

## Characteristics of minimum wage workers in 2002

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BLS data on minimum wage earners are derived from the Current Population

Survey (CPS), a nationwide sample survey of households that includes questions identifying hourly paid workers and their hourly wage rate. In 2002, some 72.7 million American workers—roughly 3 out of 5 wage and salary workers—were paid at hourly rates.<sup>1</sup> Of those paid by the hour, about 570,000 were reported as earning exactly

\$5.15, the prevailing Federal minimum wage, and another 1.6 million were reported with wages below the minimum.<sup>2</sup> Together, these 2.2 million workers with wages at or below the minimum (also referred to here as low wage workers) made up 3.0 percent of all hourly paid workers. What follows are some highlights from the 2002 data

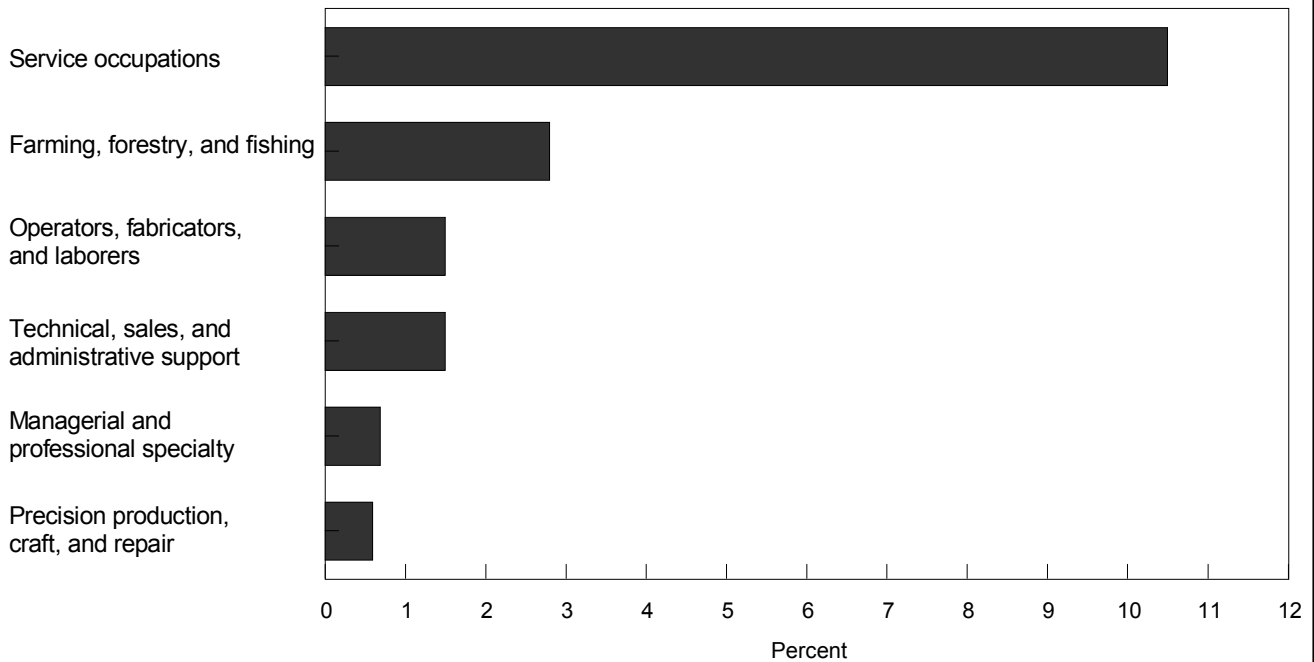
**Table 1. Employed wage and salary workers paid hourly rates with earnings at or below the prevailing Federal minimum wage of \$5.15 per hour, by selected characteristics, annual averages, 2002**

