

ANALYSIS OF THE PENNSYLVANIA MINIMUM WAGE

Minimum Wage Advisory Board



Pennsylvania
Department of Labor & Industry
Center for Workforce Information & Analysis

March
2025

Commonwealth of Pennsylvania

Minimum Wage Advisory Board Members

Chairperson

Christopher S. Hallock

Deputy Secretary
Pennsylvania Department of Labor & Industry
651 Boas St.
Harrisburg, PA 17121

Labor Representatives

Samantha Shewmaker

SEIU Local 668
Communications and Policy Liaison
2589 Interstate Drive
Harrisburg, PA 17110

Barbara Johnson

Representative
UFCW Local 1776
3031-A Walton Road
Suite 201
Plymouth Meeting, PA 19462

Samuel Jones

Deputy Director of Strategic Partnerships
Restaurant Opportunities Centers United
4840 Pine Street; Apt. C200
Philadelphia, PA 19143

General Public Representatives

Nadia Hewka

Senior Staff Attorney
Community Legal Services
1424 Chestnut St.
Philadelphia, PA 19102

Stephen Herzenberg

Executive Director
Keystone Research Center
412 North 3rd Street
Harrisburg, PA 17101

R. Andrew Santillo

Partner
Winebrake & Santillo, LLC
715 Twining Road; Suite 211
Dresher, PA 19025

Employer Representatives

Alex Halper

Senior Vice President, Government Affairs
Pennsylvania Chamber of Business and Industry
417 Walnut Street
Harrisburg, PA 17101

Scott D. Briggs

Vice President of Human Resources & Communications
Knouse Foods, Inc.
800 Peach Glen-Idaville Road
Peach Glen, PA 17375

Warren Hudak

President
Hudak & Company
1013 Mumma Road
Lemoyne, PA 17043

Preface

The General Assembly of Pennsylvania, in 2006, via Act 2006-112, amended the Minimum Wage Act and raised the state's minimum wage from \$5.15 an hour to \$6.25 on Jan. 1, 2007, and to \$7.15 on July 1, 2007. The minimum wage had last been raised in 1997. Effective July 24, 2009, the federal minimum wage increased from \$6.55 an hour to \$7.25. This change reflected the third and final federal minimum wage increase provided by the amended Fair Labor Standards Act (FLSA). As mandated by Act 2006-112 and FLSA, Pennsylvania's minimum wage also increased to \$7.25, which became effective the same date as the federal minimum wage increase under the FLSA.

The amended Minimum Wage Act directs the Pennsylvania Department of Labor & Industry to produce an annual report by March 1 detailing data on the previous calendar year's demographics and any other relevant characteristics of workers paid the minimum wage or below. This duty is assigned by the Secretary of Labor & Industry to the Center for Workforce Information & Analysis (CWIA).

Contents

	<u>Page</u>
Introduction	1
Summary	3
I. Wage Distribution of All Hourly Workers	9
II. Comparison of Minimum Wage or Below Worker Characteristics to Other Populations	11
III. Industry and Occupational Distributions	17
IV. Recent Historical Comparisons (One and Five Years)	21
V. Historical Perspective: Minimum Wage in Relation to Inflation and the Poverty Threshold	27
VI. Other States	33
Appendixes	37
Terms, Definitions and Sources	38
Table of Industry Distributions	40
Table of Occupational Distributions	41
Programs that May Assist Low Income Workers	42
Minimum Wage Changes: Pennsylvania and the U.S.	43

Introduction

This report contains statistical information on Pennsylvanians who earn hourly wages, including those who earn the minimum wage or less, analyzes demographic characteristics of hourly workers, details the industry characteristics of those making at or near the minimum wage, discusses the issues of inflation and poverty in relation to the minimum wage, and considers other states' minimum wage data.

Wage rates used in this report refer to the wage rates earned by hourly workers at their main jobs, excluding overtime pay, tips and commissions. A portion of workers reported as making minimum wage or below may have received additional compensation such as tips. Employers are legally obligated to supplement the earnings of tipped employees, as necessary, to ensure that hourly rates received are never below the minimum wage.

Pennsylvania last raised its minimum wage on July 24, 2009, from \$7.15 to \$7.25, when the federal minimum wage was increased from \$6.55 to \$7.25. It has remained at \$7.25 since. While the nominal minimum wage has not changed since 2009, changes in the economy and other factors have impacted those earning the minimum wage or less.

The primary data source used for this report is the Current Population Survey (CPS), a nationwide monthly survey of about 60,000 households of which roughly 2,000 are in Pennsylvania, conducted by the U.S. Bureau of the Census (Census) for the federal Bureau of Labor Statistics (BLS). The CPS is the primary source of information on the labor force characteristics of the civilian noninstitutional population. Respondents are interviewed to obtain information about the employment status of each member of the household 15 years of age or older. This report focuses on individuals 16 years of age and older.

Both federal and state law provide for several exemptions and lower thresholds to the minimum wage for certain employers and certain job classifications. Farm workers, some seasonal workers, and newspaper deliverers are among those exempt from both state and federal minimum wage law, while a lower cash minimum wage is allowed for tipped employees. With proper certification, employers of full-time students, learners, and individuals with disabilities whose earning capacity is limited may pay less than the standard minimum wage. The CPS data lack direct indicators to permit removal of exempt individuals.

The cohort of workers earning above but close to the minimum wage are considered "near minimum wage," a category without a precise range. A formal analysis of this cohort began with the 2013 report, at which time it was defined as \$7.26 to \$9.25. From 2015 to 2017, it was defined as between \$7.26 and \$10.10. It has been defined as \$7.26 to \$12.00 since the 2018 report due to recent interest in a minimum wage of \$12.00. As "near minimum wage" is not standard, one should not compare characteristics of this group to previous reports.

Pennsylvania's minimum wage data and analyses in this report should be used with some caution due to the small size of the CPS sample. It should also be noted that the report utilizes the most current final annual data available at the time of publication. Demographic data from the CPS and inflation data from the Consumer Price Index (CPI) are from 2024, the calendar year of the report. However, the most recent data on poverty thresholds and the state's average wage are lagged a year and based on 2023 data, because the data for the most current calendar year will not be released until later this year.

Note: This report has been prepared using available data from the U.S. Bureau of the Census and the federal Bureau of Labor Statistics. While it is a comprehensive analysis of data collected on at or below minimum wage workers in the state and the nation, there are limitations of the data. Details of the reliability of CPS estimates can be found at https://www.bls.gov/cps/eetech_methods.pdf, while limitations of subnational (e.g., state) data can be found at <https://www.bls.gov/opub/geographic-profile/home.htm>.

While reliable data on minimum wage and price levels go back at least as far as the inception of the Federal Minimum Wage Law (1938), reliable historical demographic data of the minimum wage or below populations of years prior to 1994 are not readily available and might not be comparable with the current minimum wage or below population due to definitional and methodological changes over time. These would include changes in categories of race and ethnicity, industry and occupational classifications, and methods of collecting and weighting samples. Reliable estimates of the current percentage of at or below minimum wage workers in Pennsylvania who are working part time involuntarily (i.e., they would prefer to work full time and only work part time due to no full-time opportunities) are also not currently available.

Although the survey can be used to analyze the minimum wage or below population, it was not specifically designed to do so and therefore may lead to both overcounting and undercounting of certain segments of the minimum wage or below population. For instance, tipped employees, such as servers, may legally be paid a lower cash minimum wage, which is usually referred to as the tipped minimum wage (\$2.83 per hour in Pennsylvania since 1997), due to the employer being able to offset the cash wage paid with a tip credit; however, employers are legally obligated to supplement their earnings if necessary to ensure that hourly rates are never below the minimum wage. Such employees may inaccurately be included in the category of those earning below the minimum wage although their combined earnings including tips may be at or above the minimum wage. Alternatively, with respect to wage rate data, salaried and other non-hourly workers are excluded from the survey. This may lead to undercounting the number of workers earning at or below the minimum wage.

Further, many characteristics of the minimum wage or below population that might be desirable to measure are not captured in the survey. For example, the average length of time for which a person earns the minimum wage is not measured. The survey is a federally taken snapshot in time and does not gather such information. Analysis of such data would require the commissioning and conducting of an additional survey.

Beginning in January 2023, in order to improve confidentiality, the Census Bureau made two types of changes to the CPS Public Use File. The first change involved the method of reporting (or suppressing) data in substate geographies with relatively smaller populations. Since this report only uses statewide data, these changes had no impact on this report. The second change involved the rounding and dynamic topcoding of wage rates. Since this report relies on hourly earnings, this change affected the data used, making the wage distribution slightly less accurate with fewer reported wage rates (each with a greater weight). However, for wages less than \$30.00, the largest rounding is to the nearest \$0.05. The Census Bureau has added a flag for \$7.25, so the number of workers at or below the minimum wage can still be estimated; however, the median wage could be off by \$0.02.

Summary

The purpose of the minimum wage is to set a minimum threshold of wages for workers. On July 24, 2009, Pennsylvania raised the minimum wage to \$7.25 as provided by the amended Fair Labor Standards Act (FLSA). This report describes the characteristics of earners at or below the minimum wage and the industries that employ them.

Wage Distribution of All Hourly Workers

- In 2024, there were an estimated 47,200 Pennsylvania workers earning minimum wage or less. This was the lowest number of at or below minimum wage workers on record in this annual report series, and is 16,400 (-25.8 percent) below the previous low set in 2022 (at 63,600 workers). This low occurred due to a decline in both hourly employment and total employment over the year, in conjunction with a shift in the wage distribution to higher wage categories, with fewer workers earning at the lower wage rates; the median wage rose to \$20.00, an increase of \$0.15 from 2023. Workers earning minimum wage or less represented 1.5 percent of all hourly workers and 0.8 percent of all workers, and both shares declined over the year.
- From 2023 to 2024, Pennsylvania's hourly employment decreased by 69,300 workers (-2.1 percent), and was responsible for the bulk of the over-the-year decline seen in overall employment (down 70,600 workers, or 1.1 percent); the number of workers paid on a non-hourly basis fell by just 1,300 (-0.04 percent).
- U.S. hourly employment also fell over the year by 197,900 workers (-0.2 percent), yet the loss was offset by a rise in non-hourly employment of 498,100 (+0.6 percent), resulting in a net gain of 300,200 total employed (+0.2 percent). The proportion of all workers receiving hourly rates decreased in both Pennsylvania and the United States from 2023, but a slight majority of workers in Pennsylvania were still paid on an hourly basis in 2024 (50.4 percent, down 0.5 of a percentage point over the year), whereas the majority of workers nationwide were paid on a non-hourly basis during the year (50.2 percent non-hourly, versus 49.8 percent hourly).
- In 2024, there were an estimated 255,000 Pennsylvania workers earning near minimum wage (\$7.26 - \$12.00). This was 80,100 workers (-23.9 percent) fewer than 2023's total of 335,100 earning at this wage range. In the nation, the number of workers in this wage category fell by an even greater percentage (24.3 percent).
- In 2024, Pennsylvania and the United States generally showed similar movements in their wage and employment distributions over the year: away from lower wage rates (for those workers earning at or below the minimum wage and for those earning just above minimum wage up to \$15.00 per hour) and towards higher wages (\$15.01 and above). While the change for Pennsylvania in workers earning at or below the minimum wage was a drop of 30.4 percent over the year, it was just a 3.1 percent loss for the nation. Additionally, both regions saw similar declines in those earning between \$7.26 and \$12.00—down 23.9 percent for Pennsylvania and 24.3 percent for the U.S. from 2023. However, while those earning between \$12.01 and \$15.00 declined by 5.2 percent for the commonwealth, the comparable decline for the nation was 17.4 percent.
- At the highest wage breakout (above \$15.00 per hour or more), over 3/4ths of Pennsylvania's hourly workforce earned at this rate, an increase of 3.4 percentage points over the year. For the U.S., the share of this group was even higher (79.6 percent or nearly eight out of every ten hourly workers), and rose by 4.7 percentage points from 2023.

Comparison of Minimum Wage or Below Worker Characteristics to Other Populations

- A majority of Pennsylvania earners at or below the minimum wage in 2024 were from one or more of the following groups vs. their percentage in the population 16 and over:
 - ❑ 16-to-24-year-olds – 66.8% vs. 14.0%;
 - ❑ High school graduate, no college or less educational attainment - 72.6% vs. 41.8%;
 - ❑ Never married – 85.2% vs. 32.8%.
 - ❑ Female - 52.0% vs. 51.2%; and
 - ❑ White - 77.7% vs 76.7%.
- The gender breakout was almost even between Females (52.0%) compared to Males (48.0%) among at or below minimum wage workers in Pennsylvania during 2024, and corresponded with a very similar breakout for the state’s population aged 16 and over.
- Pennsylvania’s workers who earned above the minimum wage were approximately equally likely to be male or female and often were from one or more of the following demographic groups vs. its percentage in the population 16 and over:
 - ❑ White - 73.7% vs. 76.7%;
 - ❑ 25-to-54-year-olds – 56.0% vs. 45.6%;
 - ❑ High school graduates or more – 92.4% vs. 90.7%; and
 - ❑ Married (now or in the past) – 55.3% vs. 67.2%.
- Pennsylvania’s workers who earned near minimum wage were from one or more of the following demographic groups vs. its percentage in the population 16 and over:
 - ❑ Female - 58.6% vs. 51.2%;
 - ❑ White - 70.8% vs. 76.7%;
 - ❑ 16-to-24-year-olds - 53.6% vs. 14.0%;
 - ❑ High school graduates or less educational attainment - 60.1% vs. 41.8%; and
 - ❑ Never married - 66.2% vs. 32.8%.
- The proportions of Pennsylvania earners at or below minimum wage who were either female, 16-to-24-year-old, non-high school graduates, or never married were higher than their corresponding proportions in the population, and were most like the corresponding percentages of minimum wage or below earners in the nation as a whole, as well as those earning “near minimum wage” in Pennsylvania. White workers, who constituted eight out of every 10 minimum wage or below earners in Pennsylvania, were slightly overrepresented relative to their proportion of the employed Pennsylvania population.
- Workers having no children of their own under age 18 made up 94 percent of those earning the minimum wage or less in Pennsylvania, while the remaining 6 percent were accounted for by married parents. The distribution by family status of those earning above minimum wage in total in Pennsylvania most closely resembled the nationwide distribution of the hourly workforce earning above minimum wage, with 3/4ths consisting of single or married workers without children, about one in five consisting of married parents, and approximately one in 10 comprised of single parents.
- Just 9 percent of those who earned the minimum wage or less were in families with less than \$40,000 per year in income. An additional 17 percent of that group were in households with annual income over \$40,000 but less than \$75,000. By contrast, almost 75 percent had annual family incomes of \$75,000 or more a year and of that portion, 42 percent were in families with annual incomes of \$150,000 or more per year. This is indicative of the shift in workers away from lower wage brackets into higher wage distributions, as overall wages have risen.

Industry and Occupational Distributions

- Pennsylvania workers earning at or below the minimum wage in 2024 were most likely to be employed in the following **industries**: food services and drinking places, retail trade, or accommodation. Combined, these three industries employed 88 percent of all minimum wage or below earners during the year; 63 percent of all industry sectors had no workers earning at or below minimum wage in 2024.
- In 2024, 27 percent of hourly wage workers in Pennsylvania earning the minimum wage or less worked full time, while for the U.S., just over half of those earning minimum wage or less worked part time. Seventy-five percent of hourly Pennsylvania wage workers earning above minimum wage worked full time and nationwide, this share rose to 77 percent.
- Pennsylvania's hourly workforce earning above minimum wage varied by industry sector, but nearly 40 percent were found in retail trade (15 percent), manufacturing and healthcare except hospitals (11 percent each, respectively). Hospitals and professional & business services accounted for an additional 16 percent of the total hourly workforce outside of and above the minimum wage cohort.
- In 2024, 70 percent of Pennsylvanians who earned the minimum wage or less by **occupation** worked in food preparation & serving related occupations, with personal care & services and transportation & material moving accounting for another 13 percent. Of twenty-two occupational groupings, 63 percent had no workers earning at or below minimum wage in 2024.
- Hourly workers earning near minimum wage (\$7.26 to \$12.00) were found mostly in sales & related (25 percent), food preparation & serving related (18 percent) and transportation & material moving (10 percent) occupations by share of total; the remainder were dispersed among 14 occupational groups, with another five groups (23 percent of the total) not having any representation of these workers.
- Of all Pennsylvania hourly workers earning above minimum wage, 34 percent were found in three occupations: office & administrative support, transportation & material moving, and healthcare practitioner & technical. The remaining occupations averaged about 4 percent each of the total hourly workforce earning more than \$7.25 an hour.

