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Minimum Wage and Overtime Hours Under the Fair Labor Standards Act



1998 Report to the Congress required by
Section 4(d)(1) of the Fair Labor Standards Act

U.S. Department of Labor
Employment Standards Administration
Wage and Hour Division

June 1998



Minimum Wage and Overtime Hours Under the Fair Labor Standards Act

1998 Report to the Congress required by
Section 4(d)(1) of the Fair Labor Standards Act

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June 1998

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INTRODUCTION

The Fair Labor Standards Act (FLSA), Section 4 (d) (1), requires the Secretary of Labor to report annually on the status of the nation's minimum wage law:

The Secretary shall submit annually in January a report to the Congress covering his [her] activities for the preceding year and including such information, data, and recommendations for further legislation in connection with the matters covered by this Act as he [she] may find advisable. Such report shall contain an evaluation and appraisal by the Secretary of the minimum wages and overtime coverage established by this Act, together with his [her] recommendations to the Congress. In making such evaluation and appraisal, the Secretary shall take into consideration any changes which may have occurred in the cost of living and in productivity and the level of wages in manufacturing, the ability of employers to absorb wage increases, and such other factors as he [she] may deem pertinent. Such report shall also include a summary of the special certificates issued under Section 14(b).

Those who wrote the FLSA believed that such information would be critical if the law was to meet its primary objective of:

eliminating labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers...without substantially curtailing employment or earning power.

Over the years since the Fair Labor Standards Act became law in 1938, the Labor Department's Wage and Hour Division has provided Congress with over 30 annual reports in response to FLSA Section 4 (d) (1). The last minimum wage report covered 1990 data, issued in 1993.

The Federal Reports Elimination and Sunset Act of 1995 amended FLSA's 4 (d) reporting requirements. Specifically, it changed the status of 4 (d) (1) from an annual to a biennial report during the period 1996-1999, and eliminated its Congressional mandate after 1999.

While this report constitutes one of the two additional reports required under the Federal Reports Elimination and Sunset Act, it also is intended to be the first in a series of publications -- The Minimum Wage and Overtime Hours Report -- to meet a broad range of user needs. For example, this publication was designed for members of Congress and their staffs, federal executive staff and policy makers,

academic researchers, the press, and the general public. Content covers:

1. Minimum Wage and Overtime Hours Highlights. A brief description of the most significant minimum wage and overtime developments during the period covered by the report.
2. Legislative Developments. A description of new minimum wage legislation and key provisions. For example, this report describes the 1996 FLSA Amendments. In addition, Appendix A includes selected minimum wage information from the Wage and Hour Division's Internet home page.
3. The Minimum Wage and Key Economic Indicators. Draws upon existing data bases to relate the minimum wage to the level required to allow a standard of living necessary for health, efficiency, and general well being, without substantially curtailing employment levels and earning power. The minimum wage is examined relative to changes in cost of living, poverty thresholds, average wages, productivity, and profits. Data and analyses cover the period 1966-97, to provide meaningful perspective over more than three decades of comparable FLSA coverage. This section also contains information concerning studies on the impact of minimum wage increases.
4. Fair Labor Standards Act Coverage. Detailed time series statistics and analyses of minimum wage and overtime protections coverage and exemptions. Restores FLSA data series begun in 1939, but not updated since 1990.
5. Fair Labor Standards Act Compliance. Both statistical and narrative information on Wage and Hour initiatives to achieve FLSA compliance, improve customer satisfaction, and promote a high performance agency workplace. Data are provided on investigations, workers assisted, and dollars recovered. This edition includes a capsule description of the award-winning Wage and Hour "Eradicating Sweatshops" initiative.
6. Litigation Activity. Descriptions of significant litigation concerning the FLSA. Cases are grouped into ten areas of concern: compensability of worktime and compensation due; status as an employee or contractor; agriculture; child labor; exemptions for executive, administrative, and professional employees; salary basis and the Section 13 (a) (1) exemption; employer claims to exceptions;

motor carrier exemption; enterprise coverage; and other significant cases.

7. Special Studies. From time to time, reports the findings of FLSA research, descriptions of FLSA legislative proposals, and information concerning other issues relevant to improved minimum wage equity and administration.

8. Appendices. Provide information about:

- Fair Labor Standards Act Amendments -- Appendix A.
- Data utilized to prepare Figures 1 - 9, and a bibliography and highlights of minimum wage impact studies -- Appendix B.
- Historical data on FLSA coverage and exemptions, and coverage methodology -- Appendix C.
- Historical data on FLSA compliance and the issuance of certificates under FLSA Section 14 -- Appendix D.

I. MINIMUM WAGE AND OVERTIME HOURS HIGHLIGHTS

The Small Business Job Protection Act of 1996 provided two consecutive-year minimum wage increases, from \$4.25 to \$4.75 per hour on October 1, 1996, and to \$5.15 per hour on September 1, 1997. These minimum wage gains provided additional income to almost 10 million workers.

Based upon data for the first quarter of 1998 (the second quarter in which the \$5.15 minimum wage was fully effective), almost 3 percent of the nation's wage and salary workers paid hourly earned \$5.15 per hour. Of these workers, 67 percent were 20 years of age or older. These data also indicate that minimum wage workers typically are women (63 percent), white (80 percent), and usually work less than 35 hours per week (63 percent). Almost half of minimum wage workers (49 percent) work in the retail trade industry, while over half (60 percent) are in sales and service occupations.

Appraisal of the minimum wage, as prescribed by Section 4(d)(1) of the Fair Labor Standards Act (FLSA), found that:

- In spite of the recent minimum wage increases, the real value of the minimum wage remains below 1960s and 1970s levels:
 - Between 1966 and 1997, the real value of the minimum wage declined by 17 percent.
 - The family size supportable by the minimum wage at the poverty threshold fell from close to four in 1968 to just over two in 1997.
 - In the 1950s and 1960s, the minimum wage averaged 51 percent of average hourly earnings. That measure fell to 46 percent in the 1970s, and to an average of 40 percent thus far in the 1980s and 1990s.
- With regard to the FLSA requirement to measure "the ability of employers to absorb wage increases," since 1966, annual percent gains in business sector productivity (output per hour) outpaced increases in real hourly compensation (wages and benefits) three-fourths of the time, and for each of the past ten years. Over the entire period, change in output per hour grew by two-thirds (66.6 percent), while compensation grew by about one-third (36.6 percent.)
- Real corporate profits per hour worked have recovered from recession lows of the early 1980s. Profits per hour in 1997 exceeded the previous peak level recorded over the last three decades (1966-97 period), while average profits per hour over the past three years is the highest such average in 30 years.

- Average real retail industry profits per hour worked over the past five years have been the highest in 25 years, while real retail average hourly employee earnings are well below levels of the 1970s.
- In 1996 (the latest year for which coverage data are available), 79 million wage and salary workers (65 percent of the total) were covered by the minimum wage provisions of the FLSA; overtime protections (time-and-a-half pay for hours over 40 worked per week) applied to 74 million workers (61 percent of the total).
- The majority of workers not protected by minimum wage and overtime provisions were classified as executive, administrative, and professional employees, under the FLSA Section 13(a)(1) exemption. Based upon an improved method of identifying such workers, it is estimated that 32 million fell into that category in 1996.

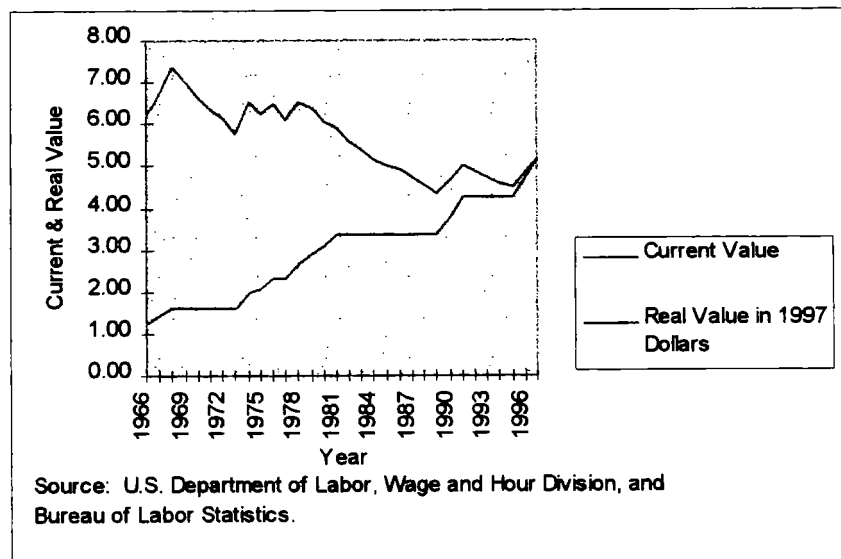
Key FLSA activities of the Secretary, also to be specified in this report [see FLSA Section 4(d)(1)], were as follows:

- Through strategic planning, the Wage and Hour Division is seeking to achieve compliance with the FLSA, improve customer satisfaction, and establish a high-performance workplace for its own employees:
 - Since 1995, when Wage and Hour began to target low-wage industries, such as the garment industry, mobilization of employers, government, and the public has resulted in millions of dollars in back wages recovered. Compliance data from random samples of industry establishments have set baselines and marked improvement. At the same time, thousands of FLSA violations have been prevented through innovative education and outreach efforts.
 - The Division is conducting customer satisfaction surveys to assess complainant and employer perceptions and identify avenues for improvement.
 - Wage and Hour Division productivity and effectiveness are being addressed through accelerated recruitment and training, automation, financial management systems, and staff climate surveys that obtain employee perspectives on organization strengths and weaknesses.

II. LEGISLATIVE DEVELOPMENTS

The Small Business Job Protection Act passed Congress on August 2, 1996, and was signed into law (Public Law 104-188) by President Clinton on August 20. This legislation provided two minimum wage increases under the Fair Labor Standards Act (FLSA). The initial increase, from \$4.25 to \$4.75 an hour, went into effect on October 1, 1996, and was the first minimum wage gain since April 1, 1991. The second increase was effective on September 1, 1997, raising the FLSA minimum to \$5.15 per hour. —

Figure 1:
Minimum Wage -- Current and Real Value
1966 - 1997



As can be seen in Figure 1, above, the 1996 and 1997 increases were responsible for a \$0.90 gain from the 1995 rate of \$4.25, representing an advance of 21.2 percent. However, the comparable increase in the real value of the minimum wage (1997 dollars) from 1995 to 1997 was 15.0 percent. (See Appendix B for data used in figure development.) Also, in spite of the latest increases, the real value of the minimum wage remains far below the levels of the 1960s and 1970s.

Four additional features of the 1996 FLSA amendments involve a youth minimum wage, tip credit, an exemption for employees in the computer industry, and travel time in employer provided vehicles. The youth minimum wage provisions

maintained the \$4.25 minimum wage for employees under 20 years of age during their first 90 consecutive calendar days on the job. Employers are prohibited from displacing employees in order to hire youth at the \$4.25 minimum wage. Also prohibited are partial displacements, such as reducing employees' hours, wages, or employment benefits.

Under the tip credit provisions of the FLSA, an employer may credit an amount of tips received against the employer's minimum wage obligation, when certain conditions are met. The 1996 amendments set the employer's direct wage obligation at not less than \$2.13 per hour. This provision replaces the former requirement that tipped employees be paid at least 50 percent of the minimum wage in cash. For example, under the former provision, with the current \$5.15 minimum wage, tipped employees would have to be paid at least \$2.58 per hour. Under the new provisions, that obligation is frozen at \$2.13 per hour. However, if an employee's tips, combined with the employer's cash wage do not equal the minimum hourly wage, the employer is required to make up the difference.

The 1996 amendments also changed requirements of the FLSA minimum wage/overtime exemption for certain computer professionals. Under the former requirement, exemption from the minimum wage/overtime provisions of the FLSA applied to computer programmers, systems analysts and similar occupations when the employee was paid at least 6.5 times the minimum wage (e.g., \$27.63 at the \$4.25 minimum wage). However, under the 1996 amendments, such computer professionals paid at least \$27.63 per hour continue to be exempt (in effect, freezing the minimum compensation criterion established under the \$4.25 minimum wage).

Finally, the new amendments clarified the definition of "hours worked" when an employee commutes in a company vehicle. Specifically, time spent in home-to-work travel in an employer-provided vehicle, or in employee activities incidental to the use of the vehicle for commuting, is not "hours worked" and, therefore, does not have to be paid. This provision applies only if the travel is within the normal commuting area for the employer's business and the use of the vehicle is subject to an agreement between the employer and the employee or the employee's representative.

In his State of the Union address in 1998, President Clinton called upon Congress to raise the minimum wage, and has proposed a \$1.00 increase, in two fifty-cent increments.

III. THE MINIMUM WAGE AND KEY ECONOMIC INDICATORS: 1966 - 1997

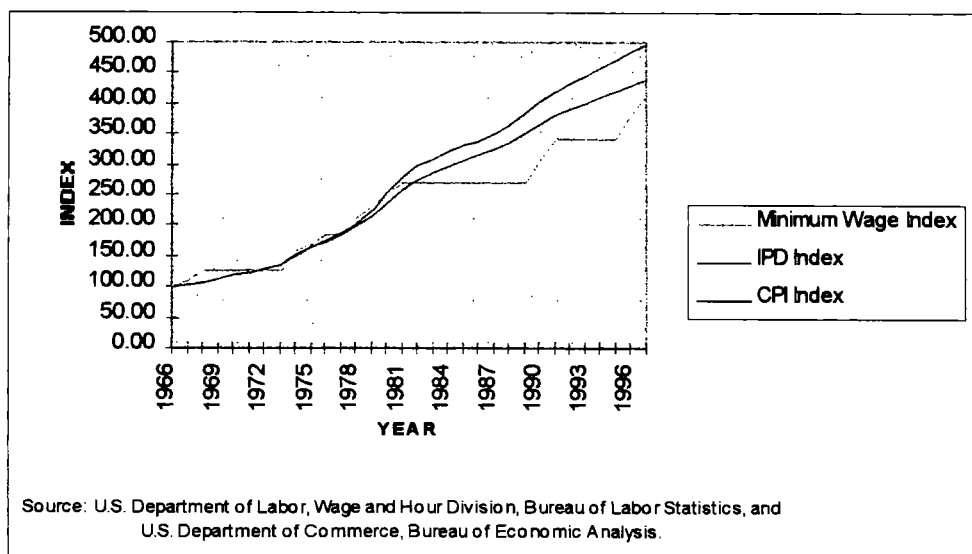
As required in Section 4 (d) (1) of the FLSA, the Secretary has assessed the value of the minimum wage relative to changes in the cost of living (prices), income required to maintain a standard of living above poverty, a wage level representative of most Americans, and the ability of employers to absorb wage increases (productivity and profits). In general, this examination indicates that in spite of increases of \$0.50 in October 1996, and \$0.40 in September 1997, the FLSA wage floor has not kept pace with key economic indicators.

Prices

One barometer of the adequacy of the minimum wage over time is the degree to which the purchasing power of the wage floor has changed. A declining real value of the minimum wage suggests that minimum wage workers are worse off, while a rising real value of the minimum wage signifies improvement in the status of these workers.

In order to gauge the relationship between prices and the minimum wage, three indices were constructed. Over the three decade period 1966-97, the minimum wage increased 312 percent, while the Implicit Price Deflator (IPD) and the Consumer Price Index (CPI) rose 338 percent and 395 percent, respectively.¹ Using the CPI, the real value of the minimum wage in 1997 dollars, as depicted in Figure 1, has declined from a high of \$7.38 per hour in 1968 to \$5.15 in 1997. As seen in Figure 2, below, although recent increases have helped offset this trend, they have not been enough to compensate for infrequent minimum wage updates over much of this period, especially between 1981 and 1989.²

Figure 2: Indices of the Minimum Wage,
the Implicit Price Deflator, and Consumer Prices
1966 - 1997



¹ The Implicit Price Deflator tracks prices paid by businesses, consumers, and government. The CPI reflects prices paid by consumers. See Appendix B, Figure 1 note concerning the CPI-U-X1, a version of the CPI widely used by researchers.

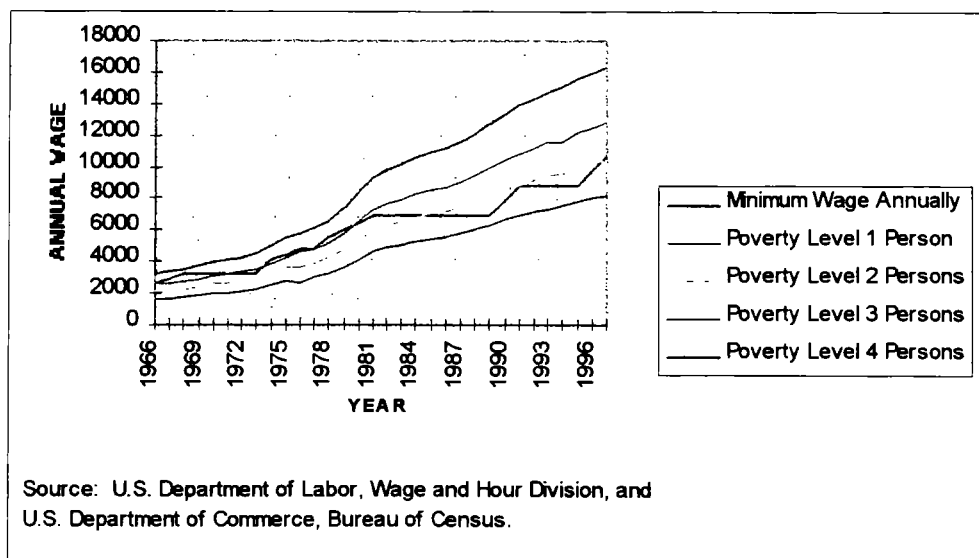
² Some have argued that the CPI may be a biased measure of changes in the cost of living. To the extent that it overestimates the rate of increase in the cost of living, the decline in the real value of the minimum wage, as indicated in Figures 1 and 2, may be overstated.

Poverty

Another indicator of the adequacy of the minimum wage is the extent to which it allows workers to live above established poverty thresholds. For individuals (those not supporting families), the minimum wage has consistently exceeded poverty level incomes. On the other hand, for an individual trying to support a family, the minimum wage has lost some of its ability to generate a standard of living above the poverty line.

In 1968, a full-time worker earning the minimum wage was able to support a family of four at slightly below the poverty threshold. However, by 1980, the falling real value of the minimum wage reduced the family size supportable at the poverty threshold to three. By 1984, the family size that could be maintained above poverty was reduced to two persons. Since 1985, the family support level of the minimum wage was at or below a two-person family, until 1997, when it again just exceeded the two-person family poverty threshold. (See Figure 3, below.)

Figure 3: Minimum Wage and
Poverty Thresholds by Family Size
1966 - 1997

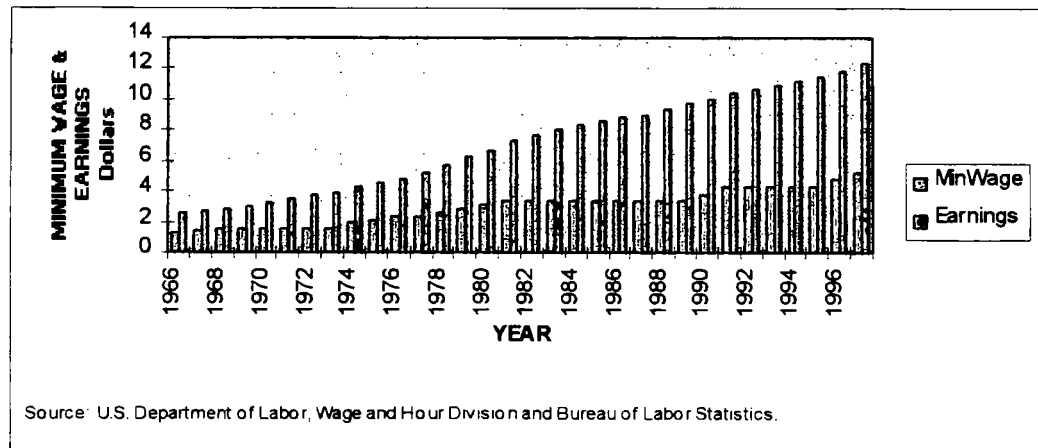


It should be noted that over this time period, other public policies have been designed to supplement the incomes of low-wage workers. For example, the Earned Income Tax Credit, which was expanded in 1993, provides sufficient benefits to enable a full-time minimum wage worker in a family of three to be lifted out of poverty.

Average Wages

Rather than looking at trends in the absolute level of the minimum wage, as described above, an alternative measure is how well a minimum wage worker fares relative to other workers in the U.S. economy. Figure 4, below, compares the minimum wage to average hourly earnings for all production, nonsupervisory workers. During the 1950s and 1960s, the FLSA minimum was generally over 51 percent of average hourly earnings. However, during the 1970s, the minimum wage declined to 46 percent of the average worker's wage. The average during the 1980s and 1990s declined to 40 percent of average hourly earnings.

Figure 4: Minimum Wage and Average Hourly Earnings
1966 - 1997



Since average earnings may be skewed by a few highly compensated groups, an alternative comparison is to see how the minimum wage has changed relative to median usual weekly earnings. An essentially continuous series of the latter data is available starting in 1979 from a survey of households, and refers to workers paid at hourly rates. Average hourly earnings figures are from a survey of business establishments, covering private production and nonsupervisory workers.

The value over time of the minimum wage, relative to both median and average hourly earnings, reflects very similar patterns. From 1979 to 1989, the minimum wage dropped from 65.3 percent of median hourly earnings to 47.9 percent (a decline of 26.6 percent), and fell from 47.1 percent of average hourly earnings to 34.7 percent (a decline of 26.3 percent). From 1989 to 1997, the minimum wage as a percent of median hourly earnings rose from 47.9 to 58.9 percent (a gain of 23.0 percent), while the minimum wage relative to average hourly earnings grew from 34.7 to 42.0 percent (a gain of 21.0 percent).³

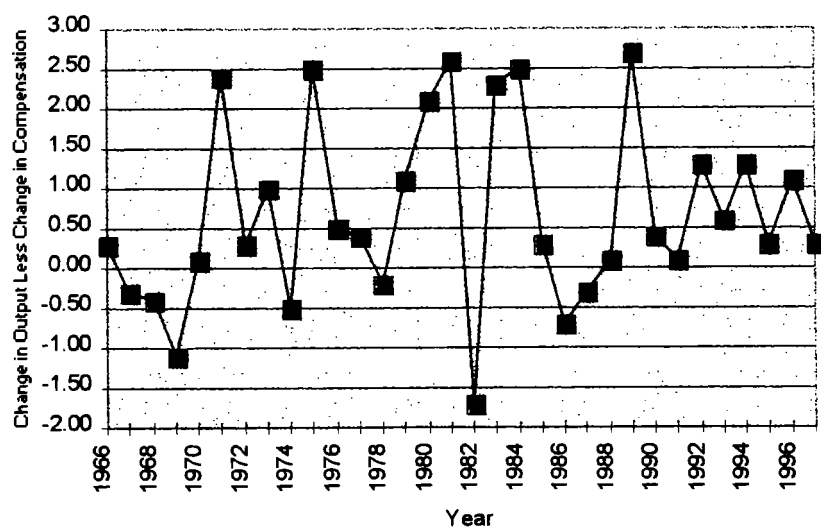
³ A simple analysis was performed on the relationship between the minimum wage and median hourly earnings and the minimum wage and average hourly earnings. The results indicate that there is a high positive correlation between the two series; i.e., 0.988.

Productivity and Profits

Just as it is important to gauge the value of the minimum wage, it is useful to look at the potential burden it may represent to employers. Two yardsticks were used to assess employer ability to absorb minimum wage increases: 1) change in productivity relative to change in real compensation; and 2) change in the level of real domestic profits per hour worked, relative to change in the minimum wage and average hourly earnings. Ideally, since minimum wage workers usually compose a very small proportion of employer work forces, it would be desirable to perform these analyses utilizing data on the productivity of minimum wage workers and the profits derived from their labor. However, since such detailed information is not available, more general data are utilized.

The first indicator is computed by subtracting the rate of change in annual real compensation, including wages and benefits, from the corresponding rate of change in productivity. Negative differences indicate compensation gains that exceed corresponding changes in productivity, which could have unfavorable implications for prices and/or profits. At the same time, positive differences may indicate a heightened ability to provide additional compensation.

Figure 5: Percent Change in Business Sector Output per Hour
Less Percent Change in Real Compensation per Hour
1966 - 1997



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

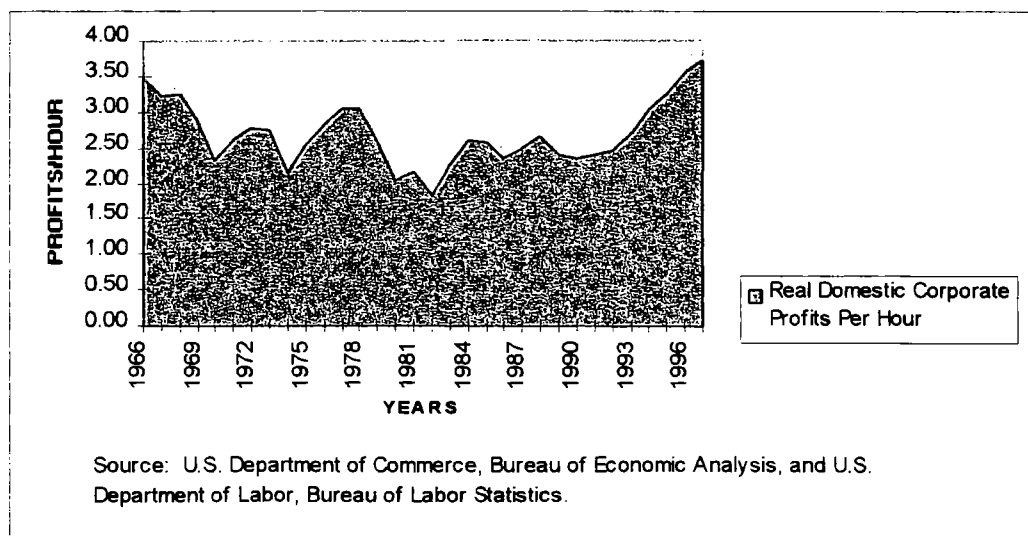
As worker productivity increases, one would expect worker compensation to experience corresponding gains. However, since 1966, gains in the indicators of productivity have outpaced compensation in 24 of 32 years, including the last ten years in a row, as reflected in Figure 5, above. The average annual difference between the percent change in productivity and compensation over the entire period was 0.67, indicating that productivity has out-gained real compensation by an average of two-thirds of a percent per year.

Over the entire period, change in output per hour grew by 66.6 percent, while compensation grew by 36.6 percent. This indicates the extent to which worker compensation failed to match corresponding gains in productivity.

The key component of the second indicator -- real domestic corporate profits per hour worked -- weighs returns to the firm, relative to U.S. workforce contribution.⁴ If profits are squeezed by increasing labor costs, one would expect this measure to decline. On the other hand, rising figures may indicate an enhanced ability to provide higher levels of compensation.

As indicated in Figure 6, below, real profits per hour worked have recovered from recession lows during the early 1980s. Profits per hour in 1997 exceeded their previous peak level in 1966 by 6.9 percent, while average profits per hour during the past three years (in 1997 dollars), \$3.50, is the highest such 3-year average over the past 30 years, exceeding the 1966-68 average by 5.7 percent.

Figure 6: Real Domestic Corporate Profits per Hour
1966 - 1997

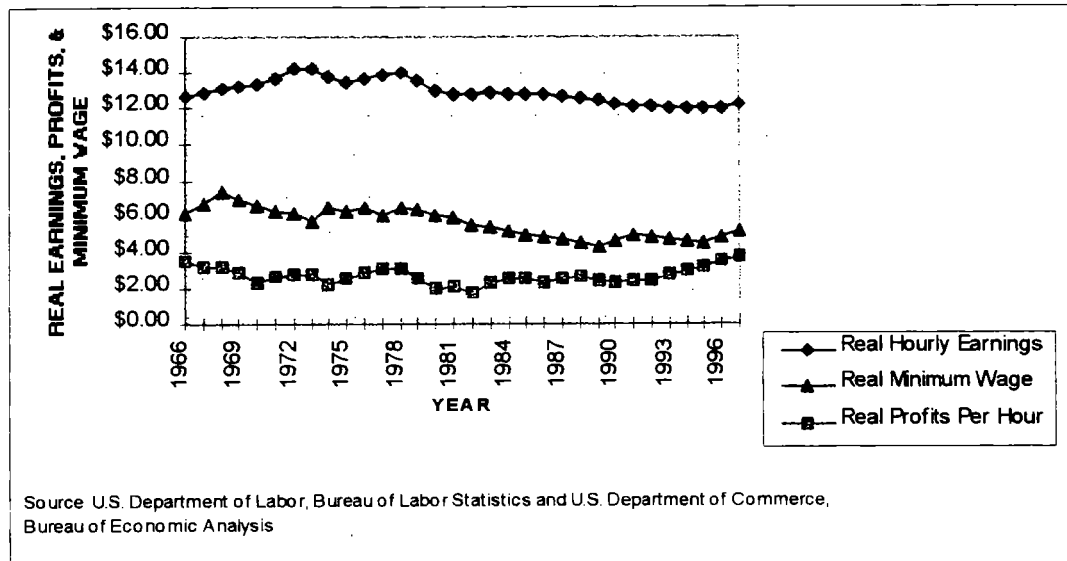


⁴ Note that proprietorships, which include many small establishments, are not represented in these data.

