

# Minimum Wage Workers In Washington State

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## Introduction

- Minimum wage workers tend to be concentrated in just a few industries.
  - Accommodation and Food services (21,511 FTE<sup>1</sup>)
  - Retail sales (15,069 FTE)
  - Agriculture, forestry and fishing (10,592 FTE)
  - Health care and social assistance (4,107 FTE )
- Together these four industries account for 30 percent of all workers but 70 percent of all FTE minimum wage workers.
- Minimum wage workers tend to be concentrated in specific occupations across industries such as food preparation and serving workers, clerks, attendants, cashiers, agricultural crop workers, home health aids, child care workers, and building and grounds cleaning workers.
- Certain industries have very few minimum wage jobs—manufacturing; professional, scientific, and technical services; local government; management of companies and enterprises; finance and insurance; construction; mining; utilities; and state government.
- Almost all minimum wage workers in Washington either work part time or in temporary or seasonal jobs. Part-time workers are much less likely to be covered for health insurance than full-time workers.
- A larger percentage of workers in small firms earn minimum wage than do workers in large firms.

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<sup>1</sup>FTE stands for full-time equivalent. All numbers reported for the number of minimum wage workers are in full time equivalents, except for numbers of minimum wage workers by geography. Since minimum workers tend to work part time more than higher wage workers, reporting numbers in full-time equivalents gives more of an estimation of relative economic importance of the different worker groups.

## Minimum Wage Workers in Washington State

Washington's minimum wage rose eleven cents to \$7.01 an hour on January 1, 2003 due to an automatic indexation to inflation.<sup>2</sup> The federal minimum wage at \$5.15 an hour is now \$1.86 lower, about 25 percent, than the Washington minimum wage. In a year of slow economic recovery, renewed attention has been focused on the issue of automatic indexation.

Supporters of a high state minimum wage usually focus on bringing workers and their families out of poverty. Supporters of a lower minimum wage fear that a higher minimum wage will reduce the demand for labor by causing firms to move out of state, discouraging new firms, or by firms switching to more capital intensive methods of production. Although this article does not conduct an impact analysis of the effects of the increasing minimum wage, it does provide important background information for this debate. This article provides a comprehensive overview of the characteristics of minimum wage jobs. These characteristics point to the probable effects on both business and workers of an increase in the minimum wage.

### I. National Comparison

The federal minimum wage for covered, nonexempt employees is \$5.15 per hour. The federal minimum wage provisions are contained in the Fair Labor Standards Act (FLSA) of 1938. Many [states](#) besides Washington also have minimum wage laws. In cases where an employee is subject to both the state and federal minimum wage laws, the employee is entitled to the higher of the two minimum wages.

<http://www.dol.gov/esa/programs/whd/state/state.htm>

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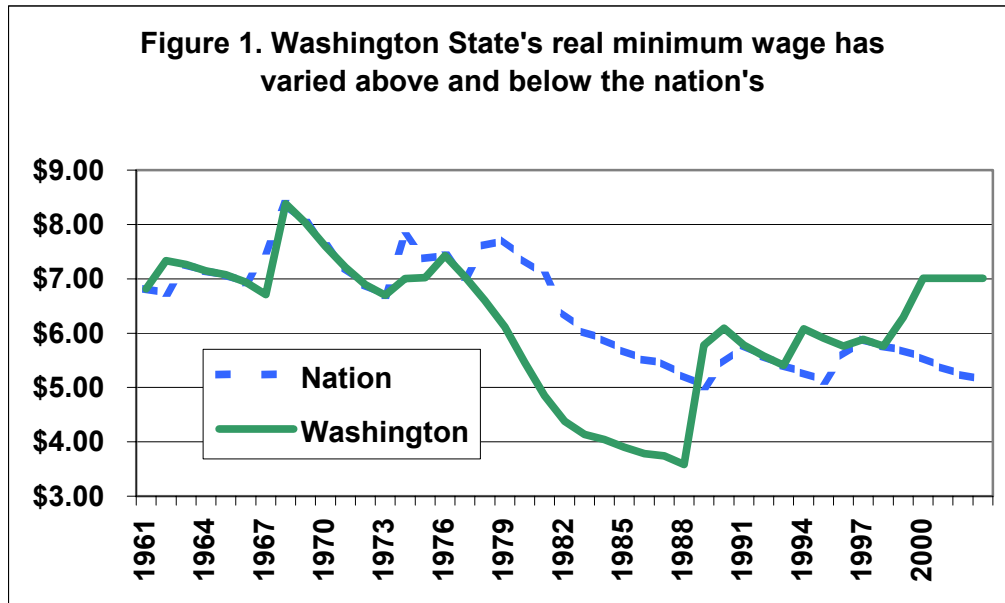
<sup>2</sup>The state's minimum wage is recalculated each year in September as a result of an initiative approved by voters in 1998. It tied the minimum wage to changes in the federal U.S. Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

