

# LEGISLATIVE RESEARCH REPORT

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## MINIMUM WAGE STATISTICS FOR ALASKA

PREPARED FOR REPRESENTATIVE LES GARA

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You asked how many employees in Alaska earn the minimum wage, and how many earn \$10 per hour or less.

According to the Alaska Department of Labor and Workforce Development (DOLWD), approximately **five percent** of employees in Alaska, or about **14,300 workers**, earned **\$8.00 per hour or less** in 2005.<sup>1</sup> Approximately **15 percent (about 45,500 workers)** earned **\$10 per hour or less**.<sup>2</sup> The department was unable to determine how many workers were paid at the Alaska minimum wage of \$7.15 per hour, due to the method used to report wage data on the Occupational Employment Survey.

Table 1 includes the average hourly wage and average annual wage for all major occupational groups in Alaska for 2005, based on information reported to the U. S. Bureau of Labor Statistics (BLS) by DOLWD.

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<sup>1</sup> "Alaska 2005 Employment by Hourly Wage," Research and Analysis Section, Department of Labor and Workforce Development, January 12, 2007.

<sup>2</sup> Research and Analysis, January 16, 2007.

**Table 1: 2005 Average Hourly Wage for Occupations in Alaska**

SIC Code	Occupational Title	Total Employment	Average Hourly Wage	Average Annual Wage
<b>00-0000</b>	<b>All Occupations</b>	<b>300,150</b>	<b>\$20.55</b>	<b>\$42,740</b>
11-0000	Management occupations	23,690	\$33.56	\$69,800
13-0000	Business and financial operations occupations	9,130	\$28.06	\$58,360
15-0000	Computer and mathematical occupations	3,950	\$28.72	\$59,740
17-0000	Architecture and engineering occupations	6,220	\$32.58	\$67,760
19-0000	Life, physical, and social science occupations	6,460	\$25.92	\$53,920
21-0000	Community and social services occupations	5,810	\$18.58	\$38,650
23-0000	Legal occupations	2,510	\$32.50	\$67,610
25-0000	Education, training, and library occupations	20,410	\$21.60	\$44,930
27-0000	Arts, design, entertainment, sports, and media occupations	2,780	\$18.18	\$39,890
29-0000	Healthcare practitioners and technical occupations	12,810	\$32.14	\$66,850
31-0000	Healthcare support occupations	6,180	\$14.62	\$30,410
33-0000	Protective service occupations	11,490	\$17.23	\$35,830
35-0000	Food preparation and serving related occupations	21,820	\$10.57	\$21,980
37-0000	Building and grounds cleaning and maintenance occupations	10,270	\$12.56	\$26,130
39-0000	Personal care and service occupations	10,190	\$12.80	\$26,630
41-0000	Sales and related occupations	26,220	\$14.21	\$29,560
43-0000	Office and administrative support occupations	51,290	\$16.53	\$34,380
45-0000	Farming, fishing, and forestry occupations	650	\$16.11	\$33,520
47-0000	Construction and extraction occupations	19,840	\$25.50	\$53,050
49-0000	Installation, maintenance, and repair occupations	15,370	\$23.54	\$48,970
51-0000	Production occupations	10,710	\$18.57	\$38,630
53-0000	Transportation and material moving occupations	22,360	\$20.68	\$43,020

**Notes:** The "SIC Code" is the "Standard Industrial Code" used by the Department of Labor. Estimates for total employment do not sum to the total—not all estimates for individual occupations were provided. Average annual wages were calculated by multiplying the average hourly wage by a "year-round, full-time" estimate of 2,080 hours.

**Source:** Bureau of Labor Statistics, U. S. Department of Labor.

The BLS calculated the average annual wage by multiplying the average hourly wage by a year-round, full-time estimate of 2,080 hours.<sup>3</sup> As you can see, the lowest paid occupational groups were the food preparation and service group (\$10.57 per hour), the building and grounds cleaning and maintenance group (\$12.56 per hour), and the personal care and service occupations (\$12.80 per hour).

Table 2 shows the occupational breakdown for those workers who earned \$10.00 per hour or less in 2005. As you can see from this table, the lowest paid workers were ushers, lobby attendants, and ticket takers, who earned about \$8.30 per hour.

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<sup>3</sup> "May 2005 State Occupational Employment and Wage Estimates—Alaska," Bureau of Labor Statistics, U. S. Department of Labor, last updated June 28, 2006, [http://stats.bls.gov/oes/current/oes\\_ak.htm#\(4\)](http://stats.bls.gov/oes/current/oes_ak.htm#(4)). It is important to note, however, that many employees paid at lower hourly wages do not work a full-time schedule, so annual estimates may be overstated. As a point of interest, a full-time worker in Alaska earning the current state minimum wage of \$7.15 per hour, using the BLS's estimated annual hours, would earn an annual average wage of about \$14,800. The proposed increase to \$8.00 per hour would raise that annual wage to about \$16,600—an increase of about \$1,800 per year. A worker making the current federal minimum wage, however, if working full-time, would earn an average annual wage of \$10,712—over the 2006 federal poverty level for a single person (\$9,800) but less than the 2006 federal poverty level of \$13,200 for a two-person household in the contiguous United States ("2006 HHS Federal Poverty Guidelines," U. S. Department of Health and Human Services, <http://aspe.hhs.gov/poverty/06poverty.shtml>.) The U. S. Department of Labor estimates that about half of all people in the U. S. working at minimum wage jobs are less than 25 years of age, while the Economic Policy Institute estimates that 80 percent of these workers are over the age of 20.

**Table 2: Alaska Workers Earning \$10.00 per Hour or Less in 2005**

SIC Code	Occupational Title	Total Employment	Average Hourly Wage	Average Annual Wage
39-3031	Ushers, lobby attendants, and ticket takers	110	\$8.30	\$17,260
35-2011	Cooks, fast food	480	\$8.59	\$17,880
45-2092	Farmworkers and laborers, crop, nursery, and greenhouse	160	\$8.65	\$17,990
35-3021	Combined food preparation and serving workers, including fast food	4,470	\$8.78	\$18,260
51-9131	Photographic process workers	na	\$8.95	\$18,260
35-3022	Counter attendants, cafeteria, food concession, and coffee shop	1,970	\$8.96	\$18,630
35-9021	Dishwashers	1,200	\$9.22	\$19,170
35-9011	Dining room and cafeteria attendants and bartender helpers	540	\$9.30	\$19,330
35-9031	Hosts and hostesses, restaurant, lounge, and coffee shop	470	\$9.45	\$19,660
39-6011	Baggage porters and bellhops	200	\$9.47	\$19,690
53-6031	Service station attendants	410	\$9.47	\$19,700
43-4081	Hotel, motel, and resort desk clerks	1,160	\$9.55	\$19,870
35-3031	Waiters and waitresses	3,590	\$9.88	\$20,550
39-3091	Amusement and recreation attendants	940	\$9.90	\$20,650
35-9099	Food preparation and serving related workers, all other	na	\$10.04	\$20,890
51-9111	Packaging and filling machine operators and tenders	400	\$10.05	\$20,900

**Notes:** The "SIC Code" is the "Standard Industrial Code" used by the Department of Labor. Average annual wages were calculated by multiplying the average hourly wage by a "year-round, full-time" estimate of 2,080 hours.

**Source:** Bureau of Labor Statistics, U. S. Department of Labor.

I hope you find this information to be useful. Please do not hesitate to contact us if you have questions or need additional information.