

The Impact of the Proposed Minimum Wage Legislation

Who will be affected by a \$1.00 increase?

According to the Current Population Survey, there were 644,000 New Hampshire residents employed in 1999. Of those employed, about 360,000 were paid by the hour. Approximately 10,000 (1.5 percent) of the total employed were paid less than \$5.15 the minimum wage, while about 2,000 (0.3 percent) were paid the minimum wage. The 1.5 percent earning less than \$5.15 includes waiters and waitress and other such occupations where tips are expected to supplement the hourly wage. Also included are some workers under age 16. The Fair Labor Standards Act allows a wage lower than \$5.15 in these categories.

There were about 27,000 (4.2 percent) workers in 1999 with hourly wages ranging from \$5.16 to \$6.14. Combining all categories under \$6.15 gives an estimate of 39,000, about 6 percent of total employment.

In New England, New Hampshire had the second lowest percentage of workers earning less than \$6.15 per hour. Connecticut, which has a legislated minimum wage of \$6.15, was lower. New England was 2.6 percentage points below the national average.

According to the U. S. Bureau of Labor Statistics, just over 30 percent of the workers nationwide who earn \$6.15 or less are ages 16-19. Slightly over half of those earning \$6.15 or less are under the age of 25. In the 16-24 age group approximately 33 percent of men and 42 percent of women earn less than \$6.15. Over 11 percent of the people who work part-time were paid at or below the current minimum wage compared to just over 2 percent of the full-time workers. The divisions with the largest proportions of minimum wage workers are Retail trade and Services. These divisions include many of the jobs where the hourly wage is supplemented by tips and commissions.

Henry Goode

Workers with Hourly Rates of \$6.15 or Less in 1999

	1999 Employment (Total)	1999 Employment (paid by the hour)	\$5.14 or less		\$5.15		\$5.16 to \$6.14		Total	
			number	percent	number	percent	number	percent	number	percent
Connecticut	1,638,000	819,000	21,000	1.3%	5,000	0.3%	57,000	3.5%	83,000	5.1%
New Hampshire	648,000	360,000	10,000	1.5%	2,000	0.3%	27,000	4.2%	39,000	6.0%
Massachusetts	3,173,000	1,683,000	50,000	1.6%	15,000	0.5%	146,000	4.6%	211,000	6.6%
Maine	644,000	380,000	7,000	1.1%	8,000	1.2%	37,000	5.7%	52,000	8.1%
Vermont	326,000	170,000	4,000	1.2%	1,000	0.3%	20,000	6.1%	25,000	7.7%
Rhode Island	483,000	278,000	10,000	2.1%	2,000	0.4%	35,000	7.2%	47,000	9.7%
New England	6,912,000	3,690,000	102,000	1.5%	33,000	0.5%	322,000	4.7%	457,000	6.6%
United States	133,488,000	72,306,000	2,137,000	1.6%	1,146,000	0.9%	8,947,000	6.7%	12,230,000	9.2%