For the 12 months ending August 2002, the nationwide CPI-W increased 1.6 percent over August 2001. Therefore, Washington's current minimum wage for 2002 of \$6.90 will increase 1.6 percent in 2003, to \$7.01.

The new wage applies to workers in both agricultural and nonagricultural jobs. Fourteen- and 15-year-olds may be paid 85 percent of the adult minimum wage.

<http://www.lni.wa.gov/scs/workstandards/minwage.htm>

**Figure 1** tracks the evolution of the real value of the minimum wage in Washington compared to the nation's since 1961. Washington's rate has been both above and below the national rate. The real rates varied fairly closely until the late 1970s. Washington's nominal minimum wage stayed at \$2.30 an hour from 1976 to 1988. The nation's period of a stagnant nominal minimum wage was shorter with a wage of \$3.35 an hour from 1981 to 1989. Of course, covered Washington workers received the national minimum wage when it was higher than the state's.



As of January 2003, eleven states have minimum wages above the national rate, three below, seven have no minimum wage, and twenty-nine have the same minimum wage as the nation's. The states with minimum wages higher than the national rate include five of the western states. Alaska's is highest at \$7.15 an hour, then Washington's at \$7.01, then Oregon at \$6.90, California at \$6.75, and Hawaii at \$6.25. The other states with minimum wages higher than the nation are in the northeast. Connecticut has a minimum wage of \$6.90, Massachusetts, \$6.75, Maine, \$6.25, Vermont, \$6.25, Delaware, \$6.15, and Rhode Island, \$6.15.

Higher minimum wages can compensate low wage workers in areas of the nation where the cost of living is high. The American Chamber of Commerce Research Association (ACCRA) compares the cost of living in different cities.

ACCRA Cost of Living Index Third Quarter, 2002 select U.S. Metropolitan Areas

City	Cost of Living, composite index
Average of cities participating in survey	100
Seattle, WA	148.2
Spokane, WA	102.4
Tacoma, WA	100.7
Yakima, WA	99.9
Vancouver, WA	99.8
Boise, ID	94.9
Salem, OR	102.7
Portland, OR	111.7
Sacramento, CA	124.6
San Francisco, CA	184.1
Denver, CO	102.9
New York, NY	218.3

<http://www.trpc.org/programs/estimates+and+forecasts/cost+of+living/accra+3rd+q+2002.htm>

Their survey covers approximately 300 cities and metropolitan areas in the United States. The average of all the cities surveyed is scaled to equal 100. The results are easy to summarize, Pacific Coast states tend to have higher than average prices and urban areas tend to have higher prices than rural areas. Since Pacific Coast states tend to have high minimum wages and high prices, there does seem to be a connection between a high minimum wage and high prices. Which one causes the other is less clear. High minimum wages may raise business costs causing them to increase prices, or high prices may cause political pressure to raise the minimum wage.