Recent Historical Comparisons (One and Five Years)

- The number of at or below minimum wage workers fell by 43,500 (-48.0 percent) from 2019 to 2024. The absolute decrease in the number of at or below minimum wage workers from 2019 most likely reflects the relative decrease in the minimum wage compared to the average wage in Pennsylvania. Overall employment rose by 63,600 (+1.0 percent) over this interval, on the strength of gains in non-hourly wage earners (up 322,800 or 11.5 percent), as the number of hourly workers fell by 259,100 (down 7.6 percent) over the period.
- The relative predominance of food services and drinking places in the employment of at or below minimum wage workers grew from 50 percent to 73 percent over the five-year interval, even as it decreased on an absolute scale by 10,600 workers (-23.5 percent).
- Corresponding to its preponderance among industry sectors, workers in the food preparation & serving related occupations made up 70.3 percent of the total number of minimum wage or below workers in 2024, up from 55.0 percent five years earlier. On an absolute basis, however, employment volume in the occupation fell by 16,700 (-33.5 percent).
- Sales & related occupations fell by 6.8 percentage points over the period (an absolute drop of 8,500 workers or 76.9 percent) and building and grounds cleaning & maintenance workers earning minimum wage or less lost 4.3 percentage points (an absolute fall of 5,100 or 80 percent); 64 percent of all occupational groupings had no workers earning at or below minimum wage in 2024.

A Historical Perspective on the Minimum Wage in Relation to Inflation and the Poverty Threshold

- In 2006, Pennsylvania's minimum wage was 26 percent of the average wage, a lower percentage than at any point since the enactment of a federal minimum wage in 1938. The increase in the minimum wage to \$7.25 in 2009 brought the minimum wage up to 34 percent of the average wage. In 2023, Pennsylvania's minimum wage was 22 percent of the average wage—a new all-time low—and is projected to fall to 21 percent of the average Pennsylvania wage in 2024, to 20 percent in 2025, and to less than 20 percent by 2026.
- Inflation adversely affects the purchasing power of an unchanging minimum wage. In 2009, the last year in which the minimum wage increased, the purchasing power of the minimum wage was \$10.58 (in 2024 dollars) and has been steadily declining since then. The purchasing power of the 2024 minimum wage of \$7.25 is projected to fall to \$7.06 in 2025 and \$6.87 in 2026, after adjustment for forecast inflation.
- In 2023, the annual income for an individual working full time in Pennsylvania making the minimum wage (\$7.25) was \$15,080, an insufficient income level that did not exceed the 2023 Federal Poverty Threshold for a one-person household (\$15,480). Additionally, households consisting of two full-time wage earners (with two children) earning at the minimum wage rate still earned insufficient annual wages (\$30,160) to exceed the poverty threshold for a family of four (\$30,900).

Other States

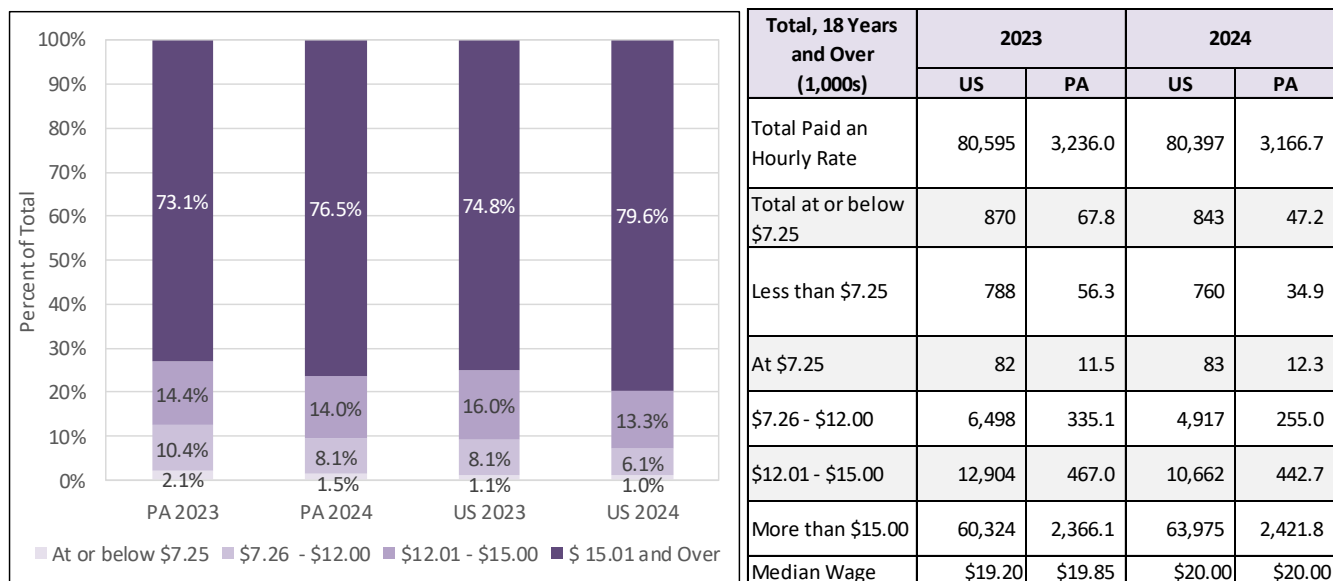
- During 2024, 30 states had higher minimum wage rates than Pennsylvania, ranging from \$8.75 to \$16.28 per hour. The other 20 states (including Pennsylvania) effectively have a minimum wage of \$7.25. States' minimum wage rates are discussed on page 34.
- Since the beginning of 2015, all of Pennsylvania's neighboring states have had higher minimum wage rates than Pennsylvania. The 2024 minimum wage rates of Pennsylvania's neighboring states ranged from \$8.75 to \$15.13.
- In 2024, there were seven states with minimum wage rates of at least \$15.00 and an additional four states (including neighboring Delaware) are projected to join them in 2025. Most of the states with higher minimum wages than Pennsylvania tie changes in their minimum wage rates to inflation rates of the Consumer Price Index or other similar measures to provide automatic annual increases that keep pace with inflation.
- Twenty-five states raised their minimum wages in 2024 and with significant overlap, 23 states have already done so or are projected to do so in 2025.
- The tipped minimum wage in Pennsylvania has been at \$2.83 since 1997. During 2024, 29 states had higher tipped minimum wage rates than Pennsylvania ranging from \$3.00 to \$16.28 per hour.

Conclusion

- In 2024, there were an estimated 47,200 Pennsylvania workers earning minimum wage or less. This was the lowest number of at or below minimum wage workers on record in this annual report series, and is 16,400 (-25.8 percent) below the previous low set in 2022 (at 63,600 workers). This low occurred due to a decline in both hourly employment and total employment over the year, in conjunction with a shift in the wage distribution to higher wage categories, with fewer workers earning at the lower wage rates; the median wage rose to \$20.00, an increase of \$0.15 from 2023. Workers earning minimum wage or less represented 1.5 percent of all hourly workers and 0.8 percent of all workers, and both shares declined over the year.
- In 2024, 255,000 Pennsylvania workers (8.1 percent of all hourly workers) earned above \$7.25 per hour up to \$12 per hour and another 442,600 workers (14.1 percent of all hourly workers) earned between \$12.01 and up to \$15 per hour. Eight out of every 10 hourly workers in Pennsylvania earned \$15.00 or more per hour, and workers at these higher wage rates comprised over 40 percent of all employed.
- Pennsylvania earners at or below the minimum wage in 2024 tended to be from one or more of the following groups: female, White, 16-to-24-year-olds, a high school graduate (or less in educational attainment), and never married.
- Pennsylvanians earning from \$7.26 per hour through \$12.00 per hour tended to be from one or more of the following groups: female, White, 16-to-24-year-olds, either high school graduates (or less) or with some college experience but no degree, and never married.
- Over the past five years, the number of workers at all wage categories except those earning over \$15.00 declined, with declines in those earning at or below minimum wage totaling 43,500 (-48.0 percent). Additionally, workers earning near but above the minimum wage (\$7.26 to \$12.00) and far above the minimum wage (\$12.01 to \$15.00) also dropped in volume by 72.8 and 34.9 percent, respectively. The absolute decrease in the number of at or below minimum wage workers from 2019 most likely reflects the relative decrease in the minimum wage compared to the average wage in Pennsylvania.
- Workers earning at or below the minimum wage were most likely to be employed in the following **industries**: food services and drinking places, accommodation, and the retail trades. Most (73 percent) of these workers earning at or below the minimum wage worked part time, with less than 1/3 of the total cohort working full time. Additionally, these workers were found mainly in the food preparation & serving-related and personal care & services **occupations**.
- Inflation adversely affects the purchasing power of an unchanging minimum wage. In 2009, the last year in which the minimum wage increased, the purchasing power of the minimum wage was \$10.58 (in 2024 dollars) and has been steadily declining since then. The value of the 2024 minimum wage of \$7.25 is projected to fall to \$7.06 in 2025 and \$6.87 in 2026 after adjusting for estimated inflation.
- In 2024, 30 states had higher minimum wage rates than Pennsylvania ranging from \$8.75 to \$16.28. Since January 1, 2015, all of Pennsylvania's neighboring states have minimum wage rates exceeding Pennsylvania's rate.
- In 2024, there were seven states with minimum wage rates of at least \$15.00 and an additional four states (including neighboring Delaware) are projected to join them in 2025. Most of the states with higher minimum wages than Pennsylvania tie changes in their minimum wage rates to the Consumer Price Index or other similar measures to provide automatic increases that keep pace with inflation.
- The tipped minimum wage in Pennsylvania has been \$2.83 since 1997. During 2024, 29 states had higher tipped minimum wage rates than Pennsylvania.

WAGE DISTRIBUTION OF ALL HOURLY WORKERS

Pennsylvania and U.S. Employed Wage & Salary Workers Paid Hourly Rates: 2024 Compared to 2023 (Number of workers in thousands)



Note: Based on annual average data; both the Pennsylvania and U.S. minimum wages were \$7.25 during 2023 and 2024. Totals and differences may not sum due to rounding. Source: Current Population Survey, Bureau of the Census, U.S. Department of Commerce.

In 2024, there were an estimated 47,200 Pennsylvania workers earning minimum wage or less. This was the lowest number of at or below minimum wage workers on record in this annual report series, and was 16,400 (or 25.8 percent) below the previous low set in 2022 (at that time, 63,600 workers). Although the number of workers earning exactly at the minimum wage rate rose slightly over the year (up 800 workers, or 7.3 percent), this was more than offset by those earning below \$7.25 an hour, whose total number fell by 21,400 workers or 38 percent from 2023. The net change of those Pennsylvanian's earning at or below the minimum wage rate from 2023: a drop of 20,600 (or 30.4 percent). Workers earning minimum wage or less represented 1.5 percent of all hourly workers and 0.8 percent of all workers in 2024.

Hourly employment in Pennsylvania fell by 69,300 workers (down 2.1 percent) over the year, and because the number of those working at other-than-hourly rates also declined slightly (by 1,300), overall employment fell by 70,600 (-1.1 percent) from 2023 to 2024. U.S. hourly employment also declined from 2023 (by 197,900 workers, a 0.2 percent drop); however, those paid at other-than-hourly rates rose by 498,100 (up 0.6 percent). The net result: a gain of 300,200 (up 0.2 percent) in overall U.S. employment. Although the share of hourly workers versus total employed in Pennsylvania was higher (50.4 percent) than that same share for the United States (49.8 percent) in 2024, the proportion of workers receiving hourly rates decreased for both over the year, with the drop being steeper in Pennsylvania (down 0.5 of a percentage point) than that of the nation (down 0.2 of a percentage point). A slight majority of workers in Pennsylvania, however, received earnings at hourly rates when compared to the nation overall.

Although Pennsylvania and the United States had somewhat different experiences in their employment changes in 2024, both showed similar changes in wage rates in rising over the year. The median hourly wage in both equaled \$20.00—rising by \$0.15 from 2023's \$19.85 in Pennsylvania and by \$0.80 across the United States (from \$19.20). Furthermore, both regions showed a similar shift in their overall wage distribution, in moving away from lower wage rates and towards higher wage scales, with corresponding shifts in volumes of workers at each range (i.e., below minimum wage, near minimum wage [\$7.26 - \$12.00], and at far minimum wage [\$12.01 - \$15.00]), while increasing in both volume and percentage in the above \$15.00 category. In 2024, over 3/4ths (76.5 percent) of workers earning at hourly rates in Pennsylvania were earning above \$15.00 per hour, while nearly eight out of 10 (79.6 percent) of hourly workers nationwide earned at that wage rate. Workers earning at or below minimum wage as a share of all hourly employment fell in Pennsylvania in 2024, but was essentially unchanged nationwide over the year.

COMPARISON OF MINIMUM WAGE OR BELOW WORKER CHARACTERISTICS TO OTHER POPULATIONS

Demographic Characteristics of Various Populations, 2024 Annual Average: Pennsylvania and the United States (Number of workers in thousands, breakdown by Characteristic in percent)							
Demographic Characteristics	Minimum Wage or Below		Above Minimum Wage		All Employed ²	Population 16 and Over	
	PA ¹	US ¹	Near PA	Total PA	PA	PA	US
Total (1,000s)	47.2	843	255.0	3,119.5	6,288.2	10,498.0	268,562.6
Gender							
Male	48.0%	38.3%	41.4%	48.3%	51.9%	48.8%	48.8%
Female	52.0%	61.7%	58.6%	51.7%	48.1%	51.2%	51.2%
Race							
Black, non-Hispanic	4.7%	12.8%	15.2%	12.0%	9.4%	10.4%	12.2%
Hispanic	2.6%	18.4%	7.7%	7.9%	6.5%	6.4%	18.2%
Other, non-Hispanic	15.1%	7.3%	6.3%	6.5%	6.9%	6.5%	9.3%
White, non-Hispanic	77.7%	61.5%	70.8%	73.7%	77.2%	76.7%	60.3%
Age							
16-19	33.9%	16.1%	27.2%	6.2%	3.6%	5.9%	6.5%
20-24	32.9%	26.9%	26.4%	13.7%	8.5%	8.1%	8.0%
25-34	19.1%	22.9%	6.5%	21.9%	21.4%	15.5%	16.6%
35-44	2.9%	12.8%	7.6%	17.7%	21.4%	15.6%	16.4%
45-54	5.9%	9.7%	8.5%	16.4%	19.3%	14.5%	14.9%
55-64	5.3%	8.2%	11.2%	15.9%	18.0%	16.0%	15.4%
65 and Over	0.0%	3.4%	12.6%	8.1%	7.8%	24.4%	22.2%
Education							
Less than a high school diploma	33.7%	15.2%	27.0%	7.6%	5.5%	9.3%	11.7%
High school graduate, no college	38.9%	34.2%	33.1%	39.1%	28.0%	32.5%	27.9%
Some college, no degree	19.7%	23.1%	19.4%	15.5%	11.8%	13.0%	15.3%
Associate's degree	2.9%	8.8%	9.1%	13.8%	11.2%	10.1%	9.9%
Bachelor's degree or higher	4.7%	18.6%	11.5%	24.0%	43.5%	35.1%	35.1%
Marital Status							
Married, spouse present	12.1%	26.0%	23.1%	39.8%	52.0%	48.5%	48.6%
Marital status other	2.7%	9.5%	10.7%	15.5%	13.7%	18.7%	18.5%
Never married	85.2%	64.5%	66.2%	44.7%	34.3%	32.8%	32.8%

¹ Both the Pennsylvania and U.S. minimum wages were \$7.25 during 2024. ² All Employed includes hourly workers (minimum wage or below and above minimum wage) and workers not earning an hourly wage. Totals may not sum due to rounding. Source: Current Population Survey, Bureau of the Census, U.S. Department of Commerce.