Figure 7, below, contrasts real domestic corporate profits per hour, the real value of the minimum wage, and average hourly employee earnings, in 1997 dollars. After averaging \$3.20 per hour in the late 1960s, real profits per hour fell to an average of \$2.66 in the 1970s, \$2.33 in the 1980s, and then mostly recovered to \$2.93 thus far in the 1990s. On the other hand, the real value of the minimum wage has continued to decline, from \$6.83 in the late 1960s, to \$6.32 in the 1970s, \$5.16 in the 1980s, and \$4.79 thus far in the 1990s. The real value of average hourly earnings rose from \$13.00 in the late 1960s to \$13.80 in the 1970s, but then fell to \$12.77 in the 1980s, and \$12.12 thus far in the 1990s.⁵

Figure 7: Real Domestic Corporate Profits per Hour, Average Hourly Employee Earnings, and the Value of the Minimum Wage

1966 - 1997



Although only 6.5 percent of those working in retail establishments are at the minimum wage, these workers constitute almost half of the more than 2 million minimum wage workers. Consequently, examining trends in this sector is particularly important.

⁵ Profits per hour of labor input was used as an index of employer ability to pay. A simple analysis was performed of the relationships between profits per hour and profits as a percent of national income. The results indicate that there is a high positive correlation between the two series; i.e., 0.90 (corporate profits) and 0.99 (retail profits). Therefore, the choice of either of these two series would yield substantially the same relationship.

As with corporate profits overall, retail profits per hour worked have recovered from recession lows, as indicated in Figure 8, below. Average profit per hour in 1997, \$1.85, was just short of the 1968 peak of \$1.97. Average profit per hour during the past five years, \$1.69, is the highest such average in 25 years.

Figure 8: Real Retail Profits per Hour

1966 - 1997

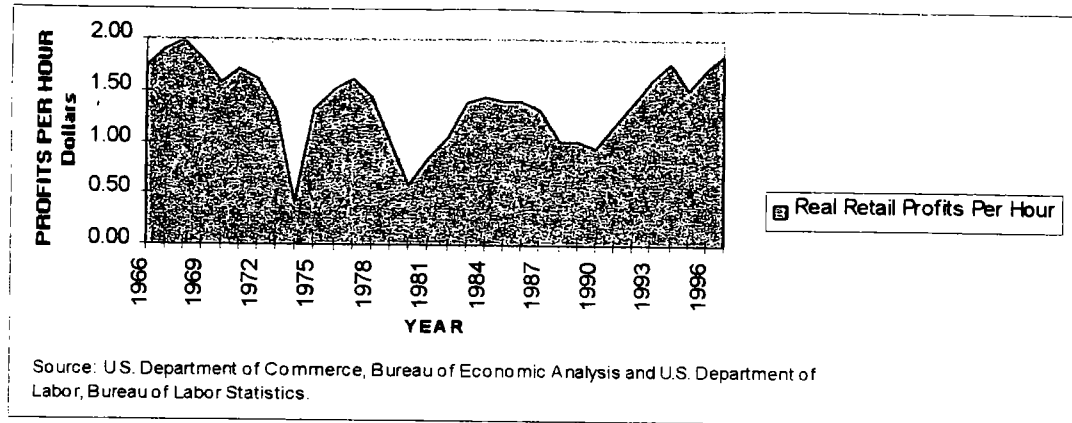
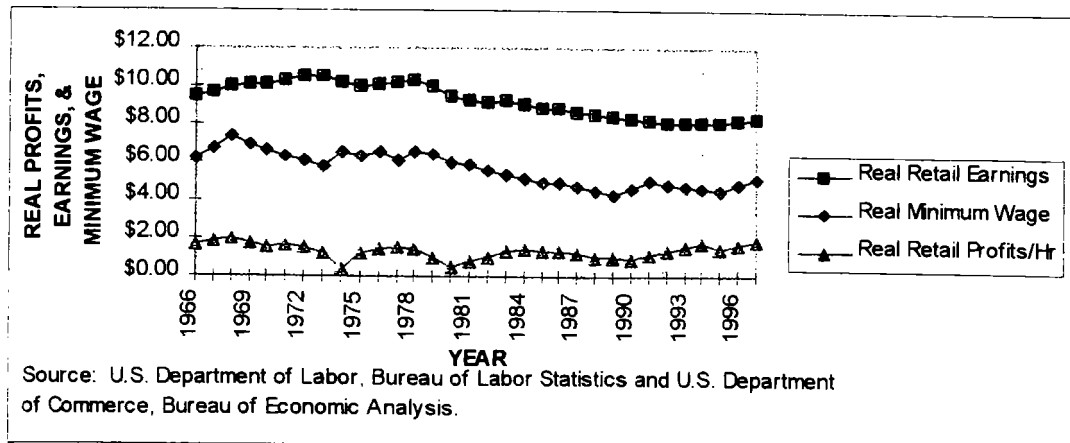


Figure 9, below, contrasts real retail profits per hour, retail average hourly employee earnings, and the value of the minimum wage. After averaging \$1.85 per hour in the late 1960s, real retail profits per hour fell to an average of \$1.35 in the 1970s, and \$1.14 in the 1980s, and then mostly recovered to \$1.49 thus far in the 1990s. The real value of retail employee earnings increased from \$9.79 in the late 1960s to \$10.24 in the 1970s, but then fell to \$8.95 in the 1980s, and to \$8.18 in the 1990s.

Figure 9: Real Retail Profits per Hour, Retail Average Hourly Employee Earnings,

and the Value of the Minimum Wage

1966 - 1997



Review of Studies on Minimum Wage Impact

Ever since statutory minimum wages were conceived, there has been lively debate over their impact. Proponents of a legal wage floor contend that the minimum wage can be a valuable tool in helping workers maintain a satisfactory standard of living, reducing income inequality, and enhancing incentives to work. On the other hand, opponents generally cite traditional economic theory, predicting that as wages rise, everything else remaining the same, employment will decline.

Over the years, numerous attempts have been made to gauge the impact of specific minimum wage increases. The scope of such research has varied by geographic area (i.e., studies covering the nation or a given region) and by industry (i.e., data provided for all industries or individual industries, such as fast food establishments).

For the most part, minimum wage studies have focused on identifying and measuring disemployment effects, the extent to which job opportunities have been lost due to higher minimum wages. Recent data from such studies indicate that while the level of the minimum wage is within its traditional range (approximates 50 percent or less of average hourly earnings), and increases are moderate, negative employment effects, if any, appear slight and difficult to detect. Other variables affecting the extent of employment loss (or gain) when the minimum wage is increased may include: 1) change in the demand for labor derived from the rate of economic growth; 2) change in labor productivity; 3) level of profits; and 4) the elasticity of the demand for young workers (the extent to which demand is affected by change in the wage).

Other studies have focused on the extent to which the minimum wage has successfully targeted low-income workers and families, and the extent to which it comprised a significant share of total family earnings. One study (Bernstein and Schmitt, 1998) found that 35 percent of the benefits of the 1996 and 1997 minimum wage increases went to working families in the bottom fifth of the income distribution. This was almost three times the percent that went to the top fifth. The study also found that in 1997 the average share of weekly family earnings contributed by minimum wage workers was 54 percent (median share, 41 percent). When one person families were excluded, the average share was 44 percent (median, 27 percent).

The final section of Appendix B presents a bibliography, with highlights of selected studies and articles concerning minimum wage impact and related topics.

IV. FAIR LABOR STANDARDS ACT COVERAGE

Minimum Wage

In 1996, the provisions of the Fair Labor Standards Act that require workers to receive no less than the minimum wage were found to apply to 79.4 million wage and salary workers, 64.9 percent of the total (see Table 1, below). The remaining 42.9 million workers were found to be not subject to or exempt from the minimum wage.⁶ Almost three-fourths of the workers to whom the minimum wage was not applicable were executive, administrative, and professional employees, exempt under Section 13(a)(1) of the FLSA (see Table 3a, below and Appendix C tables). Industries with over 80 percent minimum wage coverage included construction, mining, and manufacturing; those below 50 percent coverage included agriculture and services.

Table 1
Wage and Salary Workers Subject to the
Minimum Wage Provisions of the FLSA
1990 - 1996
(000)

YEAR	WAGE & SALARY WORKERS	SUBJECT TO AND NOT EXEMPT FROM THE FLSA MINIMUM WAGE		EXEMPT FROM OR NOT SUBJECT TO THE FLSA MINIMUM WAGE	
		No.	%	No.	%
1996	122,359	79,422	64.9	42,937	35.1
1995	120,008	78,006	65.0	42,002	35.0
1994	116,896	76,040	65.0	40,856	35.0
1993	113,516	73,839	65.0	39,677	35.0
1992	111,473	72,502	65.0	38,971	35.0
1991	110,969	72,388	65.2	38,581	34.8
1990	112,153	73,791	65.8	38,362	34.2

⁶ For example, workers not subject to the minimum wage provisions often are employed by businesses with less than \$500,000 in annual gross receipts; workers who are exempt most often are in executive, administrative, and professional occupations.

Overtime Pay

The overtime pay provisions of the FLSA applied to 74.0 million workers in 1996, 60.5 percent of total wage and salary employment (see Table 2, below). Overtime pay provisions applied to 5.4 million fewer workers than the number covered by the minimum wage. For the most part, this was due to more extensive exemptions for workers in transportation and public utilities, retail trade, state and local government, and agriculture.

Table 2
Wage and Salary Workers Subject to the
Overtime Pay Provisions of the FLSA
1990 - 1996
(000)

YEAR	WAGE & SALARY WORKERS	SUBJECT TO AND NOT EXEMPT FROM FLSA OVERTIME		EXEMPT FROM OR NOT SUBJECT TO FLSA OVERTIME	
		No.	%	No.	%
1996	122,359	74,044	60.5	48,315	39.5
1995	120,008	72,786	60.7	47,223	39.3
1994	116,896	70,896	60.6	46,000	39.4
1993	113,516	68,859	60.7	44,657	39.3
1992	111,473	67,653	60.7	43,820	39.3
1991	110,969	67,526	60.9	43,443	39.1
1990	112,153	68,897	61.4	43,256	38.6

Almost two-thirds of the 48.3 million workers to whom overtime pay was not applicable were exempt under the executive, administrative, professional employee exemption. As with minimum wage applicability, over 80 percent of workers in construction, mining, and manufacturing were covered by FLSA overtime requirements. Industries with coverage below 50 percent included agriculture, transportation and public utilities, and services (see Table 3d, below, and Appendix C Tables).

Comprehensive Coverage Data: 1996

Tables 3a - 3f follow, and provide comprehensive FLSA coverage information for 1996. Data are by industry, race and sex, and state, presented separately for minimum wage and overtime pay provisions. Identical tables, for the years 1990-95, are provided in Appendix C. These tables are patterned after similar exhibits, which were generally published on an annual basis, and released beginning in 1939.

Coverage data provided in this publication reflect development of a new methodology, with improved capability to identify employees exempt under FLSA provisions. The new process also provides annual average estimates, as opposed to previous estimates, which were often furnished for a point in time, e.g. the month of September. Appendix C includes descriptive information on how the 1990-96 estimates were developed. In addition, there is a comparison of current and previous methodology estimates developed for 1990.

Table 3a - Estimated number of employed wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by industry, United States, 1996 annual averages, in thousands

Industry Division	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA 2/		Employees not exempt under Sec 13(a)(1) of the FLSA		
		Executive, Administrative and Professional	Outside Sales Workers	Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 3/
All Industries	122,359	31,729	1,804	88,826	79,422	9,404
Private Sector	102,912	25,495	1,804	75,613	66,209	9,404
Agriculture, Forestry and Fishing 4/	1,907	252	0	1,655	725	930
Mining	574	95	1	478	475	3
Contract Construction	5,400	736	28	4,636	4,584	53
Manufacturing	18,457	3,230	139	15,088	15,013	75
Transportation and Public Utilities	6,261	1,413	5	4,843	4,812	32
Wholesale Trade	6,483	1,580	813	4,090	4,069	21
Retail Trade	21,625	3,049	221	18,355	16,529	1,826
Finance, Insurance and Real Estate	6,899	2,706	473	3,720	3,493	226
Services	34,377	12,434	125	21,818	15,969	5,849
(not including Private Households)						
Private Households 4/	929	0	0	929	541	388
Public Sector	19,447	6,234	0	13,213	13,213	0
Federal Government	2,757	1,233	0	1,524	1,524	0
State and Local Government	16,690	5,002	0	11,688	11,688	0

1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 national series; totals may not add up exactly due to rounding.

2/ Section 13(a)(1) of the FLSA exempts from the minimum wage and overtime provisions '...any employee employed in a bona fide executive, administrative, or professional capacity, or in the capacity of outside salesman...' Title 29, Part 541 of the Code of Federal Regulations defines those employees classified as executive, administrative, professional, or outside sales.

3/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).

4/ Wage and salary employment figures come from Current Population Survey (CPS) annual household data.

Table 3b - Estimated number of non executive, administrative, professional employees classified by their status under the minimum wage provisions of the FLSA, by sex and race, United States, 1996 annual averages, in thousands

Race and Sex Categories	Non executive, administrative, professional employees, including outside sales 1/	Non executive, administrative, professional employees	
		subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Total	90,630	79,422	11,208
White	76,075	66,375	9,700
Black and Other	14,554	13,047	1,507
Black	10,173	9,213	960
Males	47,781	42,243	5,537
White	40,956	36,046	4,909
Black and Other	6,825	6,197	628
Black	4,756	4,375	381
Females	42,849	37,179	5,670
White	35,120	30,329	4,791
Black and Other	7,729	6,850	879
Black	5,417	4,838	579

1/ This total excludes all employees exempt as executive, administrative, or professional; but includes outside sales workers.

2/ This concept includes employees not covered by the FLSA, outside sales workers, and employees exempt under sections of the FLSA other than Sec 13(a)(1).

Table 3c - Estimated number of wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by region and state, 1996 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Boston	6,508	1,834	4,675	4,167	508
Connecticut	1,604	453	1,151	1,031	121
Maine	552	149	404	361	42
Massachusetts	3,057	879	2,178	1,932	246
New Hampshire	565	152	413	371	42
Rhode Island	444	124	320	286	34
Vermont	285	76	208	185	24
New York	11,702	3,421	8,281	7,384	897
New Jersey	3,670	1,052	2,618	2,351	267
New York	8,032	2,369	5,663	5,034	630
Philadelphia	12,550	3,502	9,049	8,077	971
Delaware	382	108	275	247	28
District of Columbia	634	203	431	377	54
Maryland	2,245	635	1,609	1,428	181
Pennsylvania	5,379	1,486	3,893	3,481	412
Virginia	3,200	879	2,321	2,076	245
West Virginia	711	192	520	468	51
Southeast	22,601	6,055	16,546	14,858	1,688
Alabama	1,867	488	1,380	1,258	122
Florida	6,370	1,794	4,576	3,999	577
Georgia	3,592	969	2,623	2,372	250
Kentucky	1,721	449	1,272	1,147	125
Mississippi	1,130	292	837	758	80
North Carolina	3,630	938	2,692	2,451	242
South Carolina	1,708	439	1,269	1,157	112
Tennessee	2,582	685	1,897	1,717	180

See footnotes at end of table

Table 3c - Estimated number of wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by region and state, 1996 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Chicago	23,513	6,328	17,185	15,527	1,658
Illinois	5,740	1,599	4,140	3,729	412
Indiana	2,854	738	2,116	1,930	186
Michigan	4,400	1,172	3,228	2,922	306
Minnesota	2,481	679	1,802	1,618	184
Ohio	5,356	1,434	3,922	3,550	372
Wisconsin	2,683	705	1,978	1,779	198
Kansas City	6,188	1,677	4,511	4,041	471
Iowa	1,431	385	1,047	935	112
Kansas	1,271	340	931	836	94
Missouri	2,613	714	1,899	1,707	192
Nebraska	873	239	634	562	72
Southwest	17,733	4,810	12,923	11,587	1,336
Arkansas	1,128	288	839	757	82
Colorado	1,935	536	1,399	1,247	152
Louisiana	1,853	502	1,351	1,215	136
Montana	379	103	276	241	34
New Mexico	716	197	519	463	57
North Dakota	325	90	235	207	28
Oklahoma	1,390	379	1,012	907	104
South Dakota	368	99	268	237	31
Texas	8,440	2,294	6,146	5,521	625
Utah	969	263	706	637	69
Wyoming	232	60	172	154	18

Table 3c - Estimated number of wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by region and state, 1996 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Western	21,563	5,908	15,655	13,807	1,848
Alaska	264	73	191	175	16
Arizona	1,932	535	1,398	1,247	150
California	13,391	3,670	9,721	8,540	1,181
Hawaii	549	156	393	344	49
Idaho	526	138	388	343	46
Nevada	849	246	603	524	79
Oregon	1,526	412	1,114	995	119
Washington	2,526	678	1,848	1,639	208

1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 state series; totals may not add up exactly due to rounding; BLS state employment data does not add up to BLS national employment data.

2/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).

Table 3d - Estimated number of employed wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by industry, United States, 1996 annual averages, in thousands

Industry Division	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA 2/		Employees not exempt under Sec 13(a)(1) of the FLSA		
		Executive, Administrative and Professional	Outside Sales Workers	Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 3/
All Industries	122,359	31,729	1,804	88,826	74,044	14,782
Private Sector	102,912	25,495	1,804	75,613	61,899	13,713
Agriculture, Forestry and Fishing 4/	1,907	252	0	1,655	12	1,643
Mining	574	95	1	478	475	3
Contract Construction	5,400	736	28	4,636	4,584	53
Manufacturing	18,457	3,230	139	15,088	14,922	166
Transportation and Public Utilities	6,261	1,413	5	4,843	2,777	2,066
Wholesale Trade	6,483	1,580	813	4,090	4,069	21
Retail Trade	21,625	3,049	221	18,355	15,445	2,911
Finance, Insurance and Real Estate	6,899	2,706	473	3,720	3,493	226
Services (not including Private Households)	34,377	12,434	125	21,818	15,663	6,154
Private Households 4/	929	0	0	929	459	470
Public Sector	19,447	6,234	0	13,213	12,144	1,068
Federal Government	2,757	1,233	0	1,524	1,472	52
State and Local Government	16,690	5,002	0	11,688	10,672	1,016

Footnotes for Table 3d -- Overtime pay status of employees, by industry.

1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 national series; totals may not add up exactly due to rounding.

2/ Section 13(a)(1) of the FLSA exempts from the minimum wage and overtime provisions '...any employee employed in a bona fide executive, administrative, or professional capacity, or in the capacity of outside salesman...' Title 29, Part 541 of the Code of Federal Regulations defines those employees classified as executive, administrative, professional, or outside sales.

3/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).

4/ Wage and salary employment figures come from Current Population Survey (CPS) annual household data.

Table 3e - Estimated number of wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by region and state, 1996 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 2/
Boston	6,508	1,834	4,675	3,949	725
Connecticut	1,604	453	1,151	977	174
Maine	552	149	404	341	62
Massachusetts	3,057	879	2,178	1,832	346
New Hampshire	565	152	413	352	60
Rhode Island	444	124	320	272	48
Vermont	285	76	208	173	35
New York	11,702	3,421	8,281	6,945	1,336
New Jersey	3,670	1,052	2,618	2,194	423
New York	8,032	2,369	5,663	4,751	912
Philadelphia	12,550	3,502	9,049	7,608	1,441
Delaware	382	108	275	234	41
District of Columbia	634	203	431	357	74
Maryland	2,245	635	1,609	1,348	262
Pennsylvania	5,379	1,486	3,893	3,275	618
Virginia	3,200	879	2,321	1,955	366
West Virginia	711	192	520	439	80
Southeast	22,601	6,055	16,546	13,934	2,612
Alabama	1,867	488	1,380	1,186	194
Florida	6,370	1,794	4,576	3,727	849
Georgia	3,592	969	2,623	2,222	400
Kentucky	1,721	449	1,272	1,070	201
Mississippi	1,130	292	837	709	129
North Carolina	3,630	938	2,692	2,311	381
South Carolina	1,708	439	1,269	1,094	175
Tennessee	2,582	685	1,897	1,614	283

Table 3e - Estimated number of wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by region and state, 1996 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 2/
Chicago	23,513	6,328	17,185	14,629	2,556
Illinois	5,740	1,599	4,140	3,501	639
Indiana	2,854	738	2,116	1,819	296
Michigan	4,400	1,172	3,228	2,765	462
Minnesota	2,481	679	1,802	1,516	285
Ohio	5,356	1,434	3,922	3,358	564
Wisconsin	2,683	705	1,978	1,669	309
Kansas City	6,188	1,677	4,511	3,755	756
Iowa	1,431	385	1,047	870	177
Kansas	1,271	340	931	776	155
Missouri	2,613	714	1,899	1,594	305
Nebraska	873	239	634	516	118
Southwest	17,733	4,810	12,923	10,795	2,127
Arkansas	1,128	288	839	702	137
Colorado	1,935	536	1,399	1,159	240
Louisiana	1,853	502	1,351	1,136	215
Montana	379	103	276	219	56
New Mexico	716	197	519	429	90
North Dakota	325	90	235	188	47
Oklahoma	1,390	379	1,012	845	167
South Dakota	368	99	268	217	51
Texas	8,440	2,294	6,146	5,164	982
Utah	969	263	706	594	112
Wyoming	232	60	172	141	31

Table 3e - Estimated number of wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by region and state, 1996 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 2/
Western	21,563	5,908	15,655	12,925	2,730
Alaska	264	73	191	161	30
Arizona	1,932	535	1,398	1,168	230
California	13,391	3,670	9,721	8,018	1,703
Hawaii	549	156	393	311	82
Idaho	526	138	388	312	76
Nevada	849	246	603	493	110
Oregon	1,526	412	1,114	926	187
Washington	2,526	678	1,848	1,536	312

1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 state series; totals may not add up exactly due to rounding; BLS state employment data does not add up to BLS national employment data.

2/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).

Table 3f - Minimum wage and overtime pay exemption status of employees not exempt under Sec 13(a)(1) of the Fair Labor Standards Act, by industry division, United States, 1996 annual averages, in thousands

Industry Division	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)			
	Minimum Wage exemptions apply 1/	Only Overtime exemptions apply		
		Total	Partial Exemption 2/	Full Exemption 3/
All Industries	1,764	5,378	1,200	4,178
Private Sector	1,764	4,310	177	4,133
Agriculture, Forestry and Fishing	930	713	95	617
Mining	0	0	0	0
Contract Construction	0	0	0	0
Manufacturing	21	91	48	43
Transportation and Public Utilities	4	2,035	0	2,035
Wholesale Trade	0	0	0	0
Retail Trade	13	1,084	0	1,084
Finance, Insurance and Real Estate	0	0	0	0
Services	408	306	33	272
(not including Private Households)				
Private Households	388	82	0	82
Public Sector	0	1,068	1,023	45
Federal Government	0	52	50	2
State and Local Government	0	1,016	973	43

See next page for footnotes

Footnotes for Table 3f -- Exemption status of employees, by industry.

1/ These employees are also exempt from the overtime pay provisions of the FLSA.

2/ Includes workers who are exempt from premium payment for overtime whose workweek standard exceeds 40 hours per week.

3/ Does not include employees who are exempt from both the minimum wage and overtime pay provisions of the act or employees who are not covered by the FLSA.

V. FAIR LABOR STANDARDS ACT COMPLIANCE

The Wage and Hour Division has set strategic planning goals to enforce the minimum wage and overtime provisions of the FLSA. Such planning has been designed to support Wage and Hour's mission...

to achieve compliance with labor standards through enforcement, administrative, and educational programs to protect and enhance the welfare of the nation's workers.

Planning goals include:

- Achieve compliance.
- Improve customer satisfaction.
- Achieve for the Wage and Hour Division a high performance workplace.

The overall Wage and Hour Division strategy is to use such planning to increase voluntary compliance, thereby reducing violations based on inertia or ignorance of the law; and to increase Wage and Hour's ability to focus on employers who repeatedly or willfully violate the Act.

Achieve Compliance

Enforcement initiatives have been targeted at specific industries with many low-wage workers and a history of above-average FLSA violations. Selected industries include agriculture, apparel product manufacturing, eating and drinking places, hotels and motels, custodial building services, temporary help, security (guard) services, and nursing and personal care facilities. Renewed attention also has been paid to rural areas and small towns. Better communications have been established with employers, especially new businesses and small businesses. At the same time, follow-up efforts have been increased to ensure continued compliance after Wage-Hour has completed its investigations or made other interventions, and back wages have been paid.

As indicated in Table 4, below, targeted sectors comprise over 17 million workers, and over 14 percent of all U.S. employees. Average hourly wages for these industries are at the low end of the spectrum, with many occupations averaging wage rates well below the median for all occupations. With average weekly hours typically far less than 40, this may result in weekly earnings near the poverty line,

based upon the number of family dependents. (See Table 5, below, Figure 3, p. 7, and the corresponding Appendix B table.)

Table 4: Industries Targeted for 1996 FLSA Enforcement
(1996 Annual Averages)

Sector	SIC	Industry	Employment (nonsupervisory) (000)	Ave. Hourly Wage ¹	Ave. Weekly Hours	Ave. Weekly Earnings
Total, Non Farm Sectors			119,523.0	\$11.81	34.4	\$406.26
Agriculture		Agriculture ²	3,262.0	\$6.21	42.2	\$305.00
Manufacturing	23	Apparel Products	708.0	\$7.96	37.0	\$294.52
Retail	58	Eating/Drinking ³	6,754.8	\$5.78	25.2	\$145.66
Service	701	Hotels/Motels	1,459.0	\$8.15	30.8	\$251.02
	7349	Custodial Workers/Services to Buildings	736.6	\$7.34	27.7	\$203.32
	7363	Temporary Help Services	2,276.3	\$9.21	32.1	\$295.64
	7381	Detective, Guard, & Armored Car Services	506.5	\$7.40	34.2	\$253.08
	805	Nursing and Personal Care Facilities	1,560.1	\$9.01	32.4	\$291.92

Source: U.S. Department of Labor, Bureau of Labor Statistics, Employment and Earnings, June 1997. Note that figures for agriculture are from the Current Population Survey; total employment from the Current Employment Statistics establishment survey.

¹ Hourly and weekly averages are private sector only.

² Agriculture data are from the Current Population Survey. Weekly wage data are for those usually working full-time. Hourly wage data are for both full-time and part-time workers. All wage data are the median. Note that total employment, unlike that in tables 3a and 3d, includes the self-employed.

³ Money payments only; tips are not included.

Table 5: Median Weekly Earnings for Full-Time Workers in
Selected Low-Wage Occupations
(1996 Annual Averages)

Occupation	Number of Workers (000)	Median Weekly Earnings	Percent of All Occupations Median Earnings
Total, All Occupations	90,918	\$490.00	100.0
Farmworkers¹	591	\$265.00	54.1
Textile - Apparel Sewing Machine Operators	905	\$268.00	54.7
Waiters and Waitresses	518	\$271.00	55.3
Food Counter, Fountain, and related Occupations	71	\$217.00	44.2
Kitchen Workers, Food Preparation	105	\$264.00	53.8
Cooks (except short order)	1,221	\$264.00	53.9
Hotel Clerks	73	\$267.00	54.5
Janitors and Cleaners	1,476	\$301.00	61.4
Guards	566	\$333.00	68.0
File Clerks	203	\$328.00	66.9
Nursing Aides, Orderlies and Attendants	1,323	\$292.00	59.6

Source: U.S. Department of Labor, Bureau of Labor Statistics, Employment and Earnings, January 1997.

Perhaps the best example of the Wage-Hour compliance strategy is its confrontation of rampant problems in the nation's 22,000 garment industry contract

¹ The source for these data, the Current Population Survey, is known to sharply undercount the farm labor force because many workers (especially the foreign born, migratory, and seasonal workers) evade the census takers. Since the settled workers are more likely to be included, the resulting CPS findings may exclude many of the lowest paid workers.

sewing operations. In 1995, the Wage and Hour Division implemented a multi-faceted approach addressing industry problems from the top down, rather than continuing the traditional bottom up approach of investigating individual contractors. Never before had the Division tried to involve all tiers of industry to solve compliance problems. Retailer and manufacturer monitoring programs were used to reach a large number of contractors more quickly than through individual investigations.

A new partnership of state and federal personnel increased compliance levels. This innovative process leveraged scarce resources, allowing more time for targeting and investigating egregious employers.

The Division garment industry compliance initiative -- "Eradicating Sweatshops" -- was named one of the ten winners of the Innovations in American Government awards program by the Ford Foundation and Harvard University's John F. Kennedy School of Government. Since Wage and Hour began to target the garment industry through mobilization of industry, government, and the public, over \$12.6 million in back wages have been collected for more than 41,000 workers. Even more significant, thousands of FLSA violations likely have been avoided as a result of this education and outreach effort.

Improve Customer Satisfaction

The Wage and Hour Division has moved to implement its second strategic goal, to improve customer satisfaction among workers and employers seeking its services.

In FY 1994, and again in FY 1996, the Division administered a customer satisfaction survey to workers who filed complaints about violations covered under the FLSA, and asked employers investigated for FLSA violations to provide investigation feedback. The results from the baseline year of FY 1994 and the FY 1996 follow-up survey provided valuable information to improve service through better communications and follow-through with employers and workers. Nearly two-thirds of complainants expressed general satisfaction with Wage and Hour's services.

