NEWS RELEASE
BUREAU OF LABOR STATISTICS
U. S. DEPARTMENT OF LABOR

For Release: Tuesday, March 12, 2013 13-444-KAN

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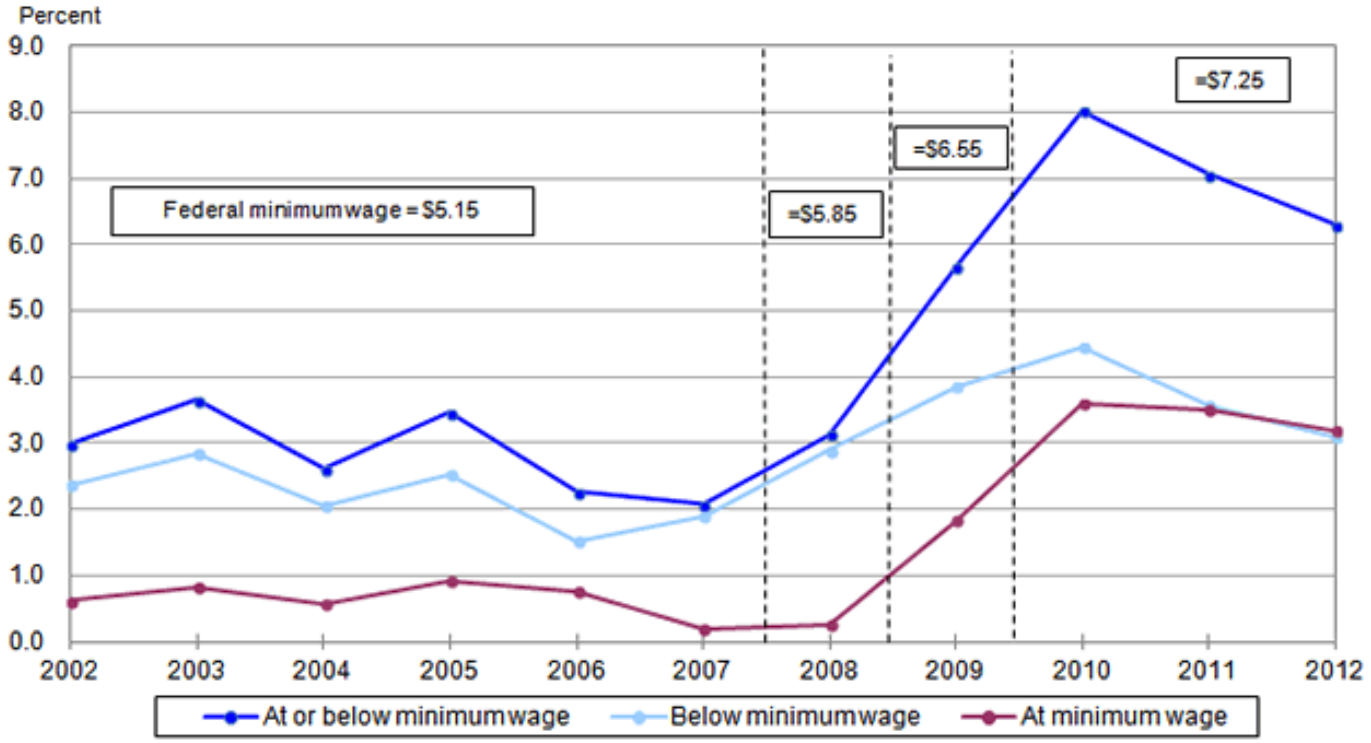
Minimum Wage Workers in Missouri – 2012

Of the 1.5 million workers paid hourly rates in Missouri in 2012, 49,000 earned exactly the prevailing federal minimum wage of $7.25 per hour, while 48,000 earned less, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Stanley W. Suchman noted that the 97,000 workers earning the federal minimum wage or less made up 6.3 percent of all hourly-paid workers in the state. Nationwide, those earning the federal minimum wage or less accounted for 4.7 percent of the hourly-paid workforce. (The 2012 Missouri minimum wage is equal to the prevailing federal minimum wage.)

In 2007, 33,000 hourly-paid workers earned the prevailing federal minimum wage or less in the state—the lowest level since data were first available in 2000; they accounted for 2.1 percent of all workers paid an hourly wage. (See chart 1.) It was also in 2007 that the federal minimum wage began increasing after holding steady for nearly a decade. The initial result was that more Missouri workers fell into this category, peaking at 123,000 in 2010.

