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

For Release: Monday, July 20, 2015 **15-1435-PHI**

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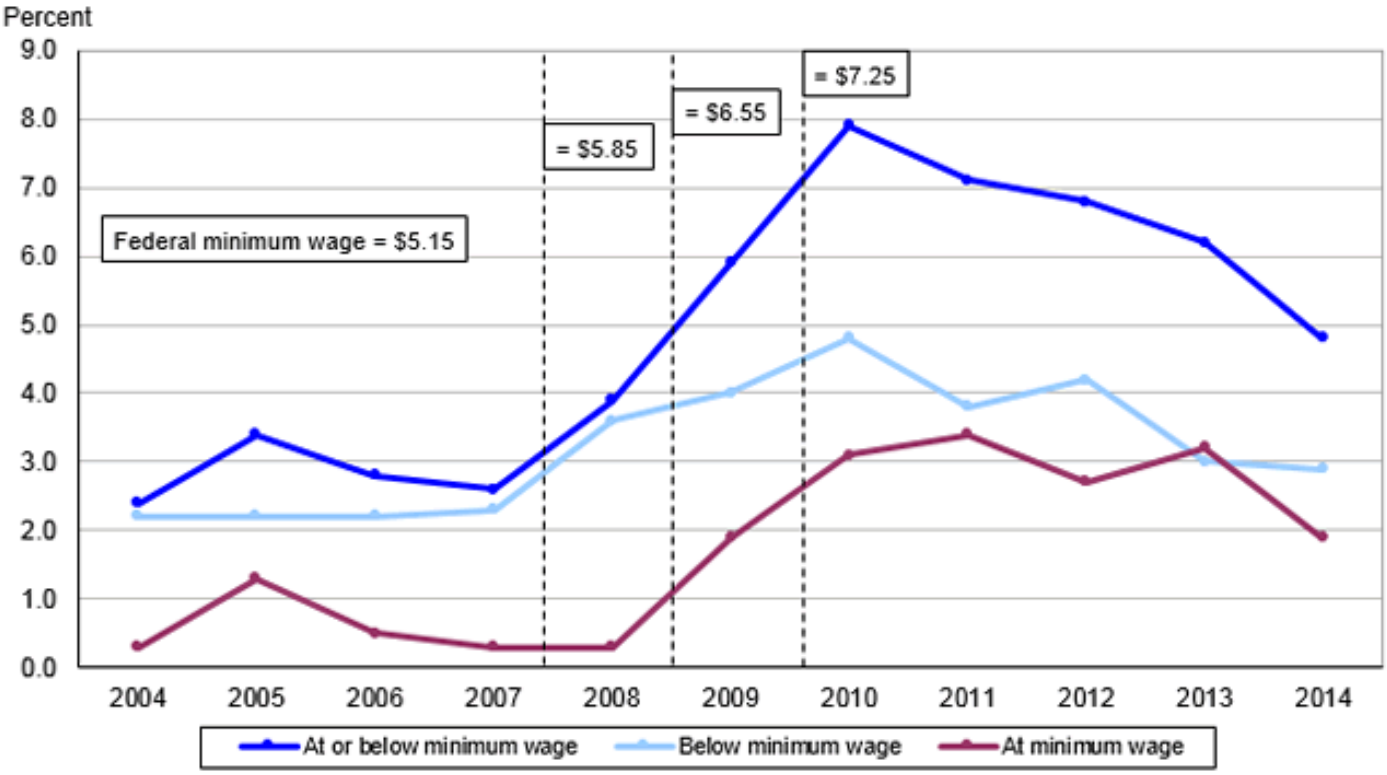
Minimum Wage Workers in Virginia – 2014

Of the 1,878,000 workers paid hourly rates in Virginia in 2014, 36,000 earned exactly the prevailing federal minimum wage of $7.25 per hour, while 54,000 earned less, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Sheila Watkins noted that the 90,000 workers earning the federal minimum wage or less made up 4.8 percent of all hourly paid workers in the state. Nationwide, those earning the federal minimum or less accounted for 3.9 percent of the hourly paid workforce. (The Virginia minimum wage is equal to the prevailing federal minimum wage.)