Employers were very positive about Wage and Hour's investigative processes, both in absolute terms and relative to the 1994 results. About 94 percent of employers gave Wage and Hour a "fair" or better overall rating. Availability of Wage and Hour compliance information was considered important to employers, particularly those with new businesses.

In accordance with customer survey findings, the Wage and Hour Division has

established an Internet Home Page (http://www.gov/dol/esa/public/whd_org.htm). Among the information available is a listing of Key Program Personnel and their telephone numbers; information about the minimum wage (see Appendix A); and compliance assistance information.

Achieve A High Performance Workplace

The Wage and Hour Division has initiated a major effort to train and equip its own workers with the knowledge, tools, and technology necessary to continually improve performance and effectiveness. This effort has been especially important as new directions in compliance and customer service have required renewed commitment to excellence.

During the past year, over 200 new investigators were hired and trained. A Local Area Network (LAN) was established and installed in 40 district and area offices; updated computer equipment and Internet connections were provided to 1,000 employees; and a new financial management tracking system for civil money penalties was developed and deployed. In addition, staff climate surveys and quality self-assessments have been used to identify new opportunities for enhanced performance.

Summary Enforcement Data: FY 1996

Tables 6a, b, c, and d, below, provide enforcement data for minimum wage and overtime violations for FY 1996. Summary enforcement data for FY 1991-95 are provided in Appendix D.

For FY 1996, over 41,000 compliance actions were completed, resulting in almost 216,000 employees found to be owed more than \$119,300,000 in back pay. Over 82 percent of these violations concerned the failure of employers to provide adequate compensation for overtime worked. Employers agreed to pay \$101,100,000 of that amount to about 190,000 employees. This represented about 85 percent of the amount found due, covering 88 percent of the people to whom it was owed.

About 73 percent of enforcement actions taken were generated by complaints, accounting for 79 percent of findings and employees owed. Directed (targeted) investigations, often involving industries that are the most difficult to penetrate, accounted for 27 percent of enforcement actions, and 21 percent of findings and employees owed back wages.

Table 6a
FLSA Statistics by Industry
FY 1996
Number of Employees Owed Back Wages

Industry	Number of Compliance Actions	Minimum Wage	Overtime Compensation	Unduplicated Count ¹
All Industries	41,201	62,838	166,559	215,707
Private Sector	39,840	60,906	145,153	192,770
Agriculture	1,497	6,242	3,373	9,448
Mining	142	292	923	1,120
Construction	3,493	2,793	21,473	23,626
Manufacturing	4,061	7,831	24,244	28,465
Transportation & Public Utilities	2,123	2,184	6,629	8,559
Wholesale Trade	1,500	1,476	4,793	5,930
Retail Trade	12,818	20,940	23,347	40,578
Finance, Insurance & Real Estate	1,290	1,333	4,840	5,650
Services	12,970	17,815	55,531	69,394
Public Sector Nonclassified Establishments	1,055	1,495	19,244	20,358
	306	437	2,162	2,579

¹ Excludes double-counting of those paid below both minimum wage and overtime compensation required by the FLSA.

Table 6b
FLSA Statistics by Industry
FY 1996

Amount of Back Wages Owed

Industry	Total	Minimum Wage	Overtime Compensation
All Industries	\$119,334,399	\$21,012,239	\$98,322,160
Private Sector	101,247,455	20,417,692	80,829,763
Agriculture	2,156,768	807,638	1,349,130
Mining	1,064,090	244,371	819,719
Construction	13,782,585	784,325	12,998,260
Manufacturing	19,704,610	6,961,657	12,742,953
Wholesale Trade	3,618,190	530,128	3,088,062
Retail Trade	17,209,733	4,086,380	13,123,353
Finance, Insurance & Real Estate	4,990,474	704,261	4,286,213
Services	33,613,097	5,443,461	28,169,636
Public Sector	13,621,873	447,547	13,144,326
Nonclassified Establishments	4,465,071	117,000	4,384,071

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Table 6c
FLSA Statistics by Industry
FY 1996
Number of Employees to whom Employers
Agreed to Pay Back Wages

Industry	Minimum Wage	Overtime Compensation	Unduplicated Count ¹
All Industries	51,619	149,072	189,795
Private Sector	49,666	128,348	167,628
Agriculture	3,579	3,034	6,446
Mining	286	852	1,059
Construction	2,570	15,672	17,655
Manufacturing	6,978	22,004	25,790
Transportation & Public Utilities	1,874	5,492	7,129
Wholesale Trade	1,377	4,578	5,663
Retail Trade	16,404	21,157	35,408
Finance, Insurance & Real Estate	801	4,147	4,697
Services	15,797	51,412	63,668
Public Sector	1,459	18,522	19,520
Nonclassified Establishments	494	2,172	2,647

¹ Excludes double-counting of those paid below both minimum wage and overtime compensation required by the FLSA.

Table 6d
FLSA Statistics by Industry
FY 1996
Amount of Back Wages Employers
Agreed to Pay

Industry	Total	Minimum Wage	Overtime Compensation
All Industries	101,089,961	15,848,905	85,241,056
Private Sector	83,662,293	15,306,496	68,355,797
Agriculture	1,633,166	526,689	1,106,477
Mining	889,878	196,734	693,144
Construction	10,488,607	692,826	9,795,781
Manufacturing	16,901,030	9,795,781	11,222,287
Transportation & Public Utilities	3,514,313	508,854	3,005,459
Wholesale Trade	3,258,249	407,581	2,850,668
Retail Trade	14,690,396	2,856,440	11,833,956
Finance, Insurance & Real Estate	3,929,354	315,388	3,613,966
Services	28,357,300	4,123,241	24,234,059
Public Sector	12,886,849	411,239	12,475,610
Nonclassified Establishments	4,540,819	131,170	4,409,649

Youth Employment Standards

Investigations conducted under the Fair Labor Standards Act (FLSA) during fiscal year 1996 disclosed that 7,873 minors in 1,820 establishments were employed in violation of the child labor provisions. The largest number of minors found in violation, or 7,801, were employed in non-agricultural businesses. More than 71 percent, or 5,594 of the minors found to be employed in violation during the investigations, were employed in retail businesses, mostly food stores and eating establishments. Of the 7,801 minors found illegally employed in nonagricultural establishments during investigations, a total of 365 were under age fourteen, 6,258 were 14- and 15-year-olds, and 1,178 were 16- and 17-year-olds.

In the nonagricultural occupations declared hazardous by the Secretary of Labor, a total of 1,692 violations were found. Table 7, below, identifies the Hazardous Occupations Orders (HOs) most frequently violated.

Table 7
Minors Illegally Employed in Nonagricultural Occupations
Declared Hazardous under the
Child Labor Provisions of the FLSA
by Hazardous Order Violated
FY 1996

Hazardous Occupation Order		Violations	
Number	Content	Number	Percent of Total
Total, All Orders		1,692	100.1
10	Slaughtering/meat packing/processing/ rendering (retail & service)	468	27.7
12	Power driven paper products machines	359	21.2
11	Power driven bakery machines	320	18.9
2	Motor vehicle driver or helper	216	12.8
7	Power driven hoisting apparatus	130	7.7
Other		199	11.8

A total of 72 child labor violations were discovered in agricultural employment on farms. Of this number, ten were under age 10, twenty-one were ages 10 and 11, twenty-nine were ages 12 and 13, and twelve were 14 and 15.

The child labor provisions of the FLSA provide that employers may be assessed a civil money penalty of up to \$10,000 for each minor employed in violation of the law. As shown in Table 8, below, civil money penalty assessments for child labor violations amounted to \$6,845,547, involving 7,685 minors in 1,341 establishments. The Department of Labor collected a total of \$4,940,917 from penalties assessed in 1996 or prior fiscal years.

Table 8
Assessments by Industry for Child Labor Violations
under the Civil Money Penalty Provisions
of the FLSA
FY 1996

Industry	Number		Amount Assessed
	Assessments*	Minors	
Total, All Industries	1,341	7,685	\$6,845,547
Agriculture, forestry, & fishing	20	153	\$198,047
Construction	47	70	227,925
Manufacturing	97	309	440,676
Wholesale trade	17	32	80,505
Retail trade	925	5,558	4,601,190
Services	198	1,323	1,031,009
Other	37	240	266,195

* Assessments refer to Civil Money Penalties charged employers for Child Labor FLSA violations.

In addition to its enforcement efforts, the Wage and Hour Division gains compliance by conducting extensive child labor education and outreach, including establishment. and use of a *Youth Page* (<http://www.dol.gov/dol/esa/public/youth/index.htm>.) on the Internet. That new information service offers valuable tips to young people on child labor, teen safety, the minimum wage, sweat shops, and the Wage and Hour Division.

On May 28, 1997, Secretary of Labor Alexis M. Herman launched the second annual *Work Safe This Summer* campaign. Designed to reduce workplace injuries to teenagers by increasing compliance with FLSA child labor provisions, the campaign actively recruited employers, parents, physicians, teachers, and advocacy groups. Co-sponsors of the campaign included the National Consumer's League, the American Academy of Pediatrics, and the National Institute for Occupational Safety and Health.

All across the country, Wage and Hour offices hosted seminars, mailed literature, and shared information with the media in conjunction with the national campaign. K-MART Corporation, one of the Wage and Hour Division's *Partners in Compliance*, contributed to the campaign by reproducing the *Work Safe This Summer* logo and the agency's toll-free number on 37 million shopping bags. Feedback on the campaign and the information provided has been extremely favorable.

Certificates Under Section 14 of the Fair Labor Standards Act

Section 14 of the FLSA provides for the employment of certain categories of workers at wage rates less than the statutory minimum wage to prevent loss of employment opportunities. The categories of workers include learners, students, apprentices, messengers, and workers with disabilities. Authorization to pay lower wages is granted employers by certificates under regulations which set forth the terms and conditions of such employment.

Section 14(a): Learners, Student-Learners, and Student-Workers

The number of student-learner certificates issued was 781, similar to the 784 issued in the previous year. A student-learner is an individual who attends an accredited school, college, or university and is employed part time in a *bona fide* training program for which he or she receives educational credit. No sub-minimum wage certificates to authorize the employment of learners, and student-workers, including apprentices and messengers, were issued in Fiscal Year 1996.

Section 14(b): Full-time Students

A full-time student under this section of the FLSA is one who receives primarily daytime instruction at a *bona fide* educational institution and may be employed in agriculture or a retail or service establishment at a sub-minimum wage rate. In addition, a full-time student of an institution of higher education may be employed by such institution under this provision of the FLSA. The number of full-time students employed under these certificates decreased from 77,754 in FY 1995 to 30,523 in FY 1996.

Of the 2,962 certificates issued, 2,825 went to retail or service establishments, a decrease of 4,881 from Fiscal Year 1995. The certificates issued to retail or service employers authorized the employment of 21,897 full-time students. In agriculture and in educational institutions, 848 and 7,778 full-time students, respectively, were authorized.

Table 9
Certificates Granting a Partial Minimum Wage Exemption
and Employment Authorization under FLSA Sections 14(a) and 14(b)
FY 1995 - 1996

Section and Type of Certificate	Certificates		Employment Authorized	
	FY 1996	FY 1995	FY 1996	FY 1995
Section 14(a), Total	781	785	781	794
Learner	0	1	0	10
Student-learner	781	784	781	784
Student-worker	0	0	0	0
Apprentice	0	0	0	0
Messenger	0	0	0	0
Section 14(b)				
Full-time students*	2,962	8,045	30,523	77,754
Retail & service	2,825	7,706	21,897	59,726
Agriculture	109	289	848	2,245
Higher educatn	28	50	7,778	15,783

* Note that data for the number of full-time students employed in retail or service establishments and agriculture are not reported. The data shown are based upon estimates that an average of 7.75 full-time students are employed annually under each certificate.

Section 14(c): Workers with Disabilities

Certificates issued authorizing the employment of workers with disabilities in competitive employment totaled 1,809 as compared to the estimated 1,795 issued during the previous fiscal year. There was a corresponding increase in the number of workers employed under these certificates, from 6,721 to 6,807. These figures included temporary certificates for trainees that were issued by state vocational rehabilitation agencies and the Veterans Administration and certificates issued for school work-experience programs.

Workers with disabilities employed in certified rehabilitation centers at the end of the fiscal year totaled 241,129, a six percent increase from the 226,833 employed during the previous fiscal year. The number of rehabilitation centers decreased slightly from 5,932 to 5,912.

The patient worker certification program applies to workers with disabilities who are employed in the facilities from which they receive treatment or care. At the close of the fiscal year in 1996, 376 facilities were authorized to employ 14,472 patient workers, compared with 403 facilities with 13,503 patient workers in Fiscal Year 1995.

Table 10
Certificates Granting a Partial Minimum Wage Exemption
and Employment Authorized under Section 14 (c) of the FLSA
FY 1995 - 1996

	Certificates		Authorized Employment	
Type of Certificate	FY 1996	FY 1995	FY 1996	FY 1995
Competitive industry	1,809	1,795	6,807	6,721
Rehabilitation centers*	5,912	5,932	241,129	226,833
Patient workers in hospitals and institutions	376	403	14,472	13,503

* Unduplicated count of certified facilities.

Section 14(d): Industrial Homework

Under Section 11(d) of the Fair Labor Standards Act, the Secretary of Labor is authorized to issue rules which regulate, restrict, or prohibit industrial homework in order to safeguard FLSA minimum wage requirements.

Under regulations issued in the 1940's, the employment of homeworkers in seven industries was restricted to individuals who were disabled and could not adjust to factory work or who were required to remain at home to care for an invalid. The seven industries were women's apparel, jewelry, gloves and mittens, buttons and buckles, handkerchiefs, embroideries, and knitted outerwear.

The ban remains in place for homework in the women's apparel industry and certain types of work in the jewelry industry that are considered hazardous. The employment of homeworkers in the other restricted industries is permitted provided the employer first obtains a certificate from the Department authorizing such employment.

In Fiscal Year 1996, certificates were issued to 59 employers of homeworkers. In addition, 21 homeworkers were issued individual certificates under the rules which permit homework for those workers with disabilities who cannot adjust to factory work or other workers who are unable to leave home because they take care of an invalid.

VI. LITIGATION ACTIVITY

In recent years, the Department engaged in a variety of district and circuit court litigation. The cases summarized below concern Fair Labor Standards Act enforcement.

Compensability of Worktime and Compensation Due

The Department's district court and appellate caseload under the FLSA involves a number of cases in which the compensability of worktime and the amount of compensation due employees are the principal issues in dispute:

In Reich v. IBP, Inc., 38 F.3d 1123 (1994), the Tenth Circuit affirmed the district court's conclusions regarding the compensability of pre- and post-shift work performed by employees in defendant's meat processing facilities. In a later phase of the case, the district court awarded compensation to more than 23,500 employees in 11 plants for 14 minutes of uncompensated time per week and enjoined the company's future compliance with the Act. The district court's decision was affirmed at 1997 WL 634172 (10th Cir.).

In Reich v. Southern New England Telephone Co., 121 F.3d 58 (2d Cir. 1997), the Second Circuit affirmed the district court's finding that the employer owed overtime compensation (about \$10 million including liquidated damages) to about 1500 of its field workers because they were required to perform work during their lunch periods. The court also held that the representative testimony put on by the Secretary at trial for the purpose of proving the amount of back wages owing -- 39 out of 1500 affected employees -- was sufficient to meet the Secretary's burden of proof.

In Martin v. Tony and Susan Alamo Foundation, 952 F.2d 1050 (1992), the Eighth Circuit reversed the district court's judgment, remanding the case for entry of a back wage award for the more than 200 workers employed by the Foundation.

In Reich v. Japan Enterprises Corp., 91 F.3d 154 (1996), a case involving Filipinas working in Saipan, Commonwealth of the Northern Mariana Islands, the Ninth Circuit (without a reported opinion) upheld the rulings by the district court that the defendants had to compensate the women for the time they were confined to their barracks. The appeals court reversed the district court's ruling which had denied back wages to workers at one of the three nightclubs operated by defendants and overturned its refusal to enter a permanent injunction requiring defendants' future

compliance with the Act. The appeals court also modified the district court's ruling on personal liability, expanding the liability of two defendants who were actively engaged in the operation of the nightclubs.

In Metzler v. Hickey's Carting, Inc., 122 F.3d 1056 (2d Cir. 1997), the appeals court, without a reported opinion, held that Hickey's, a Long Island commercial trash hauler, was in contempt of an earlier consent agreement under the FLSA. The Court awarded a total of nearly \$600,000 in back wages and prejudgment interest.

In Reich v. Chez Robert, Inc., 28 F.3d 401 (1994), the Third Circuit reversed the district court's 25% across-the-board reduction in the back wage award for employees of the restaurant.

In Reich v. Department of Conservation and Natural Resources, 28 F.3d 1076 (1994), the Eleventh Circuit, reversing the district court, held that the Department of Conservation had actual or constructive knowledge that its officers were performing uncompensated overtime and ordered the State of Alabama to pay them for this work.

In Martin v. Tango's Restaurant, Inc., 969 F.2d 1319 (1992), the First Circuit held that the district court erred in allowing the employer to take tip credit against its minimum wage obligations.

In U.S. Department of Labor v. Cole Enterprises, Inc., 62 F.3d 775 (1995), the Sixth Circuit agreed with the Secretary's position that the employer had violated the Act by failing to compensate restaurant employees for "off-the-clock" work. The court rejected defendant's arguments that the defendant corporation's principal owner was not an FLSA employer, and that it was denied proper credit for tips received by employees.

The Fourth Circuit, in Reich v. Southern Maryland Hospital, Inc., 43 F.3d 949 (1995), held that the hospital had violated the FLSA by failing to pay its employees for "off-the-clock" duties. The appeals court, however, remanded the case for further proceedings on the back wage calculations, noting that the "district court abused its discretion by limiting testimony to only 1.6% of the employees [about 50 employees testified] for whom the Secretary sought back wages."

Status as an Employee or Contractor

An individual's status as an FLSA employee or independent contractor continues to be an issue in many cases:

The Third Circuit, in Martin v. Selker Brothers, Inc., 949 F.2d 1286 (1991), affirmed the district court's holding that the operators of several gasoline stations were employees, not independent contractors. The court also upheld the district court's conclusion that the violations were willful, noting that defendants knew their pay practices could result in violations of the FLSA and continued the practices despite concerns and doubts as to their legality.

In Reich v. Circle C. Investments, Inc., 998 F.2d 324 (1993), the Fifth Circuit held that exotic dancers and waitresses employed by defendants' clubs were not independent contractors and that an individual defendant was liable as an employer.

In an administrative case, Echaveste v. Circulation Promoters, Inc., 92 CLA-5 (1995), the Secretary rejected the company's claim that children soliciting newspaper subscriptions door-to-door were not its employees. Applying the FLSA's economic reality test, the Secretary held that crew leaders, who hired the children, were not independent contractors, but rather employees of the company, and that the children, in turn, were its employees.

Agriculture

Agriculture-related work was at issue in three significant cases:

In Antenor v. D & S Farms, 88 F.3d 925 (1996), the Eleventh Circuit, consistent with the position urged by the Secretary as amicus, held that plaintiff farmworkers had established that the defendant growers were liable for the Migrant and Seasonal Agricultural Worker Protection Act (MSPA) and FLSA violations at issue in the case as joint employers of the farmworkers.

Together with Torres-Lopez v. May, 111 F.3d 633 (9th Cir. 1997), in which the Secretary also participated as an amicus, Antenor brings the law into line with this Department's interpretation of joint employment in the agricultural sector.

In Reich v. Tiller Helicopter Services, Inc., 8 F.3d 1018 (1993), the Fifth Circuit held, contrary to the Secretary's position, that certain farm-related tasks were excepted from the Act's overtime provisions. Although agreeing with the Secretary that certain tasks performed by employees on Tiller's property (itself a farm) in servicing equipment utilized in defendant's helicopter spraying activities and travel time between the farms of customers and Tiller's base of operations were not performed by a farmer or on a farm within the meaning of the Act, the court held that the tasks were nonetheless exempt from the Act's overtime requirements.

Child Labor

Enforcement of the Act's child labor provisions in the courts and before the Department's administrative forums continued to be active:

The Eleventh Circuit, in Secretary of Labor v. Burger King Corp., 955 F.2d 681 (1992), reversed the dismissal of this child labor injunction action as moot, given the company's past inability to assure compliance with the child labor provisions.

In Martin v. Funtime, Inc., 963 F.2d 110 (1992), the Sixth Circuit affirmed the entry of a permanent injunction against the defendant, which had committed numerous child labor violations at its amusement parks.

In Reich v. Shiloh True Light Church of Christ, 85 F.3d 616 (1996), aff'g, 895 F. Supp. 799 (W.D.N.C.), the Fourth Circuit (without a reported opinion) upheld the district court's determination that defendants, who operate a church-run vocational training program, had violated the FLSA's proscriptions on child labor by employing children under the age of 16 in residential construction work. The appeals court rejected the defendants' contention that their actions were protected by First Amendment's free exercise clause, holding that the court's earlier decision (Brock v. Wendell's Woodwork, Inc., 867 F.2d 196 (1989)), involving similar activities by the church and its members was dispositive of the question.

In Acura of Bellevue v. Reich, 90 F.3d 1403 (1996), the Ninth Circuit upheld the district court's judgment that the car dealers' challenge to the Secretary's child labor restrictions on the operation of motor vehicles (H.O. 2) was premature. Since defendants had sought administrative review of the Secretary's assessment of civil money penalties ("CMPS") for their violations of H.O. 2, the court held that they had to exhaust those procedures prior to seeking judicial review.

Among the child labor CMP cases litigated are the several that follow:

In Acting Administrator v. Chism Trail, Inc. d/b/a Maxi Food, No. 92-CLA-45 (1993), the Secretary, overruling an Administrative Law Judge's (ALJ's) reduction of a civil money penalty for child labor violations, established the general principle that "penalty levels in post-[November] 1990 cases should reflect Congress' clear intent to increase the cost to employers of failing to comply with the requirements of the child labor provisions of the FLSA." An amendment to section 16(e) of the Act by the Omnibus Reconciliation Act had increased the maximum penalty for child labor violations from \$1,000 to \$10,000, effective November 1, 1990.

In Echaveste v. Maelou, Inc., 92-CLA-43 (1995), the Secretary held that the ALJ erred in lowering a penalty assessed for violating H.O. 10's proscription on a

minor's use of a meat slicing machine. In concluding that the ALJ erred in assessing a lower penalty for cleaning the machine than for its active operation, the Secretary stated: "The regulation does not permit an ALJ to establish a hierarchy of hazards and to determine that certain prohibited activities, or certain methods of conducting such activities, are less hazardous than others."

The Secretary, in Echaveste v. Blackhawk State Bank, No. 93-CLA-82 (1995), held that the bank violated the FLSA by employing a child under the age of 18 to drive employer-owned vehicles as part of her duties at the bank.

In Echaveste v. Sayle, Scott, Scott & Salyer Western Steer Steakhouse, Inc., 93-CLA-18 (1996), the Secretary overruled an ALJ's reduction of the civil money penalty. Noting the Secretary's recognition in Chism Trail that "the substantial increase in the CMP maximum was to have an impact on penalty sizes -- *even in cases which do not present the most egregious violations*" (italics by Board), the Board reinstated the amount assessed by Wage and Hour. The Board observed that "the key underlying Congressional purpose in the enactment was to provide more vigorous enforcement of the child labor restrictions, including ... the use of the CMP mechanism."

Exemptions for Executive, Administrative, and Professional Employees

Several cases, including two involving the newspaper industry, concerned the availability of the Act's exemptions for executive, administrative and professional employees:

In Reich v. Newspapers of New England, Inc., 44 F.3d 1060 (1995), the First Circuit affirmed the district court's conclusion that reporters, photographers, and certain editors working on this New Hampshire-based daily newspaper were not exempt from the Act's overtime provisions. The appeals court rejected, as did the district court, the paper's broad claim that contemporary journalists, as a group, should receive the same status accorded "learned professions" under the Act.

The Third Circuit, in Reich v. Gateway Press, Inc., 13 F.3d 685 (1994), held that the district court erred in failing to aggregate the circulation figures for local newspapers owned and operated by the defendant-publisher, and thus, improperly allowed the defendant to avail itself of the small newspaper exemption provided by section 13(a)(8) of the Act. The appeals court held that the employer had failed to establish that reporters were exempt as professional employees; the court noted that although the reporters' duties required intelligence, diligence, and accuracy, these duties did not require invention, imagination or talent as intended by the Secretary's interpretation of the exemption.

In Reich v. John Alden Life Insurance Co., 1997 WL 568748 (1st Cir. 1997), the appeals court upheld the district court's ruling that the insurance representatives employed by the company were exempt from the Act's overtime requirements as administrative employees.

In Reich v. Avoca Motel Corp., 82 F.3d 238 (1996), the Eighth Circuit, affirming the district court, held that the hotel managers employed by Avoca were administrative employees and thereby exempt from the Act's overtime provisions.

Salary Basis and the Section 13(a)(1) Exemption

Several cases presented questions regarding the salaried status of employees whose employers had claimed to be exempt from the Act's minimum wage and overtime requirements:

In Martin v. Malcolm Pirnie Co., 949 F.2d 611 (1991), cert. denied, 113 S.Ct. 298 (1992), the Second Circuit rejected the company's attempt to avoid paying overtime to its employees on the basis that it had properly availed itself of the "window of correction" provided by 29 C.F.R. 541.118(a)(6). The appeals court held that the company's established policy of docking its employees for partial day absences denied them use of the Act's section 13(a)(1) exemption.

In Reich v. New York, 3 F.3d 581 (1993), the Second Circuit held that criminal investigators employed by the State Police were not administrative employees exempt from the Act. The court expressly relied upon the production versus administrative dichotomy used by the Secretary in denying the exemption, concluding that the investigators performed the agency's production work.

The Second Circuit, in Reich v. Waldbaum, Inc., 52 F.3d 35 (1995), held that Waldbaum willfully violated the Act by paying on an hourly basis employees it claimed to be FLSA-exempt as salaried employees.

Mueller v. Reich, 54 F.3d 438(1995), the Seventh Circuit reversed the district court's decision that the state employees were exempt from the Act's overtime provisions. The appeals court held that the Secretary's "salary basis" regulation, as applied to the public sector, both as modified in regard to partial day deductions in 1992, and prior to that time, was valid.

The Ninth Circuit, in Service Employees Int'l Union, Local 102 v. County of San Diego, 60 F.3d 1346 (1994), cert. denied, 116 S.Ct. 774 (1996), upheld the dismissal of the employees' action seeking overtime pay. Responding in large part

to arguments submitted by the Secretary in support of the employees' rehearing petition, the court of appeals issued a supplemental opinion, restating its view that the Secretary's salary basis partial day deduction rule could not be applied to public employment.

Employer Claims to Exceptions

Several cases presented issues relating to employer claims that they were entitled to various exceptions to the Act's general requirements:

In Reich v. Miss Paula's Day Care Center, Inc., 37 F.3d 1191 (1994), the Sixth Circuit held that Miss Paula's Day Care Center constituted a "preschool" within the meaning of the FLSA and that, as such, it was obliged to pay its employees at least the statutory minimum wage.

In Martin v. Bedell, 955 F.2d 1029 (1992), cert. denied, 113 S.Ct. 323 (1992), the Fifth Circuit reversed the dismissal of the Secretary's complaint, seeking overtime pay for individuals employed as cooks on vessels providing off-shore support to oil companies.

The Eighth Circuit, in Reich v. ConAgra, Inc., 987 F.2d 1357 (1993), held that the Secretary had failed to prove that the employer had violated the FLSA by failing to keep records of the hours worked by its employees in making garments at home for display in the stores where they worked.

In Reich v. Delcorp, Inc., 3 F.3d 1181 (1993), the Eighth Circuit affirmed the district court's finding that the employer, whose employees provide in-home carpet cleaning services, was entitled to the Act's section 7(i) overtime exemption for commission-paid employees of retail or service establishments.

In Reich v. Wyoming, 993 F.2d 739 (1993), the Tenth Circuit held that game wardens working for the state were exempt from the Act's overtime pay provisions as professional employees. Despite the substantial law enforcement duties performed by the game wardens, the court held that their principal duties concerned wildlife management.

In Martin v. Coventry Fire District, 981 F.2d 1358 (1992), the First Circuit rejected the Secretary's argument that the district court, which had found that defendants had performed uncompensated overtime work, erred in limiting their recovery to hours worked over 53 in a workweek (the standard prescribed by section 7(k) for employees qualifying for the firefighters exemption), rather than for all hours worked over 40 in a workweek.

Motor Carrier Exemption

Two cases involved application of the Act's motor carrier exemption:

In Martin v. Coyne International Enterprises Corp., 966 F.2d 61 (1992), the Second Circuit held that defendant's employees were exempt from the Act's overtime requirements under the Section 13(b)(1) motor carrier exemption. The court rejected the Secretary's argument that the Department of Transportation, by exempting vehicles weighing less than 10,000 pounds from its safety regulations, had relinquished its power to regulate such vehicles, thereby removing them from the exemption.

The Ninth Circuit, in Reich v. American Driver Service, 33 F.3d 1153 (1994), held that the defendant-employer could not avail itself of the Act's section 13(b)(1) exemption to deny overtime compensation to its employees engaged in seasonal beet hauling activities.