Chart 1. Percentage of hourly-paid wage and salary workers with earnings at or below the prevailing federal minimum wage in Missouri, annual averages, 2002–2012



Source: U.S. Bureau of Labor Statistics.

From 2011 to 2012, the portion of hourly-paid workers in Missouri who earned at or below the federal minimum wage declined from 7.1 to 6.3 percent. The percentage of workers earning less than the federal minimum wage fell 0.5 percentage point in 2012, while the share earning exactly the minimum wage was down 0.3 percentage point. As a result, 2012 was the second consecutive year that the percentage of workers with earnings at the federal minimum rate was similar to the portion with wages below the minimum.

Of the 97,000 workers earning the prevailing federal minimum wage or less in Missouri in 2012, 68,000, or 70 percent, were women. These women represented 8.5 percent of all women paid hourly rates in the state. The 28,000 men earning the prevailing minimum wage or less accounted for 3.8 percent of all men who were paid hourly rates. (See table A.)

Overall, employed wage and salary workers earning hourly rates in the state had median hourly earnings of $12.96 in 2012; nationally, the median was $12.80. The median hourly rates for men and women in Missouri in 2012 were $13.89 and $11.92, respectively. For the nation, the comparable figures were $13.88 per hour for men and $11.99 per hour for women.

Table A. Employed wage and salary workers paid hourly rates with earnings at or below the prevailing federal minimum wage in Missouri, by sex, annual averages, 2002 - 2012

Missouri	Number of workers[1] (in thousands)				Percent of workers paid hourly rates			Median earnings (in dollars)
	Total paid hourly rates	At or below minimum wage			At or below minimum wage			
		Total[2]	At minimum wage	Below minimum wage	Total[2]	At minimum wage	Below minimum wage	
Total, both								
2002	1,602	48	10	38	3.0	0.6	2.4	10.81
2003	1,586	58	13	45	3.7	0.8	2.8	11.20
2004	1,601	42	9	33	2.6	0.6	2.1	11.05

Note: See footnotes at end of table.

Table A. Employed wage and salary workers paid hourly rates with earnings at or below the prevailing federal minimum wage in Missouri, by sex, annual averages, 2002 - 2012 - Continued

Missouri	Number of workers[1] (in thousands)				Percent of workers paid hourly rates			Median earnings (in dollars)
	Total paid hourly rates	At or below minimum wage			At or below minimum wage			
		Total[2]	At minimum wage	Below minimum wage	Total[2]	At minimum wage	Below minimum wage	
2005	1,613	56	15	41	3.5	0.9	2.5	11.15
2006	1,581	36	12	24	2.3	0.8	1.5	11.58
2007	1,577	33	3	30	2.1	0.2	1.9	11.79
2008	1,592	50	4	46	3.1	0.3	2.9	11.77
2009	1,534	87	28	59	5.7	1.8	3.8	12.20
2010	1,531	123	55	68	8.0	3.6	4.4	12.04
2011	1,543	109	54	55	7.1	3.5	3.6	12.54
2012	1,538	97	49	48	6.3	3.2	3.1	12.96
Total, men								
2002	799	14	4	10	1.8	0.5	1.3	12.56
2003	769	16	3	13	2.1	0.4	1.7	12.39
2004	765	13	2	11	1.7	0.3	1.4	12.77
2005	789	19	10	9	2.4	1.3	1.1	12.78
2006	772	8	2	6	1.0	0.3	0.8	13.00
2007	742	12	1	11	1.6	0.1	1.5	13.45
2008	755	14	1	13	1.9	0.1	1.7	13.66
2009	725	36	17	19	5.0	2.3	2.6	13.93
2010	720	44	22	22	6.1	3.1	3.1	13.29
2011	723	38	20	18	5.3	2.8	2.5	14.10
2012	737	28	12	16	3.8	1.6	2.2	13.89
Total, women								
2002	803	35	7	28	4.4	0.9	3.5	9.78
2003	817	42	10	32	5.1	1.2	3.9	10.28
2004	836	28	6	22	3.3	0.7	2.6	10.09
2005	823	36	5	31	4.4	0.6	3.8	10.06
2006	808	27	10	17	3.3	1.2	2.1	10.42
2007	835	21	2	19	2.5	0.2	2.3	10.50
2008	837	36	3	33	4.3	0.4	3.9	10.86
2009	809	50	11	39	6.2	1.4	4.8	11.39
2010	810	78	33	45	9.6	4.1	5.6	11.31
2011	821	71	34	37	8.6	4.1	4.5	11.58
2012	801	68	37	31	8.5	4.6	3.9	11.92

Footnotes:
(1) All self-employed persons are excluded, whether or not their businesses are incorporated.
(2) Data may not add to totals due to rounding.

