

FISCAL POLICY NOTES

November 2004

New York State Minimum Wage Increase

Myth vs. Reality

Myth #1 No one in New York works at the minimum wage

Fact 1.2 Million New York workers would benefit directly or indirectly from an increase in the NYS minimum wage to \$7.15

Fact One out of five women workers in New York would benefit

Myth #2 Only teenagers will benefit from an increase in the minimum wage

Fact 83% of beneficiaries would be adults --- only 17% teenagers

Fact One out of seven adult workers would benefit

Myth #3 Only part-time workers earn the minimum wage

Fact More than half the beneficiaries work full time

Myth #4 Most minimum wage workers live in higher income families

Fact 38% of families with a low wage worker have no other earnings

Fact Potential beneficiaries are responsible for more than half their families' total earnings

Fact Almost 60% of the gain from a minimum wage increase would go to workers in the lowest two quintiles of the earnings distribution.

Source: EPI analysis of 2003 Current Population Survey data.

Table 1
Characteristics of New York State workers affected by increase to \$7.15

	Workers Who Would Benefit Directly or Indirectly	Workers with Wages between \$5.15 and \$7.15 Who Would Benefit Directly	Workers with Wages between \$7.15 and \$8.15 Who Would Benefit Indirectly*	Total NYS Workforce 2003**
Number of workers	1,242,000	749,000	493,000	7,827,000
Percent of workforce	15.9%	9.6%	6.3%	100.0%
<i>Gender</i>				
Male	41.2%	37.6%	46.7%	50.5%
Female	58.8%	62.4%	53.3%	49.5%
<i>Race/ethnicity</i>				
White	56.3%	57.8%	54.0%	64.6%
Black	14.7%	13.4%	16.7%	13.9%
Hispanic	21.2%	20.8%	22.0%	14.4%
<i>Age</i>				
16-19	16.7%	22.9%	7.4%	4.1%
20 and older	83.3%	77.1%	92.6%	95.9%
<i>Work hours</i>				
1-19 hours	18.2%	23.5%	10.2%	6.2%
20-34 hours	26.2%	28.4%	22.9%	12.0%
Full-time (35+ hrs.)	55.6%	48.2%	66.9%	81.7%
<i>Industry</i>				
Retail trade	23.6%	26.5%	19.3%	10.8%
Leisure and hospitality	17.9%	19.6%	15.3%	8.3%
<i>Occupation</i>				
Sales	18.8%	21.7%	14.5%	10.0%
Service	38.2%	39.4%	36.2%	19.4%

*Those earning within \$1.00 above the proposed minimum wage.

**Includes workers not covered by minimum wage.

Table 2

Almost 60% of the Gain from a Minimum Wage Increase would go to the Lowest Earning Workers

Weekly earnings quintile	Average weekly earnings	Share of gain from increase
1- Bottom 20%	\$267	37.3%
2	\$561	20.4%
3	\$887	16.9%
4	\$1,361	13.2%
5 - Top 20%	\$2,432	12.3%

Table 3

The Earnings of Minimum Wage Workers are Significant for their Families

	All Families	Families with Children
Share of weekly earnings contributed by affected worker	52.4%	54.6%
Share of families with 100% of earnings from a low wage worker	37.9%	42.0%

Source: EPI analysis of 2003 CPS-ORG data.

	Workers Who Would Benefit Directly or Indirectly	Workers with Wages between \$5.15 and \$7.15 Who Would Benefit Directly	Workers with Wages between \$7.15 and \$8.15 Who Would Benefit Indirectly*
Percent of workforce	15.9%	9.6%	6.3%
Women Workers	18.9%	12.1%	6.8%
Male Workers	12.9%	7.1%	5.8%
White Workers	13.8%	8.6%	5.3%
Black Workers	16.8%	9.2%	7.6%
Hispanic Workers	23.4%	13.8%	9.6%
Teenage Workers	65.4%	53.9%	11.4%
Adult Workers	13.8%	7.7%	6.1%
Working 1-19 hours per week	46.3%	36.0%	10.3%
Working 20 to 34 hours per week	34.6%	22.6%	12.0%
Full time workers	10.8%	5.6%	5.2%
Retail Industry Workers	34.7%	23.5%	11.2%
Leisure and Hospitality Industry Workers	34.1%	22.5%	11.6%
Sales Workers	30.0%	20.8%	9.2%
Service Workers	31.3%	19.5%	11.8%

*Those earning within \$1.00 above the proposed minimum wage.

Source: EPI analysis of 2003 Current Population Survey data.

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