Gender

The gender composition of Pennsylvania's at or below minimum wage workers was most similar to that of the commonwealth's overall hourly workforce earning above minimum wage, with a slight edge to females. By comparison, over six out of every 10 workers earning minimum wage or below nationwide was female. The composition of the minimum wage or below workforce by gender for the state was also similar to that of the overall population of those 16 years and older for both Pennsylvania and the U.S. Meanwhile, the gender breakdown of Pennsylvania's population of all employed (that is, both hourly and non-hourly workers) was very nearly evenly divided, but with males being in the majority (in contrast to the other breakouts by gender for the state).

Race

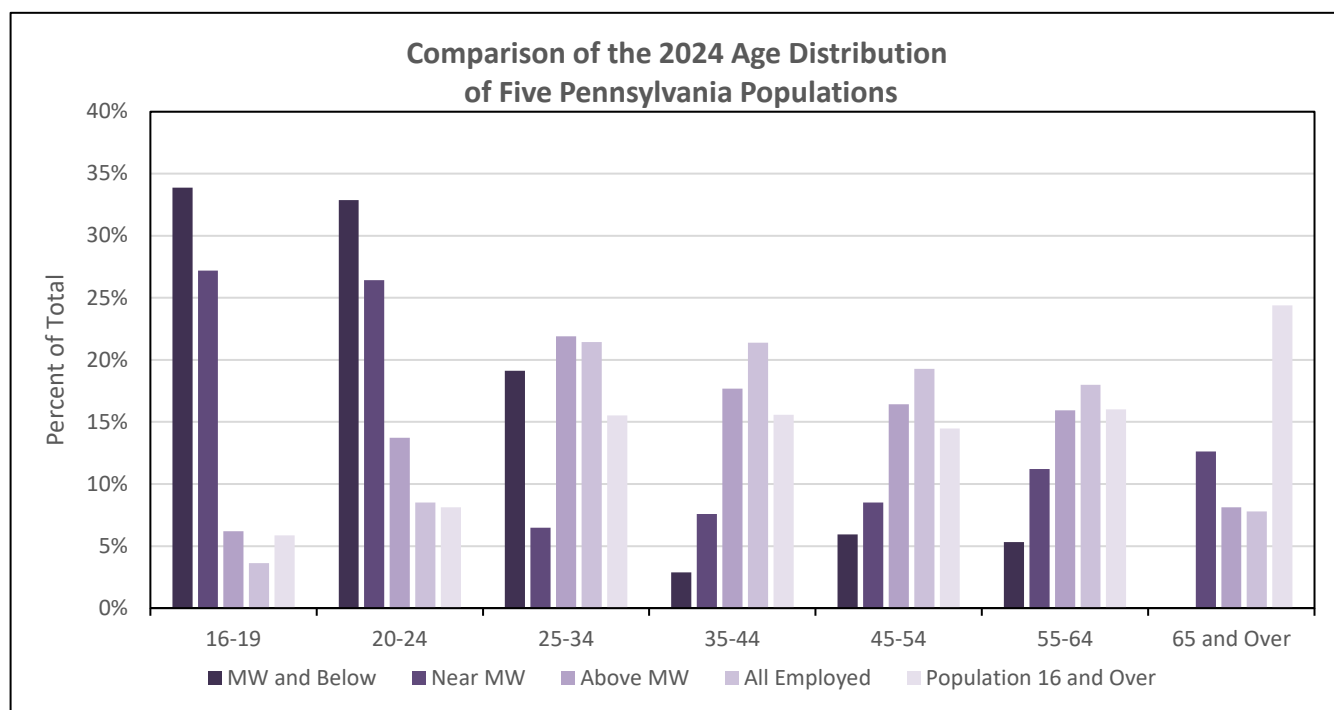
As in previous years, White workers represented a significant majority of Pennsylvania's at or below minimum wage workers, as they did for all of Pennsylvania's other reported wage categories. White workers were slightly

underrepresented in all of the above minimum wage categories depicted, relative to their percentage of all employed, while being overrepresented among workers earning at or below the minimum wage.

Other, non-Hispanic workers made up the second largest group of minimum wage or below workers in Pennsylvania, but generally were underrepresented across the population breakouts compared to their share of all employed. Black workers were underrepresented in their proportion of at or below minimum wage workers relative to their percentage of the above minimum wage cohort and all employed in Pennsylvania. Outside of the minimum wage workforce for Pennsylvania, Black workers form the second largest share of each of the breakouts by race, however.

While underrepresented in the population of hourly Pennsylvania workers earning at or below the minimum wage in 2024, Hispanic workers represent over 18 percent of the same population nationwide, as well as the overall U.S. population aged 16 and over.

Age



Note: For each population group, bar height indicates the proportion of the subset as a share of the total number, expressed as a percent. Source: Current Population Survey, Bureau of the Census, U.S. Department of Commerce.

Among Pennsylvania's minimum wage or below population, about 67 percent was under 25 years of age, while nearly 28 percent were between 25 and 54 years. In comparison, in the employed population of Pennsylvania slightly more than 12 percent of all employed were under 25 years of age and over 62 percent of the employed group were between 25 and 54 years of age.

Slightly more than 5 percent of minimum wage or below workers were 55 years old or older compared to over 25 percent of the employed population in Pennsylvania. The 55-64 and 65 and over age groups together constituted over 40 percent of the Pennsylvania population who were at least 16 years old.

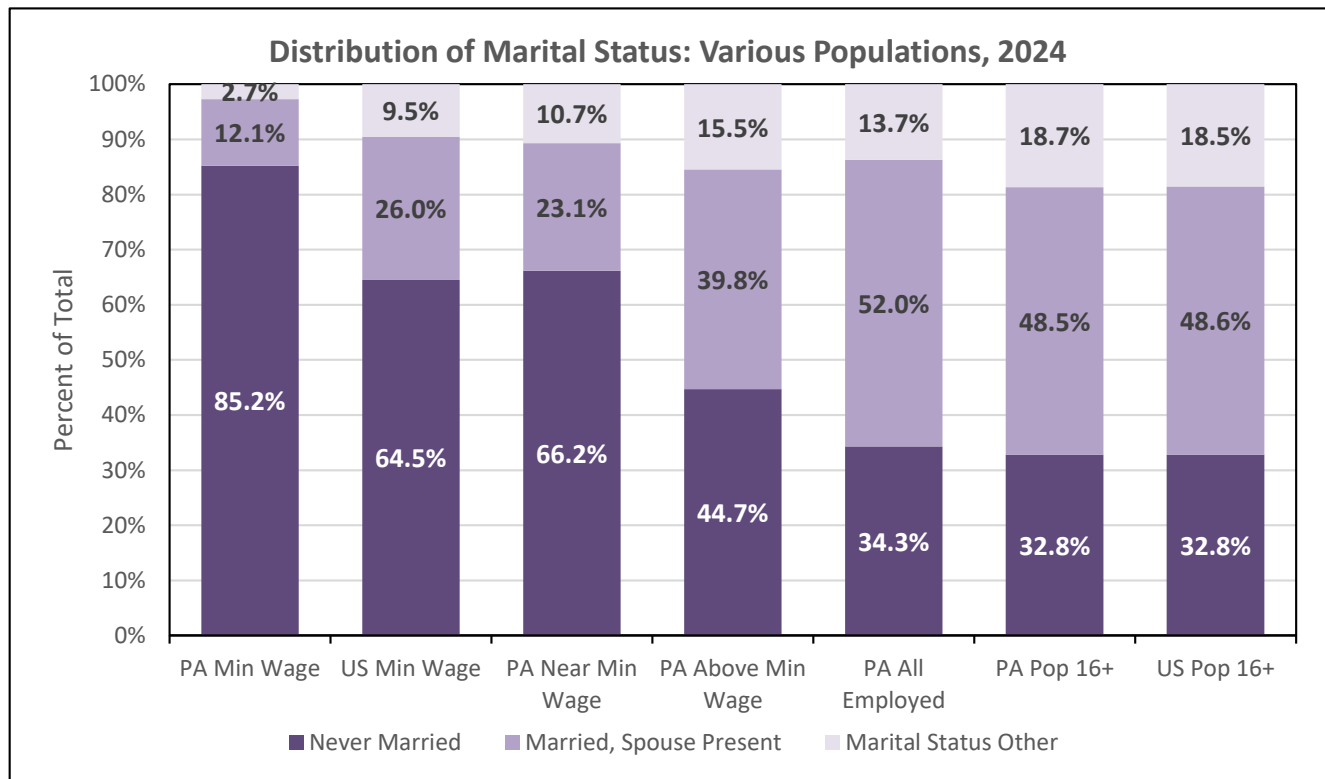
Nationwide, the age distribution of those earning at or below minimum wage was somewhat more evenly distributed, with over 40 percent of the group aged 16 to 24, and just over 53 percent of prime working age between 25 and 64; nearly 12 percent were aged 55 and over.

Education

In general, higher levels of educational attainment correspond to greater earnings potential over a working lifetime. In Pennsylvania in 2024, those working at or below minimum wage tended to be less educated than other employed workers in the state. Workers with a high school diploma or less accounted for nearly 73 percent of those earning the minimum wage or less, compared to almost 34 percent among the all-employed in Pennsylvania.

At the other end of the education spectrum, less than 8 percent of minimum wage or below workers had at least an associate degree (or more), while the percentage of all employed with at least an associate degree was almost 55 percent. Fewer than 5 percent of those earning the minimum wage or less had bachelor's degrees or advanced education, compared to nearly 44 percent among all employed in Pennsylvania.

Marital Status



Note: Column values for each population group are the proportion of the subset as a share of the total number, expressed as a percent.

Source: Current Population Survey, Bureau of the Census, U.S. Department of Commerce.

A sizable majority (85.2 percent) of minimum wage earners in Pennsylvania had never been married. The remainder was divided between those who were married with spouse present at 12.1 percent and those with a marital status of other (divorced, separated, or widowed) at just 2.7 percent. Those earning higher wages among the overall employed population tended to be part of a married couple with a spouse present, rather than never married or in some other marital state. This was true for the United States, as well.

Family Status and Family Income of Workers Paid at Hourly Rates, Various Populations, 2024:
Pennsylvania and the United States
(Number of workers in thousands, breakdown by Characteristic in percent)

Characteristics	At or Below the Minimum Wage		Above the Minimum Wage		Total Hourly workers - US
	PA ¹	US ¹	Near - PA	Total - PA	
Total	47.2	843	255.0	3,119.5	80,397
Family Status²					
No Children (Single or Married)	94%	78%	86%	75%	73%
Married Parent	6%	14%	8%	16%	18%
Single Parent	0%	7%	6%	9%	8%
1 Child	0%	4%	4%	5%	4%
2 Children	0%	2%	1%	3%	3%
3 Children	0%	1%	1%	1%	1%
4 or More Children	0%	0%	0%	0%	0%
Family Annual Income					
\$9,999 or Less	3%	4%	1%	1%	2%
\$10,000 to \$19,999	3%	4%	5%	2%	3%
\$20,000 to \$29,999	0%	8%	7%	4%	6%
\$30,000 to \$39,999	3%	10%	13%	10%	9%
\$40,000 to \$49,999	0%	4%	6%	7%	8%
\$50,000 to \$59,999	7%	8%	8%	9%	8%
\$60,000 to \$74,999	10%	12%	9%	12%	12%
\$75,000 to \$99,999	6%	16%	12%	17%	16%
\$100,000 to \$149,999	26%	15%	20%	21%	19%
\$150,000 and Over	42%	19%	17%	17%	18%

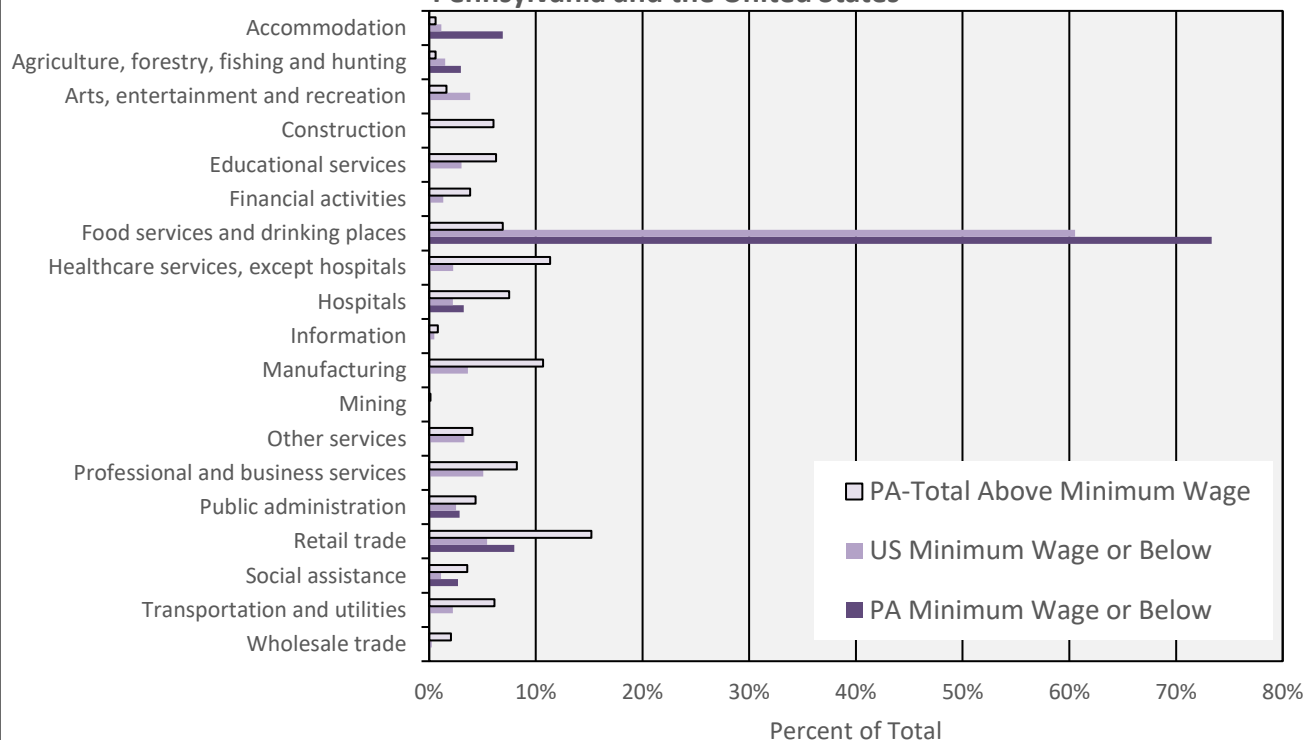
¹ Both the Pennsylvania and U.S. minimum wages were \$7.25 in 2024. ² Classification of an individual as a parent requires having at least one own child under the age of 18. All references to children also refer to own children under the age of 18. Totals in the table are rounded to the nearest percent and may differ from those in the text and may not sum correctly due to rounding. Percentages less than one half of one percent were rounded to 0 percent. Source: Current Population Survey, Bureau of the Census, U.S. Department of Commerce.