In 2012, Missouri's proportion of hourly-paid workers earning at or below the prevailing federal minimum wage ranked ninth among the 50 states and the District of Columbia. Idaho had the highest proportion of hourly-paid workers earning at or below the prevailing federal minimum wage, 7.7 percent, followed by Texas (7.5 percent), Oklahoma (7.2 percent), and Louisiana (7.1 percent). The states with the lowest percentage of workers earning the federal minimum wage or below included Washington, Montana, California, Oregon, and Alaska, all less than 2.0 percent. It should be noted that, as of January 1, 2013, 19 states (including Missouri) and the District of Columbia had laws establishing minimum wage standards that exceeded the federal level of $7.25 per hour. (See table 1 and chart 2.)

Technical Note

The Bureau of Labor Statistics' data on minimum wage earners are derived from the Current Population Survey (CPS). This survey is conducted monthly for the Bureau of Labor Statistics by the U.S. Census Bureau, using a national sample of about 60,000 households, with coverage in all 50 states and the District of Columbia. The earnings data are collected from one-fourth of the CPS monthly sample. Data in this summary are annual averages.

Statistics based on the CPS data are subject to both sampling and nonsampling error. The differences among data for the states reflect, in part, variations in the occupation, industry, and age composition of each state's labor force. In addition, sampling error for the state estimates is considerably larger than it is for the national data.

Minimum wage worker data, particularly levels, for each year are not strictly comparable with data for earlier years because of the introduction of revised population controls used in the CPS. For technical documentation and related information, including reliability of the CPS estimates, see www.bls.gov/cps/documentation.htm.

It should be noted that 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. The estimates of the numbers of minimum and subminimum wage workers presented in the accompanying tables pertain to workers paid at hourly rates; salaried and other non-hourly workers are excluded. As such, the actual number of workers with earnings at or below the prevailing minimum is undoubtedly understated.

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, $4.25 in April 1991, $4.75 in October 1996, and $5.15 in September 1997. On July 24, 2007, the federal minimum wage increased to $5.85 per hour; on July 24, 2008, to $6.55 per hour; and on July 24, 2009, to $7.25 per hour.

The principal definitions used in connection with the earnings series in this release are described below:

Median hourly earnings. The median is the amount which divides a given earnings distribution into two equal groups, one having earnings above the median and the other having earnings below the median. The median is less sensitive to extreme wages than the mean; this makes it a better measure for highly skewed distributions.

Wage and salary workers. Workers age 16 and over who receive wages, salaries, commissions, tips, payment in kind, or piece rates. Data refer to earnings on a person's sole or principal job. The group includes employees in both the private and public sectors but, for the purposes of the earnings series, excludes all self-employed persons, regardless of whether or not their businesses are incorporated.