In 2004, 42,000 hourly paid workers earned the prevailing federal minimum wage or less in Virginia, the lowest level in the past decade. The 42,000 workers in this category accounted for 2.4 percent of all hourly paid workers in the state. (See chart 1.) In 2007, the federal minimum wage began increasing after holding steady for nearly a decade. Two additional increases in the federal minimum wage followed, resulting in more Virginia workers falling into this category, peaking at 136,000 in 2010. That number has fallen every year since the peak.

Chart 1. Percentage of hourly paid wage and salary workers with earnings at or below the prevailing Federal minimum wage in Virginia, annual averages, 2004–2014



Source: U.S. Bureau of Labor Statistics.

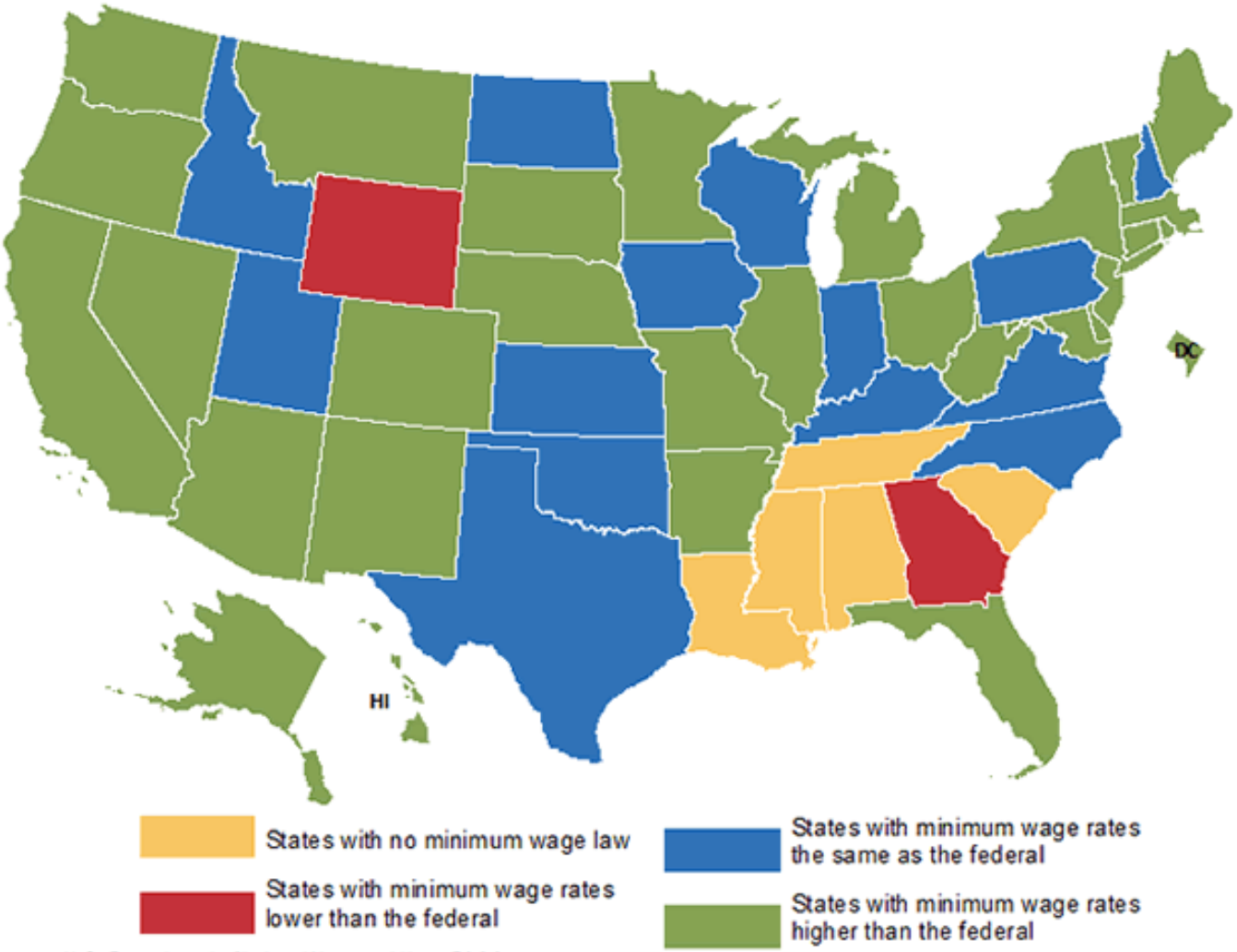
From 2013 to 2014, the portion of hourly paid workers in Virginia who earned at or below the federal minimum wage declined from 6.2 to 4.8 percent. The percentage of workers earning less than the federal minimum dipped 0.1 percentage point in 2014 to 2.9 percent, while the share earning exactly the minimum wage fell 1.3 percentage points to 1.9 percent. (See table 1.)