Workers having no children made up 94 percent of those earning the minimum wage or less in Pennsylvania. Among those earning near the minimum wage in Pennsylvania, married parents constituted a smaller percentage (8 percent) than in the other Pennsylvania and U.S. populations depicted above, except for minimum wage or below earners in Pennsylvania, which had a married parent cohort of 6 percent. Although comprising 9 percent of all hourly workers in Pennsylvania and 8 percent of all hourly workers nationwide, single parents were not represented among those earning at or below minimum wage in 2024.

The family income of those who earned the minimum wage or less in Pennsylvania varied greatly, with most found in households earning more than \$50,000 annually. Just 9 percent of minimum wage workers were in families whose combined income was less than \$50,000 per year in 2024. By contrast, 74 percent had annual family incomes of \$75,000 or more a year, and of these higher family income brackets, over 42 percent had annual family incomes of \$150,000 or more per year. Households earning above \$50,000 per year accounted for about seven out of every 10 workers across the hourly wage distributions above the minimum wage level for both Pennsylvania and the U.S. Note, however, that due to the small sample of minimum wage and below workers in Pennsylvania (and the even smaller cohorts within that sample), care should be taken in interpreting results such as these.

INDUSTRY AND OCCUPATIONAL DISTRIBUTIONS

**Comparison of Industry Distributions of Various Populations, 2024:
Pennsylvania and the United States**



Note: Pennsylvania and U.S. minimum wages in 2024 were both at \$7.25.

Source: Current Population Survey, Bureau of the Census, U.S. Department of Commerce.

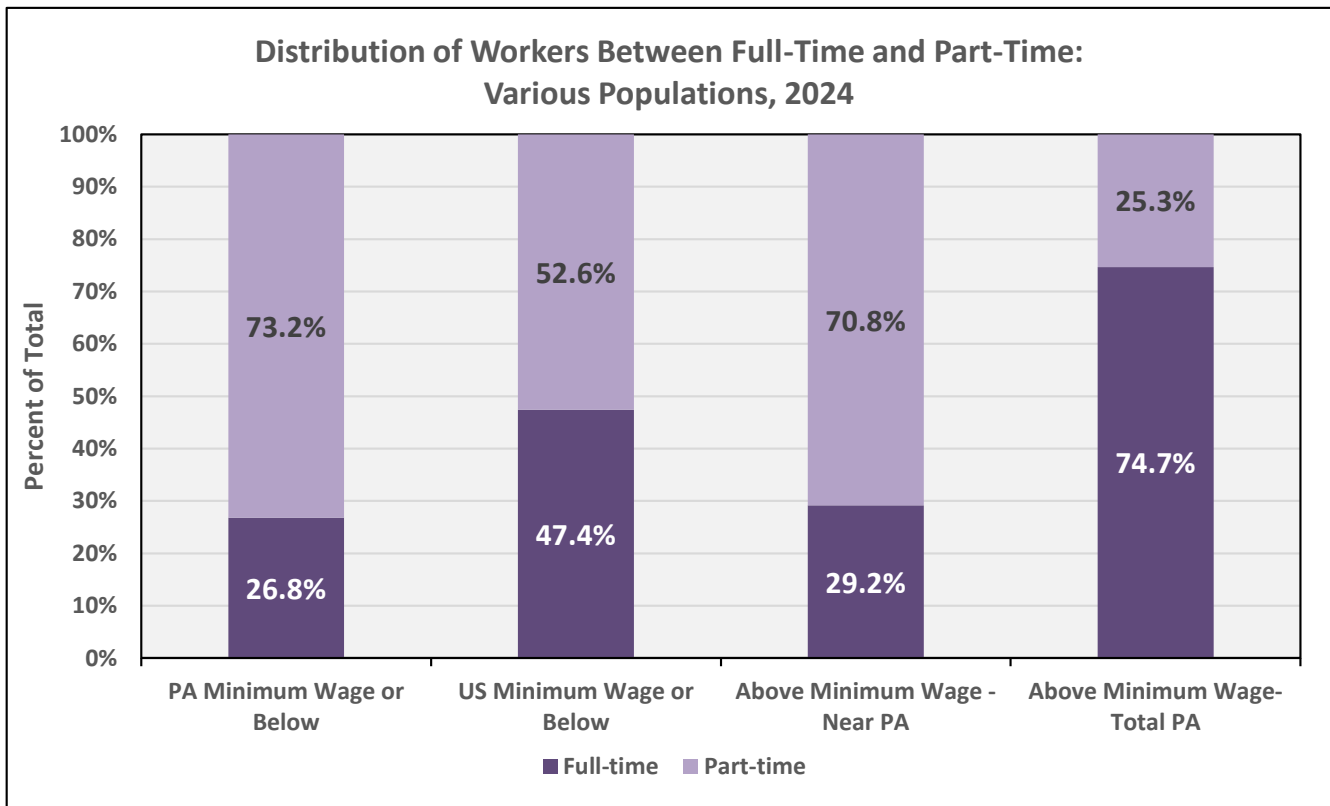
In Pennsylvania, workers earning at or below the minimum wage were most likely to be employed in the following industries: food services and drinking places, retail trade, and accommodation. Combined, these industries employed 88 percent of all minimum wage earners in 2024.

Seventy-three percent of minimum wage or below earners worked at food services and drinking places. In contrast, only 7 percent of those earning above minimum wage worked in this industry. Workers in this industry may earn above the minimum wage when tips are included; however, they are counted as below minimum wage earners since the measured wage excludes tips.

The declining trend in the number of minimum wage or below workers has led to fewer industry groups having minimum wage workers, and even those with representation had relatively few, except as noted above. Outside of the top three industry groups mentioned above, four additional industry groups accounted for the remainder of minimum wage or below workers and averaged about 3 percent each of the remainder. Minimum wage workers were absent from over 63 percent of the 19 industry classifications.

The retail trade industry in Pennsylvania employs many hourly-paid workers and accounted for a large proportion of workers earning more than the minimum wage (15 percent) and a higher proportion of those earning the near minimum wage (over 30 percent). Historically, a large proportion of workers earning the minimum wage or below were in retail trade, but due to steadily increasing entry-level wage rates in the industry that proportion has been declining. Retail trade, in combination with non-hospital health care services and manufacturing, accounted for over 37 percent of all those earning above the minimum wage in 2024.

More detailed information on these industry distributions as well as that of the near minimum wage population can be found in the Appendix on page 40.



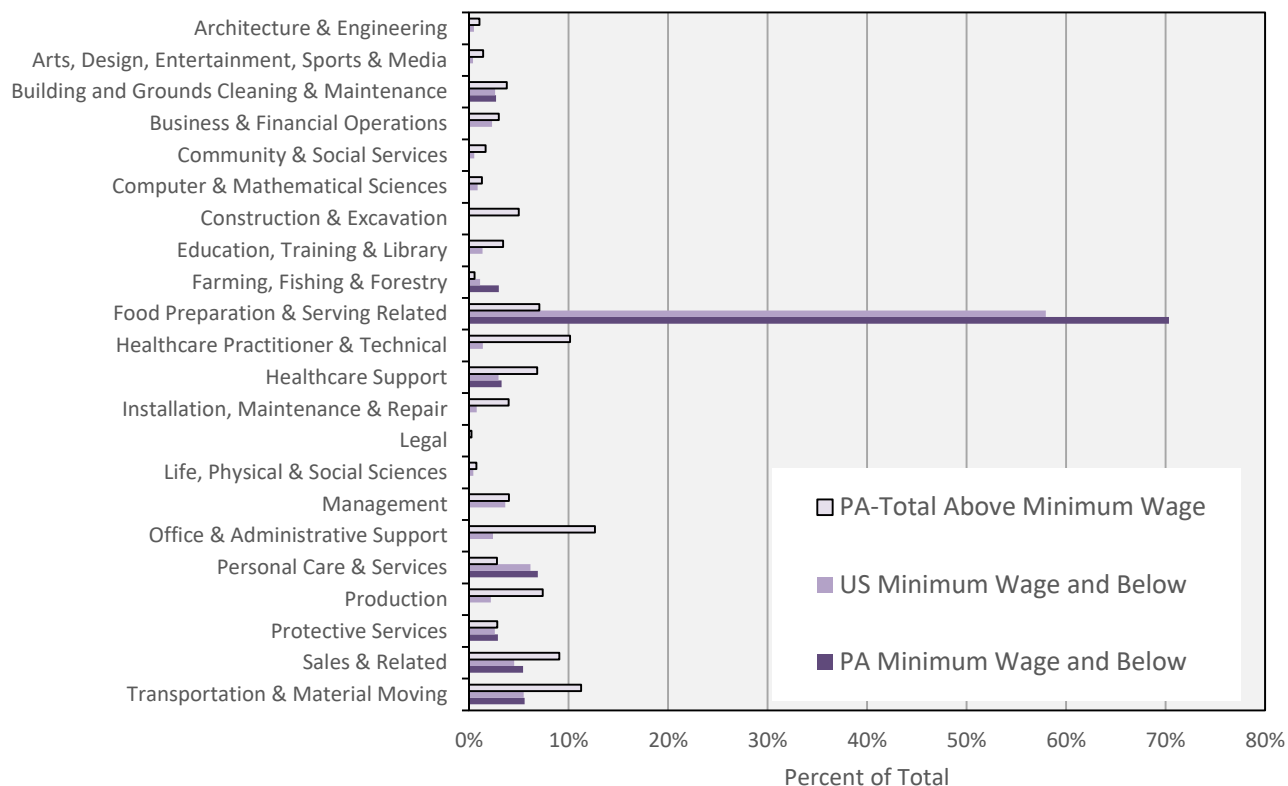
Note: Pennsylvania and U.S. minimum wages in 2024 were both at \$7.25.

Source: Current Population Survey, Bureau of the Census, U.S. Department of Commerce.

Any worker who works at least 35 hours for pay (aggregate) in the survey week is classified by the Census as full time. This is irrespective of whether those hours were worked at one or more jobs. Conversely, any worker whose cumulative hours worked in the survey week was between one and 34 hours is classified as part time.

In 2024, only one out of every four workers earning at or below minimum wage in Pennsylvania worked full time. Seven out of every 10 hourly workers earning above the minimum wage in Pennsylvania worked full time. The ratio of full-time to part-time minimum wage or below workers in Pennsylvania was closest to that of the near minimum wage (i.e., \$7.26 to \$12.00 per hour) workers in being among the lowest among the populations depicted. Typically, the ratio of full-time to part-time minimum wage or below workers in Pennsylvania has been less than one (i.e., there were fewer full-time workers than part-time workers), and has averaged about 40 percent full-time versus 60 percent part-time over the past five years. However, even that average was not the case in 2024, with higher-than-average part time workers and lower-than-average full-time minimum wage workers. This may be indicative of a continuing change in the composition of minimum wage or below workers in Pennsylvania, a nonrepresentative sample in the Current Population Survey, or both.

Comparison of Occupational Distributions of Various Populations, 2024: Pennsylvania and the United States



Note: Pennsylvania and U.S. minimum wages in 2024 were both at \$7.25.

Source: Current Population Survey, Bureau of the Census, U.S. Department of Commerce.

In 2024, 70 percent of Pennsylvanians who earned the minimum wage or less worked in food preparation & serving related occupations and 7 percent were employed in personal care and services occupations, with 6 percent in transportation & material moving occupations, and 5 percent in sales & related occupations. Eight out of 22 occupational groups (36 percent of the total) had minimum wage or below workers represented, and outside of food preparation & serving-related averaged about 4 percent of the minimum wage workforce each. Minimum wage or below workers in the U.S. were much less concentrated, with just two occupational groups (legal and construction & excavation) not represented; like Pennsylvania, the food preparation & serving occupational group dominated the distribution, with 58 percent of the total minimum wage or below total, followed by personal care & services and transportation & material moving (at 6 percent of the total each, respectively).

The distribution of occupations for Pennsylvanians who earned above the minimum wage was much more diverse than those who earned the minimum wage or less. In 2024, the top five occupational groups accounted for just over one half of the total, led by office & administrative support occupations (13 percent), transportation & material moving occupations (11 percent) and healthcare practitioners & technical occupations (10 percent). Outside of the top five groups, the remaining occupations averaged about 3 percent or less each of Pennsylvania's hourly employed earning above minimum wage.

Nationwide, hourly workers earning above minimum wage were found in occupations involving office & administrative support (13 percent), transportation & material moving (11 percent) and sales & related (9 percent), with the remaining 19 occupational groups averaging about 4 percent of the hourly workforce, each.

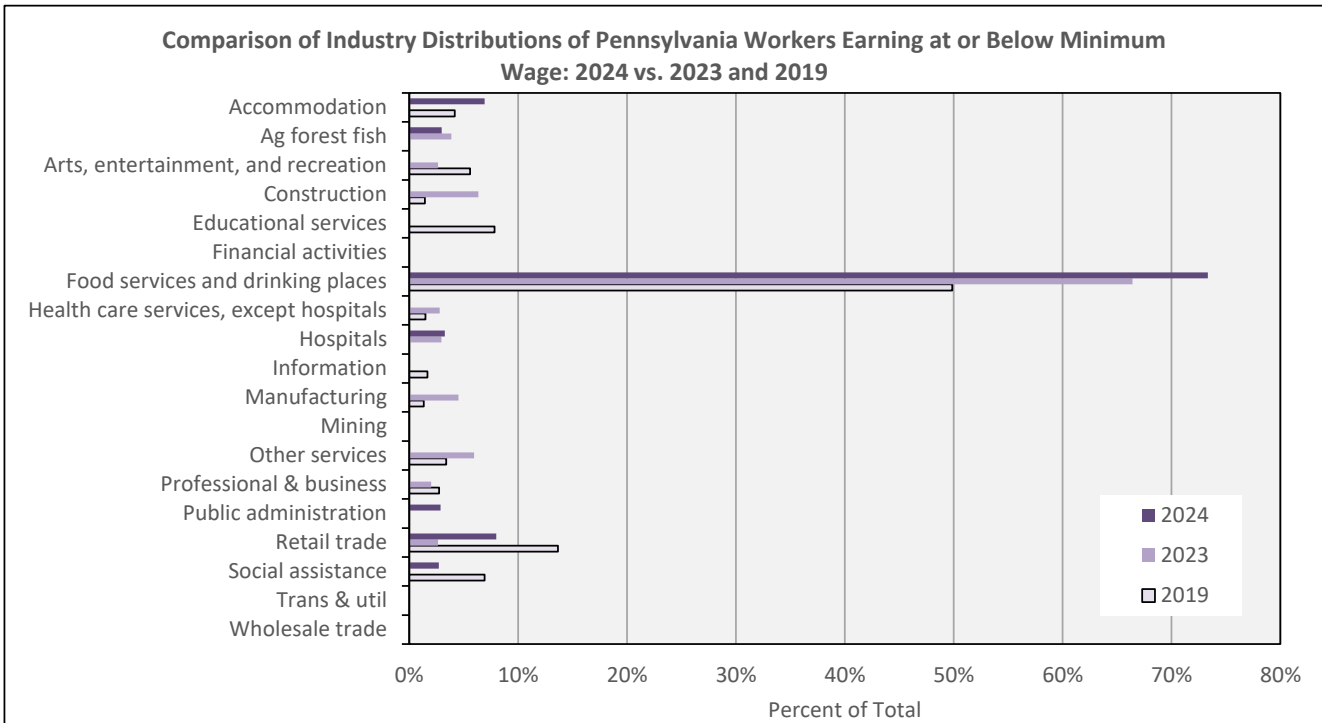
More detailed information on these occupational distributions as well as that of the near minimum wage population can be found in the Appendix on page 41.