Enterprise Coverage

Three cases involved application of the Act's enterprise coverage provisions:

In Martin v. Deiriggi, 985 F.2d 129 (1992), retired Justice Powell authored the opinion for the Fourth Circuit upholding the Secretary's position that defendants' motel and restaurant comprised an FLSA enterprise. The court rejected defendants' procedural attack on the Secretary's complaint, reasoning that defendants could not have been misled about the Secretary's intention to seek liquidated damages.

The Fifth Circuit, in Reich v. Bay, Inc., 23 F.3d 110(1994), rejected the defendant's challenge to the determination that Bay, Inc. and another corporation with whom it did business (both had family members who occupied key positions) formed a single enterprise.

In Reich v. Great Lakes Fish and Wildlife Commission, 4 F.3d 490(1993), the Seventh Circuit ruled that the FLSA did not apply to game wardens working for the defendant tribal employer. The majority held that Congress had not evinced an intention to cover tribal employees engaged in law enforcement activities. The dissenting judge rejected the contention that FLSA coverage would impermissibly intrude upon tribal self-governance or that compliance would jeopardize the tribe's treaty rights.

Other Significant Cases

In Reich v. Petroleum Sales, Inc., 30 F.3d 654 (1994), the Sixth Circuit reversed the district court's refusal to enter a permanent injunction. Noting the strong record evidence of violative conduct by defendant and the absence of any evidence demonstrating a likelihood of future compliance, the appeals court held that the district court abused its discretion in denying the injunction. The appeals court also held that the district court was required to award back wages owed to certain individuals even if they could not be identified, provided the amount of the wages could be reasonably ascertained.

In Reich v. Baystate Alternative Staffing, Inc., 94-FLS-22 (1996), the Administrative Review Board (ARB) affirmed the ALJ's decision imposing the full \$150,000 civil money penalty assessed against Baystate for its willful violations of the FLSA. In reaching its decision, the Board rejected Baystate's argument that it was not the employer of temporary workers hired by it to perform work for other companies. The Board held that the workers were not independent contractors and that Baystate was a joint employer of them.

In the first administrative appeal under the Act's section 14(c) subminimum wage provision, In the matter of Richard Michael Depp, No. 91-FLS-1 (July 10, 1992), the Secretary ruled that the employer had failed to establish that the wage rate paid the employee for his work in its sheltered workshop reflected the prevailing rate for such work and that, as a consequence, it was not entitled to the subminimum wage exception under section 14(c) of the Act.

In Peter E. Reid Stevedoring, Inc. v. Department of Labor, 88 F.3d 1278 (1996), the District of Columbia Circuit (without a reported opinion) rejected challenges to a decision of an industry committee, convened pursuant to section 5 of the Act, that increased the minimum wage from \$3.50 to \$3.75 for the stevedoring industry in American Samoa.

The Tenth Circuit, in Martin v. Parker Fire Protection District, 992 F.2d 1023 (1993), upheld the district court's ruling that trainees at defendant's fire academy were not employees within the meaning of the FLSA.

MINIMUM WAGE & OVERTIME HOURS REPORT

JUNE 1998

APPENDICES

APPENDIX A

SELECTED MINIMUM WAGE INFORMATION

FROM THE DEPARTMENT OF LABOR

WAGE AND HOUR DIVISION

INTERNET HOME PAGE



Employment Standards Administration Wage and Hour Division

ESA Fact Sheet No. 96-13

FAIR LABOR STANDARDS ACT AMENDMENTS OF 1996

The Department of Labor administers and enforces the Fair Labor Standards Act (FLSA) through the Wage and Hour Division of the Employment Standards Administration. The FLSA requires that most employees in the United States be paid at least a minimum wage and overtime pay at time and one-half the regular rate of pay after 40 hours in a workweek. In addition, the law includes child labor and recordkeeping provisions. In August 1996, the Fair Labor Standards Act was amended to provide a two-step increase in the minimum wage and a subminimum rate for youth during their first 90 days of employment. The amendments also change certain provisions of the FLSA with respect to the tip credit that can be claimed by employers of "tipped employees"; an exemption for certain computer professionals; and home-to-work travel time in employer-provided vehicles. The amendments are summarized below.

MINIMUM WAGE

The FLSA minimum wage increases to \$4.75 an hour on October 1, 1996, and to \$5.15 an hour on September 1, 1997.

YOUTH SUBMINIMUM WAGE

A subminimum wage -- \$4.25 an hour -- is established for employees under 20 years of age during their first 90 consecutive calendar days of employment with an employer. Employers are prohibited from displacing employees in order to hire youth at the subminimum wage. Also prohibited are partial displacements such as reducing employees' hours, wages, or employment benefits.

TIP CREDIT

An employer may credit a certain amount of the tips received by tipped employees (e.g., waiters and waitresses) against the employer's minimum wage obligation when certain conditions are met. The law now sets the employer's cash wage obligation at not less than \$2.13 an hour. This replaces the former provision requiring that tipped employees be paid at least 50 percent of the minimum wage in cash. However, if an employee's tips combined with the employer's cash wage of \$2.13 an hour do not equal the minimum hourly wage, the employer must make up the difference.

COMPUTER EXEMPTION

The exemption from overtime pay for certain computer professionals now exempts these workers if they are paid at least \$27.63 an hour. This replaces the former requirement that they be paid an hourly rate of at least 6½ times the minimum wage.

TRAVEL TIME IN EMPLOYER VEHICLES

Time spent in home-to-work travel by an employee in an employer-provided vehicle, or in activities performed by an employee which are incidental to the use of the vehicle for commuting, is not "hours worked" and, therefore, does not have to be paid. This provision applies **only** if the travel is within the normal commuting area for the employer's business and the use of the vehicle is subject to an agreement between the employer and the employee or the employee's representative.

★ Where state law requires a higher minimum wage, the higher standard applies. ★

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Employment Standards Administration Wage and Hour Division

General Information on The Fair Labor Standards Act

Federal Minimum Wage:

\$4.75 per hour beginning October 1, 1996

\$5.15 per hour beginning September 1, 1997

Employees under 20 years of age may be paid \$4.25 per hour during their first 90 consecutive calendar days of employment with an employer.

Certain full-time students, student learners, apprentices, and workers with disabilities may be paid less than the minimum wage under special certificates issued by the Department of Labor.

Tip Credit: Employers of "tipped employees" must pay a cash wage of at least \$2.13 per hour if they claim a tip credit against their minimum wage obligation. If an employee's tips combined with the employer's cash wage of at least \$2.13 per hour do not equal the minimum hourly wage, the employer must make up the difference. Certain other conditions must also be met.

Overtime Pay: At least 1½ times an employee's regular rate of pay for all hours worked over 40 in a workweek.

Child Labor: An employee must be at least 16 years old to work in most non-farm jobs and at least 18 to work in non-farm jobs declared hazardous by the Secretary of Labor. Youths 14 and 15 years old may work outside school hours in various non-manufacturing, non-mining, non-hazardous jobs under the following conditions:

No more than -

3 hours on a school day or 18 hours in a school week;

8 hours on a non-school day or 40 hours in a non-school week.

Also, work may not begin before 7 a.m. or end after 7 p.m., except from June 1 through Labor Day, when evening hours are extended to 9 p.m. Different rules apply in agricultural employment.

ENFORCEMENT: The Department of Labor may recover back wages, either administratively or through court action, for the employees that have been underpaid in violation of the law. Violations may result in civil or criminal action.

Fines of up to \$10,000 per violation may be assessed against employers who violate the child labor provisions of the law and up to \$1,000 per violation against employers who willfully or repeatedly violate the minimum wage or overtime pay provisions. This law **prohibits** discriminating against or

discharging workers who file a complaint or participate in any proceedings under the Act.

Note:

- Certain occupations and establishments are exempt from the minimum wage and/or overtime pay provisions.
- Special provisions apply to workers in American Samoa.
- Where state law requires a higher minimum wage, the higher standard applies.

FOR ADDITIONAL INFORMATION, contact the nearest Wage and Hour Division office -- listed in most telephone directories under United States Government, Labor Department.



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**H.R. 3448****Small Business Job Protection Act of 1996 (Enrolled Bill)**

SEC. 2101. SHORT TITLE.

This section and sections 2102 and 2103 may be cited as the 'Employee Commuting Flexibility Act of 1996'.

SEC. 2102. PROPER COMPENSATION FOR USE OF EMPLOYER VEHICLES.

Section 4(a) of the Portal-to-Portal Act of 1947 (29 U.S.C. 254(a)) is amended by adding at the end the following: 'For purposes of this subsection, the use of an employer's vehicle for travel by an employee and activities performed by an employee which are incidental to the use of such vehicle for commuting shall not be considered part of the employee's principal activities if the use of such vehicle for travel is within the normal commuting area for the employer's business or establishment and the use of the employer's vehicle is subject to an agreement on the part of the employer and the employee or representative of such employee.'

SEC. 2103. EFFECTIVE DATE.

The amendment made by section 2101 shall take effect on the date of the enactment of this Act and shall apply in determining the application of section 4 of the Portal-to-Portal Act of 1947 to an employee in any civil action brought before such date of enactment but pending on such date.

SEC. 2104. MINIMUM WAGE INCREASE.

(a) SHORT TITLE- This section may be cited as the 'Minimum Wage Increase Act of 1996'.

(b) AMENDMENT- Paragraph (1) of section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)) is amended to read as follows:

'(1) except as otherwise provided in this section, not less than \$4.25 an hour during the period ending on September 30, 1996, not less than \$4.75 an hour during the year beginning on October 1, 1996, and not less than \$5.15 an hour beginning September 1, 1997;'

(c) CONFORMING AMENDMENT- Section 6 of such Act (29 U.S.C. 206) is amended by striking subsection (c).

SEC. 2105. FAIR LABOR STANDARDS ACT AMENDMENTS.

(a) COMPUTER PROFESSIONALS- Section 13(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(a)) is amended by striking the period at the end of paragraph (16) and inserting `; or' and by adding after that paragraph the following:

`(17) any employee who is a computer systems analyst, computer programmer, software engineer, or other similarly skilled worker, whose primary duty is--

`(A) the application of systems analysis techniques and procedures, including consulting with users, to determine hardware, software, or system functional specifications;

`(B) the design, development, documentation, analysis, creation, testing, or modification of computer systems or programs, including prototypes, based on and related to user or system design specifications;

`(C) the design, documentation, testing, creation, or modification of computer programs related to machine operating systems, or

`(D) a combination of duties described in subparagraphs (A), (B), and (C) the performance of which requires the same level of skills, and

who, in the case of an employee who is compensated on an hourly basis, is compensated at a rate of not less than \$27.63 an hour '

(b) TIP CREDIT- The last sentence of section 3(m) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(m)) is amended by striking 'previous sentence' and inserting 'preceding 2 sentences' and by striking `(1)' and `(2)' and such section is amended by striking the next to last sentence and



Questions and Answers About the Minimum Wage

What is the new minimum wage?

The federal minimum wage increased to \$5.15 an hour effective September 1, 1997. The federal minimum wage provisions are contained in the Fair Labor Standards Act (FLSA).

Why did the minimum wage need to be increased?

By 1996, the minimum wage adjusted for inflation was approaching a 40-year low. Inflation had largely wiped out the last increase in the minimum wage approved by Congress in 1989. That's why in August, 1996 Congress passed and President Clinton signed into law a two-step increase, lifting the minimum wage from \$4.25 to \$5.15. The first part of that increase went into effect Oct. 1, 1996; today we are implementing the second step to bring the minimum wage to \$5.15.

When was the federal minimum wage last increased? How often does it increase?

In 1989 a law was passed raising the minimum wage, in two steps, from \$3.35 to \$4.25. That increase was fully implemented on April 1, 1991. The minimum wage was still \$4.25 when, last August, Congress and the President authorized another two-step increase to \$5.15.

The minimum wage does not increase automatically -- Congress must pass a bill which the President signs into law in order for the minimum wage to go up.

Who makes sure workers are paid the minimum wage?

The Wage and Hour Division of the U.S. Department of Labor is responsible for enforcing the minimum wage. Using both enforcement and public education efforts, Wage and Hour strives to ensure that workers are paid the minimum wage.

The Wage and Hour Division has offices throughout the country. The phone numbers and addresses for these offices can be found in the federal government "blue pages" section of the telephone book under "Labor Department."

The Department of Labor's Internet web site also provides information about the minimum wage. Check out the "Minimum Wage" hot button at www.dol.gov.

Who will get a pay raise?

The minimum wage law (the FLSA) applies to employees of enterprises that do at least \$500,000 in business a year. It also applies to employees of smaller firms if the employees are engaged in interstate commerce or in the production of goods for commerce, such as employees who work in transportation or communications or who regularly use the mails or telephones for interstate communications. It also applies to employees of federal, state or local government agencies, hospitals and schools, and it generally applies to domestic workers.

The FLSA contains a number of exemptions from the minimum wage that may apply to some

workers. The law establishes a youth sub-minimum wage of \$4.25 that employers can pay employees under 20 years of age during their first 90 consecutive calendar days of employment with an employer. The youth sub-minimum wage is not affected by the September 1, 1997 increase.

The Wage and Hour Division has a Handy Reference Guide to the Fair Labor Standards Act that explains how the law applies. Write to the nearest office of the Wage and Hour Division for a copy of the guide, or access it from the Department of Labor's Internet web site.

What happens if state law requires a different minimum wage than federal law?

Where state law requires a higher minimum wage, that higher standard applies



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inserting the following: 'In determining the wage an employer is required to pay a tipped employee, the amount paid such employee by the employee's employer shall be an amount equal to—

'(1) the cash wage paid such employee which for purposes of such determination shall be not less than the cash wage required to be paid such an employee on the date of the enactment of this paragraph; and

'(2) an additional amount on account of the tips received by such employee which amount is equal to the difference between the wage specified in paragraph (1) and the wage in effect under section 6(a)(1).

The additional amount on account of tips may not exceed the value of the tips actually received by an employee.'

(c) OPPORTUNITY WAGE- Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) is amended by adding at the end the following:

'(g)(1) In lieu of the rate prescribed by subsection (a)(1), any employer may pay any employee of such employer, during the first 90 consecutive calendar days after such employee is initially employed by such employer, a wage which is not less than \$4.25 an hour.

'(2) No employer may take any action to displace employees (including partial displacements such as reduction in hours, wages, or employment benefits) for purposes of hiring individuals at the wage authorized in paragraph (1).

'(3) Any employer who violates this subsection shall be considered to have violated section 15(a)(3).

'(4) This subsection shall only apply to an employee who has not attained the age of 20 years.'

Speaker of the House of Representatives.

Vice President of the United States and President of the Senate.



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APPENDIX B
DATA USED FOR FIGURES 1 - 9
AND
MINIMUM WAGE IMPACT BIBLIOGRAPHY
AND RESEARCH HIGHLIGHTS

**Figure 1 -- Minimum Wage -- Current and Real Value
1966-1997**

Year	Current Value	Real Value in 1997 Dollars	CPI*	CPI 97**
1966	1.25	6.19	32.40	20.19
1967	1.40	6.73	33.40	20.81
1968	1.60	7.38	34.80	21.68
1969	1.60	7.00	36.70	22.87
1970	1.60	6.62	38.80	24.17
1971	1.60	6.34	40.50	25.23
1972	1.60	6.14	41.80	26.04
1973	1.60	5.78	44.40	27.66
1974	2.00	6.51	49.30	30.72
1975	2.10	6.26	53.80	33.52
1976	2.30	6.49	56.90	35.45
1977	2.30	6.09	60.60	37.76
1978	2.65	6.52	65.20	40.62
1979	2.90	6.41	72.60	45.23
1980	3.10	6.04	82.40	51.34
1981	3.35	5.92	90.90	56.64
1982	3.35	5.57	96.50	60.12
1983	3.35	5.40	99.60	62.06
1984	3.35	5.17	103.90	64.74
1985	3.35	5.00	107.60	67.04
1986	3.35	4.91	109.60	68.29
1987	3.35	4.73	113.60	70.78
1988	3.35	4.55	118.30	73.71
1989	3.35	4.34	124.00	77.26
1990	3.80	4.67	130.70	81.43
1991	4.25	5.01	136.20	84.86
1992	4.25	4.86	140.30	87.41
1993	4.25	4.72	144.50	90.03
1994	4.25	4.60	148.20	92.34
1995	4.25	4.48	152.40	94.95
1996	4.75	4.86	156.90	97.76
1997	5.15	5.15	160.50	100.00

*Consumer price index for all urban consumers, 1982-84 equals 100.

**CPI converted to 1997 equals 100.

Note: Use of the CPI-U-X1 (a widely used research version of the CPI) over a number of years would result in less erosion in the real value of the minimum wage, but would not alter the conclusion that the real value has declined substantially. Note that CPI-U-X1 data are not available for 1966.

Figure 1 -- Minimum Wage -- Current and Real Value
1966-1997

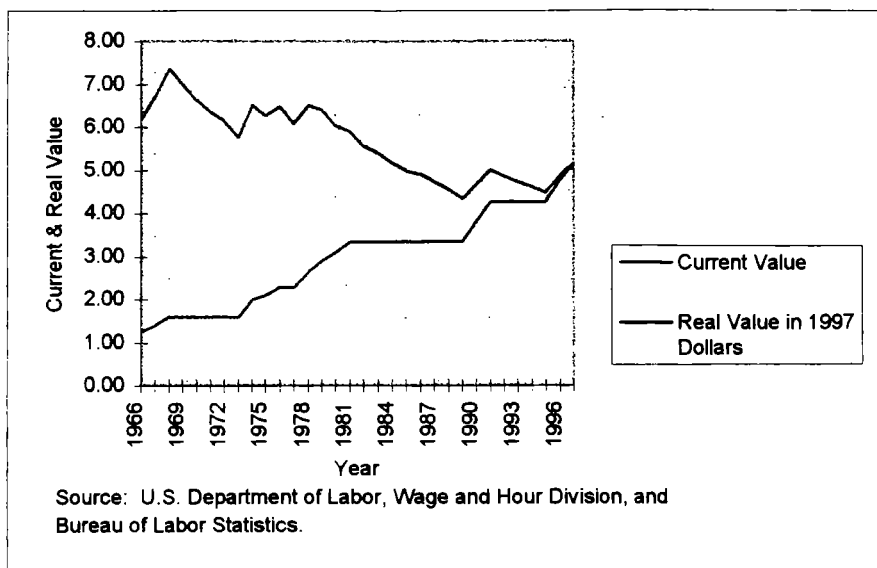


Figure 2: Indices of the Minimum Wage, the Implicit Price Deflator, and Consumer Prices
1966 - 1997

Year	Minimum Wage Index	IPD Index	CPI Index	Minimum Wage	IPD	CPI
1966	100.00	100.00	100.00	1.25	25.67	32.40
1967	112.00	103.19	103.09	1.40	26.49	33.40
1968	128.00	107.67	107.41	1.60	27.64	34.80
1969	128.00	112.74	113.27	1.60	28.94	36.70
1970	128.00	118.74	119.75	1.60	30.48	38.80
1971	128.00	124.89	125.00	1.60	32.06	40.50
1972	128.00	130.19	129.01	1.60	33.42	41.80
1973	128.00	137.51	137.04	1.60	35.30	44.40
1974	160.00	149.86	152.16	2.00	38.47	49.30
1975	168.00	163.97	166.05	2.10	42.09	53.80
1976	184.00	173.55	175.62	2.30	44.55	56.90
1977	184.00	184.77	187.04	2.30	47.43	60.60
1978	212.00	198.25	201.23	2.65	50.89	65.20
1979	232.00	215.15	224.07	2.90	55.23	72.60
1980	248.00	235.02	254.32	3.10	60.33	82.40
1981	268.00	257.15	280.56	3.35	66.01	90.90
1982	268.00	273.35	297.84	3.35	70.17	96.50
1983	268.00	285.00	307.41	3.35	73.16	99.60
1984	268.00	295.75	320.68	3.35	75.92	103.90
1985	268.00	305.92	332.10	3.35	78.53	107.60
1986	268.00	313.91	338.27	3.35	80.58	109.60
1987	268.00	323.57	350.62	3.35	83.06	113.60
1988	268.00	335.37	365.12	3.35	86.09	118.30
1989	268.00	349.51	382.72	3.35	89.72	124.00
1990	304.00	364.63	403.40	3.80	93.60	130.70
1991	340.00	379.12	420.37	4.25	97.32	136.20
1992	340.00	389.56	433.02	4.25	100.00	140.30
1993	340.00	399.84	445.99	4.25	102.64	144.50
1994	340.00	409.39	457.41	4.25	105.09	148.20
1995	340.00	419.79	470.37	4.25	107.76	152.40
1996	380.00	429.33	484.26	4.75	110.21	156.90
1997	412.00	437.87	495.37	5.15	112.40	160.50

Figure 2: Indices of the Minimum Wage, the Implicit Price Deflator, and Consumer Prices
1966 - 1997

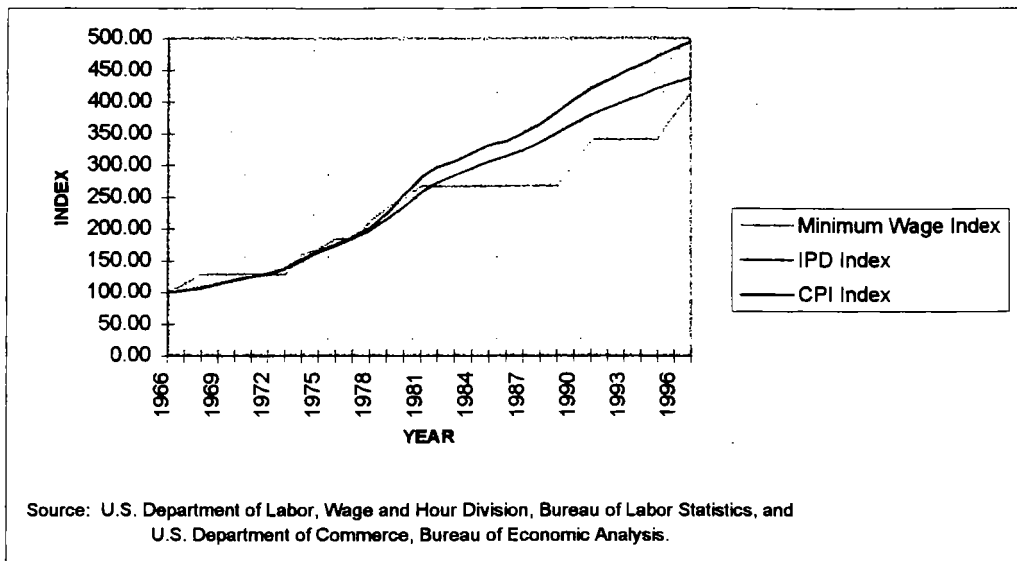


**Figure 3: Minimum Wage and Poverty Thresholds by Family Size
1966-1997**

Year	Minimum Wage Annually	Poverty Level 1 Person	Poverty Level 2 Persons	Poverty Level 3 Persons	Poverty Level 4 Persons	MinWage
1966	2600	1628	2107	2688	3317	1.25
1967	2912	1675	2166	2681	3410	1.40
1968	3328	1748	2262	2774	3553	1.60
1969	3328	1840	2383	2924	3743	1.60
1970	3328	1954	2625	3099	3968	1.60
1971	3328	2040	2633	3229	4137	1.60
1972	3328	2109	2724	3339	4275	1.60
1973	3328	2247	2895	3546	4540	1.60
1974	4160	2495	3211	3936	5036	2.00
1975	4368	2724	3608	4293	5500	2.10
1976	4784	2684	3711	4640	5815	2.30
1977	4784	3075	3951	4833	6191	2.30
1978	5512	3311	4249	5201	6562	2.65
1979	6032	3689	4725	5784	7412	2.90
1980	6448	4190	5363	6565	8414	3.10
1981	6968	4620	5917	7260	9287	3.35
1982	6968	4901	6281	7693	9862	3.35
1983	6968	5061	6483	7938	10178	3.35
1984	6968	5278	6762	8277	10609	3.35
1985	6968	5469	6998	8573	10989	3.35
1986	6968	5572	7138	8737	11203	3.35
1987	6968	5778	7397	9058	11611	3.35
1988	6968	6022	7704	9436	12092	3.35
1989	6968	6310	8076	9885	12674	3.35
1990	7904	6652	8509	10418	13359	3.80
1991	8840	6932	8865	10860	13924	4.25
1992	8840	7143	9137	11188	14335	4.25
1993	8840	7363	9414	11522	14763	4.25
1994	8840	7547	9551	11621	15141	4.25
1995	8840	7763	9933	12158	15569	4.25
1996	9880	7995	10233	12516	16036	4.75
1997*	10712	8178	10468	12803	16404	5.15

* Data for 1997 are preliminary.

Figure 3: Minimum Wage and Poverty Thresholds by Family Size
1966-1997

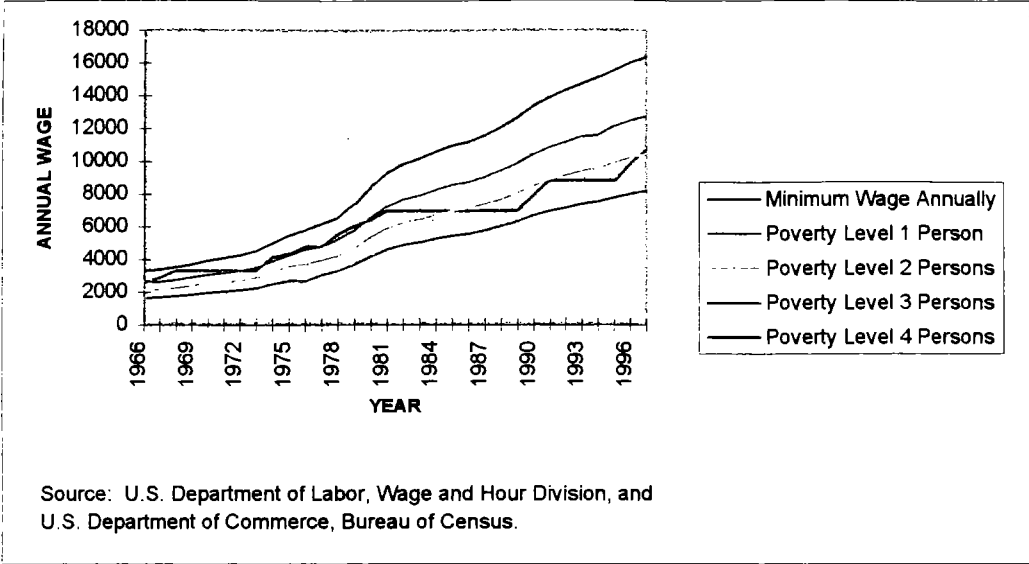


**Figure 4: Minimum Wage and Average Hourly Earnings
1966-1997**

Year	Minimum Wage	Average Hourly Earnings
1966	1.25	2.56
1967	1.40	2.68
1968	1.60	2.85
1969	1.60	3.04
1970	1.60	3.23
1971	1.60	3.45
1972	1.60	3.70
1973	1.60	3.94
1974	2.00	4.24
1975	2.10	4.53
1976	2.30	4.86
1977	2.30	5.25
1978	2.65	5.69
1979	2.90	6.16
1980	3.10	6.66
1981	3.35	7.25
1982	3.35	7.68
1983	3.35	8.02
1984	3.35	8.32
1985	3.35	8.57
1986	3.35	8.76
1987	3.35	8.98
1988	3.35	9.28
1989	3.35	9.66
1990	3.80	10.01
1991	4.25	10.32
1992	4.25	10.57
1993	4.25	10.83
1994	4.25	11.12
1995	4.25	11.43
1996	4.75	11.81
1997	5.15	12.26

Figure 4: Minimum Wage and Average Hourly Earnings
1966-1997

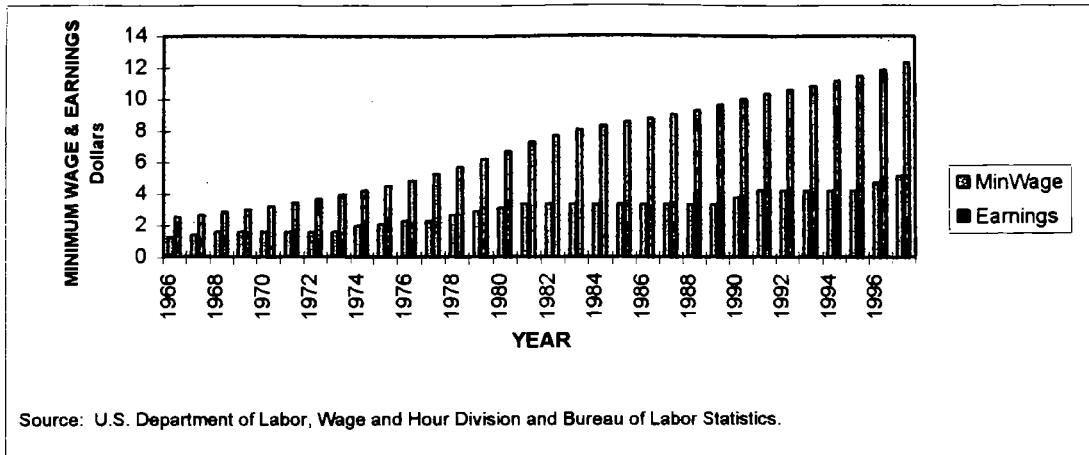


Figure 5: Percent Change in Output per Hour Less Percent Change in Real Compensation per Hour, Business Sector
1966 - 1997