There is one potential piece of evidence indicating that higher costs of living cause higher minimum wages rather than vice versa. This comes from the differences in the cost of living in rural and urban areas in the same state where the minimum wage is constant. In Washington, urban workers in the Seattle-Bellevue-Everett metropolitan statistical area account for 51 percent of the state's work force, 1,371,510 workers. This same area, however, only has 31 percent of the state's minimum wage workers. The higher cost of living in the Seattle metropolitan area may, thus, be causing firms to pay their low wage workers some premium above the minimum wage. Alternatively, it could be that there are relatively fewer minimum wage occupations in the Seattle area. This is certainly true of agricultural workers who often make the minimum wage and are concentrated in rural Eastern Washington.<sup>3</sup>

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<sup>3</sup> See section II below for a detailed discussion of minimum wage workers by industry.

Among other metropolitan areas Olympia and Tacoma both host a larger share of total workers than minimum wage workers, while Clark, Bellingham, and Bremerton are very even handed with almost the same percentage share of all workers as minimum wage workers. These areas correspond to the urban, western portion of the state.

Rural Eastern and Western Washington and Spokane all have a higher percentage of the total minimum wage workers than of all workers. Rural Eastern Washington, for example, has 6.7 percent of all jobs, but 12.8 percent of all minimum wage jobs. Rural Western Washington has a slightly lower concentration of minimum wage jobs with 6.9 percent of all jobs, but 9.3 percent of minimum wage jobs. Tacoma and Spokane are interesting counter examples. Both have cost of living indexes closer to rural Washington than to urban Washington. Still, Tacoma goes with the urban west in having relatively fewer minimum wage jobs, while Spokane follows rural areas with 7.1 percent of the state's jobs, but 8.2 percent of the state's minimum wage jobs. As industries and occupations in Tacoma would be expected to follow Seattle more than those in Spokane, the relatively few minimum wage jobs in Tacoma would tend to indicate that differences in the nature of the industries in the urban west tend to account for the relative paucity of minimum wage workers, rather than a specific premium being paid by businesses.

## II. Most minimum wage jobs are found in only a few industries

Although every industry has at least a few minimum wage workers, the overwhelming majority of minimum wage jobs are found in just a few industries. Minimum wage jobs seem to be closely linked to certain occupations. Although there is no direct information on minimum wage workers and occupation, some conclusions can be drawn by analyzing Washington's industry data base in conjunction with the Occupational Employment Statistics Survey.

**Table 1**

Industry	Number of minimum wage jobs	Minimum wage jobs as a share of all industry jobs	Minimum wage jobs in industry as a share of all minimum wage jobs
Total	73,362	3.5%	100.0%
Accommodation and Food Services	21,511	17.4%	29.3%
Retail Trade	15,069	6.4%	20.5%
Agriculture, Forestry, Fishing, and Hunting	10,592	17.3%	14.4%
Health Care and Social Assistance	4,107	2.1%	5.6%
Manufacturing	2,940	1.0%	4.0%
Other Services (except Public Administration)	2,802	4.5%	3.8%
Administrative and Support and Waste Management and Remediation Services	2,519	2.7%	3.4%
Real Estate and Rental and Leasing	2,030	5.9%	2.8%
Arts, Entertainment, and Recreation	1,953	8.3%	2.7%
Local Government	1,771	0.8%	2.4%
Wholesale Trade	1,645	1.5%	2.2%
Information	1,161	1.3%	1.6%
Unknown	1,154	5.1%	1.6%
Professional, Scientific, and Technical Services	1,057	1.0%	1.4%
Transportation and Warehousing	1,034	1.6%	1.4%
Finance and Insurance	693	0.8%	0.9%
Construction	683	0.6%	0.9%
Educational Services	395	2.4%	0.5%
State Government	216	0.2%	0.3%
Utilities	13	0.2%	0.0%
Mining	10	0.3%	0.0%
Management of Companies and Enterprises	7	0.8%	0.0%

*Source: Washington State Employment Security Department, Covered Employment and Wage Data, 2001*

Industries employing the largest number of minimum wage workers are accommodation and food services, retail sales, agriculture, and health care and social assistance. These four industries combined account for 70 percent of all FTE minimum wage jobs but only 30 percent of all FTE jobs. In some industries such as accommodation and food services and agriculture about one out of every six FTE workers earns minimum wage. If minimum wage workers have a higher propensity to work part-time, then many more than one out of six workers may be earning the minimum wage in these industries.