RECENT HISTORICAL COMPARISONS (ONE AND FIVE YEARS)

Demographic Characteristics of Pennsylvania Workers Paid at Hourly Rates at or Below Minimum Wage: 2019, 2023 and 2024 Annual Averages (Number of workers in thousands, breakdown by Characteristic in percent)					
Demographic Characteristics	Pennsylvania Workers paid at Hourly Rates at or Below Minimum Wage, Annual Averages ¹			Percentage Point Change	
	2019	2023	2024	2019 to 2024	2023 to 2024
Total (1000s)	90.7	67.8	47.2	-	-
Gender (Percent of Total)					
Male	21%	32%	48%	27%	16%
Female	79%	68%	52%	-27%	-16%
Race (Percent of Total)					
Black, non-Hispanic	13%	16%	5%	-8%	-11%
Hispanic	5%	0%	3%	-3%	3%
Other, non-Hispanic	0%	4%	15%	15%	11%
White, non-Hispanic	82%	80%	78%	-4%	-2%
Age (Percent of Total)					
16-19	22%	32%	34%	12%	2%
20-24	34%	22%	33%	-1%	11%
25-34	8%	21%	19%	11%	-1%
35-44	11%	11%	3%	-8%	-8%
45-54	11%	9%	6%	-5%	-3%
55-64	13%	2%	5%	-8%	3%
65 and Over	1%	4%	0%	-1%	-4%
Education (Percent of Total)					
Less than a high school diploma	19%	28%	34%	14%	5%
High school graduate, no college	35%	18%	39%	4%	21%
Some college, no degree	31%	29%	20%	-12%	-9%
Associate's degree	8%	2%	3%	-6%	1%
Bachelor's degree or higher	6%	22%	5%	-1%	-18%
Marital Status (Percent of Total)					
Married, spouse present	18%	8%	12%	-6%	4%
Marital status other	10%	7%	3%	-7%	-4%
Never married	72%	86%	85%	13%	-1%

¹ The minimum wage in 2019, 2023, and 2024 was \$7.25 and was unchanged during those years. Totals and changes may not sum due to rounding. Source: Current Population Survey, Bureau of the Census, U.S. Department of Commerce.

Over the past five years, the minimum wage in Pennsylvania was constant at \$7.25 (having last been increased in July 2009); however, the number of workers earning at or less than that rate fell by 43,500 (-48.0 percent), a loss on average of about 8,100 workers annually. Both Pennsylvania and the United States experienced a dramatic recession and subsequent recovery over that period, characterized by increases in both overall prices and average wages. As wages rose, fewer workers earned at or below the minimum wage rate. Along with the change in wage distribution came changes in the composition of the minimum wage cohort: a more even split by gender; fewer Black non-Hispanic and more Other non-Hispanic workers among the minimum wage earners; and a generally younger workforce (particularly those less than 19 years old, or between ages 25-34) with a high school diploma (or lower educational attainment level), but lacking college experience or degrees. In general, the composition of the minimum wage workforce continues to show volatility relative to its historical characteristics, which is suggestive of ongoing small sample variation.



Note: The minimum wage in Pennsylvania was constant at \$7.25 from 2019 through 2024.
 Source: Current Population Survey, Bureau of the Census, U.S. Department of Commerce.

In 2019, 2023, and 2024, workers earning at or below the minimum wage were most likely to be employed in food services & drinking places. Over the five-year interval, while the absolute number of minimum wage workers in that industry declined (by 10,600 or over 23 percent), its percentage of the total increased dramatically from 50 percent to 73 percent of the total. Retail trade, typically the second ranked industry group in terms of number of minimum wage or below workers, accounted for 8 percent of the total in 2024, and dropped 6 percentage points over the past five years. In absolute terms, it represented 8,600 fewer minimum wage workers within the industry sector over the five-year period, a decline of 70 percent.

Accompanying the overall trend of declining volumes of workers earning at or below minimum wage (as overall wage rates trend towards increasing hourly wages), fewer industry groups account for the workers that do remain. In 2019, seven out of the 19 industry classifications (37 percent) had no workers working at or below minimum wage. Over time, as the industry mix of minimum wage workers shifted, three industries showed gains (from no workers in 2019) in their counts of minimum wage or below workers (agriculture, forestry, fishing and hunting, hospitals and public administration), on average of 1,400 per sector. However, eight industry sectors (42 percent) lost representation entirely (to no workers in 2024) among the minimum wage workforce, on average by 2,900 workers per sector. The largest volume gain since 2019 was in hospitals, adding 1,500 minimum wage workers (an increase in industry share of 3 percentage points); the largest drop was recorded in educational services, an absolute loss of 7,100 over the five years (or relative change of 8 percentage points).

Between 2019 and 2024, the proportion of hourly workers earning the minimum wage or less who worked full time fell seven percent, from 34 percent of the total in 2019 to 27 percent in 2024, with a corresponding gain in part-time minimum wage workers. In absolute terms, the number of full-time minimum wage workers dropped 59 percent since 2019, from 30,500 to 12,600 in 2024. The volume of part-time minimum wage earners fell by 43 percent, from 60,200 in 2019 to 34,500 in 2024, as overall employment at minimum wage or below rates fell with increasing average wages over the period.

Occupational Distribution of Pennsylvania Workers Paid at Hourly Rates at or Below Minimum Wage: 2019, 2023 and 2024 (Number of workers in thousands, breakdown by Occupation in percent)					
Occupational Group	2019	2023	2024	Percentage Point Change	
				2019 to 2024	2023 to 2024
Total	90.7	67.8	47.2	-	-
Architecture & Engineering	0%	0%	0%	0%	0%
Arts, Design, Entertainment, Sports & Media	0%	0%	0%	0%	0%
Building and Grounds Cleaning & Maintenance	7%	0%	3%	-4%	3%
Business & Financial Operations	0%	0%	0%	0%	0%
Community & Social Service	2%	0%	0%	-2%	0%
Computer & Mathematical Science	0%	0%	0%	0%	0%
Construction & Excavation	0%	6%	0%	0%	-6%
Education, Training & Library	2%	0%	0%	-2%	0%
Farming, Fishing & Forestry	0%	4%	3%	3%	-1%
Food Preparation & Serving Related	55%	69%	70%	15%	1%
Healthcare Practitioner & Technical	0%	0%	0%	0%	0%
Healthcare Support	3%	3%	3%	1%	0%
Installation, Maintenance & Repair	1%	0%	0%	-1%	0%
Legal	0%	2%	0%	0%	-2%
Life, Physical & Social Science	0%	0%	0%	0%	0%
Management	0%	0%	0%	0%	0%
Office & Administrative Support	4%	2%	0%	-4%	-2%
Personal Care & Service	8%	3%	7%	-2%	4%
Production	1%	0%	0%	-1%	0%
Protective Service	1%	0%	3%	1%	3%
Sales & Related	12%	6%	5%	-7%	-1%
Transportation & Material Moving	3%	5%	6%	2%	0%

Note: Pennsylvania minimum wage in 2019, 2023 and 2024 was \$7.25. Totals and changes may not add due to rounding.

Source: Current Population Survey, Bureau of the Census, U.S. Department of Commerce.

In 2024, 70 percent of Pennsylvanians who earned the minimum wage or less worked in food preparation & serving related occupations, up from 55 percent five years earlier. Over the year, however, the group lost 13,600 workers in absolute terms, despite maintaining its relative dominance of the occupational distribution over time. The next highest occupational group share was in personal care & service occupations, at 7 percent of the total. The remaining 23 percent of the total was dispersed among just six occupations. Over the year, eight occupations lost share of the minimum wage workforce, and (outside of food preparation) mainly in construction & excavation, sales & related, and office and administrative support.

A majority—64 percent—of occupational groups were not represented by workers earning at or below minimum wage in 2024, and this has risen since both 2023 and 2019 (when less than one half, 45 percent of the occupations had no workers earning \$7.25 or less). Of the five occupational groups with minimum wage workers both over the year and compared to five years ago, just two besides food preparation & serving related—personal care & service occupations and transportation & material moving—managed to increase their relative shares of the overall minimum wage cohort, despite declining in absolute numbers.

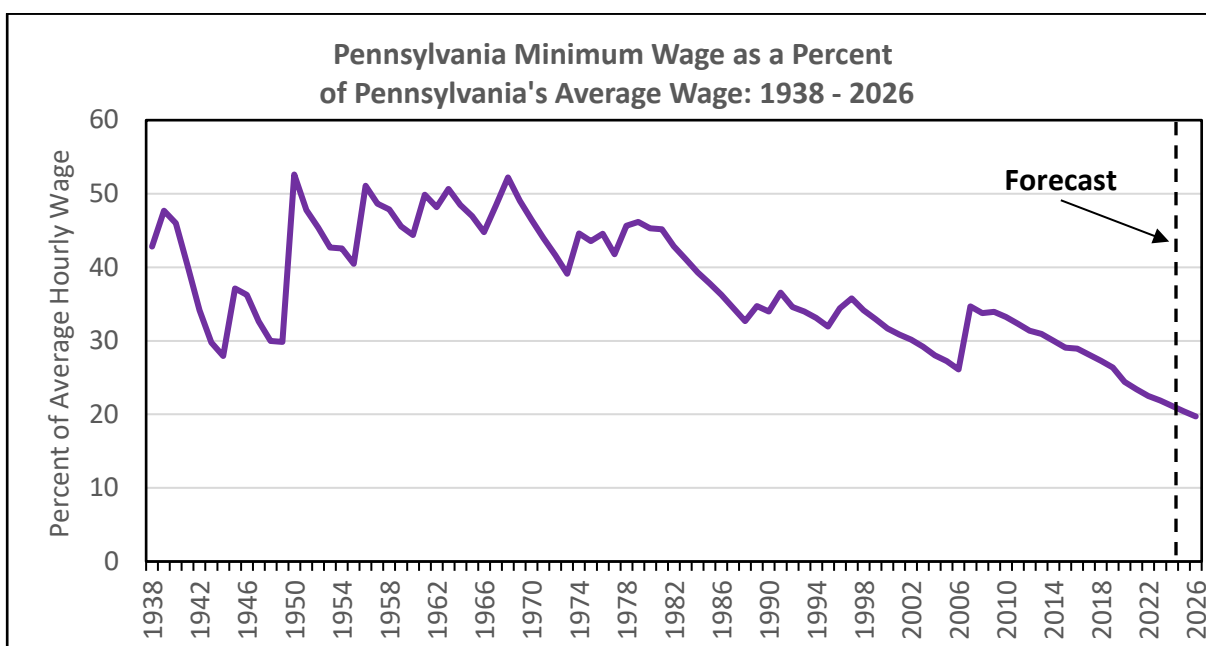
Family Status and Family Income of Pennsylvania Hourly Workers Paid at or Below Minimum Wage: 2019, 2023 and 2024 (Number of workers in thousands, breakdown by Characteristic in percent)					
Characteristics	2019	2023	2024	Percentage Point Change	
				2019 to 2024	2023 to 2024
Total	90.7	67.8	47.2	-	-
Family Status					
No Children (Single or Married)	78%	94%	94%	16%	0%
Married Parent	12%	3%	6%	-6%	3%
Single Parent	10%	3%	0%	-10%	-3%
1 Child	7%	3%	0%	-7%	-3%
2 Children	2%	0%	0%	-2%	0%
3 Children	1%	0%	0%	-1%	0%
4 or More Children	0%	0%	0%	0%	0%
Family Annual Income					
\$9,999 or Less	3%	7%	3%	0%	-4%
\$10,000 to \$19,999	12%	6%	3%	-9%	-3%
\$20,000 to \$29,999	17%	0%	0%	-17%	0%
\$30,000 to \$39,999	5%	9%	3%	-3%	-6%
\$40,000 to \$49,999	6%	5%	0%	-6%	-5%
\$50,000 to \$59,999	8%	10%	7%	-1%	-3%
\$60,000 to \$74,999	7%	18%	10%	3%	-8%
\$75,000 to \$99,999	17%	8%	6%	-10%	-2%
\$100,000 to \$149,999	11%	0%	26%	15%	26%
\$150,000 and Over	14%	36%	42%	28%	6%

Note: Pennsylvania minimum wage in 2019, 2023, and 2024 was \$7.25. Classification of an individual as a parent requires having at least one own child under the age of 18. All references to children also refer to own children under the age of 18. Totals in the table are rounded to the nearest percent, may differ from those in the text and may not sum correctly due to rounding. Source: Current Population Survey, Bureau of the Census, U.S. Department of Commerce.

Family status of minimum wage workers showed a drop (both over the year and since 2019) in the share of single parents with children, as single parents fell by 10 percentage points since 2019, and were not represented in the 2024 data. These results are somewhat consistent with earlier discussions concerning the makeup of the minimum wage or below cohort: typically younger and without children, with lower overall educational attainment levels and found working more in a part-time status, and in typically lower paying industries and occupations. Yet, these workers tend to be found in households that have high annual incomes.

On a relative basis, the distribution of family income of minimum wage and below workers continues to shift from the lowest incomes (under \$30,000) and to incomes in excess of \$149,999 over time. The percentage of minimum wage or below workers whose family income was less than \$30,000 decreased by 7 percentage points over the year and 26 percentage points from 2019. At the same time, the percentage of such workers with family income of at least \$75,000 or more was 42 percent in 2019 and rose to 74 percent by 2024. The share of these workers within the highest income bracket, in fact, tripled over the past five years, with rising average wage rates. Note, however, that given the relatively small Current Population Survey sample size of the minimum wage workforce, subsample volatility may impact analyses of these characteristics over time. Therefore, it is difficult to determine whether these results are simply statistical anomalies due to small sample sizes or reflect actual changes in the composition of the minimum wage and below population, or some combination thereof.

HISTORICAL PERSPECTIVE: MINIMUM WAGE IN RELATION TO INFLATION AND THE POVERTY THRESHOLD



Note: The Average Wage forecast was based on its 10-year arithmetic average. The minimum wage in 2023 (and 2024) was \$7.25. Source: Center for Workforce Information & Analysis, Pennsylvania Department of Labor & Industry.