Of the 90,000 workers earning the federal minimum wage or less in Virginia in 2014, 61,000, or 68 percent, were women. These women represented 6.4 percent of all women paid hourly rates in the state. There were 30,000 men earning the minimum wage or less in Virginia, accounting for 3.2 percent of all men paid hourly rates in the state.

In 2014, Virginia's proportion of hourly paid workers earning at or below the federal minimum wage ranked 16th highest among the 50 states and the District of Columbia. The states with the highest percentages of hourly paid workers earning at or below the federal minimum wage were Arkansas, Indiana, Louisiana, Mississippi, and Tennessee (all between 6 percent and 7 percent). The states with the lowest percentages of hourly paid workers earning at or below the federal minimum wage were Alaska, California, Oregon, and Washington (all between 1 percent and 2 percent). It should be noted that some states have minimum wage laws establishing standards that exceed the federal minimum wage. As of January 1, 2015, 29 states and the District of Columbia had laws establishing minimum wage standards that exceeded the federal level of $7.25 per hour. (See table 2 and chart 2.)

Overall, wage and salary workers earning hourly rates in the state had median hourly earnings of $13.53 in 2014; nationally, the median was $13.14. The median hourly rates for men and women in Virginia in 2014 were $14.85 and $12.05, respectively. (See table 1.) For the nation, the comparable figures were $14.39 per hour for men and $12.18 per hour for women.

Chart 2. Minimum wage laws in the states, January 1, 2015



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

Technical Note

The estimates in this release were obtained from the Current Population Survey (CPS), which provides information on the labor force, employment, and unemployment. The survey is conducted monthly for the U.S. Bureau of Labor Statistics (BLS) by the U.S. Census Bureau using a scientifically selected national sample of about 60,000 eligible households in all 50 states and the District of Columbia.

The survey also provides data on earnings, which are based on one-fourth of the CPS monthly sample and are limited to wage and salary workers.

Statistics based on the CPS 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 workers with reported wages below the federal minimum wage does not necessarily indicate violations of the Fair Labor Standards Act, as there are exemptions to the minimum wage provisions of the law. Estimates of the number of minimum wage workers in this release pertain only to workers who are paid hourly rates. Salaried workers and other workers who are not paid by the hour are excluded, even though some have earnings that, if converted to hourly rates, would be at or below the federal minimum wage. Consequently, the estimates presented in this release likely understate the actual number of workers with hourly earnings at or below the minimum wage.

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 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. All self-employed workers are excluded whether or not their businesses are incorporated.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; Federal Relay Service: 1-800-877-8339.

Table 1. Employed wage and salary workers paid hourly rates with earnings at or below the prevailing Federal minimum wage in the Commonwealth of Virginia, by sex, annual averages, 2004–2014