### **Accommodation and Food Services Industry**

The accommodation and food services industry includes establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption. One out of four minimum wage FTE jobs are in food service and drinking establishments. Of those food service and drinking jobs, about two-thirds are found in limited-service eating places. This industry is comprised of establishments like fast food restaurants, snack bars, and cafeterias. The covered employment and wage data set does not include tips that would normally be earned by workers at full-service restaurants. Some of the 6,290 workers at full-service restaurants are waiters, waitresses, or other service providers who earn tips. These tips, however, are gratuities, so are not reliable income. As such, a minimum wage waiter/waitress in a full service establishment is only guaranteed the minimum wage. Workers in most limited-service eating places do not have access to tips. Further, in the general category of accommodation and food services, workers have the lowest percentage of full-time employees who receive health insurance (50 percent) compared to the average across all industries of 76 percent. Part-time workers fare even worse in the accommodation and food services industry with only 13 percent receiving health care benefits while the state average for part-time workers is 23 percent.

**Table 2**

Industry	Number of minimum wage jobs	Minimum wage jobs as a share of all industry jobs
Accommodation and Food Services	21,511	17.4%
Accommodation	1,941	9.6%
Food Services and Drinking Places	19,570	18.9%
Full-Service Restaurants	6,290	12.4%
Limited-Service Eating Places	12,273	28.1%
Other Food Services and Drinking Places	1,007	10.8%

*Note that full-service restaurants, limited-service eating and drinking places, and other food service and drinking places are all sub-categories of food service and drinking places.*

Table 3 breaks down the wages for some of the major occupations in this sector. These wages are based on a survey for the three-year period 1999, 2000, and 2001. As can be seen in this table 25<sup>th</sup> percentile, median wages, and 75<sup>th</sup> percentile wages vary little indicating little room for wage progression for these jobs. There is some variation among the occupations with relatively high-skilled cooks making higher wages.

**Table 3**

Occupational title	25th pct	Median wage	75th pct
Waiters and Waitresses	\$6.61	\$7.37	\$9.26
Combined Food Preparation and Serving Workers, Including Fast Food	\$7.13	\$7.78	\$8.59
Food Preparation Workers	\$7.52	\$8.49	\$10.11
Cooks, Restaurant	\$8.91	\$10.06	\$11.40

### **Agriculture, Forestry, Fishing, and Hunting**

Almost sixty-two percent of all jobs in this sector are in crop production. These are full-time equivalent jobs and many agricultural workers are part time or seasonal, thus, many more workers are actually employed in agriculture. Crop production accounts for by far the largest number of low-wage workers in this category (8,800 percent). In fact, forestry and logging and fishing, hunting, and trapping have a relatively small proportion of minimum wage FTE workers, 0.6 percent and 8.2 percent respectively.

**Table 4**

Agriculture, Forestry, Fishing and Hunting Industry	Number of minimum wage jobs	Minimum wage jobs as a share of all industry jobs
Crop Production	8,800	23.3%
Animal Production	335	6.3%
Forestry and Logging	37	0.6%
Fishing, Hunting and Trapping	177	8.2%
Support Activities for Agriculture and Forestry	1,243	12.4%

In 2000, average annual earnings in agriculture were \$20,229 which was only 55 percent of the average \$37,070 for all covered workers. However, individual agriculture workers average only 889 hours so that the average individual earnings in agriculture were only \$8,747. Given that these hours and earnings are fairly low it is not surprising that many supplemented their income with work outside agriculture. In fact from 1995 to 2001 about one-third of the agricultural workers were able to supplement their income with nonagricultural jobs. In 2001 persons who only worked in the farm sector averaged 729 hours. Agricultural and nonagricultural workers labored on average 1,196 hours, which was 61 percent more than their one-sector counterparts. This extra work translated into an additional \$4,864 annual earnings for those willing and able to secure nonfarm jobs. Typically, these multi-sector workers had close to four employers compared to approximately two employers for single-sector workers. These numbers do not capture any income workers earned in other states.

