
Black .....	6,623	100.0	1.2	23.5	16.2	15.2	10.1	7.6	11.0	8.2	5.2	1.9	5.43
Men .....	3,346	100.0	.7	18.4	13.0	14.2	9.5	8.3	13.9	11.2	8.0	2.7	6.28
Women .....	3,277	100.0	1.7	28.8	19.5	16.3	10.7	6.8	8.0	5.0	2.3	.9	4.99
Hispanic origin .....	3,643	100.0	1.3	21.6	18.5	15.6	11.0	8.0	9.7	6.3	5.7	2.4	5.39
Men .....	2,165	100.0	.6	16.2	16.1	14.5	11.0	8.9	12.1	8.4	8.6	3.6	6.17
Women .....	1,479	100.0	2.3	29.7	21.9	17.3	10.9	6.6	6.1	3.2	1.6	.5	4.73
<b>Full- or part-time status and sex</b>													
Full-time workers .....	40,262	100.0	.9	10.6	13.8	14.7	11.6	9.7	14.3	11.6	8.9	3.9	6.80
Men .....	23,896	100.0	.3	7.2	10.0	11.9	10.3	9.8	16.4	15.1	13.0	5.9	8.03
Women .....	16,366	100.0	1.8	15.6	19.4	18.6	13.4	9.6	11.3	6.4	2.9	.9	5.59
Part-time workers .....	13,880	100.0	6.0	42.8	19.5	12.3	6.2	3.6	3.9	3.0	1.6	1.1	4.04
Men .....	4,243	100.0	3.6	48.9	18.6	11.3	5.2	2.9	3.4	2.5	1.8	1.7	3.92
Women .....	9,637	100.0	7.0	40.1	19.9	12.8	6.6	3.9	4.1	3.2	1.5	.9	4.10

NOTE: Detail for the above race and Hispanic origin groups will not sum to totals because data for the "other races" group are not presented and Hispanics are included in both the white and black population groups.

**Table 5. Workers paid hourly rates with earnings at or below the prevailing minimum wage by selected characteristics, 1984 annual averages**

Characteristic	Number of workers (in thousands)				Percent distribution				Percent of all workers paid hourly rates		
	Total paid hourly rates	At or below \$3.35			Total paid hourly rates	At or below \$3.35			At or below \$3.35		
		Total	At \$3.35	Below \$3.35		Total	At \$3.35	Below \$3.35	Total	At \$3.35	Below \$3.35
<b>Sex and age</b>											
Total, 16 years and over .....	54,143	5,963	4,125	1,838	100.0	100.0	100.0	100.0	11.0	7.6	3.4
16 to 24 years .....	15,644	3,582	2,539	1,043	28.9	60.1	61.6	56.7	22.9	16.2	6.7
25 years and over .....	38,499	2,381	1,586	795	71.1	39.9	38.4	43.3	6.2	4.1	2.1
Men, 16 years and over .....	28,140	2,116	1,626	490	52.0	35.5	39.4	26.7	7.5	5.8	1.7
16 to 24 years .....	8,228	1,492	1,166	326	15.2	25.0	28.3	17.7	18.1	14.2	4.0
25 years and over .....	19,911	623	460	163	36.8	10.4	11.2	8.9	3.1	2.3	.8
Women, 16 years and over .....	26,003	3,847	2,499	1,348	48.0	64.5	60.6	73.3	14.8	9.6	5.2
16 to 24 years .....	7,416	2,089	1,373	716	13.7	35.0	33.3	39.0	28.2	18.5	9.7
25 years and over .....	18,587	1,758	1,126	632	34.3	29.5	27.3	34.4	9.5	6.1	3.4
<b>Race, Hispanic origin, and sex</b>											
White .....	46,098	4,923	3,293	1,630	85.1	82.6	79.8	88.7	10.7	7.1	3.5
Men .....	24,084	1,684	1,273	411	44.5	28.2	30.9	22.4	7.0	5.3	1.7
Women .....	22,014	3,239	2,020	1,219	40.7	54.3	49.0	66.3	14.7	9.2	5.5
Black .....	6,623	896	737	159	12.2	15.0	17.9	8.7	13.5	11.1	2.4
Men .....	3,346	375	315	60	6.2	6.3	7.6	3.3	11.2	9.4	1.8
Women .....	3,277	521	422	99	6.1	8.7	10.2	5.4	15.9	12.9	3.0
Hispanic origin .....	3,643	415	314	101	6.7	7.0	7.6	5.5	11.4	8.6	2.8
Men .....	2,165	179	143	36	4.0	3.0	3.5	2.0	8.3	6.6	1.7
Women .....	1,479	236	171	65	2.7	4.0	4.1	3.5	16.0	11.6	4.4
<b>Full- or part-time status and sex</b>											
Full-time workers .....	40,262	2,079	1,497	582	74.4	34.9	36.3	31.7	5.2	3.7	1.4
Men .....	23,896	835	657	178	44.1	14.0	15.9	9.7	3.5	2.7	.7
Women .....	16,366	1,244	840	404	30.2	20.9	20.4	22.0	7.6	5.1	2.5
Part-time workers .....	13,880	3,883	2,627	1,256	25.6	65.1	63.7	68.3	28.0	18.9	9.0
Men .....	4,243	1,280	969	311	7.8	21.5	23.5	16.9	30.2	22.8	7.3
Women .....	9,637	2,602	1,658	944	17.8	43.6	40.2	51.4	27.0	17.2	9.8

NOTE: Detail for the above race and Hispanic origin groups will not sum to totals because data for the "other races" group are not presented and Hispanics are included in both the white and black population groups.

workers in the South earned the minimum or less, compared with 12 percent in the North Central region, 9 percent in the Northeast, and 8 percent in the West.