Characteristic	Number of workers (in thousands)				Percent distribution				Percent of workers paid hourly rates		
	Total paid hourly rates	At or below \$5.15			Total paid hourly rates	At or below \$5.15			At or below \$5.15		
		Total	At \$5.15	Below \$5.15		Total	At \$5.15	Below \$5.15	Total	At \$5.15	Below \$5.15
<b>Age and sex</b>											
Total, 16 years and over .....	72,720	2,168	570	1,598	100.0	100.0	100.0	100.0	3.0	0.8	2.2
16 to 24 years .....	16,191	1,158	340	818	22.3	53.4	59.6	51.2	7.2	2.1	5.1
16 to 19 years .....	5,808	605	226	379	8.0	27.9	39.6	23.7	10.4	3.9	6.5
25 years and over .....	56,529	1,010	230	780	77.7	46.6	40.4	48.8	1.8	.4	1.4
Men, 16 years and over .....	36,135	800	218	582	49.7	36.9	38.2	36.4	2.2	.6	1.6
16 to 24 years .....	8,242	453	146	307	11.3	20.9	25.6	19.2	5.5	1.8	3.7
16 to 19 years .....	2,850	243	97	146	3.9	11.2	17.0	9.1	8.5	3.4	5.1
25 years and over .....	27,893	347	72	275	38.4	16.0	12.6	17.2	1.2	.3	1.0
Women, 16 years and over ..	36,585	1,368	352	1,016	50.3	63.1	61.8	63.6	3.7	1.0	2.8
16 to 24 years .....	7,949	705	194	511	10.9	32.5	34.0	32.0	8.9	2.4	6.4
16 to 19 years .....	2,958	361	128	233	4.1	16.7	22.5	14.6	12.2	4.3	7.9
25 years and over .....	28,636	663	158	505	39.4	30.6	27.7	31.6	2.3	.6	1.8
<b>Race, sex, and Hispanic origin</b>											
White .....	59,199	1,781	452	1,329	81.4	82.1	79.3	83.2	3.0	.8	2.2
Men .....	29,829	626	162	464	41.0	28.9	28.4	29.0	2.1	.5	1.6
Women .....	29,370	1,155	290	865	40.4	53.3	50.9	54.1	3.9	1.0	2.9
Black .....	9,692	276	89	187	13.3	12.7	15.6	11.7	2.8	.9	1.9
Men .....	4,469	129	44	85	6.1	6.0	7.7	5.3	2.9	1.0	1.9
Women .....	5,224	147	45	102	7.2	6.8	7.9	6.4	2.8	.9	2.0
Hispanic origin .....	11,206	305	110	195	15.4	14.1	19.3	12.2	2.7	1.0	1.7
Men .....	6,624	144	47	97	9.1	6.6	8.2	6.1	2.2	.7	1.5
Women .....	4,582	162	64	98	6.3	7.5	11.2	6.1	3.5	1.4	2.1
<b>Full- and part-time status and sex</b>											
Full-time workers .....	55,029	851	169	682	75.7	39.3	29.6	42.7	1.5	.3	1.2
Men .....	30,472	367	82	285	41.9	16.9	14.4	17.8	1.2	.3	.9
Women .....	24,557	483	87	396	33.8	22.3	15.3	24.8	2.0	.4	1.6
Part-time workers .....	17,568	1,309	401	908	24.2	60.4	70.4	56.8	7.5	2.3	5.2
Men .....	5,599	430	136	294	7.7	19.8	23.9	18.4	7.7	2.4	5.3
Women .....	11,969	879	265	614	16.5	40.5	46.5	38.4	7.3	2.2	5.1

NOTE: Data exclude the incorporated self-employed. Details 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. The distinction between full- and part-time workers is based on hours usually worked. These data will not sum to totals because full- or part-time status on the principal job is not identifiable for a small number of multiple jobholders.