## Retail Trade

Most minimum wage jobs in retail trade are concentrated in a few specific industries. While most of workers in retail trade work in motor vehicle and parts dealers (35,633), food and beverage stores (42,171), and general merchandise stores (39,981), only 2.5 percent of the workers in motor vehicle and parts are minimum wage earners, while 10.4 percent of workers in food and beverage stores earn minimum wage and 7.5 percent of those workers in general merchandise stores earn minimum wage.

Other sectors with a high percentage of minimum wage workers are clothing and clothing accessories (5.9 percent), gasoline stations (15.5 percent), and sporting goods, hobby, book, and music stores (9.5 percent).

**Table 5**

Occupational Title	25th pct	Median wage	75th pct
Cashiers	\$7.66	\$8.72	\$11.15
Retail Salespersons	\$8.13	\$10.09	\$13.84
Managers of Retail Sales Workers	\$13.07	\$16.69	\$22.01

The most common occupations involved in retail sales are listed in table 5. The lowest paid are cashiers. Retail salespeople are paid slightly better wages, as these individuals are involved in working with customers and marketing products. Finally, managers in retail are paid higher wages reflecting greater skills, seniority, and responsibility. In general, among cashiers there appears to be little scope for wage progression as the spread between the lowest paid workers, \$7.66, is not too different from the highest paid, \$11.15. Many retail workers are also part time or seasonal.

## Health Care and Social Services

The health care and social assistance industry has 4,100 FTE minimum wage workers who represent only 2.1 percent of their work force. The majority of these minimum wage jobs are in nursing and residential care facilities (1,300 or 3.4 percent), and in social assistance (2,200 or 7.2 percent). Among the lowest paid workers in nursing and residential care facilities include workers covered earlier in food preparation and serving occupations and building and grounds cleaning services. The social assistance sector includes many part-time workers at youth centers, elderly care centers, and community food services. One of the largest sub-sectors of this industry is the child day care sector. Of the 9,950 full-time equivalent day care workers a full 11.2 percent make the minimum wage.

### **Industries that pay a very small percentage of their workers minimum wage**

Many industries pay almost none of their workers the minimum wage. State and local government, for example, have very few minimum wage workers. Most of their workers are covered under personnel classifications which require some wage progression. While state government pays only 0.2 percent of its workers minimum wage, local government, which is responsible for a wider range of services, pays 0.8 percent of their FTE workers minimum wage. Utilities, which is dominated by relatively few firms and has close ties to the public sector pays only 0.2 percent of their workers minimum wage.

Another group of industries which have very few minimum wage workers are those that have almost all highly skilled workers. For example, mining (0.3 percent minimum wage workers), construction (0.6 percent minimum wage workers), and manufacturing (one percent minimum wage workers) have workers in occupations that often require considerable on-the-job training or apprenticeship and training programs. These industries are also highly unionized and, so, have bargaining power to negotiate wages. Hi-tech and management industries have relatively few of the typical low wage occupations. These industries include management of companies and enterprises (0.8 percent minimum wage workers), professional, scientific, and technical services (one percent minimum wage workers), and information (1.3 percent minimum wage workers).

## Conclusions

Industry is a key indicator of the prevalence of minimum wage jobs. Much more than state geography, industry determines the prevalence of minimum wage jobs. Workers in certain industries have a very high probability of being paid minimum wage. Further, there is some evidence that minimum wage workers are concentrated in certain occupations regardless of industry. For example, in the relatively high paying health care and social services sector, workers in food preparation and service occupations and building and grounds cleaning occupations still tend to earn the minimum wage.