Year	Output Less Compensation	Change in Output/Hr	Change in Real Compensation/Hr
1966	0.30	4.00	3.70
1967	-0.30	2.20	2.50
1968	-0.40	3.40	3.80
1969	-1.10	0.40	1.50
1970	0.10	2.00	1.90
1971	2.40	4.30	1.90
1972	0.30	3.30	3.00
1973	1.00	3.20	2.20
1974	-0.50	-1.70	-1.20
1975	2.50	3.50	1.00
1976	0.50	3.40	2.90
1977	0.40	1.70	1.30
1978	-0.20	1.10	1.30
1979	1.10	-0.40	-1.50
1980	2.10	-0.30	-2.40
1981	2.60	1.80	-0.80
1982	-1.70	-0.50	1.20
1983	2.30	3.20	0.90
1984	2.50	2.50	0.00
1985	0.30	1.60	1.30
1986	-0.70	2.60	3.30
1987	-0.30	-0.10	0.20
1988	0.10	0.60	0.50
1989	2.70	0.80	-1.90
1990	0.40	0.70	0.30
1991	0.10	0.70	0.60
1992	1.30	3.40	2.10
1993	0.60	0.20	-0.40
1994	1.30	0.40	-0.90
1995	0.30	0.00	-0.30
1996	1.10	2.00	0.90
1997	0.30	1.90	1.60

Figure 5: Percent Change in Output per Hour Less Percent Change in Real Compensation per Hour, Business Sector
1966 - 1997

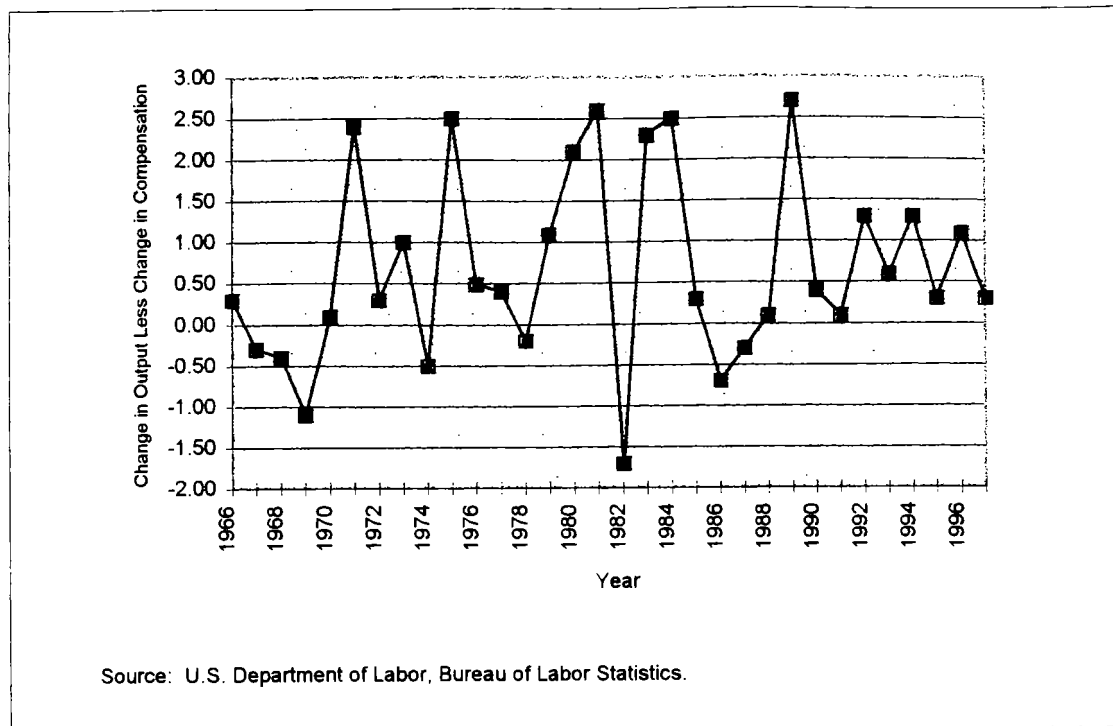


**Figure 6: Real Domestic Corporate Profits Per Hour
1966-1997**

Year	Real Domestic Corporate Profits Per Hour	Private Sector Total Hours	Real Domestic Corporate Profit	Domestic Corp Profit	IPD 97 Index	IPD
1966	3.48	107.30	373.50	85.30	22.84	25.67
1967	3.23	108.50	350.48	82.60	23.57	26.49
1968	3.24	111.30	360.30	88.60	24.59	27.64
1969	2.84	115.30	327.41	84.30	25.75	28.94
1970	2.31	114.10	264.04	71.60	27.12	30.48
1971	2.60	113.60	295.20	84.20	28.52	32.06
1972	2.77	117.70	326.57	97.10	29.73	33.42
1973	2.73	122.80	334.97	105.20	31.41	35.30
1974	2.17	123.70	267.93	91.70	34.23	38.47
1975	2.54	119.20	303.10	113.50	37.45	42.09
1976	2.83	123.50	349.18	138.40	39.64	44.55
1977	3.04	128.60	391.49	165.20	42.20	47.43
1978	3.05	135.00	411.26	186.20	45.28	50.89
1979	2.59	140.20	363.27	178.50	49.14	55.23
1980	2.04	139.50	284.68	152.80	53.67	60.33
1981	2.14	141.10	302.07	177.40	58.73	66.01
1982	1.81	137.20	248.12	154.90	62.43	70.17
1983	2.26	138.90	314.34	204.60	65.09	73.16
1984	2.59	147.20	381.08	257.40	67.54	75.92
1985	2.56	151.10	387.31	270.60	69.87	78.53
1986	2.35	153.80	361.55	259.20	71.69	80.58
1987	2.50	158.10	394.47	291.50	73.90	83.06
1988	2.65	163.10	432.68	331.40	76.59	86.09
1989	2.42	166.90	403.40	322.00	79.82	89.72
1990	2.36	168.40	397.84	331.30	83.27	93.60
1991	2.39	165.40	395.69	342.60	86.58	97.32
1992	2.46	165.90	408.12	363.10	88.97	100.00
1993	2.70	169.70	458.84	419.00	91.32	102.64
1994	3.02	176.30	531.68	497.10	93.50	105.09
1995	3.25	180.70	587.45	563.20	95.87	107.76
1996	3.54	184.30	652.72	640.00	98.05	110.21
1997	3.72	190.00	706.50	706.50	100.00	112.40

Hours data are unpublished; estimated for 1997; adjusted to reflect supervisors at 40 hours per week; and include employees of corporations and unincorporated businesses.

Figure 6: Real Domestic Corporate Profits Per Hour
1966-1997

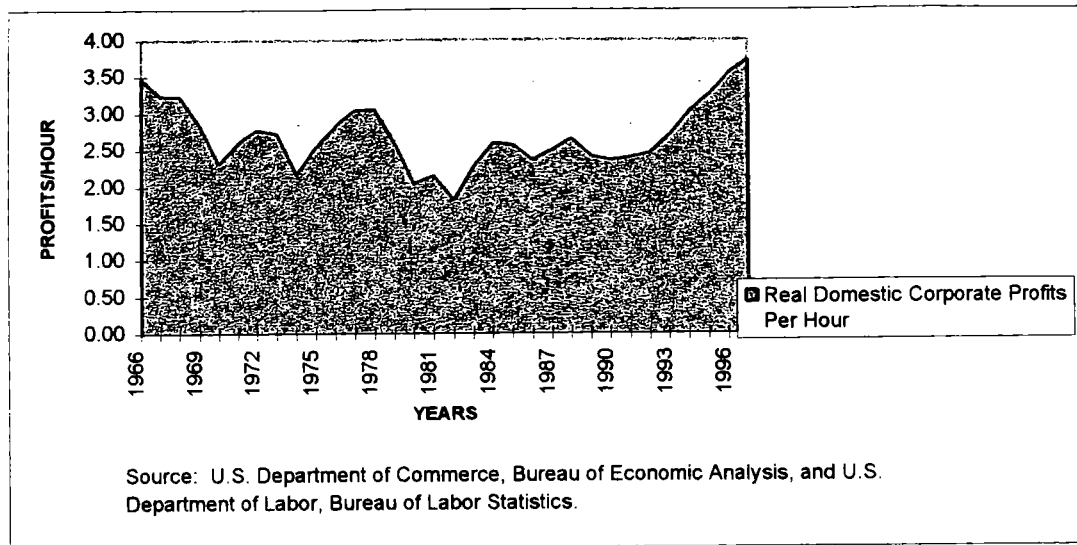


Figure 7: Real Domestic Corporate Profits per Hour, Average Hourly Employee Earnings, and the Value of the Minimum Wage
1966 -1997

Year	Real Hourly Earnings	Real Profits Per Hour	Real Minimum Wage	Average Hourly Earnings	IPD 97	CPI 97	Domestic Corp Profit	Minimum Wage	Real Domestic Corporate Profits 97	Private Sector Total Hours
1966	12.68	3.48	6.19	2.56	22.84	20.19	85.30	1.25	373.47	107.30
1967	12.88	3.23	6.73	2.68	23.57	20.81	82.60	1.40	350.45	108.50
1968	13.15	3.24	7.38	2.85	24.59	21.68	88.60	1.60	360.31	111.30
1969	13.29	2.84	7.00	3.04	25.75	22.87	84.30	1.60	327.38	115.30
1970	13.36	2.31	6.62	3.23	27.12	24.17	71.60	1.60	264.01	114.10
1971	13.67	2.60	6.34	3.45	28.52	25.23	84.20	1.60	295.23	113.60
1972	14.21	2.77	6.14	3.70	29.73	26.04	97.10	1.60	326.61	117.70
1973	14.24	2.73	5.78	3.94	31.41	27.66	105.20	1.60	334.93	122.80
1974	13.80	2.17	6.51	4.24	34.23	30.72	91.70	2.00	267.89	123.70
1975	13.51	2.54	6.26	4.53	37.45	33.52	113.50	2.10	303.07	119.20
1976	13.71	2.83	6.49	4.86	39.64	35.45	138.40	2.30	349.14	123.50
1977	13.90	3.04	6.09	5.25	42.20	37.76	165.20	2.30	391.47	128.60
1978	14.01	3.05	6.52	5.69	45.28	40.62	186.20	2.65	411.22	135.00
1979	13.62	2.59	6.41	6.16	49.14	45.23	178.50	2.90	363.25	140.20
1980	12.97	2.04	6.04	6.66	53.67	51.34	152.80	3.10	284.70	139.50
1981	12.80	2.14	5.91	7.25	58.73	56.64	177.40	3.35	302.06	141.10
1982	12.77	1.81	5.57	7.68	62.43	60.12	154.90	3.35	248.12	137.20
1983	12.92	2.26	5.40	8.02	65.09	62.06	204.60	3.35	314.33	138.90
1984	12.85	2.59	5.17	8.32	67.54	64.74	257.40	3.35	381.11	147.20
1985	12.78	2.56	5.00	8.57	69.87	67.04	270.60	3.35	387.29	151.10
1986	12.83	2.35	4.91	8.76	71.69	68.29	259.20	3.35	361.56	153.80
1987	12.69	2.49	4.73	8.98	73.90	70.78	291.50	3.35	394.45	158.10
1988	12.59	2.65	4.54	9.28	76.59	73.71	331.40	3.35	432.69	163.10
1989	12.50	2.42	4.34	9.66	79.82	77.26	322.00	3.35	403.41	166.90
1990	12.29	2.36	4.67	10.01	83.27	81.43	331.30	3.80	397.86	168.40
1991	12.16	2.39	5.01	10.32	86.58	84.86	342.60	4.25	395.70	165.40
1992	12.09	2.46	4.86	10.57	88.97	87.41	363.10	4.25	408.12	165.90
1993	12.03	2.70	4.72	10.83	91.32	90.03	419.00	4.25	458.83	169.70
1994	12.04	3.02	4.60	11.12	93.50	92.34	497.10	4.25	531.66	176.30
1995	12.04	3.25	4.48	11.43	95.87	94.95	563.20	4.25	587.46	180.70
1996	12.08	3.54	4.86	11.81	98.05	97.76	640.00	4.75	652.73	184.30
1997	12.26	3.72	5.15	12.26	100.00	100.00	706.50	5.15	706.50	190.00

Figure 7: Real Domestic Corporate Profits per Hour, Average Hourly Employee Earnings, and the Value of the Minimum Wage
1966 -1997

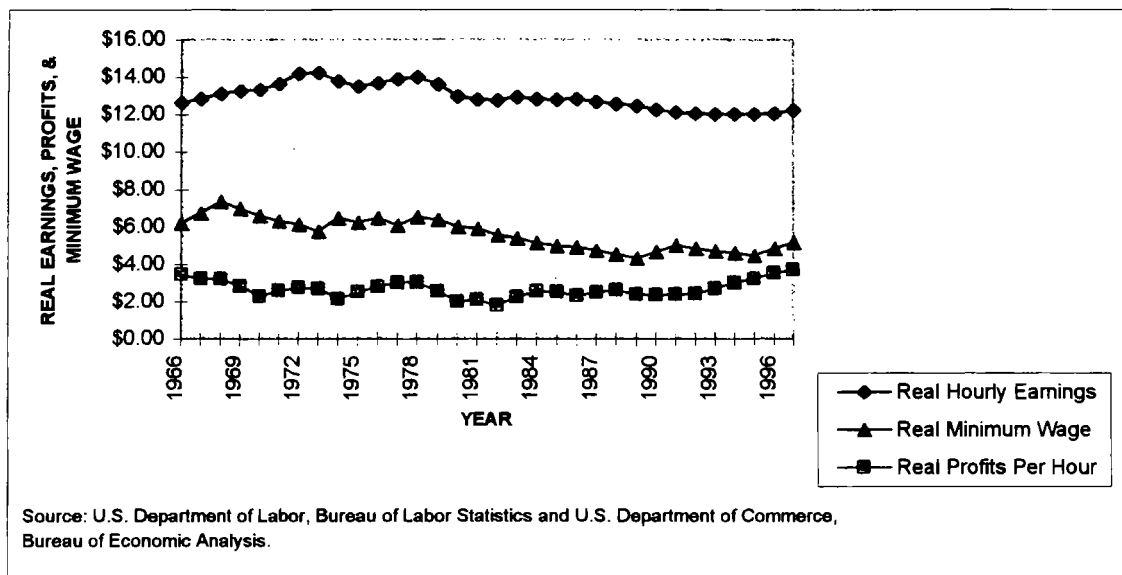


**Figure 8: Real Retail Profits per Hour
1966 - 1997**

Year	CPI	CPI 97	Year	Real Retail Profit	Retail Total Hrs	Real Retail Profits Per Hour	Retail Profit	IPD 97
1966	32.40	20.19	1966	21.02	12.10	1.74	4.80	22.84
1967	33.40	20.81	1967	23.76	12.50	1.90	5.60	23.57
1968	34.80	21.68	1968	26.03	13.20	1.97	6.40	24.59
1969	36.70	22.87	1969	24.85	13.80	1.80	6.40	25.75
1970	38.80	24.17	1970	22.12	14.10	1.57	6.00	27.12
1971	40.50	25.23	1971	25.25	14.70	1.72	7.20	28.52
1972	41.80	26.04	1972	24.89	15.50	1.61	7.40	29.73
1973	44.40	27.66	1973	21.01	16.20	1.30	6.60	31.41
1974	49.30	30.72	1974	6.72	16.50	0.41	2.30	34.23
1975	53.80	33.52	1975	21.90	16.70	1.31	8.20	37.45
1976	56.90	35.45	1976	26.49	17.50	1.51	10.50	39.64
1977	60.60	37.76	1977	29.38	18.20	1.61	12.40	42.20
1978	65.20	40.62	1978	27.16	19.00	1.43	12.30	45.28
1979	72.60	45.23	1979	19.94	19.60	1.02	9.80	49.14
1980	82.40	51.34	1980	11.37	19.70	0.58	6.10	53.67
1981	90.90	56.64	1981	16.69	20.00	0.83	9.80	58.73
1982	96.50	60.12	1982	20.98	20.10	1.04	13.10	62.43
1983	99.60	62.06	1983	28.73	20.70	1.39	18.70	65.09
1984	103.90	64.74	1984	31.83	22.10	1.44	21.50	67.54
1985	107.60	67.04	1985	32.20	23.00	1.40	22.50	69.87
1986	109.60	68.29	1986	33.06	23.70	1.39	23.70	71.69
1987	113.60	70.78	1987	32.34	24.60	1.31	23.90	73.90
1988	118.30	73.71	1988	25.59	25.40	1.01	19.60	76.59
1989	124.00	77.26	1989	25.93	25.90	1.00	20.70	79.82
1990	130.70	81.43	1990	24.74	26.20	0.94	20.60	83.27
1991	136.20	84.86	1991	30.15	25.70	1.17	26.10	86.58
1992	140.30	87.41	1992	36.19	26.10	1.39	32.20	88.97
1993	144.50	90.03	1993	42.60	26.70	1.60	38.90	91.32
1994	148.20	92.34	1994	49.20	27.80	1.77	46.00	93.50
1995	152.40	94.95	1995	43.71	28.70	1.52	41.90	95.87
1996	156.90	97.76	1996	49.87	29.30	1.70	48.90	98.05
1997	160.5	100.00	1997	55.80	30.10	1.85	55.80	100.00

Hours are unpublished, for corporate employees only, adjusted with supervisors at 40 hours per week. Over the 1966-97 period, corporate retail hours increased from 66.6 percent to 86.4 percent of total retail hours.

Profits for retail trade exclude the Capital Consumption Adjustment.

Figure 8: Real Retail Profits per Hour
1966 - 1997

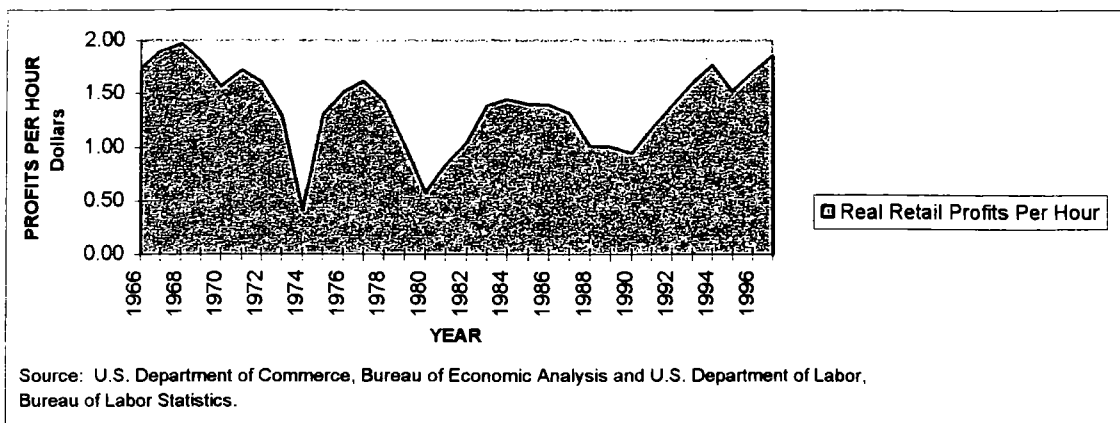
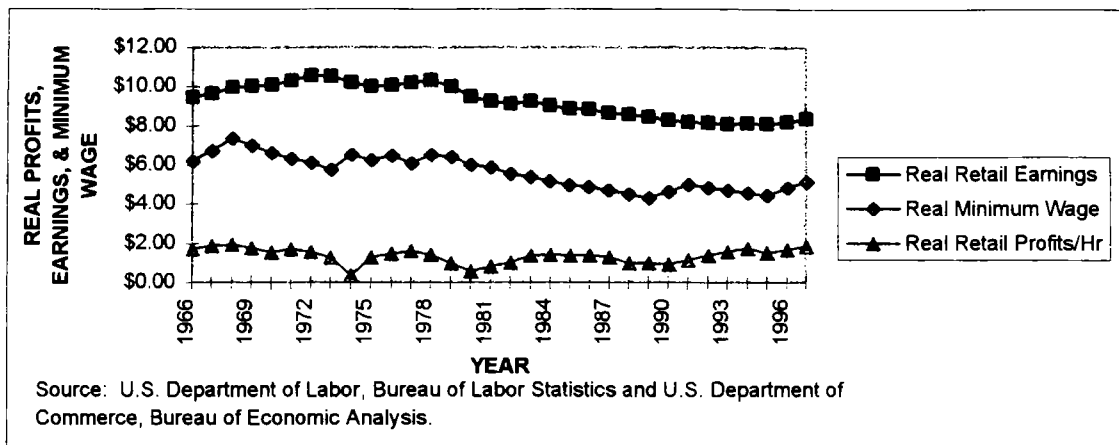


**Figure 9: Real Retail Profits per Hour, Retail Average Hourly Employee Earnings, and the Value of the Minimum Wage
1966-1997**

Year	Real Retail Earnings	Real Retail Profit /Hr	Real Minimum Wage	Minimum Wage	Real Retail Earnings	Real Retail Profit	Retail Total Hrs	IPD 97	CPI 97	Retail Earnings	Retail Profits
1966	9.46	1.74	6.19	1.25	9.46	21.02	12.10	22.84	20.19	1.91	4.80
1967	9.66	1.90	6.73	1.40	9.66	23.76	12.50	23.57	20.81	2.01	5.60
1968	9.96	1.97	7.38	1.60	9.96	26.03	13.20	24.59	21.68	2.16	6.40
1969	10.06	1.80	7.00	1.60	10.06	24.85	13.80	25.75	22.87	2.30	6.40
1970	10.10	1.57	6.62	1.60	10.10	22.12	14.10	27.12	24.17	2.44	6.00
1971	10.31	1.72	6.34	1.60	10.31	25.25	14.70	28.52	25.23	2.60	7.20
1972	10.56	1.61	6.14	1.60	10.56	24.89	15.50	29.73	26.04	2.75	7.40
1973	10.52	1.30	5.78	1.60	10.52	21.01	16.20	31.41	27.66	2.91	6.60
1974	10.22	0.41	6.51	2.00	10.22	6.72	16.50	34.23	30.72	3.14	2.30
1975	10.02	1.31	6.26	2.10	10.02	21.90	16.70	37.45	33.52	3.36	8.20
1976	10.07	1.51	6.49	2.30	10.07	26.49	17.50	39.64	35.45	3.57	10.50
1977	10.20	1.61	6.09	2.30	10.20	29.38	18.20	42.20	37.76	3.85	12.40
1978	10.34	1.43	6.52	2.65	10.34	27.16	19.00	45.28	40.62	4.20	12.30
1979	10.02	1.02	6.41	2.90	10.02	19.94	19.60	49.14	45.23	4.53	9.80
1980	9.51	0.58	6.04	3.10	9.51	11.37	19.70	53.67	51.34	4.88	6.10
1981	9.27	0.83	5.91	3.35	9.27	16.69	20.00	58.73	56.64	5.25	9.80
1982	9.12	1.04	5.57	3.35	9.12	20.98	20.10	62.43	60.12	5.48	13.10
1983	9.25	1.39	5.40	3.35	9.25	28.73	20.70	65.09	62.06	5.74	18.70
1984	9.04	1.44	5.17	3.35	9.04	31.83	22.10	67.54	64.74	5.85	21.50
1985	8.86	1.40	5.00	3.35	8.86	32.20	23.00	69.87	67.04	5.94	22.50
1986	8.83	1.39	4.91	3.35	8.83	33.06	23.70	71.69	68.29	6.03	23.70
1987	8.65	1.31	4.73	3.35	8.65	32.34	24.60	73.90	70.78	6.12	23.90
1988	8.56	1.01	4.54	3.35	8.56	25.59	25.40	76.59	73.71	6.31	19.60
1989	8.45	1.00	4.34	3.35	8.45	25.93	25.90	79.82	77.26	6.53	20.70
1990	8.29	0.94	4.67	3.80	8.29	24.74	26.20	83.27	81.43	6.75	20.60
1991	8.18	1.17	5.01	4.25	8.18	30.15	25.70	86.58	84.86	6.94	26.10
1992	8.15	1.39	4.86	4.25	8.15	36.19	26.10	88.97	87.41	7.12	32.20
1993	8.10	1.60	4.72	4.25	8.10	42.60	26.70	91.32	90.03	7.29	38.90
1994	8.11	1.77	4.60	4.25	8.11	49.20	27.80	93.50	92.34	7.49	46.00
1995	8.10	1.52	4.48	4.25	8.10	43.71	28.70	95.87	94.95	7.69	41.90
1996	8.17	1.70	4.86	4.75	8.17	49.87	29.30	98.05	97.76	7.99	48.90
1997	8.34	1.85	5.15	5.15	8.34	55.80	30.10	100.00	100.00	8.34	55.80

Figure 9: Real Retail Profits per Hour, Retail Average Hourly Employee Earnings, and the Value of the Minimum Wage
1966-1997



Minimum Wage Impact:

Bibliography and Research Highlights¹

I. International and Historic Overviews of Impact Research

Freeman, Richard B., "Minimum Wages-Again!" International Journal of Manpower, Vol. No.15, February 3, 1994, pp. 8-25.

There are four attributes of a minimum wage which make it a more attractive redistributive tool than textbooks indicate. The first is that the minimum redistributes income with no immediate budgetary consequence. A second is that it increases the incentive to work. Third, the minimum is administratively simple. Fourth, minimum wages and in many countries mandated benefits guarantee a base compensation that takes wages and benefits "out of competition" at the bottom of the wage distribution.

Freeman, Richard B., "The Minimum Wage as Redistributive Tool," The Economic Journal, No.106 (May), pp. 639-649, Royal Economic Society, 1996, Blackwell Publishers, Oxford, UK and Cambridge, MA, USA.

Most analyses of the minimum wage focus on its unintended employment consequences. But the goal of a minimum wage is not to reduce employment, but to redistribute earnings to low-paid workers. Consumers will pay higher prices for goods or services, proportional to the minimum wage workers' share of the cost of production. The most plausible assumption is that the incidence of higher prices is roughly neutral by income class. Minimum wage workers produce low-price goods, which may be bought disproportionately by the poor. However, they often work in service sectors -- restaurants, hotels, etc. -- disproportionately used by higher-income citizens. Research on the employment effects of the U.S. minimum and wages set by industry councils in the United Kingdom has shown that the elasticity of demand for minimum wage workers hovers around zero (i.e., the percent decrease in employment that results from a 1 percent increase in the minimum wage is approximately zero).

In the United States, where job turnover is high and duration of joblessness relatively short, the minimal unemployment caused by the minimum wage is unlikely to be a serious problem. Low-paid workers will effectively share the benefits of higher-paid minimum wage work through normal mobility and turnover. In continental OECD-Europe, where duration of joblessness is long, the risk that a minimum will divide the low-paid work force into lucky winners and unlucky losers is more serious.

¹ Highlights of each study consist of selected content from or paraphrase of the author's text. Quotations and ellipses have been omitted to streamline presentation.

Hamermesh, Daniel S., Labor Demand, Chap. 5, "Static Demand Policies," pp. 187-191, Princeton Univ. Press, 1993.

Empirical data indicate that, whatever the model, little measurable unemployment occurs due to minimum wage increases in the U.S. Brown, Gilroy, and Kohen's (1982) comprehensive review of time-series studies found elasticity of teenage employment during the postwar period to 1979 was clearly -0.1 to -0.3, with overtime more likely. Elasticity for other (older) groups were less negative and perhaps zero. There is some evidence using demand equations (Hamermesh 1982) that a higher effective minimum wage increases adult employment. Solon (1985) produced similar results with more econometric detail as did Alpert (1986) for the newly covered restaurant industry in the 1960's-1970's.

Wellington's (1991) reestimations, including much of the 1980's, imply elasticity is lower than -0.1. The reason is the sharply lower real value of the minimum in the 1980's. Card (1990) found no discernible employment effect of California's higher minimum in 1988. This is suprising, though changing immigration laws did lower the supply of low-wage labor. Also, a lesser impact would be expected due to California's high average wage.

The empirical studies in the United States and elsewhere make quite clear that raising the minimum wage has only a small negative effect on employment if the nominal minimum is far to the left in the wage distribution. Even though the demand elasticity for young workers may be high, the relatively low nominal minimum in the United States has led to small effects on teenage employment. The results for Puerto Rico (and, to lesser extent, for France) indicate that substantial increase in the effective minimum wage generates major losses of employment.

Kennan, John, "The Elusive Effects of Minimum Wages," Journal of Economic Literature, Vol. XXXIII (December 1995), pp. 1949-1965.

Early studies of the impact of the Fair Labor Standards Act establishing the federal minimum wage in 1938, and the subsequent amendments raising the minimum to 30 cents in 1939, 75 cents in 1950, and \$1 in 1956, were based on comparison of covered and uncovered workers, or high-wage and low-wage workers, at a time when coverage was much less prevalent than today. However, studies showed negligible aggregate employment or inflation effects, although certain small subsectors did show some decrease in employment. However, Peterson (1959) questioned the studies' interpretations.

Lester (1960), considering the same body of evidence, concluded that almost anything could happen to employment following a moderate increase in the minimum wage. The case-study or "natural experiment" method used in the early Labor Department and other minimum wage studies was later abandoned in favor of regression models, using time-

series data on (mostly teenage) employment. Typical time-series regressions done indicate that the minimum wage has a tiny negative effect on teenage employment, which can be made to seem precise by jiggling the specification and the sample period, but have little validity. However, the data in Card and Krueger studies, which go back to the natural experiment model, are not sophisticated enough to warrant clear conclusions.