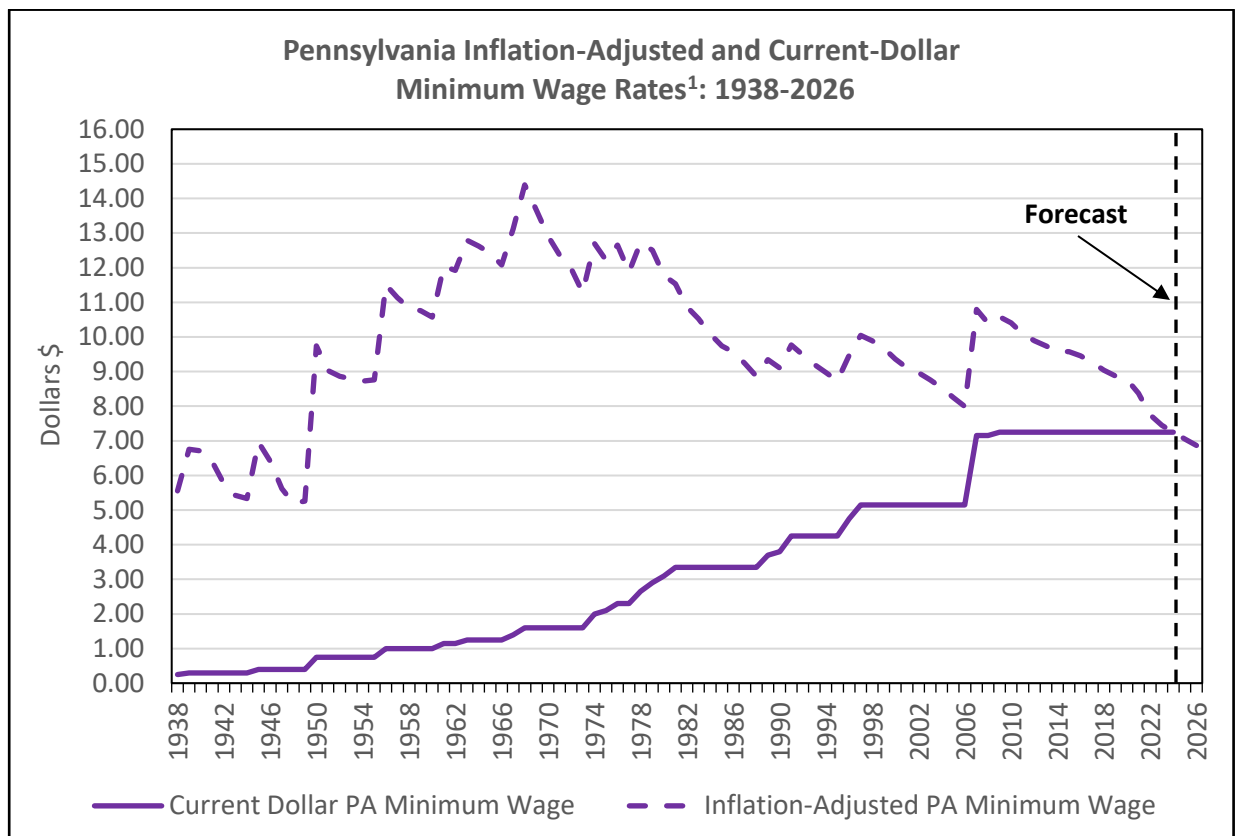
The original level of the minimum wage was set in 1938 at 25 cents, which was 50 percent of the national average manufacturing wage at that time. According to Jonathan Grossman, a Department of Labor historian, "... The act applied only to interstate commerce and to accommodate various interests, exemption after exemption was granted. A 'guesstimate'¹ is that one fifth of the American labor force,...were covered by the FLSA."² Over time, as the coverage of the minimum wage expanded and manufacturing employment declined as a percentage of total employment, the statewide average wage replaced the average manufacturing wage as the relevant comparison wage, as shown in the above chart. Adjusted for projected wage inflation using its 10-year average, 50 percent of the average wage was \$16.56 in 2023. It is projected to rise to \$17.15 in 2024, \$17.75 in 2025, and \$18.38 in 2026.

A gradual decline in the minimum wage as a percentage of the Pennsylvania's average wage began in 1968. By 2006, Pennsylvania's minimum wage was 26 percent of the average wage. This was the all-time low since this information first was documented in 1938 through 2019.

The increase in the minimum wage to \$7.25 in July 2009 brought the minimum wage up to 34 percent of the average wage. In 2023, Pennsylvania's minimum wage was 22 percent of the average wage, a new all-time low. If the minimum wage stays at its current level and the average wage grows at its projected 10-year average rate, the minimum wage will continue to drop, to 21 percent of the average Pennsylvania wage by 2024, 20 percent in 2025, and to less than 20 percent by 2026.

¹ Data on the estimated number covered was reported in The Twenty-Seventh Annual Report of the Secretary of Labor (1939), as of September 1938 (p.198). The section on coverage of the act begins, "It will not be possible to prepare completely accurate estimates of the number of employees who are covered by the act ..." Later it states that the BLS estimated the coverage six months later and it was 1.45 million (18%), higher. Furthermore, it was well known that inter census labor force numbers prior to 1940 (when the CPS (predecessor) began), were not comparable (conceptually and by the fact that they included people 14 years and older) and that data on unemployment may not be accurate. These facts may have led Grossman to characterize the ratio as a 'guesstimate.'

² Grossman, Jonathan, "Fair Labor Standards Act of 1938: maximum struggle for a minimum wage," Monthly Labor Review, June 1978 p. 29. Grossman begins that paragraph with, "A major problem with the FLSA was its limited coverage." This attitude may explain why he compared coverage with the labor force rather than employment, particularly in a year when the unemployment rate was 19%. That would make the cover ratio lower. Not all employees in industries engaged in or producing goods for interstate commerce were covered. Among the exemptions were interstate retailing enterprises, non-railroad transportation workers, and agriculture.

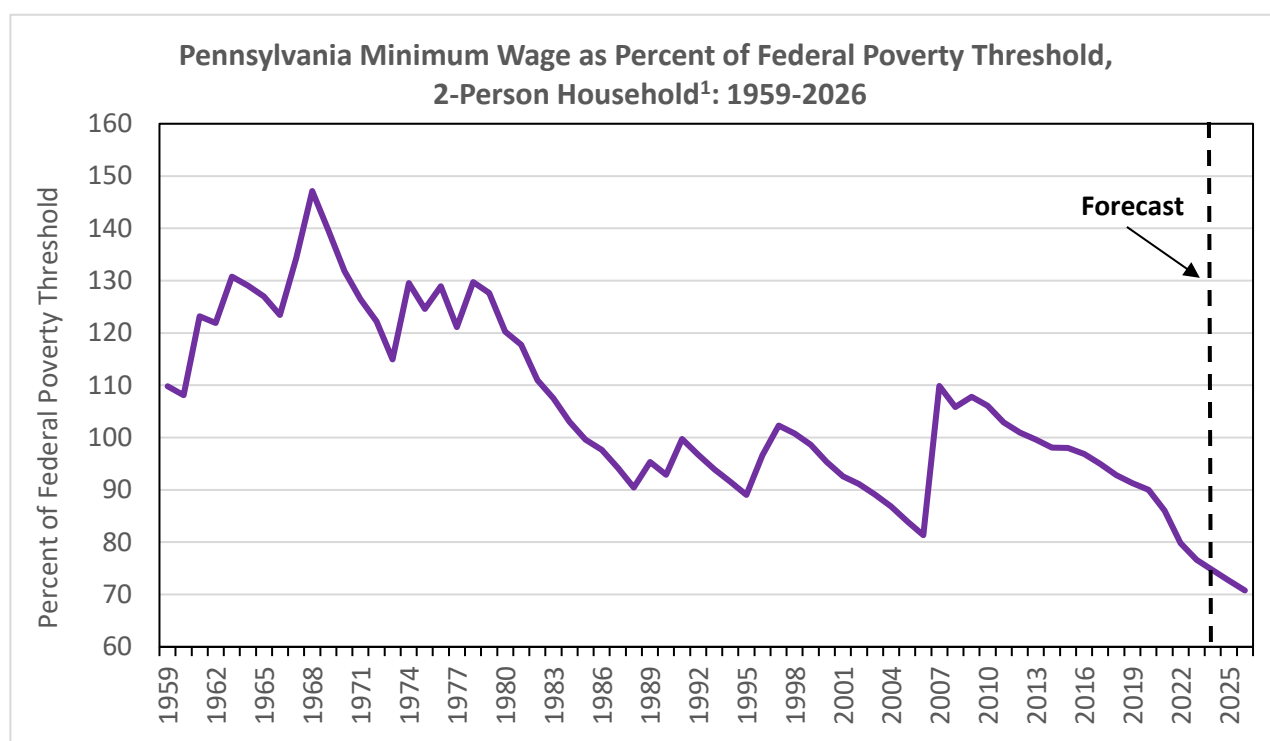


¹ Indexed to 2024 dollars. The inflation forecast was based on its 10-year arithmetic average applied to the minimum wage. The minimum wage in 2024 was \$7.25. Source: Pennsylvania Department of Labor & Industry.

Inflation adversely affects the purchasing power of an unchanging minimum wage. The inflation adjusted or real minimum wage increases when the percentage increase in the nominal minimum wage exceeds the (price) inflation rate and decreases when the reverse is true. All the peaks in the graph above correspond to years in which the nominal minimum wage was increased. In the remaining years, the minimum wage was unchanged, but the real minimum wage fell as prices rose. Similarly, if the nominal minimum wage remains at \$7.25, the purchasing power of the minimum wage as adjusted for projected inflation is estimated to fall to \$7.06 in 2025 and \$6.87 in 2026.

The 1938 minimum wage of \$0.25 would have been equivalent in purchasing power to \$5.55 in 2024 dollars. The minimum wage was raised to \$0.30 in 1939 and to \$0.40 in 1945 causing its purchasing power to increase. However, the post-war inflation that followed caused the purchasing power of the minimum wage (still \$0.40) to fall to its all-time low of \$5.20 in 1948.

In 1968, the year in which the purchasing power of the minimum wage peaked, the then-current nominal minimum wage of \$1.60 was equivalent to \$14.39 in 2024 dollars. Pennsylvania's minimum wage remained unchanged from September of 1997 to the end of 2006, while prices rose considerably. As the above graph indicates, in 2006 the purchasing power of the minimum wage was less than at any time since the 1950s. In 2009, the last year in which the minimum wage increased, the purchasing power of the minimum wage was \$10.58 (in 2024 dollars) and has been steadily declining since then.



¹ Weighted average threshold (there are slight variations based on the breakdown between adults and children in the household). The inflation forecast was based on its 10-year average applied to the poverty threshold.

Source: Current Population Survey Annual Social and Economic Supplement, Bureau of the Census, U.S. Department of Commerce.

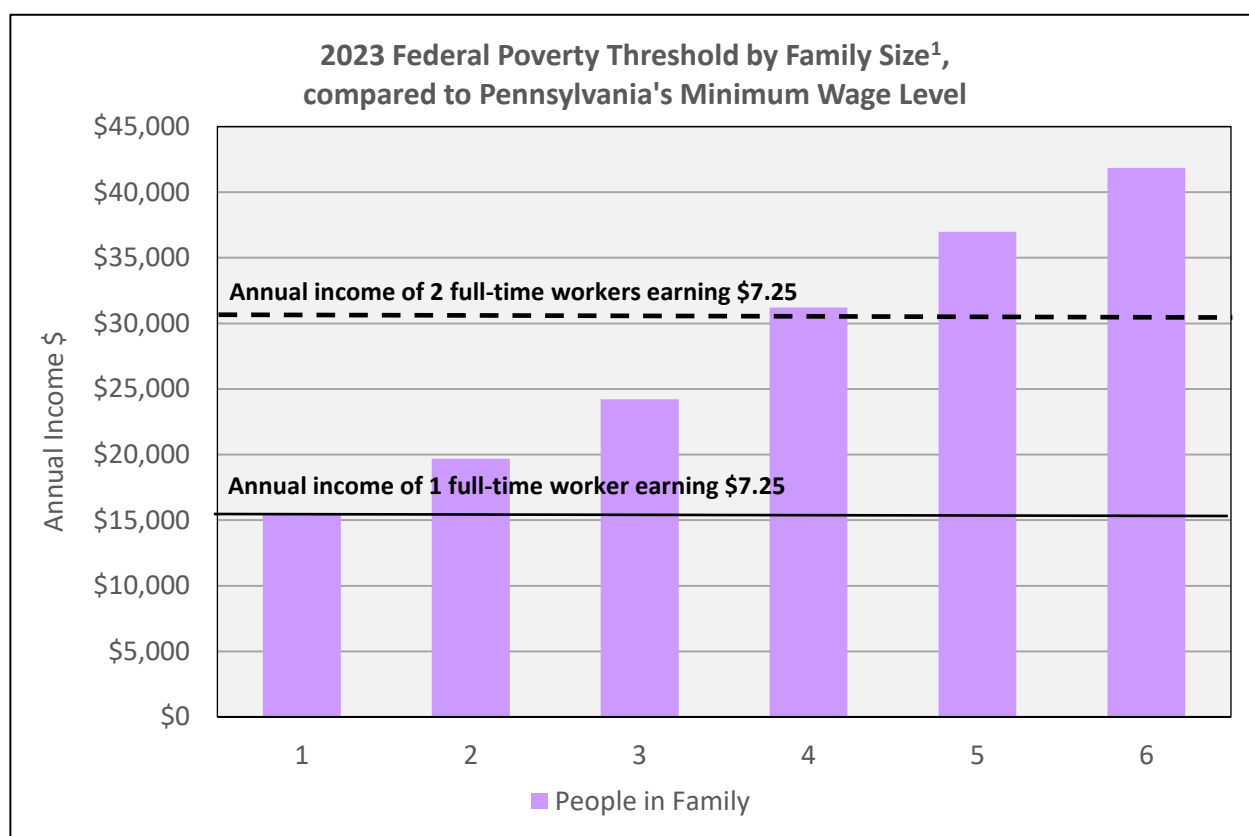
The Census annually sets poverty thresholds for families that vary by family size and the ages of its members. Each threshold is a monetary sum that is compared to the family's income to determine the poverty status of all the members of that family³. Family income is pre-tax and includes earnings, unemployment compensation, public assistance, and a variety of other unearned income and transfer payments, but excludes capital gains, noncash benefits (e.g., food stamps), and tax credits (e.g., Earned Income Tax Credit or EITC). To provide perspective on the relation between the minimum wage and poverty, hypothetical examples are constructed and illustrated below and on the following page.

The 2006 Federal Poverty Threshold (see glossary) for a two-person household was \$13,170 and the annual income for an individual working full time⁴ at the minimum wage (then \$5.15) was \$10,712 or 81 percent of the poverty threshold. The two 2007 increases in the minimum wage (cumulatively to \$7.15) raised the corresponding annual income at year end to \$14,872 for an individual, which was almost 110% of the poverty threshold.

In 2023, the annual income for an individual in Pennsylvania making the minimum wage (\$7.25) was \$15,080 or 76.6 percent of the 2023 Federal Poverty Threshold for a two-person household (\$19,680). At current inflation rates, this share is projected to fall to 70.8 percent by 2026.

³ Poverty thresholds are used mainly for statistical purposes. Poverty guidelines, which are a simplification of poverty thresholds, are issued by the U.S. Department of Health and Human Services for use for administrative purposes, e.g., determining eligibility for federal programs. Go to this link for more information: <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines/further-resources-poverty-measurement-poverty-lines-their-history>.

⁴ Full time in this context (in contrast to the BLS definition used to determine the number of full-time workers) means working 52 weeks per year and 40 hours per week.



¹ Weighted average threshold (there are slight variations based on the breakdown between adults and children in the household).

Source: Current Population Survey Annual Social and Economic Supplement, Bureau of the Census, U.S. Department of Commerce.

A person working full time at the minimum wage of \$7.25 per hour earned \$15,080 (represented by the bold line on the graph) during 2023. This income fell short of the 2023 Federal Poverty Threshold for a one-person household (\$15,480), meaning that even working full time, a single worker earning at the minimum wage would be in poverty. Additionally, it also fell short of the poverty threshold for both two-person (\$19,680) and three-person households (\$24,230), assuming there was but one wage earner in each household. For example, a single parent working full time at \$7.25 per hour with two children in the home would earn wages below the applicable poverty threshold.

Even if the household consisted of a two-parent, two-child family (with both parents working full time at the minimum wage), household earnings would be \$30,160 (the bold dashed line on the graph)—still considered to be in poverty based on the poverty threshold for a four-person household (\$30,900).⁵

Families of minimum wage or below workers who are below the poverty threshold may be eligible to participate in state and federal government programs designed to assist low-income families. A description of some of these major programs is found in the Appendix on page 42.

⁵ These examples are for illustration purposes only and are not representative of the majority of minimum wage earners, although they may reflect the situation of some families. As pointed out earlier, a large percentage of minimum wage earners work fewer than 35 hours a week and would earn less than \$15,080 per year.

