

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

- U.S. Census Bureau (2016). *American Community Survey 1-year estimates*. Retrieved from *Census Reporter Profile page for Minneapolis-St. Paul-Bloomington, MN-WI Metro Area* on 05/16/2018
<https://censusreporter.org/profiles/31000US33460-minneapolis-st-paul-bloomington-mn-wi-metro-area/>
- <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)

Year	Area	Average	25%	50%	75%
2015	Ramsey County	\$15.68	\$10.00	\$13.00	\$17.50
	Hennepin County	\$16.61	\$10.00	\$13.50	\$19.00
2016	Ramsey County	\$16.88	\$12.00	\$14.50	\$20.00
	Hennepin County	\$18.52	\$10.40	\$15.00	\$21.25

Wage = Hourwage, removed N/A

Home = Hennepin/Ramsey County, Workplace = Any

Source: IPUMS-CPS, University of Minnesota, www.ipums.org

Weekly Earnings (for non-salary workers)

Year	Area	Average	25%	50%	75%
2015	Ramsey County	\$567	\$380	\$480	\$688
	Hennepin County	\$611	\$300	\$480	\$769
2016	Ramsey County	\$650	\$450	\$570	\$858
	Hennepin County	\$712	\$300	\$600	\$887

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

- $$U = \frac{\textit{Looking for a Job}}{\textit{Looking for a Job} + \textit{Has a Job}}$$

- 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

DEED Department of Employment and Economic Development

- Labor Force Participation Rate

- $$LFP = \frac{\textit{Looking for a Job} + \textit{Has a Job}}{\textit{Looking for a Job} + \textit{Has Job} + \textit{Not Looking for a Job}}$$

- Minnesota State LFP = 70%

- Mn.gov/deed/data

- U.S. Department of Commerce, Bureau of Labor Statistics, Geographic Profile of Employment and unemployment (<http://www.bls.gov.gps>)

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