There are certain industries that rarely pay minimum wage. A large percentage of workers in these industries are in highly skilled and highly paid occupations. Such industries include management, information, manufacturing, and construction. Even workers in traditionally minimum wage occupations often earn over the minimum, though. This earning premium is often a by product of the administrative structure of the industry such as in government or of union bargaining power such as in manufacturing and construction. In all these industries, traditionally minimum wage occupations make up a very small percentage of the overall work force.

Many minimum wage jobs such as those in agriculture and food service are likely to be part time or seasonal. In 2001, 53 percent of all workers worked less than 1,560 hours a year, which is about 30 hours a week. Among minimum wage workers though, about 98 percent worked less than 30 hours a week. This incredibly high percentage of minimum wage workers who do not work full time is a reflection of both part-time work and temporary work. Very clearly, minimum wage workers in Washington do not tend to work full time at minimum wage jobs year-round. The extent to which minimum wage workers would tend to work more than one job in Washington has not yet been determined. Still, on the national level 5.4 percent of the total working population worked at more than one job in both 2001 and in 2002. In agriculture (one industry for which more detailed studies have been completed), on average, workers had more than one employer.<sup>4</sup>

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<sup>4</sup> Agricultural Workforce in Washington State in 2001

### III. A greater percentage of workers in small firms earn the minimum wage

Minimum wage workers generally predominate in small firms. Although the largest firms might be expected to employ more minimum wage workers because of their ability to implement a very diverse pay structure, in fact, only 2.3 percent of workers in large firms earn minimum wage. This compares to six percent for small firms and 4.1 percent for mid-size firms. Still, the majority of minimum wage workers work for firms in the middle size class, 26,546, compared to 22,383 for small firms and 24,419 for large firms.

**Table 6**

Size of Firm	Small Firms	Medium Firms	Large Firms
	0-19 Employees	20-249 Employees	250-1000+ Employees
Percent of FTE Minimum Wage Workers	30.50%	36.20%	33.30%
Percent of all FTE Workers	18.10%	31.40%	50.50%

As a result of the above relative concentration of minimum wage workers, the overall distribution of FTE minimum wage workers is much more uniform across industry size classes than is the distribution of all FTE workers.

The pattern of smaller firms having a higher percentage of minimum wage workers generally remains across industries. For example, in manufacturing 2.6 percent of workers earn the minimum wage in small firms compared to 1.6 percent for medium and only 0.4 percent for large. The pattern is very similar for construction and is probably due, to some extent, to unionization at larger firms. Within manufacturing, food processing is the industry with the greatest variation with a full 11.6 percent of food processing workers at small firms earning the minimum wage compared to 4.7 percent at medium firms and 1.6 percent at large firms.

Retail trade has a similar structure with 16 percent of small food and beverage store workers earning the minimum wage compared to 8.5 percent for medium firms and 10.2 percent for large firms. Small gasoline stations and general merchandise firms also have a much larger percentage of their workers earning minimum wage than do medium and large firms. In the health care and social assistance industry, small firms again tend to pay a larger percentage of their workers minimum wage. For example, in child day care, where there are many very small firms, small firms pay on average 16.6 percent of their workers minimum wage where large firms pay only five percent of their workers minimum wage. Finally, accommodation and food services repeats this pattern. In this industry, very dominated by minimum wage workers, small firms pay on average 25.7 percent of their workers minimum wage while medium firms pay minimum wage to 15.7 percent of their workers and large firms to 13.5 percent of their workers. The most extreme example of this pattern within accommodation and food services is at limited service eating places (fast food restaurants) where small and medium firms pay a third of their workers minimum wage while large firms pay only 22.4 percent of their workers minimum wage.

In fewer cases an opposite pattern emerges with large firms paying a larger percentage of their workers minimum wage than in small firms. In crop production, for example, small firms pay on average 13.6 percent of their workers minimum wage while large firms pay 16.9 percent of their workers minimum wage. There are only two other examples of this pattern, one in apparel manufacturing and the other in motion picture and sound recording industries.