Neumark, David and Wascher, William, "Employment Effects of Minimum and Subminimum Wages: Panel Data on State Minimum Wage Laws," Industrial and Labor Relations Review, Vol. 46, No.1 (October 1992), pp. 55-81.

Using panel data on state minimum wage laws and economic conditions for the years 1973-89, the authors reevaluated existing evidence on the effects of a minimum wage on employment. Estimates indicate that a 10% increase in the minimum wage causes a decline of 1-2% in employment among teenagers and a decline of 1.5-2% in employment for young adults, similar to the ranges suggested by earlier time-series studies. There is also evidence that youth subminimum wage provisions enacted by state legislatures moderate the disemployment effects of minimum wages on teenagers.

II. Alternate Methodologies and Economic Models: The Debate over Myth and Measurement, by Card and Krueger

Professors David Card and Alan Krueger, published in Industrial and Labor Relations Review, October 1992, the results of "natural experiments" and other research they conducted that challenged the results of previous time-series studies of minimum wage impact. In July 1995, the ILRR also published comments on this research by leading labor economists. A 1995 elaboration of this research was published in book form by Card and Krueger (Myth and Measurement: The New Economics of the Minimum Wage). This research and relevant published comments by other authors shed new light on differences among leading labor economists as to both research methodology and the underlying economic theory used to interpret research results. Following are some key conclusions of the book, comments on it, and further research in its defense:

Myth and Measurement: The New Economics of the Minimum Wage, Card, David and Krueger, Alan B., Princeton Univ. Press, 1995.

The authors analyze seven policy experiments (including wages and employment in fast food establishments) in which an increase in the minimum wage led to an increase in wages for a specific group of workers. Although the authors find most of the estimated employment effects are insignificantly different from zero, they also find them uniformly positive, and relatively precisely estimated. They find that it is very unlikely the minimum wage has a large, negative employment effect. Their reevaluation of earlier studies

concludes that they are flawed by a failure to consider the source of the wage variation, the absence of a credible control group, and most of all, the invalid use of aggregate time series that compare labor markets which change over time, rather than comparisons of other labor markets in the same time period.

The authors state that their empirical evidence could correspond to a labor market model based on search theory, in which a profit maximizing firm will raise wages to the point at which the wage paid to an additional worker is just equal to the worker's marginal product, minus the additional wages that must then be given to all the current workers. Each worker is thus paid less than what he or she contributes to output. Some firms might choose to offer a lower wage, and operate with higher vacancies and turnover. Others have a higher wage, with lower vacancies and turnover. The result is a persistent range in indeterminacy for wages, a concept first put forth by Richard Lester. Also, a small increase in the minimum wage in this model will lead employers to increase employment, because formerly low-wage firms will now fill their vacancies more quickly. If the minimum wage is increased too much, firms will choose to cut employment. Card and Krueger argue that measurable effects can occur over a short period because of the very high turnover rates in these labor markets.

Comments by Charles Brown, Professor of Economics, University of Michigan.

Reevaluation of time series data lowers the 1 percent decrease in teenage employment that this author believes occurred prior to the 1980s. However, Card and Krueger's own evidence does not strongly favor their proposed monopsony-like model based on the cost and efficiencies of job search, rather than a shortage of competing employers. Still, many aspects of their approach: 1)pooling quite different data sets and different approximations to an ideal experiment, 2)focusing on cross-sectional as well as time series variation, and 3)emphasizing related outcomes (price changes, wage distributions) along with employment effects, will impact future work on both sides of the minimum wage debate.

Comments by Richard Freeman, Professor of Economics, Harvard University.

Card and Krueger make a convincing case that we have overestimated the dangers of job losses and that the level of the minimum wage that does more good than harm is probably much higher than many economists have previously thought. The book shows as well as empirical economics can that 10%-20% increases in the current U.S. federal minimum will do little if any harm to employment.

Comments by Daniel S. Hamermesh, University of Texas.

The simplest theoretical rationalization for Card and Krueger's results, especially their Central Northeast results, is that they are observing very short run responses. The only argument they use to support their apparent belief in the long run positive effects of minimum wage increases is "shock theory" based on some early results for Puerto Rico. But no one should expect any shock effect resulting from alterations to our nearly 60-

year-old minimum wage policy. Even on its own ground, their strongest evidence is fatally flawed. A fair interpretation is that they have shown that employers plan in part for minimum wage increases and that the part they do not plan for leads them to adjust slowly (and leads us to fail initially to observe reduced employment).

Comments by Paul Osterman, Professor of Human Resources and Management, Massachusetts Institute of Technology.

Card and Krueger's creative, careful, and honest empirical work is a model of good, believable research and will be a classic. Their book is also a damning indictment of how labor economics has been practiced in the last three decades. They find that few employers utilize the sub-minimum wage, and that many firms legally exempt from the minimum pay it anyway. They find wage variation for seemingly identical employees, wage uniformity for seemingly heterogeneous workers, and maintenance of some internal wage structures after increases in the minimum. They find evidence of the minimum wage as a tool to reduce turnover and enhance loyalty and motivation, evidence of some employers belief in a "fair" or "just" wage, and the existence of shock effect that enables firms to gain new efficiencies after the imposition of a minimum. Interviews with employers, in Lloyd Reynolds' The Structure of Labor Markets (1951) first showed some of these employer practices.

No generally applicable model of the labor market is presented that reflects such institutional factors. The best that can be said is that different firms will respond in different ways. Some will move up a demand curve and cut employment, others will experience a shock effect and maintain or expand employment, others will shift to a low turnover/low vacancy regime, hence maintaining employment, and still other firms will continue doing business as before but simply pay the new minimum because it seems fair.

Comments by Finis Welch, Professor of Economics, Texas A&M University

The book's long-run impact will be to spur, by negative example, a much needed consideration of standards we should institute for the collection, analysis, and release of primary data. With very few exceptions, labor economists have been content either to rely on introspection and logic alone to draw their conclusions, or to analyze publicly available secondary data for which collection methods are well documented. Although the collection and analysis of primary data is the sum and substance of economic history and experimental economics, it is new to economists. A fundamental point that needs to be borne in mind in evaluating all of the Card/Krueger studies summarized in Myth is that an inconclusive result does not prove there is no effect. The primary weaknesses of these studies are data quality and the nature of the "experiments" being conducted.

Nothing in ordinary competitive theory predicts that employment in any given industry or in any given restaurant will decline in response to an increase in the minimum wage. If the consumer substitution between restaurant foods swamps factor substitution within fast

food restaurants, the demand for low-wage labor in fast-food restaurants will increase in response to an increased wage. The authors' research does not address this and some other economic issues.

For an additional critique (not included in the 1995 ILRR publication) of the research in Myth and Measurement, see *David Neumark and William Wascher*, "Employment Effects of Minimum and Subminimum Wages: Reply to Card, Katz, and Krueger," Industrial and Labor Relations Review, Vol. 6, 1994, pp. 497-512.

Additional Findings by Professors of Economics, *David Card* (University of California at Berkeley) and *Alan Krueger* (Princeton University), "A Reanalysis of the Effect of the New Jersey Minimum Wage Increase on the Fast Food Industry, with *Representative Payroll Data*" responds to criticism of the original research.

This study reexamines the effect of the 1992 New Jersey minimum wage increase on employment in the fast food industry. The authors use a comprehensive new data set derived from the BLS ES-202 data file. Analysis of the new data confirms previous findings that fast food restaurant employment in New Jersey, which increased its minimum wage in 1992, grew at a similar or faster rate than comparable employment in Eastern Pennsylvania, which did not increase its State minimum wage.

The 1996 increase in the Federal minimum wage also was examined utilizing the ES-202 data, again finding no relative employment losses in Pennsylvania, where the minimum wage increased, compared to New Jersey, where it did not, since the New Jersey State rate was already higher than the new Federal minimum wage. The authors find that key critics of their earlier research (Neumark, Wascher, and the Employment Policies Institute) mistakenly disputed the Card-Krueger conclusions on the basis of data from a skewed sample.

III Other Minimum Wage Impact Research

Bernstein, Jared and Schmitt, John, "The Sky Hasn't Fallen, An Evaluation of the Minimum-Wage Increase," Economic Policy Institute, 1997. CPS data for the six months from October 1996 through March 1997 (and for the same period a year earlier) are analyzed to assess the impact of the minimum wage increase on the distribution of wages, the distribution of family income, and the employment opportunities of low-wage workers. While the analysis deals only with the first six months at the new wage level, the authors conclude these early results suggest clearly that the higher minimum wage has substantially boosted the earnings of low-wage workers; the benefits of the minimum wage increase went primarily to low-income working families; and employment opportunities

for teenagers and young adults -- groups that opponents of the minimum wage singled out as particularly vulnerable -- were not adversely affected by the increase.

The minimum wage had the biggest impact on the wages of black and Hispanic teenagers. Before the October 1 increase, 31.2% of black teens and 24.8% of Hispanic teens earned between \$4.25 and \$4.74. After the increase, the share of workers in this range fell to 14.3% for black teens and 5.2% for Hispanic teens. In the six months before the minimum wage hike, only 3.9% of black teens earned \$4.75, but over the six months after the increase, the share climbed to 11.9%. For Hispanic teens, the share earning \$4.75 was 2.5% before October 1; it jumped to 14.8% after the increase.

Bernstein, Jared and Schmitt, John, "Making Work Pay: The Impact of the 1996-97 Minimum Wage Increases," Economic Policy Institute, 1998. This report examines the impact of these increases on the wages and employment opportunities of low-wage workers and their families. The authors find that the minimum wage increases raised the wages of almost 10 million workers, about 71 percent of whom were adults and 58 percent women. Just under half (46 percent) worked full-time and another third worked 20 to 34 hours per week. The average minimum wage worker contributed more than half (54 percent) of his or her family's weekly earnings. Low-income families benefited more than higher income families. Families in the bottom fifth of the working family income distribution received only 5 percent of total family income but 35 percent of benefits from the minimum wage increases.

Four different tests of the employment impact were applied, and none revealed any systematic, significant job loss. The estimated employment effects were generally small and statistically insignificant, and almost as likely to be positive as negative. The authors find these results, particularly the strong wage gains and lack of negative job impact, to be at odds with traditional economic theory. They therefore suggest modification of existing low-wage labor market models to explain their findings.

Blackburn, McKinley L., Bloom, David E., and Freeman, Richard B., "The Declining Economic Position of Less Skilled American Men," in A Future of Lousy Jobs: The Changing Structure of U.S. Wages, Gary Burtless, ed., Brookings Institution, 1990, pp. 31-76. Concludes that failure to increase the minimum wage has contributed significantly to increasing wage inequality in the U.S.

Bound, John and Freeman, Richard B., "What Went Wrong? The Erosion of Relative Earnings and Employment Among Young Black Men in the 1980's," Quarterly Journal of Economics, Feb., 1992, pp. 201-232. The authors conclude that a falling real minimum wage is one of several factors responsible for the erosion of black men's earnings.

Kozeara, Moshau, and Tanner, ed., Working Women, Industrial Relations Research Association Series, BNA, Wash. D.C., 1987. See table 3, p. 344, which concludes that

there are much smaller wage differentials between women and men in Germany and other industrial economies (compared to in the U.S.), due in part to narrower differentials between retailing/service jobs and those in manufacturing.

Lester, Richard A., The Economics of Labor, 1964, MacMillan . The author finds no empirical evidence of significant unemployment due to minimum wage increases.

Schiller, Bradley R., "Below Minimum Wage Workers: Implications for Minimum Wage Models," Quarterly Review of Economics and Finance, Vol. 101, No. 2, Summer 1994, pp. 131-143. Prior research on minimum wage employment tends to assume that minimum wage coverage is either universal or easily estimated. The author concludes that coverage of teenagers and youth is actually low and results from a diversity of both employer and employee characteristics. Failure to recognize this has biased prior estimates of noncompliance and displacement. This study uses the National Longitudinal Survey of Youth to document the prevalence of below-minimum wage jobs among young workers and show their links to both worker and employer characteristics.

Smith, Ralph E., and Vavrichek, Bruce, "The Wage Mobility of Minimum Wage Workers," Industrial and Labor Relations Review Vol. 46, No.1 (October 1992), pp. 82-88. Using longitudinal data from the Survey of Income and Program Participation, the authors examine the earnings mobility of workers employed at the minimum wage. They conclude that over 60% of workers who were earning the minimum wage in the mid-1980s were earning higher wages one year later; for those with gains, the typical rise was nearly 20%. A significant minority of workers, however, most of them lacking a high school diploma or working on a part-time basis, did not advance beyond the minimum wage between the two survey dates.

Topel, Robert H. and Ward, Michael, P., "Job Mobility and the Careers of Young Men," The Quarterly Journal of Economics, May 1992, pp. 439-479. During the first ten years in the labor market, a typical worker will hold seven jobs, about two thirds of his career total. The evolution of wages plays a key role in this transition to stable employment: Wage gains resulting from job changes account for at least a third of early-career wage growth, and the wage is the key determinant of job changing decisions among young workers. Job changing is a critical component of workers' movement toward stable employment relations. The authors conclude that the wastefulness of this "try and try again" process of advancing to a better position is self-evident since the worker does not know in detail the nature of the job which he is obtaining nor does he know his own capacities.

U.S. Dept. of Labor, Report to the Congress on the Training Wage Provisions of the Fair Labor Standards Act Amendments of 1989, from the Secretary of Labor, 1993. A nationwide survey found that use of a training wage (85 percent of the minimum wage for workers under 20) ranged from an insignificant rate for all employers to five percent for

employers (in the 27 states allowing its full use) paying some workers the minimum wage. For retail industries, particularly the restaurant industry, estimates of the utilization rate ranged from 5 to 8 percent of those employers who knew of the training wage provision. Forty-four percent said they could not find good workers at that wage; 16 percent said the training wage was too much trouble to administer; 10 percent cited policies of not hiring younger persons due to training costs, turnover, or insurance rates; 7 percent said the federal regulations were too restrictive; and 5 percent said the training wage was unfair to young workers. The remaining employers gave other reasons. Employers said they could not find workers at this wage because of a declining youth labor supply and a low value for the minimum (and subminimum) wages. By 1975 the baby boom had increased the 16-19 year-olds to 9.5 percent of the labor force, and the minimum wage was 51 percent of the average wage. But by 1992 these teen workers were only 5.3 percent of the labor force and the ratio to average wages had dropped to 40 percent.

Wimmer, Bradley S., "Minimum-Wage Increases and Employment in Franchised Fast-Food Restaurants," Journal of Labor Research, Vol. 17, Winter 1996, pp. 211-214. The author explains Card and Krueger findings by concluding that the presence of brand-name capital in the fast-food industry does not allow franchisees to substitute away from labor or decrease the level of services provided to customers. Employment levels in franchised fast-food restaurants are closely tied to sales, and an increased minimum does not affect employment.

U.S. Department of Labor, Wage and Hour and Labor Contracts Division, Retail Trade: An Interim Study of the Effects of the Minimum Wage and Maximum Hours Standards of the Fair Labor Standard Act, 1965, submitted to the Congress, January, 1966. The report notes that to provide a basis for evaluating the minimum wage and maximum hours standards established by the Fair Labor Standards Act, the Wage and Hour and Public Contracts Division annually submitted to the Congress the results of studies which indicate the effects of recent changes in the law, and that the findings also provide a basis for formulating and evaluating proposals for improving labor standards. The report focused on the effects of the 1961 amendments on earnings, hours, and employment in retail trade -- the major group newly covered by the Act. The study concluded that, while in some retail sectors employment declined (e.g. limited price variety stores), the overall retail sector showed employment growth. No statistical analysis was conducted concerning the extent to which the survey's findings included economic factors other than the minimum wage.

IV Relationships Between Wages, Productivity, and Employment

Bosworth, Barry, and Perry, George L., "Productivity and Real Wages: Is There a Puzzle?" Brookings Papers on Economic Activity, Vol.1, 1994, pp. 317-335; comments

by panel, pp. 343-346. In commenting on this paper, Robert Gordon argued that real wage growth also causes higher productivity, and vice-versa.

Ehrenberg, Ronald G. and Smith, Robert, Modern Labor Economics: Theory and Public Policy, Harper-Collins. See pp. 422-424 and pp. 155-173, "Firms' Labor Investments and the Demand for Labor," for discussion of why higher wages can serve as efficiency wages, leading to lower turnover costs and higher product quality, by attracting a higher qualified workforce.

Hayes, Robert H., "U.S. Competitiveness: Resurgence vs. Reality," Challenge, March-April, 1996. Notes that the big increase in second and third family earners, which allowed families to offset the first earner's declining real wages, has leveled off, e.g., there aren't many more women or teenagers left to move from nonwork to work. He calls for higher productivity through more human and capital investment.

Katz, Lawrence F. and Murphy, Kevin M., "Changes in Relative Wages, 1963-87: Supply and Demand Factors," Quarterly Journal of Economics, Feb., 1992, pp. 35-78. Concludes that rapid secular growth in the demand for more educated workers, more skilled workers, and females appears to be the driving force behind observed changes in the wage structure.

Krugman, Paul, The Age of Diminished Expectations, MIT Press, 1990, pp. 11-12. Changes in real family income were slightly higher than productivity (2.6 v. 2.4% yearly) in 1947-73. In 1973-88, labor force participation increased, due to more working women, but more workers were at lower productivity jobs due to the high cost of capital relative to labor (high interest rates and stagnant real wages). So changes in productivity dropped to 0.5 percent per year and real family income growth fell to zero.

Maier, Charles S., In Search of Stability: Explorations in Historical Political Economy, Cambridge University Press, 1987, pp. 121-152. Argues that the political stalemate between liberals and conservatives in the early postwar period led to a middle ground of the "apolitical politics of productivity." Dramatic U.S. economic growth in the 50s and 60s muted political/class conflict as business shared productivity gains with workers. A similar effect occurred in post-war western Europe, as the U.S. Marshall Plan catalyzed economic recovery, averting Communist expansion within those countries.

McConnell and Brue, Economics, Principles, Problems, and Policies, McGraw-Hill Book Company, 1993. See section on the economics of the firm and resource allocation. Provides a very basic understanding of the principle forces generally involved in wage determination and productivity.

Rees, Albert, The Economics of Trade Unions, 3rd ed., Univ. of Chicago Press, 1989. See pp.107-109 for policy analysis of productivity-based wage increases.

U.S. Department of Labor, Bureau of Labor Statistics, "Indexes of Productivity, Hourly Compensation and Unit Costs, Quarterly Data Seasonally Adjusted" and "Annual Indexes of Output Per Hour for Selected Industries," Monthly Labor Review. These are published each month in the "Current Labor Statistics" section.

V. Minimum Wage Policy and Legislation

The Fair Labor Standards Act, as Amended. See Sec. 2(a), "Finding and Declaration of Policy," which finds that there exists labor conditions "detrimental to the maintenance of the minimum standard of living necessary for health, efficiency and general well-being of workers," and calls (Sec. 2(b)) for correction "as rapidly as practicable to eliminate" such conditions, "without substantially curtailing employment or earning power." The word "substantially" acknowledges that the law does not require that employment or earning power be totally unaffected by correction of such detrimental labor conditions. These sections of the FLSA constitute its sole conceptual basis of the minimum wage.

Senate Labor and Public Welfare Committee, Staff Report on Minimum Wage to the Subcommittee on Labor, 1955. This report was the first Congressional report to formulate the level of the minimum wage based on increases in productivity and the cost of living. Previous Congressional reports had used the minimum family budget concept adjusted for inflation. The productivity based formula used through the mid-sixties kept the minimum wage at about 50 percent of average wages and increased the extent to which the minimum wage allowed a sole wage earner to provide for a family of four, meeting the income objectives stated in the legislative history of the 1938 Act. (See Senate Report No. 884, July 1937, and Hearings before Subcommittee No. 4 of the Committee on Education and Labor, House of Representatives, November 1947, Vol. 3, pp. 1793, for minimum family budget formulations. Also, see Hearings of Subcommittee on Labor, Labor and Public Welfare Committee, March 3, 1961, pp. 184-194, and Hearings Transcript, Part I, 1965, before the previously noted Subcommittee, for productivity-based formulations.)

APPENDIX C
FLSA COVERAGE INFORMATION
1990 - 1995
AND
COVERAGE METHODOLOGY

Table C1a95 - Estimated number of employed wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by industry, United States, 1995 annual averages, in thousands

Industry Division	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA 2/		Employees not exempt under Sec 13(a)(1) of the FLSA		
		Executive, Administrative and Professional	Outside Sales Workers	Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 3/
All Industries	120,008	31,058	1,775	87,175	78,006	9,169
Private Sector	100,702	24,856	1,775	74,071	64,901	9,169
Agriculture, Forestry and Fishing 4/	1,854	245	0	1,609	705	904
Mining	581	101	1	479	476	3
Contract Construction	5,160	706	27	4,427	4,377	50
Manufacturing	18,524	3,225	138	15,161	15,085	76
Transportation and Public Utilities	6,132	1,403	5	4,725	4,693	31
Wholesale Trade	6,378	1,546	801	4,031	4,010	21
Retail Trade	21,187	2,989	216	17,982	16,197	1,785
Finance, Insurance and Real Estate	6,806	2,674	467	3,666	3,443	223
Services (not including Private Households)	33,117	11,969	120	21,028	15,364	5,664
Private Households 4/	963	0	0	963	551	412
Public Sector	19,306	6,201	0	13,105	13,105	0
Federal Government	2,822	1,262	0	1,560	1,560	0
State and Local Government	16,484	4,940	0	11,544	11,544	0

See next page for footnotes

Footnotes for Table C1a -- Minimum Wage status of employees, by industry

- 1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 national series; totals may not add up exactly due to rounding.**
- 2/ Section 13(a)(1) of the FLSA exempts from the minimum wage and overtime provisions '...any employee employed in a bona fide executive, administrative, or professional capacity, or in the capacity of outside salesman...' Title 29, Part 541 of the Code of Federal Regulations defines those employees classified as executive, administrative, professional, or outside sales.**
- 3/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).**
- 4/ Wage and salary employment figures come from Current Population Survey (CPS) annual household data.**

Table C1b95 - Estimated number of non executive, administrative, professional employees classified by their status under the minimum wage provisions of the FLSA, by sex and race, United States, 1995 annual averages, in thousands

Race and Sex Categories	Non executive, administrative, professional employees, including outside sales 1/	Non executive, administrative, professional employees	
		subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Total	88,950	78,006	10,944
White	75,286	65,733	9,553
Black and Other	13,664	12,273	1,392
Black	9,932	9,001	931
Males	47,006	41,588	5,417
White	40,272	35,471	4,802
Black and Other	6,733	6,117	616
Black	4,711	4,336	375
Females	41,945	36,418	5,527
White	35,013	30,262	4,751
Black and Other	6,931	6,155	776
Black	5,220	4,665	555

1/ This total excludes all employees exempt as executive, administrative, or professional; but includes outside sales workers.

2/ This concept includes employees not covered by the FLSA, outside sales workers, and employees exempt under sections of the FLSA other than Sec 13(a)(1).

Table C1c95 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by region and state, 1995 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Boston	6,399	1,798	4,601	4,105	496
Connecticut	1,583	446	1,137	1,019	118
Maine	550	147	403	361	42
Massachusetts	2,997	859	2,138	1,898	239
New Hampshire	545	146	399	359	40
Rhode Island	443	123	320	286	34
Vermont	280	75	205	182	23
New York	11,619	3,388	8,231	7,351	881
New Jersey	3,630	1,036	2,595	2,334	260
New York	7,989	2,352	5,637	5,017	620
Philadelphia	12,411	3,455	8,956	8,003	952
Delaware	372	104	268	242	27
District of Columbia	654	209	445	390	55
Maryland	2,222	627	1,594	1,416	179
Pennsylvania	5,323	1,466	3,857	3,453	404
Virginia	3,139	860	2,279	2,041	238
West Virginia	701	188	512	462	50
Southeast	22,064	5,890	16,174	14,541	1,633
Alabama	1,846	481	1,365	1,245	120
Florida	6,182	1,739	4,442	3,882	560
Georgia	3,466	933	2,533	2,296	237
Kentucky	1,692	440	1,252	1,130	122
Mississippi	1,113	286	827	751	77
North Carolina	3,539	908	2,631	2,400	231
South Carolina	1,678	430	1,248	1,140	109
Tennessee	2,547	673	1,874	1,697	177

See footnotes at end of table

Table C1c95 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by region and state, 1995 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Chicago	23,158	6,217	16,941	15,321	1,620
Illinois	5,656	1,573	4,083	3,681	403
Indiana	2,827	728	2,099	1,917	182
Michigan	4,328	1,150	3,178	2,880	298
Minnesota	2,427	663	1,764	1,585	179
Ohio	5,281	1,411	3,870	3,505	365
Wisconsin	2,639	691	1,947	1,753	194
Kansas City	6,072	1,643	4,429	3,971	458
Iowa	1,408	377	1,031	922	109
Kansas	1,240	332	907	816	92
Missouri	2,570	700	1,870	1,682	188
Nebraska	854	233	621	551	70
Southwest	17,271	4,683	12,588	11,293	1,295
Arkansas	1,111	283	827	747	80
Colorado	1,872	518	1,354	1,207	146
Louisiana	1,814	492	1,322	1,190	133
Montana	370	100	270	236	33
New Mexico	704	193	511	455	56
North Dakota	317	88	229	202	27
Oklahoma	1,351	367	984	883	100
South Dakota	362	98	264	234	31
Texas	8,220	2,234	5,986	5,379	607
Utah	922	250	672	607	65
Wyoming	230	60	170	152	17

See footnotes at end of table

Table C1c95 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by region and state, 1995 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Western	20,915	5,723	15,193	13,401	1,792
Alaska	263	73	190	175	15
Arizona	1,832	505	1,327	1,185	142
California	13,036	3,567	9,470	8,321	1,149
Hawaii	552	157	396	347	49
Idaho	510	133	377	333	44
Nevada	792	231	561	486	75
Oregon	1,469	397	1,072	958	114
Washington	2,460	660	1,800	1,597	204

1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 state series; totals may not add up exactly due to rounding; BLS state employment data does not add up to BLS national employment data.

2/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).

See footnotes at end of table

Table C1d95 - Estimated number of employed wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by industry, United States, 1995 annual averages, in thousands

Industry Division	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA 2/		Employees not exempt under Sec 13(a)(1) of the FLSA		
		Executive, Administrative and Professional	Outside Sales Workers	Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 3/
All Industries	120,008	31,058	1,775	87,175	72,786	14,390
Private Sector	100,702	24,856	1,775	74,071	60,703	13,367
Agriculture, Forestry and Fishing 4/	1,854	245	0	1,609	13	1,596
Mining	581	101	1	479	476	3
Contract Construction	5,160	706	27	4,427	4,377	50
Manufacturing	18,524	3,225	138	15,161	14,994	167
Transportation and Public Utilities	6,132	1,403	5	4,725	2,708	2,017
Wholesale Trade	6,378	1,546	801	4,031	4,010	21
Retail Trade	21,187	2,989	216	17,982	15,145	2,837
Finance, Insurance and Real Estate	6,806	2,674	467	3,666	3,443	223
Services (not including Private Households)	33,117	11,969	120	21,028	15,072	5,956
Private Households 4/	963	0	0	963	467	496
Public Sector	19,306	6,201	0	13,105	12,082	1,022
Federal Government	2,822	1,262	0	1,560	1,511	50
State and Local Government	16,484	4,940	0	11,544	10,572	973

See next page for footnotes

Footnotes for Table C1d – Overtime pay status of employees, by industry

1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 national series; totals may not add up exactly due to rounding.

2/ Section 13(a)(1) of the FLSA exempts from the minimum wage and overtime provisions '...any employee employed in a bona fide executive, administrative, or professional capacity, or in the capacity of outside salesman...' Title 29, Part 541 of the Code of Federal Regulations defines those employees classified as executive, administrative, professional, or outside sales.

3/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).

4/ Wage and salary employment figures come from Current Population Survey (CPS) annual household data.