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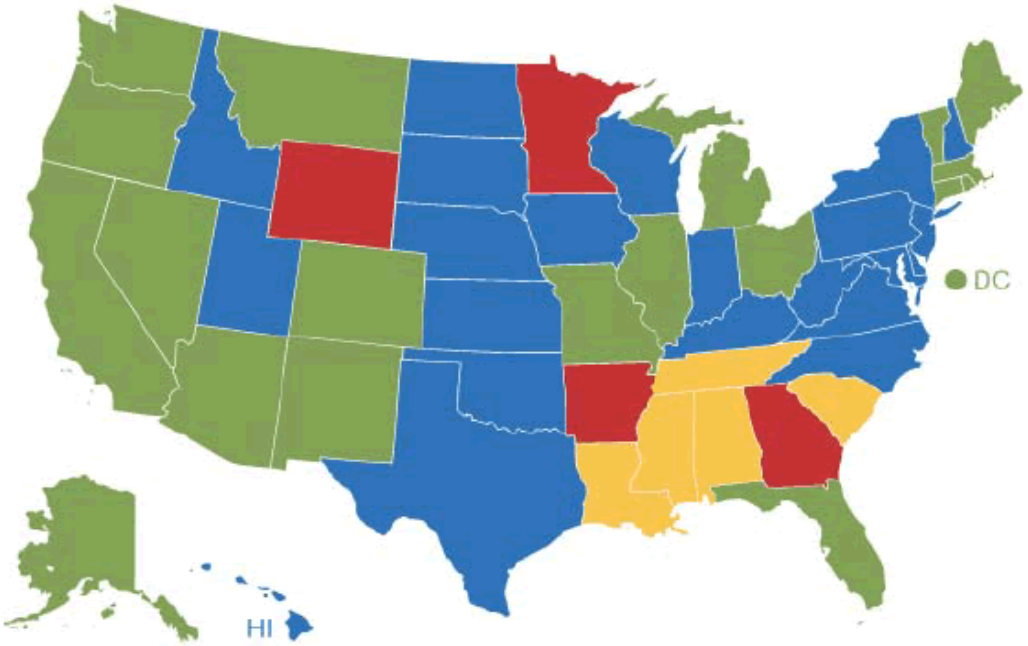
Table 1. Employed wage and salary workers paid hourly rates with earnings at or below the prevailing federal minimum wage by state, 2012 annual averages