OTHER STATES

Minimum Wage Rates by State¹

Area	2023	2024	2025	Change 2023-2024	Change 2024-2025
Federal	\$7.25	\$7.25	\$7.25	-	-
Alabama	\$7.25	\$7.25	\$7.25	-	-
Alaska ¹	\$10.85	\$11.73	\$13.00	\$0.88	\$1.27
Arizona ¹	\$13.85	\$14.35	\$14.70	\$0.50	\$0.35
Arkansas	\$11.00	\$11.00	\$11.00	-	-
California ¹	\$15.50	\$16.00	\$16.50	\$0.50	\$0.50
Colorado ¹	\$13.65	\$14.42	\$14.81	\$0.77	\$0.39
Connecticut ¹	\$15.00	\$15.69	\$16.35	\$0.69	\$0.66
Delaware	\$11.75	\$13.25	\$15.00	\$1.50	\$1.75
Florida ¹	\$12.00	\$13.00	\$14.00	\$1.00	\$1.00
Georgia	\$7.25	\$7.25	\$7.25	-	-
Hawaii	\$12.00	\$14.00	\$14.00	\$2.00	-
Idaho	\$7.25	\$7.25	\$7.25	-	-
Illinois	\$13.00	\$14.00	\$15.00	\$1.00	\$1.00
Indiana	\$7.25	\$7.25	\$7.25	-	-
Iowa	\$7.25	\$7.25	\$7.25	-	-
Kansas	\$7.25	\$7.25	\$7.25	-	-
Kentucky	\$7.25	\$7.25	\$7.25	-	-
Louisiana	\$7.25	\$7.25	\$7.25	-	-
Maine ¹	\$13.80	\$14.15	\$14.65	\$0.35	\$0.50
Maryland	\$13.25	\$15.00	\$15.00	\$1.75	-
Massachusetts	\$15.00	\$15.00	\$15.00	-	-
Michigan	\$10.10	\$10.33	\$12.48	\$0.23	\$2.15
Minnesota ¹	\$10.59	\$10.85	\$11.13	\$0.26	\$0.28
Mississippi	\$7.25	\$7.25	\$7.25	-	-
Missouri ¹	\$12.00	\$12.30	\$13.75	\$0.30	\$1.45

Area	2023	2024	2025	Change 2023-2024	Change 2024-2025
Federal	\$7.25	\$7.25	\$7.25	-	-
Montana ¹	\$9.95	\$10.30	\$10.55	\$0.35	\$0.25
Nebraska ¹	\$10.50	\$12.00	\$13.50	\$1.50	\$1.50
Nevada ¹	\$11.25	\$12.00	\$12.00	\$0.75	-
New Hampshire	\$7.25	\$7.25	\$7.25	-	-
New Jersey ¹	\$14.13	\$15.13	\$15.49	\$1.00	\$0.36
New Mexico	\$12.00	\$12.00	\$12.00	-	-
New York ¹	\$14.20	\$15.00	\$15.50	\$0.80	\$0.50
North Carolina	\$7.25	\$7.25	\$7.25	-	-
North Dakota	\$7.25	\$7.25	\$7.25	-	-
Ohio ¹	\$10.10	\$10.45	\$10.70	\$0.35	\$0.25
Oklahoma	\$7.25	\$7.25	\$7.25	-	-
Oregon ¹	\$14.20	\$14.70	TBD	\$0.50	TBD
Pennsylvania	\$7.25	\$7.25	\$7.25	-	-
Rhode Island	\$13.00	\$14.00	\$15.00	\$1.00	\$1.00
South Carolina	\$7.25	\$7.25	\$7.25	-	-
South Dakota ¹	\$10.80	\$11.20	\$11.50	\$0.40	\$0.30
Tennessee	\$7.25	\$7.25	\$7.25	-	-
Texas	\$7.25	\$7.25	\$7.25	-	-
Utah	\$7.25	\$7.25	\$7.25	-	-
Vermont ¹	\$13.18	\$13.67	\$14.01	\$0.49	\$0.34
Virginia	\$12.00	\$12.00	\$12.41	-	\$0.41
Washington ¹	\$15.74	\$16.28	\$16.66	\$0.54	\$0.38
West Virginia	\$8.75	\$8.75	\$8.75	-	-
Wisconsin	\$7.25	\$7.25	\$7.25	-	-
Wyoming	\$7.25	\$7.25	\$7.25	-	-

¹Minimum wage rate change for select states is tied to the inflation rate of the Consumer Price Index (CPI), or a similar measure. The data for 2025 (which includes enacted, but not yet effective statutory increases) was accurate as of January 6, 2024. Some states have multiple minimum wage rates due to type of work or number of employees, while others are based on geography. The highest rate is used above for non-geographic rates, while for geographic ones those applicable to most of the state are used. All data are as of year-end. Data for the Federal government and states bordering Pennsylvania are shaded in gray; Pennsylvania, in bold. Source: Wage and Hour Division, U.S. Department of Labor, and individual state websites.

From 2023 to 2024, 25 states raised their minimum wage rate, typically due to rate changes being tied to changes in a price index such as the Consumer Price Index for All Urban Consumers (according to individual state legislative statutes). These changes allow the state's rate to keep pace with inflation, without necessitating large legislative increases over time. State minimum wage rates in 2024 ranged from the standard set according to federal legislation (\$7.25 per hour, covering 20 states including Pennsylvania) to a high of \$16.28 (Washington State). In 2024, all of the neighboring states to Pennsylvania set rates above that of the commonwealth, ranging from a low of \$8.75 per hour (West Virginia) to a high of \$15.13 (New Jersey). Rate increases over the year varied, from a low of \$0.23 (Michigan) to as high as \$2.00 (Hawaii), with the average increase totaling \$0.78. Additionally, some state provisions allow for local minimum wage rates to be set higher than the state rate overall, based on the municipality, industry, size of employer, and so forth. These higher rates are not reflected in the table above, which uses the general minimum wage rate in the state.

As of year-end 2024, seven states had minimum wage rates equal to \$15.00 or more, including neighboring New Jersey (at \$15.13), New York, and Maryland. Rate changes from 2024 to 2025 are expected in 23 states, with the largest increase (Michigan, in rising by \$2.15 over the year) taking that state's minimum wage rate to \$12.48. Excluding Michigan, the expected changes across the remaining states will be a gain of \$0.69 on average over the year. Four of Pennsylvania's bordering states will have rates at \$15.00 or more by the end of 2025, with the highest rates set in New Jersey and New York (at \$15.49 and \$15.50 each, respectively).

Tipped Minimum Wage Rates by State¹

Area	2023	2024	2025	Change 2023-2024	Change 2024-2025
Federal	\$2.13	\$2.13	\$2.13	-	-
Alabama	\$2.13	\$2.13	\$2.13	-	-
Alaska ¹	\$10.85	\$11.73	\$13.00	\$0.88	\$1.27
Arizona	\$10.85	\$11.35	\$11.70	\$0.50	\$0.35
Arkansas	\$2.63	\$2.63	\$2.63	-	-
California ¹	\$15.50	\$16.00	\$16.50	\$0.50	\$0.50
Colorado	\$10.63	\$11.40	\$11.79	\$0.77	\$0.39
Connecticut	\$6.38	\$6.38	\$6.38	-	-
Delaware	\$2.23	\$2.23	\$2.23	-	-
Florida	\$8.98	\$9.98	\$10.98	\$1.00	\$1.00
Georgia	\$2.13	\$2.13	\$2.13	-	-
Hawaii	\$12.00	\$14.00	\$14.00	\$2.00	-
Idaho	\$3.35	\$3.35	\$3.35	-	-
Illinois	\$7.80	\$8.40	\$9.00	\$0.60	\$0.60
Indiana	\$2.13	\$2.13	\$2.13	-	-
Iowa	\$4.35	\$4.35	\$4.35	-	-
Kansas	\$2.13	\$2.13	\$2.13	-	-
Kentucky	\$2.13	\$2.13	\$2.13	-	-
Louisiana	\$2.13	\$2.13	\$2.13	-	-
Maine	\$6.90	\$7.08	\$7.33	\$0.18	\$0.25
Maryland	\$3.63	\$3.63	\$3.63	-	-
Massachusetts	\$6.75	\$6.75	\$6.75	-	-
Michigan	\$3.84	\$3.93	\$5.99	\$0.09	\$2.06
Minnesota ¹	\$10.59	\$10.85	\$11.13	\$0.26	\$0.28
Mississippi	\$2.13	\$2.13	\$2.13	-	-
Missouri	\$6.00	\$6.15	\$6.88	\$0.15	\$0.73

Area	2023	2024	2025	Change 2023-2024	Change 2024-2025
Federal	\$2.13	\$2.13	\$2.13	-	-
Montana ¹	\$9.95	\$10.30	\$10.55	\$0.35	\$0.25
Nebraska	\$2.13	\$2.13	\$2.13	-	-
Nevada ¹	\$11.25	\$12.00	\$12.00	\$0.75	-
New Hampshire	\$3.27	\$3.27	\$3.27	-	-
New Jersey	\$5.26	\$5.26	\$5.62	-	\$0.36
New Mexico	\$3.00	\$3.00	\$3.00	-	-
New York	\$9.45	\$10.00	\$10.35	\$0.55	\$0.35
North Carolina	\$2.13	\$2.13	\$2.13	-	-
North Dakota	\$4.86	\$4.86	\$4.86	-	-
Ohio	\$5.05	\$5.25	\$5.35	\$0.20	\$0.10
Oklahoma ²	\$2.13	\$2.13	\$2.13	-	-
Oregon ¹	\$14.20	\$14.70	TBD	\$0.50	TBD
Pennsylvania	\$2.83	\$2.83	\$2.83	-	-
Rhode Island	\$3.89	\$3.89	\$3.89	-	-
South Carolina	\$2.13	\$2.13	\$2.13	-	-
South Dakota	\$5.40	\$5.60	\$5.75	\$0.20	\$0.15
Tennessee	\$2.13	\$2.13	\$2.13	-	-
Texas	\$2.13	\$2.13	\$2.13	-	-
Utah	\$2.13	\$2.13	\$2.13	-	-
Vermont	\$6.59	\$6.84	\$7.01	\$0.25	\$0.17
Virginia	\$2.13	\$2.13	\$2.13	-	-
Washington ¹	\$15.74	\$16.28	\$16.66	\$0.54	\$0.38
West Virginia	\$2.62	\$2.62	\$2.62	-	-
Wisconsin	\$2.33	\$2.33	\$2.33	-	-
Wyoming	\$2.13	\$2.13	\$2.13	-	-

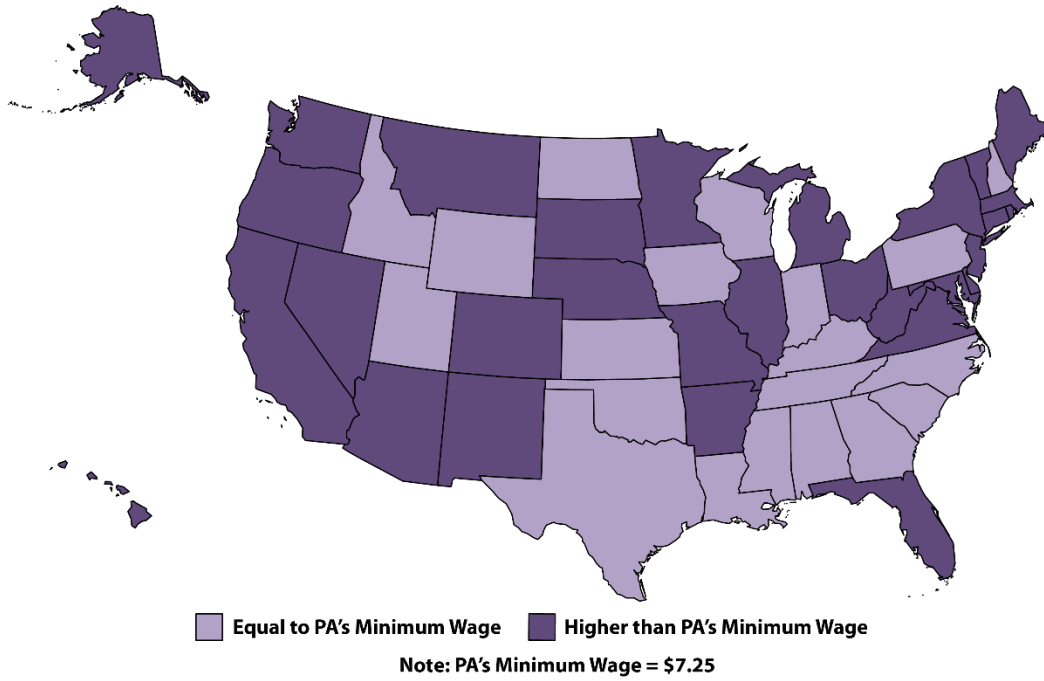
¹ Tipped minimum wage rate for select states equals the state's minimum wage rate. ² Oklahoma's tipped minimum wage equals 50% of the state's minimum wage, but is shown as \$2.13 because all FLSA covered employees are excluded. Note: The data for 2025 (which includes enacted, but not yet effective statutory increases) was accurate as of January 6, 2024. All data are as of year-end. Data for the Federal government and states bordering Pennsylvania are shaded in gray; Pennsylvania, in bold. Source: Wage and Hour Division, U.S. Department of Labor, and individual state websites.

Many states and the federal government allow employers to pay a cash wage lower than the minimum wage for tipped employees, with laws that require the sum of the direct cash payment and tipped amount must at least equal the full minimum wage. States vary regarding coverage, by industry, employer size and/or geography.

Pennsylvania's tipped minimum wage has been \$2.83 since 1997. In 2023, New Mexico raised its tipped minimum wage from \$2.80 to \$3.00, becoming the 29th state with a higher tipped minimum wage rate than Pennsylvania, with rates ranging from \$3.00 to \$15.74 that year. Seven of those states do not have a tip credit, making their tipped minimum wages equal to their full minimum wages. Hawaii has a tip credit only when the total of the tips plus wages exceeds the minimum wage by \$7.00 per hour; otherwise, the employer cannot pay a cash wage below the full minimum wage to the tipped worker. From 2023 to 2024, 19 states increased their tipped minimum wage rate by an average of \$0.54, ranging from just \$0.09 in Michigan to an increase of \$2.00 (Hawaii, as explained above).

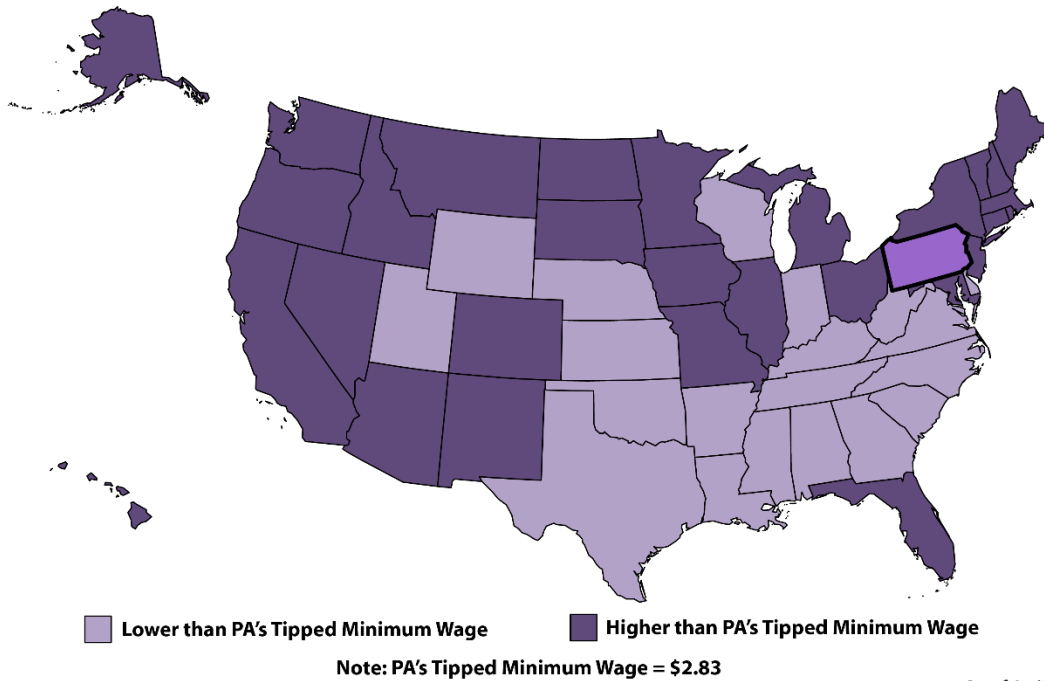
Unchanged since 1991, the federal tipped minimum wage remained at \$2.13 in 2024. As in prior years, 16 states had their tipped minimum wage rates equal to the federal level, while another four states had a tipped minimum wage above the federal level, yet below Pennsylvania's \$2.83. Although the tipped minimum wage rate in all of Pennsylvania's six neighboring states exceeds the federal level, four of those states are above Pennsylvania's rate, and of those, three (New Jersey, New York and Ohio) are expected to raise their tipped minimum wage rates in 2025. Besides those three, an additional 15 states are forecast to raise their tipped minimum wage in 2025, by an average gain of \$0.60, ranging from \$0.15 (South Dakota, to reach \$5.75) to \$2.06 (Michigan, to stand at \$5.99).