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**Chart 1. Percent of workers paid hourly rates with earnings at or below prevailing Federal minimum wage of \$5.15 per hour, by major occupation, annual averages, 2002**



(annual averages). Additional details can be found on the BLS website.<sup>3</sup>

Minimum wage workers tend to be young. About half of workers earning \$5.15 or less were under age 25, and slightly more than one-fourth were teenagers (that is, age 16 to 19). Among teenagers paid hourly rates, 10 percent earned \$5.15 or less. About 2 percent of workers 25 years or older earned the minimum wage or less. (See table 1.)

About 4 percent of women paid hourly rates reported wages at or below the prevailing Federal minimum, compared with about 2 percent of men. Women—teenagers or adults—are more likely than men to earn the minimum wage or less. (See table 1.)

The proportion of hourly paid workers receiving \$5.15 or less was about 3 percent each for whites, blacks, and Hispanics. For whites and Hispanics, women were more likely than men to be low wage earners. (See table 1.)

Part-time workers (persons who usually work less than 35 hours per week)

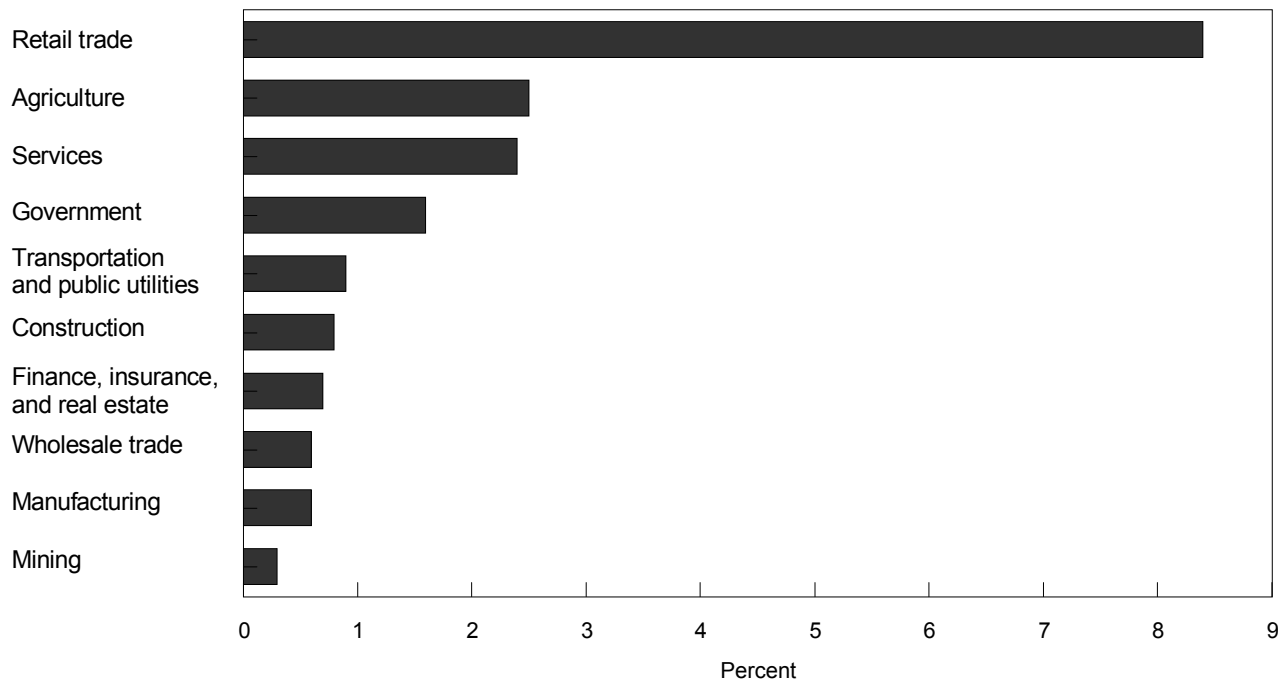
were much more likely than their full-time counterparts to be paid \$5.15 or less (about 8 percent, compared with approximately 2 percent). Among those who work part time, both men and women are about equally likely to earn wages at or below the prevailing minimum. (See table 1.)