	Number of workers (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[1]	At minimum wage	Below minimum wage	Total[1]	At minimum wage	Below minimum wage	
Total, both sexes								
2004	1,720	42	5	37	2.4	0.3	2.2	10.97
2005	1,753	60	22	38	3.4	1.3	2.2	11.20
2006	1,840	51	10	41	2.8	0.5	2.2	11.72
2007[2]	1,761	46	5	41	2.6	0.3	2.3	12.00
2008[2]	1,809	70	5	65	3.9	0.3	3.6	12.16
2009[2]	1,701	100	32	68	5.9	1.9	4.0	12.09
2010	1,712	136	53	83	7.9	3.1	4.8	12.13
2011	1,697	121	57	64	7.1	3.4	3.8	12.20
2012	1,803	123	48	75	6.8	2.7	4.2	12.73
2013	1,806	112	58	54	6.2	3.2	3.0	13.38
2014	1,878	90	36	54	4.8	1.9	2.9	13.53
Total, men								
2004	850	15	3	12	1.8	0.4	1.4	11.97
2005	877	25	9	16	2.9	1.0	1.8	12.83
2006	903	19	4	15	2.1	0.4	1.7	13.12
2007[2]	854	-	-	13	-	-	1.5	13.14
2008[2]	867	26	3	23	3.0	0.3	2.7	13.20
2009[2]	826	37	8	29	4.5	1.0	3.5	13.71
2010	831	48	15	33	5.8	1.8	4.0	13.58
2011	839	54	28	26	6.4	3.3	3.1	13.36
2012	893	56	22	34	6.3	2.5	3.8	13.80
2013	886	46	23	23	5.2	2.6	2.6	14.73
2014	933	30	9	21	3.2	1.0	2.3	14.85
Total, women								
2004	870	27	2	25	3.1	0.2	2.9	10.08
2005	875	36	13	23	4.1	1.5	2.6	10.03
2006	937	32	6	26	3.4	0.6	2.8	10.31
2007[2]	907	33	5	28	3.6	0.6	3.1	10.88
2008[2]	943	45	3	42	4.8	0.3	4.5	11.17
2009[2]	875	64	25	39	7.3	2.9	4.5	11.07
2010	880	88	38	50	10.0	4.3	5.7	11.18
2011	858	66	29	37	7.7	3.4	4.3	11.48
2012	910	68	26	42	7.5	2.9	4.6	11.96
2013	920	66	35	31	7.2	3.8	3.4	12.22
2014	946	61	27	34	6.4	2.9	3.6	12.05

Footnotes:
(1) Data may not add to totals due to rounding.
(2) Data for 2007-09 reflect changes in the minimum wage that took place in those years.
Note: Data excludes all self-employed persons whether or not their businesses are incorporated.

Table 2. Wage and salary workers paid hourly rates with earnings at or below the prevailing federal minimum wage, by state, 2014 annual averages

