Update: Summary Statistics on the Minimum Wage
American Community Survey

• Conducted by the U.S. Census Bureau
• Surveys a random 1% of the U.S. population
• Intended as a way to estimate the makeup of the population in-between each ten-year Census
Resident Population in 2016

- Minnesota: 5,451,000
- Metro Area: 3,551,000
- Ramsey County: 548,000
- St Paul City: 297,000

- https://factfinder.census.gov/ on 05/16/2018
CPS: Current Population Survey

- Conducted by the U.S. Census Bureau and the Bureau of Labor Statistics
- Surveys around 60,000 households every month
  - Some months have special add-ons
- Designed to estimate workforce characteristics
- Does not include
  - Persons under age 16
  - Active service military
  - Those in correctional institutions
  - Long term care facility inhabitants
  - Homeless persons

- Documentation available at https://www.bls.gov/cps/cps_over.htm
# Hourly Wages (for non-salary workers)

<table>
<thead>
<tr>
<th>Year</th>
<th>Area</th>
<th>Average</th>
<th>25%</th>
<th>50%</th>
<th>75%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>Ramsey County</td>
<td>$15.68</td>
<td>$10.00</td>
<td>$13.00</td>
<td>$17.50</td>
</tr>
<tr>
<td></td>
<td>Hennepin County</td>
<td>$16.61</td>
<td>$10.00</td>
<td>$13.50</td>
<td>$19.00</td>
</tr>
<tr>
<td>2016</td>
<td>Ramsey County</td>
<td>$16.88</td>
<td>$12.00</td>
<td>$14.50</td>
<td>$20.00</td>
</tr>
<tr>
<td></td>
<td>Hennepin County</td>
<td>$18.52</td>
<td>$10.40</td>
<td>$15.00</td>
<td>$21.25</td>
</tr>
</tbody>
</table>

Wage = Hourwage, removed N/A  
Home = Hennepin/Ramsey County, Workplace = Any  
Source: IPUMS-CPS, University of Minnesota, [www.ipums.org](http://www.ipums.org)
Weekly Earnings (for non-salary workers)

<table>
<thead>
<tr>
<th>Year</th>
<th>Area</th>
<th>Average</th>
<th>25%</th>
<th>50%</th>
<th>75%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>Ramsey County</td>
<td>$567</td>
<td>$380</td>
<td>$480</td>
<td>$688</td>
</tr>
<tr>
<td></td>
<td>Hennepin County</td>
<td>$611</td>
<td>$300</td>
<td>$480</td>
<td>$769</td>
</tr>
<tr>
<td>2016</td>
<td>Ramsey County</td>
<td>$650</td>
<td>$450</td>
<td>$570</td>
<td>$858</td>
</tr>
<tr>
<td></td>
<td>Hennepin County</td>
<td>$712</td>
<td>$300</td>
<td>$600</td>
<td>$887</td>
</tr>
</tbody>
</table>

Wage = Earnweek if Paidhour == yes, removed N/A
Home = Hennepin/Ramsey County, Workplace = Any
Source: IPUMS-CPS, University of Minnesota, www.ipums.org
DEED Department of Employment and Economic Development

• Unemployment Rate

\[ U = \frac{\text{Looking for a Job}}{\text{Looking for a Job} + \text{Has a Job}} \]

• Hennepin County  \( U = 2.9\% \)
• Minneapolis City  \( U = 2.9\% \)
• Ramsey County  \( U = 3.1\% \)
• St Paul City  \( U = 3.2\% \)

• Mn.gov/deed/data
• Labor Force Participation Rate

\[ LFP = \frac{\text{Looking for a Job} + \text{Has a Job}}{\text{Looking for a Job} + \text{Has Job} + \text{Not Looking for a Job}} \]

• Minnesota State \quad LFP = 70%

• Mn.gov/deed/data
Open Questions: Income from Tips

• No data set with income that isolates tips
• Tips mixed in with rent and leasing income and “other nonwage income”
• Recent paper from Economic Policy Institute discusses how to use the CPS to estimate tips
  • National estimates suggests (Tips = Sales * 10%)
• I will likely have estimates by next week
Open Questions: Salary, Participation

• These measures only count people who are paid by the hour
• Including salary employees is possible, but may not be valuable
• Unemployment doesn’t count those not looking for work
  • Will the minimum wage motivate people to look for work if they weren’t before?
Questions?
Glossary of Popular Terms

• Employment : The number of people with a job
  • Note: If you have two jobs, you are only counted once

• Unemployment: the number of people without a job who want a job

• Labor Force Participation : The number of people either in employment or in unemployment
Glossary of Popular Terms

• Employment Rate: The percentage of people employed divided by the size of the labor force

• Unemployment Rate: The percentage of people unemployed divided by the size of the labor force

• Labor Force Participation Rate: The percentage of people participating in the labor force divided by the whole population
Glossary of Popular Terms

• Seasonal Employment: Jobs that only exist during certain times of the year
  • E.g. Working at a summer resort
  • E.g. Hiring more staff during Holiday season

• Seasonally Adjusted Employment: Employment divided by a seasonal average
  • E.G. Assume:
    • There are 900,000 jobs in November 2015 then 1,000,000 jobs in December 2015
    • There are 900,000 jobs in November 2016 then 900,000 jobs in December 2016
    • We would say raw employment is flat in 2016 because the number of jobs stays flat
    • We would say seasonally adjusted employment is going down in 2016, because we normally expect jobs to go up in December, but this time it didn’t
Glossary of Popular Terms

• Minimum Wage: The lowest allowable wage to be paid to employees per hour

• Effective Minimum Wage: The highest minimum wage applicable when many minimum wages overlap
  • E.g.1. If the federal minimum wage is $7, the state minimum wage is $9, and the city minimum wage is $11, the effective minimum wage in the city is $11
  • E.g.2. If a state doesn’t have a minimum wage, but the federal minimum wage is updated, the effective minimum wage is the federal minimum wage

• Municipal Minimum Wage: a minimum wage designed by a county, city, or region that is smaller than a state
Glossary of Popular Terms

• Economic Output: The value of everything that is produced in a three month period

• Economic Growth: The change in economic output from one three month period to the next

• Economic Recession: if economic growth is negative for at least six months in a row