By major occupational group, the proportion of hourly paid workers with reported earnings at or below \$5.15 ranged from a low of less than 1 percent for persons employed in managerial and professional specialty jobs and those employed in precision production, craft, and repair positions to a high of about 10 percent for those in service jobs. (See chart 1.) One out of every 5 food service workers earned \$5.15 or less in 2002; most of these workers were paid a wage below \$5.15. Indeed, about 3 out of every 5 workers paid less than the prevailing minimum wage were employed in food service occupations. This large proportion may reflect the tip credit provisions of the Federal minimum wage statutes, whereby an employee who

receives tips (such as a waiter or waitress) generally can be paid a wage below \$5.15, provided that the employee's tips, combined with the employer's cash wage of at least \$2.13 per hour, equal at least \$5.15.

Among major industry groups, the proportion of workers with reported hourly wages at or below \$5.15 was highest in retail trade (about 8 percent), which includes many food service workers in its eating-and-drinking-places component. (See chart 2.) In agriculture and services, about 2 percent of hourly paid workers earned the prevailing Federal minimum wage or less, while in other major private-sector industries, less than 1 percent of all hourly paid workers in each industry earned minimum or subminimum wages. About three-fifths of all low wage workers were employed in retail trade, and nearly one-fourth worked in services. For many working in these two industries, tips and commissions might supplement the hourly wages received.

**Chart 2. Percent of workers paid hourly rates with earnings at or below prevailing Federal minimum wage of \$5.15 per hour, by major industry, annual averages, 2002**



**Chart 3. Percent of workers paid hourly rates with earnings at or below prevailing Federal minimum wage, by sex, annual averages, 1979–2002**



NOTE: The prevailing Federal minimum wage was \$2.90 in 1979, \$3.10 in 1980, and \$3.35 in 1981–89. The minimum wage rose to \$3.80 in April 1990, to \$4.25 in April 1991, to \$4.75 in October 1996, and to \$5.15 in September 1997. Thus, the Federal minimum was \$4.25 for the 1992–95 period and \$5.15 in 1998–2002. Data for 1990–91 and 1996–97 reflect changes in the minimum wage that took place in those years.

The proportion of hourly paid workers earning the prevailing Federal minimum wage or less has trended downward since

1979, when data first began to be collected on a regular basis. (See chart 3.) Although women always have been more likely than

men to earn the prevailing minimum or less, the disparity is considerably less today than it was two decades ago. □

## Notes

<sup>1</sup> These data are for wage and salary workers (excluding the incorporated self-employed) and refer to earnings on a person's sole or principal job.

<sup>2</sup> The presence of a sizable number of workers with reported wages below the minimum does not necessarily indicate violations of the Fair Labor Standards Act, as there are exemptions to the minimum wage provisions of the law. Indeed, the relatively large number of workers with reported wages below the minimum in 2002 includes almost 500,000 hourly paid workers reported as

earning exactly \$5.00 per hour; to some extent, this *may* reflect rounding in the responses of survey participants. The estimates of the numbers of minimum and subminimum wage workers presented in table 1 pertain to workers *paid at hourly rates*; salaried and other nonhourly workers are excluded. Accordingly, the actual number of workers with earnings at or below the prevailing minimum is undoubtedly understated. Research has shown that a relatively smaller number and share of salaried workers and others *not* paid by the hour have earnings that,

when translated into hourly rates, are at or below the minimum wage. However, the Bureau of Labor Statistics does not routinely estimate hourly earnings for nonhourly workers, because of concerns that arise in producing these estimates from the data. For further information, see Steven E. Haugen and Earl F. Mellor, "Estimating the number of minimum wage workers," *Monthly Labor Review*, January 1990, pp. 70–74.

<sup>3</sup> <http://stats.bls.gov/cps/minwage2002.htm>.