State	Number of workers (in thousands)				Percent distribution				Percentage 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	At minimum wage	Below minimum wage		Total	At minimum wage	Below minimum wage	Total	At minimum wage	Below minimum wage
Total, 16 years and older	77,207	2,992	1,255	1,737	100.0	100.0	100.0	100.0	3.9	1.6	2.2
Alabama	1,160	57	30	27	1.5	1.9	2.4	1.6	4.9	2.6	2.3
Alaska	206	3	1	2	0.3	0.1	0.1	0.1	1.5	0.5	1.0
Arizona	1,593	43	8	35	2.1	1.4	0.6	2.0	2.7	0.5	2.2
Arkansas	724	46	24	22	0.9	1.5	1.9	1.3	6.4	3.3	3.0
California	9,133	108	45	63	11.8	3.6	3.6	3.6	1.2	0.5	0.7
Colorado	1,219	37	5	32	1.6	1.2	0.4	1.8	3.0	0.4	2.6
Connecticut	883	19	2	17	1.1	0.6	0.2	1.0	2.2	0.2	1.9
Delaware	223	9	4	5	0.3	0.3	0.3	0.3	4.0	1.8	2.2
District of Columbia	106	3	1	2	0.1	0.1	0.1	0.1	2.8	0.9	1.9
Florida	4,340	183	40	143	5.6	6.1	3.2	8.2	4.2	0.9	3.3
Georgia	2,150	119	57	62	2.8	4.0	4.5	3.6	5.5	2.7	2.9
Hawaii	335	17	12	5	0.4	0.6	1.0	0.3	5.1	3.6	1.5
Idaho	412	21	12	9	0.5	0.7	1.0	0.5	5.1	2.9	2.2
Illinois	3,157	115	31	84	4.1	3.8	2.5	4.8	3.6	1.0	2.7
Indiana	1,846	113	56	57	2.4	3.8	4.5	3.3	6.1	3.0	3.1
Iowa	996	50	24	26	1.3	1.7	1.9	1.5	5.0	2.4	2.6
Kansas	814	40	22	18	1.1	1.3	1.8	1.0	4.9	2.7	2.2
Kentucky	1,144	56	26	30	1.5	1.9	2.1	1.7	4.9	2.3	2.6
Louisiana	1,087	68	30	38	1.4	2.3	2.4	2.2	6.3	2.8	3.5
Maine	387	12	3	9	0.5	0.4	0.2	0.5	3.1	0.8	2.3
Maryland	1,311	53	19	34	1.7	1.8	1.5	2.0	4.0	1.4	2.6
Massachusetts	1,657	57	11	46	2.1	1.9	0.9	2.6	3.4	0.7	2.8
Michigan	2,614	99	23	76	3.4	3.3	1.8	4.4	3.8	0.9	2.9
Minnesota	1,524	50	34	16	2.0	1.7	2.7	0.9	3.3	2.2	1.0
Mississippi	647	40	24	16	0.8	1.3	1.9	0.9	6.2	3.7	2.5
Missouri	1,552	72	34	38	2.0	2.4	2.7	2.2	4.6	2.2	2.4
Montana	305	7	4	3	0.4	0.2	0.3	0.2	2.3	1.3	1.0
Nebraska	547	26	16	10	0.7	0.9	1.3	0.6	4.8	2.9	1.8
Nevada	767	20	9	11	1.0	0.7	0.7	0.6	2.6	1.2	1.4
New Hampshire	385	15	6	9	0.5	0.5	0.5	0.5	3.9	1.6	2.3
New Jersey	1,928	66	19	47	2.5	2.2	1.5	2.7	3.4	1.0	2.4
New Mexico	478	15	1	14	0.6	0.5	0.1	0.8	3.1	0.2	2.9
New York	3,898	137	32	105	5.0	4.6	2.5	6.0	3.5	0.8	2.7
North Carolina	2,227	113	68	45	2.9	3.8	5.4	2.6	5.1	3.1	2.0
North Dakota	228	7	3	4	0.3	0.2	0.2	0.2	3.1	1.3	1.8
Ohio	3,335	113	18	95	4.3	3.8	1.4	5.5	3.4	0.5	2.8
Oklahoma	900	34	17	17	1.2	1.1	1.4	1.0	3.8	1.9	1.9
Oregon	985	10	3	7	1.3	0.3	0.2	0.4	1.0	0.3	0.7
Pennsylvania	3,450	156	73	83	4.5	5.2	5.8	4.8	4.5	2.1	2.4
Rhode Island	275	10	2	8	0.4	0.3	0.2	0.5	3.6	0.7	2.9
South Carolina	1,117	50	30	20	1.4	1.7	2.4	1.2	4.5	2.7	1.8
South Dakota	247	11	6	5	0.3	0.4	0.5	0.3	4.5	2.4	2.0
Tennessee	1,617	110	65	45	2.1	3.7	5.2	2.6	6.8	4.0	2.8
Texas	6,354	361	182	179	8.2	12.1	14.5	10.3	5.7	2.9	2.8
Utah	722	28	14	14	0.9	0.9	1.1	0.8	3.9	1.9	1.9
Vermont	181	5	1	4	0.2	0.2	0.1	0.2	2.8	0.6	2.2
Virginia	1,878	90	36	54	2.4	3.0	2.9	3.1	4.8	1.9	2.9

Note: See footnotes at end of table.

Table 2. Wage and salary workers paid hourly rates with earnings at or below the prevailing federal minimum wage, by state, 2014 annual averages - Continued

State	Number of workers (in thousands)				Percent distribution				Percentage 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	At minimum wage	Below minimum wage		Total	At minimum wage	Below minimum wage	Total	At minimum wage	Below minimum wage
Washington	1,781	17	9	8	2.3	0.6	0.7	0.5	1.0	0.5	0.4
West Virginia	443	26	16	10	0.6	0.9	1.3	0.6	5.9	3.6	2.3
Wisconsin	1,766	71	47	24	2.3	2.4	3.7	1.4	4.0	2.7	1.4
Wyoming	172	5	2	3	0.2	0.2	0.2	0.2	2.9	1.2	1.7

Note: Data exclude all self-employed persons whether or not their businesses are incorporated. These data are based on a sample and therefore are subject to sampling error; the degree of error may be quite large for less populous states.