#### IV. Minimum wage workers have relatively little access to health care insurance

While our data sources don't provide direct information on health coverage, some general conclusions can be drawn. Based on the Job Vacancy and Benefit Survey<sup>5</sup>, firms offer health insurance coverage to only 23 percent of their part-time workers, but to 76 percent of their full-time workers. Since such a large proportion of minimum wage workers work in part-time or temporary jobs, they would be much less likely to have health coverage than higher paid workers.

A similar, but not so dramatic result can be seen in the size of firm data. Ninety-nine percent of full-time workers at firms with more than 250 employees are covered for health insurance while 51 percent of part-time workers at large firms are covered.

**Table 7**

Firm Size	Percent of Firms Offering Health Insurance to Full-time Employees	Percent of Firms Offering Health Insurance to Part-time Employees
All firms	76%	23%
250+ employees	99%	51%
100-249 employees	97%	38%
50-99 employees	92%	32%
20-49 employees	86%	20%
10-19 employees	76%	17%
0-9 employees	54%	13%

The percent of firms offering health care insurance to their employees fall dramatically with the size of the firm. The tendency of minimum wage workers to work for firms under 50 would, thus, also make them less likely to have access to health care insurance.

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<sup>5</sup> Washington State Job Vacancy and Benefit Survey completed April of 2003. Results are available on request: [ccummins@esd.wa.gov](mailto:ccummins@esd.wa.gov).

## **V. Summary**

Some important insights into the world of minimum wage workers can be drawn from the above analysis. Minimum wage workers are highly concentrated in a few industries and in specific occupations within those industries. These minimum wage workers are almost all part-time, temporary, or seasonal. These industries and occupations tend to be somewhat more concentrated in rural areas than in urban areas.

Because minimum wage workers are part time or temporary, it would be easier to cut back on their hours than it would be for full-time workers with long tenures at specific firms. It, thus, would seem likely that minimum wage workers might experience some reduction in hours due to increases in the minimum wage. To date, the Employment Security Department has not estimated this effect. Some minimum wage workers may work part time because of personal preference, but others may only be able to find part-time or temporary work. The prevalence of dual job holders, at least in agriculture, would indicate that the choice to work part time is not voluntary. Part-time work also keeps many of these workers from being covered by employer provided health insurance. Increasing the number of hours of minimum wage workers may be one of the best ways to increase income and health coverage.

Minimum wage workers tend to work in accommodation and food service, retail trade, health care and social services, and crop agriculture. These are predominantly industries in the service sector which are tied to the population centers they serve. They have little ability to move their operations out of state. For example, a fast food restaurant has to be in the neighborhood where it is convenient to sell food. This holds true for hotels, stores, and hospitals as well. There could be some substitution out of low wage workers due to technology or improved work practices. Agriculture is also tied to the specific natural resources of Washington. Agriculture may diminish generally due to price competition from other areas or may mechanize and use fewer workers. An impact study is needed to determine the specific effects on industries.

The Employment Security Department will continue to investigate the experience of minimum wage workers in Washington. Combined with research on other databases a more complete picture of this important class of workers can be assembled to inform job seekers and policy makers in the future.

### *Technical Note*

This analysis relies on data from the covered employment and wage files. Unlike data that come from sample surveys, Washington covered employment and wage information is based on tax reports submitted quarterly by employers subject to Unemployment Insurance (UI) law. Employment is reported by firms for each month using the payroll period that includes the 12th day of each month. Thus, the nature of the way that the figures are reported means that employment is a point-in-time count, rather than a measure of full-time equivalency. For example, if a company's payroll is semi-monthly and the employer has five employees during the month, but one started work on the 20th of the month, only four employees would be included in that month's employment tally. Since minimum wage workers have a greater tendency to work part time or in temporary jobs than higher wage workers, all numbers in the following analysis are converted to full-time equivalence.

The data are for the 2001 calendar year, the last year for which complete data are available. In 2001 the minimum wage was \$6.90 an hour, but the minimum wage cut-off used here is \$7.00. Setting the cut-off wage slightly higher than the official minimum wage compensates for small errors in reports of hours worked and small variations in earnings over the quarter.