2024 Pennsylvania and Other States Minimum Wage Comparison



As of 01/22/2024

2024 Pennsylvania and Other States Tipped Minimum Wage Comparison



As of 01/22/2024

Source: Center for Workforce Information & Analysis, Pennsylvania Department of Labor & Industry.

APPENDIXES

Terms, Definitions and Sources

- Bureau of the Census – The U.S. Bureau of the Census, in the U.S. Department of Commerce, collects general information from individuals and establishments in order to compile statistics.
- Bureau of Labor Statistics (BLS) – The federal Bureau of Labor Statistics, in the U.S. Department of Labor, is the principal fact-finding agency for the Federal Government in the broad field of labor economics and statistics.
- Census – A census is an enumeration of the population of a nation or a registration region; a systematic and complete count of all who are living in specified places, usually on a specific date. Like many modern democracies, the United States conducts a complete enumeration every 10 years, under the auspices of the U.S. Bureau of the Census, which publishes detailed reports.
- Consumer Price Index (CPI) – Monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services. BLS produces the CPI.
- Cost of Living Adjustment (COLA) – Adjustment of wages designed to offset changes in the cost of living, usually as measured by the Consumer Price Index.
- Current Population Survey (CPS) – The CPS is a statistical survey conducted by the U.S. Bureau of the Census on behalf of the federal Bureau of Labor Statistics (BLS). BLS uses the data to provide a monthly report on the national employment situation including employment, unemployment, labor force and the unemployment rate.
- Employed – A count of persons (not jobs) who, during the week that includes the 12th day of the month: (a) did any work as paid employees; worked in their own businesses or professions or on their own farms or worked 15 hours or more as unpaid workers in enterprises operated by members of their families; or (b) were not working, but who had jobs from which they were temporarily absent. Current Population Survey estimates of the employed (as in this report) can differ from the official statistics of Pennsylvania's employed persons, which come from the Local Area Unemployment Statistics.
- Fair Minimum Wage Act of 2007 – The act amended the Fair Labor Standards Act of 1938 to increase the federal minimum wage by \$2.10 over two years – from \$5.15 to \$7.25 an hour. On July 24, 2007, the minimum wage increased from \$5.15 to \$5.85. On July 24, 2008, the minimum wage increased from \$5.85 to \$6.55. On July 24, 2009, the final increase occurred from \$6.55 to \$7.25.
- Federal Poverty Threshold – The set minimum amount of annual income that a family needs for food, clothing, transportation, shelter, and other necessities as determined by the U.S. Bureau of the Census. The U.S. Bureau of the Census uses a set of annual money income thresholds that vary by family size and composition to determine who is in poverty. Every member of a family is deemed to be in poverty if the family's total income is less than the applicable threshold. The calculation of family income includes before tax income from earnings, unearned income (interest, dividends, rents, etc.), and cash transfer payments (unemployment compensation, Social Security, SSI, public assistance, etc.), but excludes capital gains and losses, tax credits (e.g., EITC), and noncash benefits (e.g., food stamps). The number is adjusted for inflation and reported annually.

- Fair Labor Standards Act (FLSA) – Passed by the U.S. Congress in 1938 to establish minimum wage rates for workers engaged directly or indirectly in interstate commerce, including those involved in production of goods bound for such commerce. In addition to establishing a minimum wage, it also established a maximum workweek, overtime pay, record keeping requirements, and child labor standards affecting full-time and part-time workers in the private sector and in federal, state, and local governments.
- Inflation – Inflation is a sustained increase in the general price level of goods and services in an economy over some period of time. Equivalently, it also represents a decreasing value of the country’s money. The inflation rate is the annualized percentage change in some price index. The Consumer Price Index (CPI) is a commonly used standard to measure inflation since it measures the average change over time of the prices paid by urban consumers for a market basket of consumer goods and services.
- Minimum Wage – Minimum wage is the lowest lawful hourly level at which workers may be compensated by their employers; it is established by the FLSA at the federal level and by the Minimum Wage Act in Pennsylvania.
- National Bureau of Economic Research (NBER) – The NBER is the nation's leading nonprofit economic research organization. Due to its work on national accounts and business cycles, the NBER is well-known for providing start and end dates for recessions in the United States.
- Near Minimum Wage – A range of wage rates somewhat in excess of the legal minimum wage, but close to it. In addition to those earning at or below the minimum wage, the group most likely to be affected by an increase in the minimum wage are those earning the near minimum wage. For purposes of this report, wage rates between \$7.26 and \$12.00 per hour are referred to as the near minimum wage.
- Tipped Minimum Wage – Labor law in many states (including Pennsylvania) as well as federal law allows employers of tipped workers (variously defined) to take a “tip credit” that lowers the mandated cash minimum wage below that of the actual mandated minimum wage if the combined cash and tip income is at least equal to the full minimum wage. The mandated hourly direct cash payment for these workers is usually referred to as the tipped minimum wage.
- Wage and Salary Workers – These are workers aged 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, as well as both hourly and non-hourly workers. All self-employed workers are excluded whether or not their businesses are incorporated.
- Workers Paid by the Hour (Hourly Workers) – These are employed wage and salary workers who report that they are paid at an hourly rate on their jobs. Historically, workers paid an hourly wage have made up approximately three-fifths of all wage and salary workers nationally. Estimates of workers paid by the hour include both full- and part-time workers unless otherwise specified.

Table of Industry Distributions

Industry Distribution of Workers Paid at Hourly Rates, Various Populations, Pennsylvania and the United States: 2024 Annual Average (Number of workers in thousands, breakdown by Industry Sector in percent)				
Industry Characteristics of Hourly Wage & Salary Workers at or below Minimum Wage	Minimum Wage or Below		Above Minimum Wage	
	PA	US	Near - PA	Total - PA
Total	47.2	843	255.0	3,119.5
Industry (Percent of Total)				
Accommodation	7%	1%	1%	1%
Agriculture, forestry, fishing and hunting	3%	2%	1%	1%
Arts, entertainment and recreation	0%	4%	6%	2%
Construction	0%	0%	2%	6%
Educational services	0%	3%	6%	6%
Financial activities	0%	1%	0%	4%
Food service and drinking places	73%	61%	20%	7%
Healthcare services, except hospitals	0%	2%	8%	11%
Hospitals	3%	2%	2%	8%
Information	0%	1%	1%	1%
Manufacturing	0%	4%	4%	11%
Mining	0%	0%	0%	0%
Other services	0%	3%	8%	4%
Professional and business services	0%	5%	3%	8%
Public administration	3%	3%	2%	4%
Retail trade	8%	5%	31%	15%
Social assistance	3%	1%	2%	4%
Transportation and utilities	0%	2%	2%	6%
Wholesale trade	0%	0%	1%	2%
Work Status (Percent of Total)				
Full-time	27%	47%	29%	75%
Part-time	73%	53%	71%	25%

Note: Pennsylvania and U.S. minimum wages were \$7.25 in 2024. Totals may not sum due to rounding.

Source: Current Population Survey, Bureau of the Census, U.S. Department of Commerce.

Table of Occupational Distributions

Occupational Distribution of Workers Paid at Hourly Rates, Various Populations, Pennsylvania and the United States: 2024 Annual Average (Number of workers in thousands, breakdown by Occupational Group in percent)				
Occupation	Minimum Wage or Below		Above Minimum Wage	
	PA	US	Near - PA	Total - PA
Total	47.2	843	255.0	3,119.5
Occupation (Percent of Total)				
Architecture & Engineering	0%	0%	0%	1%
Arts, Design, Entertainment, Sports & Media	0%	0%	1%	1%
Building and Grounds Cleaning & Maintenance	3%	3%	5%	4%
Business & Financial Operations	0%	2%	1%	3%
Community & Social Service	0%	0%	0%	2%
Computer & Mathematical Science	0%	1%	1%	1%
Construction & Excavation	0%	0%	1%	5%
Education, Training & Library	0%	1%	3%	3%
Farming, Fishing & Forestry	3%	1%	1%	1%
Food Preparation & Serving Related	70%	58%	18%	7%
Healthcare Practitioner & Technical	0%	1%	4%	10%
Healthcare Support	3%	3%	6%	7%
Installation, Maintenance & Repair	0%	1%	0%	4%
Legal	0%	0%	0%	0%
Life, Physical & Social Science	0%	0%	0%	1%
Management	0%	4%	4%	4%
Office & Administrative Support	0%	2%	8%	13%
Personal Care & Service	7%	6%	7%	3%
Production	0%	2%	3%	7%
Protective Service	3%	3%	3%	3%
Sales & Related	5%	5%	25%	9%
Transportation & Material Moving	6%	5%	10%	11%

Note: Pennsylvania and U.S. minimum wages were \$7.25 in 2024. Totals may not sum due to rounding.

Source: Current Population Survey, Bureau of the Census, U.S. Department of Commerce.

Programs that May Assist Low Income Workers

There are a multitude⁶ of state and federal programs including cash aid, education, energy, food aid, health care, etc., that provide assistance to low-income families. Below is a brief description of some of the major programs for which some minimum wage or below workers may be eligible. While the requirements of each program differ, they generally have a work requirement and are based on family characteristics and income.

Earned income Tax Credit (EITC) is a refundable federal tax credit that offsets some payroll and income taxes of low-income working families. To qualify, one needs to file a tax return (cannot file married, filing separately), have earned income (i.e., work), have less than \$59,899 of both earned and adjusted gross income (limits are lower for less than three qualifying children and if not filing “married filing jointly”), and no more than \$11,600 in investment income. The maximum benefit ranges from \$632 (no qualifying children) to \$7,830 (three or more qualifying children).

Child Tax Credit (CTC) helps working families offset the cost of raising children. Eligibility requires one to file taxes, have at least one qualified child, and have earned income (work). The maximum modified adjusted gross income is as high as \$400,000, for married couples filing jointly. The maximum tax credit is \$2,000 for each qualified child. The Additional Child Tax Credit (ACTC) is a refundable component of the CTC.

Pennsylvania - Temporary Assistance for Needy Families (TANF) is a federal program administered through the state via a block grant and is designed to help needy families achieve self-sufficiency. It is also referred to as Cash Assistance. There are both resource and income constraints as well as a maximum time limit (60 months) that one can access these benefits.

Supplemental Nutrition Assistance Program (SNAP) was formerly known as the Food Stamp program. These benefits are used to buy food and help eligible low-income households in Pennsylvania obtain more nutritious diets by increasing their food purchasing power at grocery stores and supermarkets. There are gross monthly income limits based on family size and presence of disabled persons.

Medicaid / Medical Assistance (MA) pays for health care services for eligible individuals. Income limits are based on a multiple of the Federal Poverty Guidelines, which depend on family size and composition.

More detailed information on these programs can be found at:

- <https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/do-i-qualify-for-earned-income-tax-credit-eitc>;
- <https://www.irs.gov/forms-pubs/about-schedule-8812-form-1040>;
- <https://www.pa.gov/agencies/dhs/resources/cash-assistance/tanf.html>;
- <https://www.pa.gov/agencies/dhs/resources/snap.html>; and
- <https://www.pa.gov/agencies/dhs/resources/medicaid.html>.

⁶ In FY 2012, for example, there were at least 92 federal programs that were designed to help lower-income Americans, according to, [The War on Poverty: 50 Years Later](#), March 3, 2014, by the House Budget Committee Majority Staff.

Minimum Wage Changes: Pennsylvania⁷ and the U.S.⁸

Effective Date of Rate Change	Federal Minimum Wage Rates Under FLSA of 1938 (as amended)	Pennsylvania Minimum Wage Rates Under Minimum Wage Act of 1968 (as amended)	Effective Pennsylvania Minimum Wage Rate
Oct 24,1938	\$0.25		\$0.25
Oct 24,1939	\$0.30		\$0.30
Oct 24,1945	\$0.40		\$0.40
Jan 25,1950	\$0.75		\$0.75
Mar 1,1956	\$1.00		\$1.00
Sep 3,1961	\$1.15		\$1.15
Sep 3,1963	\$1.25		\$1.25
Feb 1,1967	\$1.40		\$1.40
Feb 1,1968	\$1.60		\$1.60
May 1,1974	\$2.00		\$2.00
Jan 1,1975	\$2.10		\$2.10
Jan 1,1976	\$2.30		\$2.30
Jan 1,1978	\$2.65		\$2.65
Jan 1,1979	\$2.90	\$2.90	\$2.90
Jan 1,1980	\$3.10	\$3.10	\$3.10
Jan 1,1981	\$3.35	\$3.35	\$3.35
Feb 1,1989		\$3.70	\$3.70
Apr 1,1990	\$3.80		\$3.80
Apr 1,1991	\$4.25		\$4.25
Oct 1,1996	\$4.75		\$4.75
Sep 1,1997	\$5.15	\$5.15	\$5.15
Jan 1,2007		\$6.25	\$6.25
Jul 1,2007		\$7.15	\$7.15
Jul 24,2007	\$5.85		\$7.15
Jul 24,2008	\$6.55		\$7.15
Jul 24,2009	\$7.25		\$7.25

⁷ Source: Minimum Wage Act of 1968 (as amended, see Section 4a),

(https://www.legis.state.pa.us/CFDOCS/LEGIS/LI/uconsCheck.cfm?txtType=HTM&yr=1968&sessInd=0&smthLwind=0&act=0005.&CFID=341787833&CF_TOKEN=29282704).

⁸ Sources: DOL Wage and Hour Division, "FEDERAL MINIMUM WAGE RATES UNDER THE FAIR LABOR STANDARDS ACT"

<https://www.dol.gov/agencies/whd/minimum-wage> in tabular form and a more verbal exposition in "History of Changes to the Minimum Wage Law" at

<https://www.dol.gov/agencies/whd/minimum-wage/history>.

Both the Fair Labor Standards Act (henceforth FLSA, which governs the federal minimum wage) and Pennsylvania’s Minimum Wage Act of 1968 (henceforth MWA) have been amended multiple times since their initial enactments. The thrust of these amendments has not only been to increase the minimum wage, but also to expand the coverage of workers governed by the minimum wage. Some workers may have been exempted from these laws, while others may have been allowed by these amendments to be paid less the “standard” minimum wage (which is the rate listed on the previous table). Section 4 (a.1) of the MWA mandates that if the minimum wage set by the FLSA is increased above the rate required in Section 4 of the MWA, then the minimum wage required under Section 4 would be increased by the same amount and with the same effective date mandated by the FLSA. Consequently, some of the rates listed as changes in the MWA are reflecting changes mandated by the FLSA. However, since they were listed in the current version of the statute (last amended on July 5, 2012), they are listed in the table on page 43. For workers covered by the FLSA, whenever the FLSA mandates a higher minimum wage than state law, federal law (e.g., FLSA) supersedes state law. Consequently, the effective minimum wage rate in the accompanying table is the higher of the rate mandated by the FLSA or the MWA.



Pennsylvania
**Department of
Labor & Industry**
Center for Workforce Information & Analysis