Table C1e 95 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by region and state, 1995 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 2/
Boston	6,399	1,798	4,601	3,895	706
Connecticut	1,583	446	1,137	968	170
Maine	550	147	403	342	62
Massachusetts	2,997	859	2,138	1,802	336
New Hampshire	545	146	399	341	58
Rhode Island	443	123	320	272	47
Vermont	280	75	205	171	34
New York	11,619	3,388	8,231	6,921	1,310
New Jersey	3,630	1,036	2,595	2,181	414
New York	7,989	2,352	5,637	4,741	896
Philadelphia	12,411	3,455	8,956	7,546	1,409
Delaware	372	104	268	229	39
District of Columbia	654	209	445	370	75
Maryland	2,222	627	1,594	1,338	257
Pennsylvania	5,323	1,466	3,857	3,251	606
Virginia	3,139	860	2,279	1,925	354
West Virginia	701	188	512	434	79
Southeast	22,064	5,890	16,174	13,655	2,519
Alabama	1,846	481	1,365	1,176	189
Florida	6,182	1,739	4,442	3,622	820
Georgia	3,466	933	2,533	2,153	381
Kentucky	1,692	440	1,252	1,056	196
Mississippi	1,113	286	827	704	124
North Carolina	3,539	908	2,631	2,266	365
South Carolina	1,678	430	1,248	1,079	169
Tennessee	2,547	673	1,874	1,599	275

See footnotes at end of table

Table C1e 95 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by region and state, 1995 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 2/
Chicago	23,158	6,217	16,941	14,448	2,493
Illinois	5,656	1,573	4,083	3,460	623
Indiana	2,827	728	2,099	1,808	291
Michigan	4,328	1,150	3,178	2,728	450
Minnesota	2,427	663	1,764	1,487	277
Ohio	5,281	1,411	3,870	3,319	552
Wisconsin	2,639	691	1,947	1,646	301
Kansas City	6,072	1,643	4,429	3,695	734
Iowa	1,408	377	1,031	859	172
Kansas	1,240	332	907	757	150
Missouri	2,570	700	1,870	1,573	297
Nebraska	854	233	621	506	115
Southwest	17,271	4,683	12,588	10,532	2,056
Arkansas	1,111	283	827	694	133
Colorado	1,872	518	1,354	1,123	231
Louisiana	1,814	492	1,322	1,113	209
Montana	370	100	270	215	55
New Mexico	704	193	511	423	88
North Dakota	317	88	229	184	45
Oklahoma	1,351	367	984	824	160
South Dakota	362	98	264	214	50
Texas	8,220	2,234	5,986	5,037	949
Utah	922	250	672	566	106
Wyoming	230	60	170	139	30

See footnotes at end of table

Table C1e 95 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by region and state, 1995 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 2/
Western	20,915	5,723	15,193	12,559	2,633
Alaska	263	73	190	161	29
Arizona	1,832	505	1,327	1,110	217
California	13,036	3,567	9,470	7,823	1,647
Hawaii	552	157	396	314	82
Idaho	510	133	377	303	73
Nevada	792	231	561	457	104
Oregon	1,469	397	1,072	892	180
Washington	2,460	660	1,800	1,499	302

1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 state series; totals may not add up exactly due to rounding; BLS state employment data does not add up to BLS national employment data.

2/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).

Table C1f95 - Minimum wage and overtime pay exemption status of employees not exempt under Sec 13(a)(1) of the Fair Labor Standards Act, by industry division, United States, 1995 annual averages, in thousands

Industry Division	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)			
	Minimum Wage exemptions apply 1/	Only Overtime exemptions apply		
		Total	Partial Exemption 2/	Full Exemption 3/
All Industries	1,785	5,220	1,155	4,065
Private Sector	1,785	4,198	176	4,022
Agriculture, Forestry and Fishing	904	692	96	596
Mining	0	0	0	0
Contract Construction	0	0	0	0
Manufacturing	21	92	49	42
Transportation and Public Utilities	4	1,986	0	1,986
Wholesale Trade	0	0	0	0
Retail Trade	33	1,052	0	1,052
Finance, Insurance and Real Estate	0	0	0	0
Services	410	292	31	261
(not including Private Households)				
Private Households	412	84	0	84
Public Sector	0	1,022	979	43
Federal Government	0	50	48	2
State and Local Government	0	973	931	41

See next page for footnotes

Footnotes for Table C1f -- Exemption status of employees, by industry

1/ These employees are also exempt from the overtime pay provisions of the FLSA.

2/ Includes workers who are exempt from premium payment for overtime whose workweek standard exceeds 40 hours per week.

3/ Does not include employees who are exempt from both the minimum wage and overtime pay provisions of the act or employees who are not covered by the FLSA.

Table C1a94 - Estimated number of employed wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by industry, United States, 1994 annual averages, in thousands

Industry Division	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA 2/		Employees not exempt under Sec 13(a)(1) of the FLSA		
		Executive, Administrative and Professional	Outside Sales Workers	Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 3/
All Industries	116,896	30,275	1,737	84,884	76,040	8,844
Private Sector	97,769	24,120	1,737	71,912	63,068	8,844
Agriculture, Forestry and Fishing 4/	1,767	234	0	1,533	677	857
Mining	601	111	1	488	485	3
Contract Construction	4,986	683	26	4,277	4,229	49
Manufacturing	18,321	3,219	138	14,963	14,888	75
Transportation and Public Utilities	5,984	1,372	5	4,607	4,576	31
Wholesale Trade	6,162	1,509	771	3,882	3,862	20
Retail Trade	20,507	2,878	210	17,419	15,686	1,733
Finance, Insurance and Real Estate	6,896	2,716	472	3,708	3,482	226
Services (not including Private Households)	31,579	11,398	115	20,067	14,614	5,453
Private Households 4/	966	0	0	966	569	397
Public Sector	19,127	6,155	0	12,972	12,972	0
Federal Government	2,870	1,283	0	1,587	1,587	0
State and Local Government	16,257	4,872	0	11,385	11,385	0

See next page for footnotes

Footnotes for Table C1a -- Minimum Wage status of employees, by industry

- 1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 national series; totals may not add up exactly due to rounding.**
- 2/ Section 13(a)(1) of the FLSA exempts from the minimum wage and overtime provisions '...any employee employed in a bona fide executive, administrative, or professional capacity, or in the capacity of outside salesman...' Title 29, Part 541 of the Code of Federal Regulations defines those employees classified as executive, administrative, professional, or outside sales.**
- 3/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).**
- 4/ Wage and salary employment figures come from Current Population Survey (CPS) annual household data.**

Table C1b94 - Estimated number of non executive, administrative, professional employees classified by their status under the minimum wage provisions of the FLSA, by sex and race, United States, 1994 annual averages, in thousands

Race and Sex Categories	Non executive, administrative, professional employees, including outside sales 1/	Non executive, administrative, professional employees	
		subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Total	86,621	76,040	10,581
White	73,512	64,256	9,256
Black and Other	13,109	11,784	1,325
Black	9,489	8,607	882
Males	45,822	40,579	5,243
White	39,335	34,681	4,654
Black and Other	6,487	5,898	589
Black	4,526	4,168	358
Females	40,799	35,461	5,338
White	34,177	29,575	4,602
Black and Other	6,622	5,886	736
Black	4,963	4,439	524

1/ This total excludes all employees exempt as executive, administrative, or professional; but includes outside sales workers.

2/ This concept includes employees not covered by the FLSA, outside sales workers, and employees exempt under sections of the FLSA other than Sec 13(a)(1).

Table C1c94 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by region and state, 1994 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Boston	6,272	1,760	4,511	4,029	482
Connecticut	1,565	441	1,125	1,009	116
Maine	544	145	398	357	41
Massachusetts	2,925	837	2,087	1,856	231
New Hampshire	528	142	386	348	38
Rhode Island	437	121	316	283	33
Vermont	273	74	200	177	23
New York	11,515	3,359	8,156	7,294	862
New Jersey	3,582	1,021	2,560	2,306	254
New York	7,933	2,337	5,596	4,988	608
Philadelphia	12,235	3,408	8,827	7,898	929
Delaware	361	100	261	235	26
District of Columbia	670	214	456	401	55
Maryland	2,185	617	1,567	1,393	174
Pennsylvania	5,260	1,450	3,810	3,414	396
Virginia	3,072	842	2,230	2,001	229
West Virginia	687	184	503	455	48
Southeast	21,388	5,708	15,680	14,116	1,564
Alabama	1,800	470	1,330	1,215	115
Florida	5,979	1,679	4,300	3,763	537
Georgia	3,328	895	2,432	2,208	224
Kentucky	1,645	428	1,217	1,099	118
Mississippi	1,093	281	812	737	74
North Carolina	3,436	882	2,554	2,333	222
South Carolina	1,639	420	1,218	1,114	105
Tennessee	2,470	652	1,817	1,648	169

See footnotes at end of table

Table C1c94 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by region and state, 1994 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Chicago	22,534	6,064	16,470	14,898	1,574
Illinois	5,524	1,538	3,986	3,598	390
Indiana	2,752	712	2,040	1,863	177
Michigan	4,199	1,119	3,080	2,792	288
Minnesota	2,357	646	1,711	1,535	175
Ohio	5,134	1,375	3,759	3,405	355
Wisconsin	2,568	675	1,893	1,704	189
Kansas City	5,924	1,605	4,318	3,874	444
Iowa	1,368	367	1,001	896	105
Kansas	1,206	324	882	793	89
Missouri	2,517	686	1,831	1,648	183
Nebraska	832	228	604	537	68
Southwest	16,680	4,529	12,151	10,911	1,240
Arkansas	1,074	275	799	722	77
Colorado	1,792	498	1,295	1,157	139
Louisiana	1,763	478	1,285	1,158	127
Montana	358	97	261	229	32
New Mexico	678	186	492	439	53
North Dakota	309	86	224	197	27
Oklahoma	1,314	356	957	862	95
South Dakota	349	95	255	225	30
Texas	7,943	2,162	5,780	5,198	582
Utah	873	238	635	573	62
Wyoming	227	59	167	151	17

See footnotes at end of table

Table C1c94 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by region and state, 1994 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Western	20,362	5,578	14,784	13,057	1,727
Alaska	260	72	188	173	15
Arizona	1,727	476	1,251	1,117	134
California	12,757	3,496	9,261	8,152	1,110
Hawaii	555	158	397	349	49
Idaho	492	128	364	322	42
Nevada	744	218	526	454	71
Oregon	1,411	382	1,029	920	109
Washington	2,415	647	1,768	1,570	197

1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 state series; totals may not add up exactly due to rounding; BLS state employment data does not add up to BLS national employment data.

2/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).

Table C1d94 - Estimated number of employed wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by industry, United States, 1994 annual averages, in thousands

Industry Division	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA 2/		Employees not exempt under Sec 13(a)(1) of the FLSA		
		Executive, Administrative and Professional	Outside Sales Workers	Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 3/
All Industries	116,896	30,275	1,737	84,884	70,896	13,988
Private Sector	97,769	24,120	1,737	71,912	58,997	12,915
Agriculture, Forestry and Fishing 4/	1,767	234	0	1,533	23	1,511
Mining	601	111	1	488	485	3
Contract Construction	4,986	683	26	4,277	4,229	49
Manufacturing	18,321	3,219	138	14,963	14,795	168
Transportation and Public Utilities	5,984	1,372	5	4,607	2,637	1,970
Wholesale Trade	6,162	1,509	771	3,882	3,882	20
Retail Trade	20,507	2,878	210	17,419	14,668	2,751
Finance, Insurance and Real Estate	6,896	2,716	472	3,708	3,482	226
Services (not including Private Households)	31,579	11,398	115	20,067	14,331	5,735
Private Households 4/	966	0	0	966	485	481
Public Sector	19,127	6,155	0	12,972	11,899	1,074
Federal Government	2,870	1,283	0	1,587	1,535	52
State and Local Government	16,257	4,872	0	11,385	10,364	1,021

See next page for footnotes

Footnotes for Table C1d – Overtime pay status of employees, by industry

1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 national series; totals may not add up exactly due to rounding.

2/ Section 13(a)(1) of the FLSA exempts from the minimum wage and overtime provisions '...any employee employed in a bona fide executive, administrative, or professional capacity, or in the capacity of outside salesman...' Title 29, Part 541 of the Code of Federal Regulations defines those employees classified as executive, administrative, professional, or outside sales.

3/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).

4/ Wage and salary employment figures come from Current Population Survey (CPS) annual household data.

Table C1e94 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by region and state, 1994 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 2/
Boston	6,272	1,760	4,511	3,819	692
Connecticut	1,565	441	1,125	957	167
Maine	544	145	398	337	61
Massachusetts	2,925	837	2,087	1,759	328
New Hampshire	528	142	386	330	58
Rhode Island	437	121	316	269	46
Vermont	273	74	200	166	33
New York	11,515	3,359	8,156	6,861	1,296
New Jersey	3,582	1,021	2,560	2,153	407
New York	7,933	2,337	5,596	4,707	889
Philadelphia	12,235	3,408	8,827	7,439	1,387
Delaware	361	100	261	223	38
District of Columbia	670	214	456	379	77
Maryland	2,185	617	1,567	1,315	252
Pennsylvania	5,260	1,450	3,810	3,211	599
Virginia	3,072	842	2,230	1,885	345
West Virginia	687	184	503	426	77
Southeast	21,388	5,708	15,680	13,245	2,435
Alabama	1,800	470	1,330	1,146	184
Florida	5,979	1,679	4,300	3,508	792
Georgia	3,328	895	2,432	2,067	365
Kentucky	1,645	428	1,217	1,027	190
Mississippi	1,093	281	812	691	120
North Carolina	3,436	882	2,554	2,201	354
South Carolina	1,639	420	1,218	1,054	165
Tennessee	2,470	652	1,817	1,552	266

See footnotes at end of table

Table C1e94 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by region and state, 1994 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 2/
Chicago	22,534	6,064	16,470	14,036	2,433
Illinois	5,524	1,538	3,986	3,378	608
Indiana	2,752	712	2,040	1,756	284
Michigan	4,199	1,119	3,080	2,642	438
Minnesota	2,357	646	1,711	1,440	271
Ohio	5,134	1,375	3,759	3,221	538
Wisconsin	2,568	675	1,893	1,599	294
Kansas City	5,924	1,605	4,318	3,602	717
Iowa	1,368	367	1,001	835	166
Kansas	1,206	324	882	736	146
Missouri	2,517	686	1,831	1,539	292
Nebraska	832	228	604	493	112
Southwest	16,680	4,529	12,151	10,166	1,985
Arkansas	1,074	275	799	671	128
Colorado	1,792	496	1,295	1,076	220
Louisiana	1,763	478	1,285	1,081	204
Montana	358	97	261	208	53
New Mexico	678	186	492	407	84
North Dakota	309	86	224	179	45
Oklahoma	1,314	356	957	803	155
South Dakota	349	95	255	206	49
Texas	7,943	2,162	5,780	4,863	917
Utah	873	238	635	534	101
Wyoming	227	59	167	138	30

See footnotes at end of table

Table C1e94 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by region and state, 1994 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 2/
Western	20,362	5,578	14,784	12,228	2,556
Alaska	260	72	188	159	29
Arizona	1,727	476	1,251	1,045	206
California	12,757	3,496	9,261	7,658	1,603
Hawaii	555	158	397	316	81
Idaho	492	128	364	294	70
Nevada	744	218	526	427	99
Oregon	1,411	382	1,029	856	173
Washington	2,415	647	1,768	1,474	294

1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 state series; totals may not add up exactly due to rounding; BLS state employment data does not add up to BLS national employment data.

2/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).

Table C1f94 - Minimum wage and overtime pay exemption status of employees not exempt under Sec 13(a)(1) of the Fair Labor Standards Act, by industry division, United States, 1994 annual averages, in thousands

Industry Division	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)			
	Minimum Wage exemptions apply 1/	Only Overtime exemptions apply		
		Total	Partial Exemption 2/	Full Exemption 3/
All Industries	1,709	5,144	1,205	3,940
Private Sector	1,739	4,071	176	3,894
Agriculture, Forestry and Fishing	857	654	97	557
Mining	0	0	0	0
Contract Construction	0	0	0	0
Manufacturing	21	93	51	42
Transportation and Public Utilities	5	1,939	0	1,939
Wholesale Trade	0	0	0	0
Retail Trade	44	1,018	0	1,018
Finance, Insurance and Real Estate	0	0	0	0
Services (not including Private Households)	386	283	29	254
Private Households	397	84	0	84
Public Sector	0	1,074	1,028	46
Federal Government	0	52	50	2
State and Local Government	0	1,021	978	43

See next page for footnotes

Footnotes for Table C1f -- Exemption status of employees, by industry

1/ These employees are also exempt from the overtime pay provisions of the FLSA.

2/ Includes workers who are exempt from premium payment for overtime whose workweek standard exceeds 40 hours per week.

3/ Does not include employees who are exempt from both the minimum wage and overtime pay provisions of the act or employees who are not covered by the FLSA.

Table C1a93 - Estimated number of employed wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by industry, United States, 1993 annual averages, in thousands

Industry Division	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA 2/		Employees not exempt under Sec 13(a)(1) of the FLSA		
		Executive, Administrative and Professional	Outside Sales Workers	Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 3/
All Industries	113,516	29,463	1,691	82,362	73,839	8,522
Private Sector	94,675	23,388	1,691	69,596	61,074	8,522
Agriculture, Forestry and Fishing 4/	1,697	224	0	1,473	654	819
Mining	610	115	1	494	491	3
Contract Construction	4,668	653	25	3,990	3,945	45
Manufacturing	18,075	3,245	139	14,691	14,616	75
Transportation and Public Utilities	5,811	1,337	5	4,469	4,439	30
Wholesale Trade	5,981	1,467	748	3,768	3,746	20
Retail Trade	19,773	2,757	202	16,814	15,161	1,652
Finance, Insurance and Real Estate	6,757	2,669	462	3,627	3,405	222
Services (not including Private Households)	30,197	10,920	109	19,168	13,968	5,199
Private Households 4/	1,106	0	0	1,106	649	457
Public Sector	18,841	6,076	0	12,765	12,765	0
Federal Government	2,915	1,303	0	1,612	1,612	0
State and Local Government	15,926	4,773	0	11,153	11,153	0

See next page for footnotes

Footnotes for Table C1a – Minimum Wage status of employees, by Industry

1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 national series; totals may not add up exactly due to rounding.

2/ Section 13(a)(1) of the FLSA exempts from the minimum wage and overtime provisions '...any employee employed in a bona fide executive, administrative, or professional capacity, or in the capacity of outside salesman...' Title 29, Part 541 of the Code of Federal Regulations defines those employees classified as executive, administrative, professional, or outside sales.

3/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).

4/ Wage and salary employment figures come from Current Population Survey (CPS) annual household data.

Table C1b93 - Estimated number of non executive, administrative, professional employees classified by their status under the minimum wage provisions of the FLSA, by sex and race, United States, 1993 annual averages, in thousands

Race and Sex Categories	Non executive, administrative, professional employees, including outside sales 1/	Non executive, administrative, professional employees	
		subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Total	84,053	73,839	10,213
White	71,512	62,559	8,953
Black and Other	12,541	11,281	1,260
Black	9,090	8,250	840
Males	44,751	39,654	5,096
White	38,526	33,991	4,534
Black and Other	6,225	5,663	562
Black	4,355	4,013	343
Females	39,302	34,185	5,117
White	32,986	28,568	4,419
Black and Other	6,316	5,617	698
Black	4,734	4,237	497

1/ This total excludes all employees exempt as executive, administrative, or professional; but includes outside sales workers.

2/ This concept includes employees not covered by the FLSA, outside sales workers, and employees exempt under sections of the FLSA other than Sec 13(a)(1).

Table C1c93 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by region and state, 1993 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Boston	6,156	1,730	4,426	3,959	467
Connecticut	1,554	438	1,116	1,002	114
Maine	532	142	390	350	39
Massachusetts	2,863	820	2,042	1,818	224
New Hampshire	508	137	371	334	36
Rhode Island	433	120	312	280	32
Vermont	267	72	195	173	22
New York	11,399	3,327	8,071	7,227	844
New Jersey	3,523	1,007	2,516	2,269	247
New York	7,875	2,320	5,555	4,958	597
Philadelphia	12,030	3,356	8,674	7,768	906
Delaware	354	98	256	232	25
District of Columbia	683	218	465	410	55
Maryland	2,144	606	1,538	1,368	171
Pennsylvania	5,191	1,434	3,757	3,369	388
Virginia	2,992	820	2,171	1,949	222
West Virginia	666	179	487	440	46
Southeast	20,625	5,510	15,116	13,623	1,493
Alabama	1,760	461	1,299	1,187	112
Florida	5,753	1,611	4,141	3,630	511
Georgia	3,174	857	2,317	2,105	211
Kentucky	1,596	417	1,179	1,064	114
Mississippi	1,040	267	773	705	69
North Carolina	3,324	855	2,469	2,257	212
South Carolina	1,603	412	1,191	1,089	101
Tennessee	2,377	629	1,747	1,586	162

See footnotes at end of table

Table C1c93 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by region and state, 1993 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Chicago	21,875	5,915	15,960	14,444	1,516
Illinois	5,393	1,508	3,885	3,508	378
Indiana	2,667	695	1,972	1,803	169
Michigan	4,058	1,087	2,971	2,696	275
Minnesota	2,289	629	1,660	1,491	169
Ohio	4,978	1,339	3,639	3,298	341
Wisconsin	2,490	657	1,833	1,650	183
Kansas City	5,744	1,564	4,180	3,752	429
Iowa	1,326	358	968	867	101
Kansas	1,173	317	856	771	86
Missouri	2,442	668	1,774	1,597	177
Nebraska	803	221	582	517	64
Southwest	16,070	4,374	11,696	10,509	1,186
Arkansas	1,033	266	767	693	74
Colorado	1,707	474	1,232	1,102	130
Louisiana	1,701	461	1,241	1,119	121
Montana	343	93	250	220	30
New Mexico	647	178	468	418	50
North Dakota	299	83	216	190	25
Oklahoma	1,282	348	933	841	92
South Dakota	336	92	244	216	29
Texas	7,679	2,095	5,585	5,024	561
Utah	823	226	597	539	58
Wyoming	220	58	162	146	16

See footnotes at end of table

Table C1c93 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by region and state, 1993 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Western	19,964	5,474	14,489	12,803	1,686
Alaska	254	71	183	169	14
Arizona	1,620	449	1,170	1,045	126
California	12,665	3,471	9,194	8,098	1,097
Hawaii	557	158	399	351	48
Idaho	467	123	344	305	40
Nevada	677	199	478	413	64
Oregon	1,356	369	987	882	105
Washington	2,367	634	1,734	1,540	193

1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 state series; totals may not add up exactly due to rounding; BLS state employment data does not add up to BLS national employment data.

2/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).

Table C1d93 - Estimated number of employed wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by industry, United States, 1993 annual averages, in thousands

Industry Division	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA 2/		Employees not exempt under Sec 13(a)(1) of the FLSA		
		Executive, Administrative and Professional	Outside Sales Workers	Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 3/
All Industries	113,516	29,463	1,691	82,362	68,859	13,502
Private Sector	94,675	23,388	1,691	69,596	57,128	12,468
Agriculture, Forestry and Fishing 4/	1,697	224	0	1,473	30	1,443
Mining	610	115	1	494	491	3
Contract Construction	4,668	653	25	3,990	3,945	45
Manufacturing	18,075	3,245	139	14,691	14,524	167
Transportation and Public Utilities	5,811	1,337	5	4,469	2,550	1,919
Wholesale Trade	5,981	1,467	748	3,766	3,746	20
Retail Trade	19,773	2,757	202	16,814	14,191	2,623
Finance, Insurance and Real Estate	6,757	2,669	462	3,627	3,405	222
Services (not including Private Households)	30,197	10,920	109	19,168	13,691	5,476
Private Households 4/	1,106	0	0	1,106	556	550
Public Sector	18,841	6,076	0	12,765	11,731	1,034
Federal Government	2,915	1,303	0	1,612	1,561	50
State and Local Government	15,926	4,773	0	11,153	10,170	983

See next page for footnotes

Footnotes for Table C1d -- Overtime pay status of employees, by industry

- 1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 national series; totals may not add up exactly due to rounding.**
- 2/ Section 13(a)(1) of the FLSA exempts from the minimum wage and overtime provisions '...any employee employed in a bona fide executive, administrative, or professional capacity, or in the capacity of outside salesman...' Title 29, Part 541 of the Code of Federal Regulations defines those employees classified as executive, administrative, professional, or outside sales.**
- 3/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).**
- 4/ Wage and salary employment figures come from Current Population Survey (CPS) annual household data.**

Table C1e93 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by region and state, 1993 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 2/
Boston	6,156	1,730	4,426	3,757	669
Connecticut	1,554	438	1,116	953	163
Maine	532	142	390	331	58
Massachusetts	2,863	820	2,042	1,725	317
New Hampshire	508	137	371	317	53
Rhode Island	433	120	312	267	45
Vermont	267	72	195	163	32
New York	11,399	3,327	8,071	6,806	1,265
New Jersey	3,523	1,007	2,516	2,121	395
New York	7,875	2,320	5,555	4,685	870
Philadelphia	12,030	3,356	8,674	7,328	1,346
Delaware	354	98	256	220	37
District of Columbia	683	218	465	388	77
Maryland	2,144	606	1,538	1,294	244
Pennsylvania	5,191	1,434	3,757	3,172	584
Virginia	2,992	820	2,171	1,840	331
West Virginia	666	179	487	413	73
Southeast	20,625	5,510	15,116	12,801	2,315
Alabama	1,760	461	1,299	1,121	177
Florida	5,753	1,611	4,141	3,389	752
Georgia	3,174	857	2,317	1,973	343
Kentucky	1,596	417	1,179	996	182
Mississippi	1,040	267	773	662	111
North Carolina	3,324	855	2,469	2,131	337
South Carolina	1,603	412	1,191	1,032	158
Tennessee	2,377	629	1,747	1,495	252

Table C1e93 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by region and state, 1993 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(e)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 2/
Chicago	21,875	5,915	15,960	13,619	2,341
Illinois	5,393	1,508	3,885	3,297	588
Indiana	2,667	695	1,972	1,699	273
Michigan	4,058	1,087	2,971	2,551	420
Minnesota	2,289	629	1,660	1,399	261
Ohio	4,978	1,339	3,639	3,122	517
Wisconsin	2,490	657	1,833	1,550	283
Kansas City	5,744	1,564	4,180	3,491	689
Iowa	1,326	358	968	808	160
Kansas	1,173	317	856	716	141
Missouri	2,442	668	1,774	1,492	282
Nebraska	803	221	582	475	107
Southwest	16,070	4,374	11,696	9,804	1,892
Arkansas	1,033	266	767	645	122
Colorado	1,707	474	1,232	1,026	207
Louisiana	1,701	461	1,241	1,046	194
Montana	343	93	250	200	50
New Mexico	647	178	468	388	80
North Dakota	299	83	216	173	43
Oklahoma	1,282	348	933	784	149
South Dakota	336	92	244	198	46
Texas	7,679	2,095	5,585	4,709	876
Utah	823	226	597	502	95
Wyoming	220	58	162	134	29

Table C1e93 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by region and state, 1993 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 2/
Western	19,964	5,474	14,489	12,021	2,468
Alaska	254	71	183	155	28
Arizona	1,620	449	1,170	977	193
California	12,665	3,471	9,194	7,633	1,561
Hawaii	557	158	399	319	80
Idaho	467	123	344	278	67
Nevada	677	199	478	388	90
Oregon	1,356	369	987	821	166
Washington	2,367	634	1,734	1,450	283

1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 state series; totals may not add up exactly due to rounding; BLS state employment data does not add up to BLS national employment data.

2/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).

Table C1f93 - Minimum wage and overtime pay exemption status of employees not exempt under Sec 13(a)(1) of the Fair Labor Standards Act, by industry division, United States, 1993 annual averages, in thousands

Industry Division	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)			
	Minimum Wage exemptions apply 1/	Only Overtime exemptions apply		
		Total	Partial Exemption 2/	Full Exemption 3/
All Industries	1,645	4,980	1,166	3,814
Private Sector	1,645	3,946	176	3,770
Agriculture, Forestry and Fishing	819	625	97	527
Mining	0	0	0	0
Contract Construction	0	0	0	0
Manufacturing	21	92	52	41
Transportation and Public Utilities	5	1,888	0	1,888
Wholesale Trade	0	0	0	0
Retail Trade	25	971	0	971
Finance, Insurance and Real Estate	0	0	0	0
Services	319	277	27	250
(not including Private Households)				
Private Households	457	93	0	93
Public Sector	0	1,034	990	44
Federal Government	0	50	48	2
State and Local Government	0	983	942	42

See next page for footnotes

Footnotes for Table C1f -- Exemption status of employees, by industry

1/ These employees are also exempt from the overtime pay provisions of the FLSA.

2/ Includes workers who are exempt from premium payment for overtime whose workweek standard exceeds 40 hours per week.

3/ Does not include employees who are exempt from both the minimum wage and overtime pay provisions of the act or employees who are not covered by the FLSA.

Table C1a92 - Estimated number of employed wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by industry, United States, 1992 annual averages, in thousands

Industry Division	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA 2/		Employees not exempt under Sec 13(a)(1) of the FLSA		
		Executive, Administrative and Professional	Outside Sales Workers	Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 3/
All Industries	111,473	29,000	1,670	80,803	72,502	8,301
Private Sector	92,828	22,975	1,670	68,183	59,882	8,301
Agriculture, Forestry and Fishing 4/	1,755	232	0	1,523	675	849
Mining	635	120	1	514	511	3
Contract Construction	4,492	642	24	3,826	3,782	44
Manufacturing	18,104	3,292	141	14,671	14,596	75
Transportation and Public Utilities	5,718	1,331	4	4,383	4,352	30
Wholesale Trade	5,997	1,489	747	3,761	3,741	20
Retail Trade	19,356	2,712	198	16,446	14,852	1,594
Finance, Insurance and Real Estate	6,602	2,627	449	3,526	3,310	217
Services (not including Private Households)	29,052	10,530	105	18,417	13,398	5,019
Private Households 4/	1,117	0	0	1,117	667	450
Public Sector	18,645	6,025	0	12,620	12,620	0
Federal Government	2,969	1,327	0	1,642	1,642	0
State and Local Government	15,676	4,698	0	10,978	10,978	0

Footnotes for Table C1a – Minimum Wage status of employees, by Industry

1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 national series; totals may not add up exactly due to rounding.