State	Number of workers (in thousands)				Percent distribution				Percent of workers paid hourly rates		
	Total paid hourly rates	At or below minimum wage			Total paid hourly rates	At or below minimum wage			At or below minimum wage		
		Total [1]	At minimum wage	Below minimum wage		Total [1]	At minimum wage	Below minimum wage	Total [1]	At minimum wage	Below minimum wage
Total, 16 years and over	75,276	3,550	1,566	1,984	100.0	100.0	100.0	100.0	4.7	2.1	2.6
Alabama	1,083	65	31	34	1.4	1.8	2.0	1.7	6.0	2.9	3.1
Alaska	194	2	1	1	0.3	0.1	0.1	0.1	1.0	0.5	0.5
Arizona	1,472	68	17	51	2.0	1.9	1.1	2.6	4.6	1.2	3.5
Arkansas	725	50	33	17	1.0	1.4	2.1	0.9	6.9	4.6	2.3
California	8,805	127	45	82	11.7	3.6	2.9	4.1	1.4	0.5	0.9
Colorado	1,234	42	7	35	1.6	1.2	0.4	1.8	3.4	0.6	2.8
Connecticut	853	23	2	21	1.1	0.6	0.1	1.1	2.7	0.2	2.5
Delaware	219	11	4	7	0.3	0.3	0.3	0.4	5.0	1.8	3.2
District of Columbia	103	5	1	4	0.1	0.1	0.1	0.2	4.9	1.0	3.9
Florida	4,164	214	49	165	5.5	6.0	3.1	8.3	5.1	1.2	4.0
Georgia	2,114	136	60	76	2.8	3.8	3.8	3.8	6.4	2.8	3.6
Hawaii	331	14	7	7	0.4	0.4	0.4	0.4	4.2	2.1	2.1
Idaho	404	31	16	15	0.5	0.9	1.0	0.8	7.7	4.0	3.7
Illinois	3,065	85	21	64	4.1	2.4	1.3	3.2	2.8	0.7	2.1
Indiana	1,785	93	50	43	2.4	2.6	3.2	2.2	5.2	2.8	2.4
Iowa	920	46	25	21	1.2	1.3	1.6	1.1	5.0	2.7	2.3
Kansas	780	44	29	15	1.0	1.2	1.9	0.8	5.6	3.7	1.9
Kentucky	1,147	60	30	30	1.5	1.7	1.9	1.5	5.2	2.6	2.6
Louisiana	1,043	74	35	39	1.4	2.1	2.2	2.0	7.1	3.4	3.7
Maine	378	11	3	8	0.5	0.3	0.2	0.4	2.9	0.8	2.1
Maryland	1,327	67	25	42	1.8	1.9	1.6	2.1	5.0	1.9	3.2
Massachusetts	1,567	62	17	45	2.1	1.7	1.1	2.3	4.0	1.1	2.9
Michigan	2,449	90	19	71	3.3	2.5	1.2	3.6	3.7	0.8	2.9
Minnesota	1,522	60	35	25	2.0	1.7	2.2	1.3	3.9	2.3	1.6
Mississippi	700	45	21	24	0.9	1.3	1.3	1.2	6.4	3.0	3.4
Missouri	1,538	97	49	48	2.0	2.7	3.1	2.4	6.3	3.2	3.1
Montana	274	4	1	3	0.4	0.1	0.1	0.2	1.5	0.4	1.1
Nebraska	561	32	17	15	0.7	0.9	1.1	0.8	5.7	3.0	2.7
Nevada	730	23	9	14	1.0	0.6	0.6	0.7	3.2	1.2	1.9
New Hampshire	370	13	5	8	0.5	0.4	0.3	0.4	3.5	1.4	2.2
New Jersey	1,777	103	49	54	2.4	2.9	3.1	2.7	5.8	2.8	3.0
New Mexico	488	23	6	17	0.6	0.6	0.4	0.9	4.7	1.2	3.5
New York	4,075	224	113	111	5.4	6.3	7.2	5.6	5.5	2.8	2.7
North Carolina	2,206	137	74	63	2.9	3.9	4.7	3.2	6.2	3.4	2.9
North Dakota	205	7	3	4	0.3	0.2	0.2	0.2	3.4	1.5	2.0
Ohio	3,277	147	31	116	4.4	4.1	2.0	5.8	4.5	0.9	3.5
Oklahoma	890	64	29	35	1.2	1.8	1.9	1.8	7.2	3.3	3.9
Oregon	982	11	3	8	1.3	0.3	0.2	0.4	1.1	0.3	0.8
Pennsylvania	3,450	195	87	108	4.6	5.5	5.6	5.4	5.7	2.5	3.1
Rhode Island	298	10	2	8	0.4	0.3	0.1	0.4	3.4	0.7	2.7
South Carolina	1,084	59	28	31	1.4	1.7	1.8	1.6	5.4	2.6	2.9
South Dakota	253	12	6	6	0.3	0.3	0.4	0.3	4.7	2.4	2.4
Tennessee	1,554	86	46	40	2.1	2.4	2.9	2.0	5.5	3.0	2.6
Texas	6,060	452	282	170	8.1	12.7	18.0	8.6	7.5	4.7	2.8
Utah	758	37	21	16	1.0	1.0	1.3	0.8	4.9	2.8	2.1
Vermont	184	5	1	4	0.2	0.1	0.1	0.2	2.7	0.5	2.2
Virginia	1,803	123	48	75	2.4	3.5	3.1	3.8	6.8	2.7	4.2
Washington	1,705	29	11	18	2.3	0.8	0.7	0.9	1.7	0.6	1.1
West Virginia	453	26	13	13	0.6	0.7	0.8	0.7	5.7	2.9	2.9
Wisconsin	1,745	94	41	53	2.3	2.6	2.6	2.7	5.4	2.3	3.0
Wyoming	173	9	4	5	0.2	0.3	0.3	0.3	5.2	2.3	2.9

Note: See footnotes at end of table.

Footnotes:
(1) Data may not add to totals due to rounding.
Note: Data exclude all self-employed persons whether or not their businesses are incorporated. Users are reminded that these data are based on a sample and are therefore subject to sampling error; the degree of error may be quite large for less populous states. It is not possible to determine whether workers surveyed in the CPS are actually covered by the Fair Labor Standards Act (FLSA) or by individual state minimum wage laws. Thus, some workers reported as earning the prevailing federal minimum wage may not in fact be covered by federal or state minimum wage laws. Also, there are a number of states that have minimum wages that exceed the federal minimum wage. At the same time, the presence of a sizable number of workers with wages below the prevailing federal minimum wage does not necessarily indicate violations of the FLSA or applicable state laws, because there are numerous exclusions and exemptions to these minimum wage statutes. Hourly earnings do not include overtime pay, commissions, or tips.

Chart 2. Minimum wage laws in the United States, January 1, 2013



States with minimum wage rates higher than the Federal

States with minimum wage rates the same as the Federal

States with no minimum wage law

States with minimum wage rates lower than the Federal

Source: U.S. Department of Labor, Wage and Hour Division.