Nearly half of all minimum wage workers held service-type jobs in 1984. Service occupations with the highest concentrations of low-paying jobs included private household work, food services, and cleaning and building services. It is notable that persons employed as food service workers accounted for 31 percent of all workers at or below the minimum wage; of that number, roughly half worked at the minimum of \$3.35 and half worked below this level. Another area in which there was a large proportion of persons working at or below \$3.35 was in sales occupations,

particularly in retail sales, in which nearly 1 out of every 4 employees earned the minimum or less. It should be remembered, however, that for many working in sales and food service occupations, tips and commissions supplement (to varying degrees) the hourly wages received.

THIS ARTICLE has focused on earnings as a pure wage paid to the employee—stripped of any effects of tips, premium pay for overtime, bonuses, and commissions. As the findings have suggested, the wealth of information available from the Current Population Survey helps provide a foundation for further studies which can shed more light on the conditions of workers paid hourly rates. □

— FOOTNOTES —

<sup>1</sup> See *BLS Measures of Compensation*, Bulletin 2239 (Bureau of Labor Statistics, 1986), for a complete description of all BLS earnings series. Among these are the Current Employment Statistics Survey, Area Wage Surveys, and Industry Wage Surveys.

<sup>2</sup> Data on workweeks by occupation refer to hours actually worked during each month's survey reference week rather than to the number of

hours usually worked. In the case of workers with two or more jobs, the data are tabulated according to the occupation at which the employee works the most hours.

<sup>3</sup> See *Report of the Minimum Wage Study Commission*, Volume 1, p. 107, for a more complete list of full and partial exemptions.

**APPENDIX: Hourly earnings data from the CPS**

The Current Population Survey (CPS) is a monthly sample survey conducted by the U.S. Bureau of the Census for the Bureau of Labor Statistics, totaling about 59,500 households, in 50 States and the District of Columbia. Data on hourly earnings are collected from one-quarter of each month's CPS sample through questions 25B and 25C, which read:

25B. Is . . . paid by the hour on this job?

25C. How much does . . . earn per hour?

Although data are collected monthly, the numbers are aggregated into quarterly and annual averages to increase their statistical reliability. On a quarterly basis, the data are tabulated by sex, race, Hispanic origin, age, marital status, major occupation and industry groups, and usual full- or part-time status. Annual average data are also tabulated by region of residence, number of hours usually worked, years of school completed, and more occupational and industrial detail. While both the quarterly and annual average tabulations provide distributional data (for example, the number of workers earning between \$5 and \$5.99 per hour), the latter show more wage categories, as well as data for minimum wage workers.

Between 1973 and 1978, hourly earnings data were collected only once a year as part of a supplement to each May's CPS. Comparability between these and more recent data is affected by changes in questionnaire design, the coverage of the wage and salary worker universe, and the handling of survey nonresponses. As a result, whereas estimates of the proportion of all workers paid hourly rates between 1973 and 1978 ranged between 49 and 51 percent, changes introduced in 1979 caused the proportion to jump to

59 percent, where it has remained. In 1983, there were changes to the entire occupational classification system which preclude occupational comparisons with previous years. In addition, a change in the method of estimating medians introduced the same year affects the comparability of any medians under \$3.00 or over \$5.99 per hour.

As is the case with estimates from any sample survey, the results can vary by chance because a sample, rather than the entire population, is surveyed. A measure of this variation is called the standard error. If samples are repeatedly drawn and estimates are computed from each sample, in approximately 68 out of 100 samples the actual population value will differ from the sample estimate by less than one standard error. In approximately 90 out of 100 samples, the population value will differ from the sample estimate by less than 1.6 times the standard error. All statements of comparison appearing in this article are significant at the 90-percent level or higher. Users are cautioned against drawing conclusions from small differences among numbers for small population groups because of the relatively large sampling errors associated with estimates based on small sample sizes. In addition, results are subject to errors of response and nonreporting—errors possible even in a complete census. These can result from differences in the interpretation of questions, the inability or unwillingness of respondents to provide correct answers, the rounding of figures, errors of processing, and errors made in estimating values for missing data. For more information regarding the collection, processing, merits, and limitations of CPS data on earnings, see Earl F. Mellor, *Technical Description of the Quarterly Data on Weekly Earnings from the Current Population Survey*, Bulletin 2113 (Bureau of Labor Statistics, 1982).