2/ Section 13(a)(1) of the FLSA exempts from the minimum wage and overtime provisions '...any employee employed in a bona fide executive, administrative, or professional capacity, or in the capacity of outside salesman...' Title 29, Part 541 of the Code of Federal Regulations defines those employees classified as executive, administrative, professional, or outside sales.

3/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).

4/ Wage and salary employment figures come from Current Population Survey (CPS) annual household data.

Table C1b92 - Estimated number of non executive, administrative, professional employees classified by their status under the minimum wage provisions of the FLSA, by sex and race, United States, 1992 annual averages, in thousands

Race and Sex Categories	Non executive, administrative, professional employees, including outside sales 1/	Non executive, administrative, professional employees	
		subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Total	82,473	72,502	9,971
White	70,265	61,514	8,751
Black and Other	12,208	10,988	1,220
Black	8,884	8,068	817
Males	43,945	38,965	4,980
White	37,896	33,458	4,438
Black and Other	6,049	5,506	542
Black	4,253	3,921	333
Females	38,529	33,537	4,991
White	32,370	28,056	4,314
Black and Other	6,159	5,482	677
Black	4,631	4,147	484

1/ This total excludes all employees exempt as executive, administrative, or professional; but includes outside sales workers.

2/ This concept includes employees not covered by the FLSA, outside sales workers, and employees exempt under sections of the FLSA other than Sec 13(a)(1).

Table C1c92 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by region and state, 1992 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Boston	6,073	1,710	4,363	3,908	455
Connecticut	1,550	438	1,112	1,001	111
Maine	525	141	384	346	38
Massachusetts	2,818	809	2,009	1,791	218
New Hampshire	492	133	359	324	35
Rhode Island	428	120	308	277	31
Vermont	261	70	191	169	21
New York	11,344	3,318	8,027	7,199	828
New Jersey	3,489	1,000	2,489	2,248	241
New York	7,855	2,318	5,538	4,951	586
Philadelphia	11,879	3,321	8,558	7,672	886
Delaware	347	95	251	227	24
District of Columbia	687	220	467	412	55
Maryland	2,124	601	1,523	1,355	168
Pennsylvania	5,146	1,425	3,720	3,340	381
Virginia	2,923	803	2,120	1,905	215
West Virginia	654	176	477	433	45
Southeast	19,935	5,341	14,594	13,165	1,429
Alabama	1,719	452	1,267	1,158	108
Florida	5,545	1,555	3,989	3,500	489
Georgia	3,053	829	2,224	2,024	200
Kentucky	1,558	409	1,149	1,037	111
Mississippi	999	257	742	678	64
North Carolina	3,206	826	2,380	2,177	203
South Carolina	1,561	402	1,159	1,062	97
Tennessee	2,294	610	1,684	1,529	155

See footnotes at end of table

Table C1c92 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by region and state, 1992 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Chicago	21,454	5,823	15,631	14,157	1,474
Illinois	5,299	1,488	3,811	3,444	367
Indiana	2,595	678	1,916	1,753	163
Michigan	3,981	1,070	2,912	2,645	267
Minnesota	2,233	616	1,617	1,452	165
Ohio	4,909	1,326	3,583	3,250	333
Wisconsin	2,437	645	1,792	1,612	180
Kansas City	5,627	1,537	4,090	3,672	418
Iowa	1,301	352	949	849	100
Kansas	1,156	313	843	759	84
Missouri	2,383	653	1,729	1,559	170
Nebraska	787	218	569	506	64
Southwest	15,610	4,265	11,346	10,197	1,149
Arkansas	1,003	260	744	672	72
Colorado	1,634	456	1,178	1,054	124
Louisiana	1,670	453	1,217	1,100	117
Montana	335	91	244	214	29
New Mexico	623	173	450	401	49
North Dakota	292	82	210	185	25
Oklahoma	1,257	343	914	825	89
South Dakota	326	89	237	209	28
Texas	7,472	2,045	5,426	4,882	544
Utah	782	215	567	512	55
Wyoming	216	57	159	143	16

See footnotes at end of table

Table C1c92 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by region and state, 1992 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Western	19,900	5,464	14,435	12,767	1,669
Alaska	248	70	179	165	14
Arizona	1,553	432	1,122	1,001	120
California	12,788	3,508	9,279	8,185	1,094
Hawaii	562	160	402	353	48
Idaho	448	118	330	291	39
Nevada	645	191	453	391	62
Oregon	1,317	359	958	858	101
Washington	2,339	626	1,713	1,523	190

1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 state series; totals may not add up exactly due to rounding; BLS state employment data does not add up to BLS national employment data.

2/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).

Table C1d92 - Estimated number of employed wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by industry, United States, 1992 annual averages, in thousands

Industry Division	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA 2/		Employees not exempt under Sec 13(a)(1) of the FLSA		
		Executive, Administrative and Professional	Outside Sales Workers	Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 3/
All Industries	111,473	29,000	1,670	80,803	67,653	13,149
Private Sector	92,828	22,975	1,670	68,183	56,000	12,182
Agriculture, Forestry and Fishing 4/	1,755	232	0	1,523	28	1,495
Mining	635	120	1	514	511	3
Contract Construction	4,492	642	24	3,826	3,782	44
Manufacturing	18,104	3,292	141	14,671	14,500	170
Transportation and Public Utilities	5,718	1,331	4	4,383	2,514	1,869
Wholesale Trade	5,997	1,489	747	3,761	3,741	20
Retail Trade	19,356	2,712	198	16,446	13,910	2,536
Finance, Insurance and Real Estate	6,602	2,627	449	3,526	3,310	217
Services (not including Private Households)	29,052	10,530	105	18,417	13,128	5,289
Private Households 4/	1,117	0	0	1,117	577	540
Public Sector	18,645	6,025	0	12,620	11,653	967
Federal Government	2,969	1,327	0	1,642	1,595	47
State and Local Government	15,676	4,698	0	10,978	10,058	920

See next page for footnotes

Footnotes for Table C1d – Overtime pay status of employees, by industry

1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 national series; totals may not add up exactly due to rounding.

2/ Section 13(a)(1) of the FLSA exempts from the minimum wage and overtime provisions '...any employee employed in a bona fide executive, administrative, or professional capacity, or in the capacity of outside salesman...' Title 29, Part 541 of the Code of Federal Regulations defines those employees classified as executive, administrative, professional, or outside sales.

3/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).

4/ Wage and salary employment figures come from Current Population Survey (CPS) annual household data.

Table C1e92 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by region and state, 1992 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 2/
Boston	6,073	1,710	4,363	3,713	650
Connecticut	1,550	438	1,112	953	159
Maine	525	141	384	327	57
Massachusetts	2,818	809	2,009	1,701	308
New Hampshire	492	133	359	308	51
Rhode Island	428	120	308	264	44
Vermont	261	70	191	159	31
New York	11,344	3,318	8,027	6,789	1,238
New Jersey	3,489	1,000	2,489	2,105	384
New York	7,855	2,318	5,538	4,684	854
Philadelphia	11,879	3,321	8,558	7,245	1,313
Delaware	347	95	251	216	35
District of Columbia	687	220	467	391	76
Maryland	2,124	601	1,523	1,283	239
Pennsylvania	5,146	1,425	3,720	3,149	572
Virginia	2,923	803	2,120	1,800	320
West Virginia	654	176	477	407	71
Southeast	19,935	5,341	14,594	12,377	2,217
Alabama	1,719	452	1,267	1,096	171
Florida	5,545	1,555	3,989	3,269	721
Georgia	3,053	829	2,224	1,898	326
Kentucky	1,558	409	1,149	971	177
Mississippi	999	257	742	637	106
North Carolina	3,206	826	2,380	2,057	323
South Carolina	1,561	402	1,159	1,007	152
Tennessee	2,294	610	1,684	1,443	241

See footnotes at end of table

Table C1e92 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by region and state, 1992 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 2/
Chicago	21,454	5,823	15,631	13,354	2,277
Illinois	5,299	1,488	3,811	3,241	570
Indiana	2,595	678	1,916	1,653	263
Michigan	3,981	1,070	2,912	2,504	407
Minnesota	2,233	616	1,617	1,363	255
Ohio	4,909	1,326	3,583	3,079	504
Wisconsin	2,437	645	1,792	1,515	277
Kansas City	5,627	1,537	4,090	3,417	673
Iowa	1,301	352	949	791	157
Kansas	1,156	313	843	705	138
Missouri	2,383	653	1,729	1,457	272
Nebraska	787	218	569	464	105
Southwest	15,610	4,265	11,346	9,516	1,829
Arkansas	1,003	260	744	624	119
Colorado	1,634	456	1,178	981	197
Louisiana	1,670	453	1,217	1,029	188
Montana	335	91	244	194	49
New Mexico	623	173	450	372	78
North Dakota	292	82	210	168	42
Oklahoma	1,257	343	914	769	145
South Dakota	326	89	237	191	46
Texas	7,472	2,045	5,426	4,579	847
Utah	782	215	567	477	90
Wyoming	216	57	159	131	28

See footnotes at end of table

Table C1e92 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by region and state, 1992 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 2/
Western	19,900	5,464	14,435	11,994	2,441
Alaska	248	70	179	151	27
Arizona	1,553	432	1,122	936	186
California	12,788	3,508	9,279	7,723	1,556
Hawaii	562	160	402	321	81
Idaho	448	118	330	265	65
Nevada	645	191	453	367	86
Oregon	1,317	359	958	796	161
Washington	2,339	626	1,713	1,435	278

1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 state series; totals may not add up exactly due to rounding; BLS state employment data does not add up to BLS national employment data.

2/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).

Table C1f92 - Minimum wage and overtime pay exemption status of employees not exempt under Sec 13(a)(1) of the Fair Labor Standards Act, by industry division, United States, 1992 annual averages, in thousands

Industry Division	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)			
	Minimum Wage exemptions apply 1/	Only Overtime exemptions apply		
		Total	Partial Exemption 2/	Full Exemption 3/
All Industries	1,679	4,849	1,102	3,746
Private Sector	1,679	3,882	176	3,705
Agriculture, Forestry and Fishing	849	646	96	550
Mining	0	0	0	0
Contract Construction	0	0	0	0
Manufacturing	21	96	54	41
Transportation and Public Utilities	5	1,839	0	1,839
Wholesale Trade	0	0	0	0
Retail Trade	30	942	0	942
Finance, Insurance and Real Estate	0	0	0	0
Services (not including Private Households)	325	270	26	244
Private Households	450	90	0	90
Public Sector	0	967	926	41
Federal Government	0	47	45	2
State and Local Government	0	920	881	39

See next page for footnotes

Footnotes for Table C1f -- Exemption status of employees, by industry

1/ These employees are also exempt from the overtime pay provisions of the FLSA.

2/ Includes workers who are exempt from premium payment for overtime whose workweek standard exceeds 40 hours per week.

3/ Does not include employees who are exempt from both the minimum wage and overtime pay provisions of the act or employees who are not covered by the FLSA.

Table C1a91 - Estimated number of employed wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by Industry, United States, 1991 annual averages, in thousands

Industry Division	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA 2/		Employees not exempt under Sec 13(a)(1) of the FLSA		
		Executive, Administrative and Professional	Outside Sales Workers	Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 3/
All Industries	110,969	28,870	1,684	80,415	72,388	8,028
Private Sector	92,567	22,918	1,684	67,965	59,937	8,028
Agriculture, Forestry and Fishing 4/	1,726	228	0	1,498	659	838
Mining	689	128	1	560	556	4
Contract Construction	4,650	667	25	3,958	3,913	45
Manufacturing	18,406	3,380	145	14,881	14,805	76
Transportation and Public Utilities	5,755	1,362	4	4,388	4,357	31
Wholesale Trade	6,081	1,521	756	3,804	3,784	20
Retail Trade	19,284	2,682	198	16,404	14,864	1,539
Finance, Insurance and Real Estate	6,646	2,652	451	3,543	3,325	218
Services (not including Private Households)	28,336	10,298	103	17,935	13,095	4,840
Private Households 4/	994	0	0	994	578	416
Public Sector	18,402	5,952	0	12,450	12,450	0
Federal Government	2,966	1,326	0	1,640	1,640	0
State and Local Government	15,436	4,626	0	10,810	10,810	0

See next page for footnotes

Footnotes for Table C1a -- Minimum Wage status of employees, by Industry

1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 national series; totals may not add up exactly due to rounding.

2/ Section 13(a)(1) of the FLSA exempts from the minimum wage and overtime provisions '...any employee employed in a bona fide executive, administrative, or professional capacity, or in the capacity of outside salesman...' Title 29, Part 541 of the Code of Federal Regulations defines those employees classified as executive, administrative, professional, or outside sales.

3/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).

4/ Wage and salary employment figures come from Current Population Survey (CPS) annual household data.

Table C1b91 - Estimated number of non executive, administrative, professional employees classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by sex and race, United States, 1991 annual averages, in thousands

Race and Sex Categories	Non executive, administrative, professional employees, including outside sales 1/	Non executive, administrative, professional employees	
		subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Total	82,099	72,388	9,711
White	70,073	61,533	8,540
Black and Other	12,026	10,854	1,172
Black	8,845	8,051	794
Males	43,889	39,023	4,866
White	37,866	33,527	4,339
Black and Other	6,023	5,497	527
Black	4,285	3,957	328
Females	38,210	33,364	4,845
White	32,207	28,007	4,200
Black and Other	6,003	5,358	645
Black	4,560	4,094	466

1/ This total excludes all employees exempt as executive, administrative, or professional; but includes outside sales workers.

2/ This concept includes employees not covered by the FLSA, outside sales workers, and employees exempt under sections of the FLSA other than Sec 13(a)(1).

Table C1c91 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by region and state, 1991 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Boston	6,114	1,722	4,393	3,952	440
Connecticut	1,577	445	1,132	1,023	109
Maine	525	141	384	348	37
Massachusetts	2,842	815	2,027	1,816	211
New Hampshire	487	132	355	321	33
Rhode Island	424	118	306	276	30
Vermont	258	70	189	168	21
New York	11,530	3,369	8,162	7,350	813
New Jersey	3,528	1,009	2,520	2,284	236
New York	8,002	2,360	5,643	5,066	577
Philadelphia	11,865	3,315	8,550	7,693	857
Delaware	347	96	252	228	23
District of Columbia	689	221	468	414	54
Maryland	2,139	605	1,534	1,372	163
Pennsylvania	5,150	1,426	3,725	3,356	369
Virginia	2,898	795	2,102	1,896	206
West Virginia	642	173	469	427	42
Southeast	19,575	5,248	14,328	12,971	1,357
Alabama	1,684	443	1,241	1,139	102
Florida	5,472	1,534	3,938	3,470	468
Georgia	2,999	816	2,184	1,994	189
Kentucky	1,522	401	1,121	1,015	106
Mississippi	975	251	724	662	61
North Carolina	3,149	812	2,337	2,145	192
South Carolina	1,545	398	1,147	1,054	92
Tennessee	2,230	594	1,636	1,490	145

See footnotes at end of table

Table C1c91 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by region and state, 1991 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Chicago	21,219	5,759	15,460	14,045	1,415
Illinois	5,292	1,485	3,807	3,453	354
Indiana	2,546	667	1,880	1,724	156
Michigan	3,943	1,059	2,883	2,627	257
Minnesota	2,183	601	1,581	1,425	156
Ohio	4,876	1,317	3,559	3,238	320
Wisconsin	2,378	629	1,749	1,578	171
Kansas City	5,551	1,519	4,032	3,630	402
Iowa	1,285	349	937	840	96
Kansas	1,135	308	827	746	81
Missouri	2,356	647	1,708	1,545	163
Nebraska	775	215	560	498	62
Southwest	15,318	4,189	11,128	10,031	1,097
Arkansas	975	253	723	654	68
Colorado	1,580	442	1,139	1,021	117
Louisiana	1,654	449	1,205	1,093	112
Montana	322	88	234	206	28
New Mexico	606	168	438	391	46
North Dakota	285	80	205	181	24
Oklahoma	1,245	339	906	820	85
South Dakota	314	86	228	201	27
Texas	7,366	2,019	5,347	4,824	522
Utah	758	210	549	497	52
Wyoming	213	58	157	142	15

See footnotes at end of table

Table C1c91 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by region and state, 1991 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Western	19,926	5,474	14,453	12,827	1,625
Alaska	244	68	175	162	13
Arizona	1,526	424	1,102	987	115
California	12,956	3,557	9,399	8,324	1,075
Hawaii	558	158	400	352	47
Idaho	429	113	316	279	37
Nevada	634	188	446	386	60
Oregon	1,292	352	940	844	97
Washington	2,288	613	1,674	1,493	181

1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 state series; totals may not add up exactly due to rounding; BLS state employment data does not add up to BLS national employment data.

2/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).

Table C1d91 - Estimated number of employed wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by Industry, United States, 1991 annual averages, in thousands

Industry Division	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA 2/		Employees not exempt under Sec 13(a)(1) of the FLSA		
		Executive, Administrative and Professional	Outside Sales Workers	Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 3/
All Industries	110,969	28,870	1,684	80,415	67,526	12,890
Private Sector	92,567	22,918	1,684	67,965	56,042	11,923
Agriculture, Forestry and Fishing 4/	1,726	228	0	1,498	22	1,476
Mining	689	128	1	560	556	4
Contract Construction	4,650	667	25	3,958	3,913	45
Manufacturing	18,406	3,380	145	14,881	14,709	173
Transportation and Public Utilities	5,755	1,362	4	4,388	2,501	1,888
Wholesale Trade	6,081	1,521	756	3,804	3,784	20
Retail Trade	19,284	2,682	198	16,404	13,916	2,488
Finance, Insurance and Real Estate	6,646	2,652	451	3,543	3,325	218
Services (not including Private Households)	28,336	10,298	103	17,935	12,820	5,115
Private Households 4/	994	0	0	994	497	497
Public Sector	18,402	5,952	0	12,450	11,483	967
Federal Government	2,966	1,326	0	1,640	1,593	47
State and Local Government	15,436	4,626	0	10,810	9,890	920

See next page for footnotes

Footnotes for Table C1d -- Overtime pay status of employees, by industry

1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 national series; totals may not add up exactly due to rounding.

2/ Section 13(a)(1) of the FLSA exempts from the minimum wage and overtime provisions '...any employee employed in a bona fide executive, administrative, or professional capacity, or in the capacity of outside salesman...' Title 29, Part 541 of the Code of Federal Regulations defines those employees classified as executive, administrative, professional, or outside sales.

3/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).

4/ Wage and salary employment figures come from Current Population Survey (CPS) annual household data.

Table C1e91 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by region and state, 1991 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 2/
Boston	6,114	1,722	4,393	3,752	640
Connecticut	1,577	445	1,132	974	158
Maine	525	141	384	329	58
Massachusetts	2,842	815	2,027	1,723	304
New Hampshire	487	132	355	306	49
Rhode Island	424	118	306	263	43
Vermont	258	70	189	158	30
New York	11,530	3,369	8,162	6,924	1,238
New Jersey	3,528	1,009	2,520	2,139	381
New York	8,002	2,360	5,643	4,785	857
Philadelphia	11,865	3,315	8,550	7,257	1,293
Delaware	347	96	252	217	35
District of Columbia	689	221	468	392	76
Maryland	2,139	605	1,534	1,297	237
Pennsylvania	5,150	1,426	3,725	3,162	563
Virginia	2,898	795	2,102	1,789	313
West Virginia	642	173	469	401	69
Southeast	19,575	5,248	14,328	12,181	2,147
Alabama	1,684	443	1,241	1,076	165
Florida	5,472	1,534	3,938	3,237	701
Georgia	2,999	816	2,184	1,868	315
Kentucky	1,522	401	1,121	949	172
Mississippi	975	251	724	621	103
North Carolina	3,149	812	2,337	2,025	313
South Carolina	1,545	398	1,147	999	148
Tennessee	2,230	594	1,636	1,405	230

See footnotes at end of table

Table C1e91 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by region and state, 1991 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 2/
Chicago	21,219	5,759	15,460	13,238	2,221
Illinois	5,292	1,485	3,807	3,247	560
Indiana	2,546	667	1,880	1,624	256
Michigan	3,943	1,059	2,883	2,485	399
Minnesota	2,183	601	1,581	1,335	246
Ohio	4,876	1,317	3,559	3,066	493
Wisconsin	2,378	629	1,749	1,481	268
Kansas City	5,551	1,519	4,032	3,374	658
Iowa	1,285	349	937	783	154
Kansas	1,135	308	827	692	135
Missouri	2,356	647	1,708	1,442	266
Nebraska	775	215	560	457	103
Southwest	15,318	4,189	11,128	9,350	1,778
Arkansas	975	253	723	607	115
Colorado	1,580	442	1,139	949	190
Louisiana	1,654	449	1,205	1,021	184
Montana	322	88	234	186	48
New Mexico	606	168	438	362	75
North Dakota	285	80	205	164	41
Oklahoma	1,245	339	906	765	141
South Dakota	314	86	228	184	44
Texas	7,366	2,019	5,347	4,520	826
Utah	758	210	549	463	86
Wyoming	213	56	157	129	28

See footnotes at end of table

Table C1e91 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by region and state, 1991 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 2/
Western	19,926	5,474	14,453	12,039	2,414
Alaska	244	68	175	149	26
Arizona	1,526	424	1,102	921	181
California	12,956	3,557	9,399	7,846	1,553
Hawaii	558	158	400	320	80
Idaho	429	113	316	253	63
Nevada	634	188	446	362	84
Oregon	1,292	352	940	784	156
Washington	2,288	613	1,674	1,404	270

1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 state series; totals may not add up exactly due to rounding; BLS state employment data does not add up to BLS national employment data.

2/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).

See footnotes at end of table

Table C1f91 - Minimum wage and overtime pay exemption status of employees not exempt under Sec 13(a)(1) of the Fair Labor Standards Act, by industry division, United States, 1991 annual averages, in thousands

Industry Division	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)			
	Minimum Wage exemptions apply 1/	Only Overtime exemptions apply		
		Total	Partial Exemption 2/	Full Exemption 3/
All Industries	1,650	4,862	1,101	3,761
Private Sector	1,650	3,895	174	3,720
Agriculture, Forestry and Fishing	838	638	95	543
Mining	0	0	0	0
Contract Construction	0	0	0	0
Manufacturing	21	97	56	41
Transportation and Public Utilities	6	1,857	0	1,857
Wholesale Trade	0	0	0	0
Retail Trade	37	949	0	949
Finance, Insurance and Real Estate	0	0	0	0
Services	332	275	24	250
(not including Private Households)				
Private Households	416	81	0	81
Public Sector	0	967	926	41
Federal Government	0	47	45	2
State and Local Government	0	920	881	39

See next page for footnotes

Footnotes for Table C1f -- Exemption status of employees, by industry

1/ These employees are also exempt from the overtime pay provisions of the FLSA.

2/ Includes workers who are exempt from premium payment for overtime whose workweek standard exceeds 40 hours per week.

3/ Does not include employees who are exempt from both the minimum wage and overtime pay provisions of the act or employees who are not covered by the FLSA.

Table C1a90 - Estimated number of employed wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by industry, United States, 1990 annual averages, in thousands

Industry Division	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA 2/		Employees not exempt under Sec 13(a)(1) of the FLSA		
		Executive, Administrative and Professional	Outside Sales Workers	Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 3/
All Industries	112,153	28,868	1,712	81,573	73,791	7,782
Private Sector	93,849	22,928	1,712	69,209	61,427	7,782
Agriculture, Forestry and Fishing 4/	1,736	229	0	1,507	665	841
Mining	709	128	1	580	576	4
Contract Construction	5,120	694	26	4,400	4,350	50
Manufacturing	19,076	3,468	149	15,459	15,380	79
Transportation and Public Utilities	5,777	1,378	4	4,395	4,364	31
Wholesale Trade	6,173	1,532	769	3,872	3,851	20
Retail Trade	19,601	2,656	203	16,742	15,216	1,525
Finance, Insurance and Real Estate	6,709	2,661	457	3,591	3,371	220
Services (not including Private Households)	27,934	10,181	102	17,651	13,040	4,611
Private Households 4/	1,014	0	0	1,014	613	401
Public Sector	18,304	5,940	0	12,364	12,364	0
Federal Government	3,085	1,379	0	1,706	1,706	0
State and Local Government	15,219	4,561	0	10,658	10,658	0

See next page for footnotes

Footnotes for Table C1a -- Minimum Wage status of employees, by industry

1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 national series; totals may not add up exactly due to rounding.

2/ Section 13(a)(1) of the FLSA exempts from the minimum wage and overtime provisions '...any employee employed in a bona fide executive, administrative, or professional capacity, or in the capacity of outside salesman...' Title 29, Part 541 of the Code of Federal Regulations defines those employees classified as executive, administrative, professional, or outside sales.

3/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).

4/ Wage and salary employment figures come from Current Population Survey (CPS) annual household data.

Table C1b90 - Estimated number of non executive, administrative, professional employees classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by sex and race, United States, 1990 annual averages, in thousands

Race and Sex Categories	Non executive, administrative, professional employees, including outside sales 1/	Non executive, administrative, professional employees	
		subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Total	83,285	73,791	9,494
White	71,195	62,835	8,361
Black and Other	12,090	10,956	1,134
Black	8,968	8,191	777
Males	44,728	39,947	4,782
White	38,690	34,416	4,274
Black and Other	6,039	5,531	508
Black	4,333	4,013	320
Females	38,557	33,844	4,713
White	32,506	28,419	4,087
Black and Other	6,051	5,425	626
Black	4,635	4,178	457

1/ This total excludes all employees exempt as executive, administrative, or professional; but includes outside sales workers.

2/ This concept includes employees not covered by the FLSA, outside sales workers, and employees exempt under sections of the FLSA other than Sec 13(a)(1).

Table C1c90 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by region and state, 1990 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Boston	6,433	1,790	4,643	4,201	442
Connecticut	1,645	459	1,186	1,078	109
Maine	547	144	403	366	37
Massachusetts	3,006	853	2,153	1,940	213
New Hampshire	513	137	376	342	34
Rhode Island	454	125	329	299	30
Vermont	267	71	196	176	20
New York	11,994	3,476	8,518	7,709	809
New Jersey	3,664	1,038	2,627	2,392	234
New York	8,330	2,438	5,891	5,316	575
Philadelphia	12,108	3,347	8,762	7,925	837
Delaware	353	96	257	234	23
District of Columbia	698	223	475	422	53
Maryland	2,211	617	1,594	1,434	160
Pennsylvania	5,238	1,436	3,802	3,444	358
Virginia	2,966	805	2,161	1,960	202
West Virginia	643	171	472	432	40
Southeast	19,804	5,248	14,556	13,241	1,315
Alabama	1,678	437	1,240	1,143	97
Florida	5,567	1,540	4,027	3,572	455
Georgia	3,054	821	2,233	2,048	185
Kentucky	1,518	395	1,123	1,020	102
Mississippi	974	249	725	668	59
North Carolina	3,195	813	2,382	2,196	187
South Carolina	1,577	401	1,176	1,085	90
Tennessee	2,240	590	1,650	1,511	139

See footnotes at end of table

Table C1c90 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by region and state, 1990 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Chicago	21,415	5,755	15,661	14,292	1,369
Illinois	5,350	1,487	3,863	3,520	342
Indiana	2,561	664	1,897	1,747	151
Michigan	4,022	1,069	2,953	2,702	251
Minnesota	2,173	594	1,580	1,430	150
Ohio	4,941	1,320	3,620	3,310	310
Wisconsin	2,368	621	1,748	1,583	165
Kansas City	5,560	1,509	4,051	3,663	388
Iowa	1,274	343	931	839	92
Kansas	1,128	304	824	746	78
Missouri	2,392	651	1,741	1,583	158
Nebraska	766	212	554	495	60
Southwest	15,117	4,109	11,008	9,959	1,049
Arkansas	963	247	716	650	65
Colorado	1,557	432	1,125	1,014	111
Louisiana	1,631	440	1,191	1,084	107
Montana	315	86	230	203	27
New Mexico	601	165	435	391	44
North Dakota	280	78	202	179	23
Oklahoma	1,230	333	897	815	82
South Dakota	306	84	222	197	26
Texas	7,289	1,986	5,302	4,802	501
Utah	737	202	534	486	49
Wyoming	208	55	154	139	15

See footnotes at end of table

Table C1c90 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the minimum wage provisions of the Fair Labor Standards Act, by region and state, 1990 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA minimum wage provisions	not subject to the FLSA minimum wage provisions 2/
Western	20,000	5,439	14,561	12,994	1,567
Alaska	239	67	172	160	12
Arizona	1,518	418	1,101	990	111
California	13,104	3,561	9,543	8,502	1,041
Hawaii	547	154	393	348	45
Idaho	416	109	307	272	35
Nevada	627	184	443	385	57
Oregon	1,295	350	945	851	94
Washington	2,254	596	1,658	1,487	171

1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 state series; totals may not add up exactly due to rounding; BLS state employment data does not add up to BLS national employment data.

2/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).

Table C1d90 - Estimated number of employed wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by industry, United States, 1990 annual averages, in thousands

Industry Division	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA 2/		Employees not exempt under Sec 13(a)(1) of the FLSA		
		Executive, Administrative and Professional	Outside Sales Workers	Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 3/
All Industries	112,153	28,868	1,712	81,573	68,897	12,676
Private Sector	93,849	22,928	1,712	69,209	57,450	11,759
Agriculture, Forestry and Fishing 4/	1,736	229	0	1,507	25	1,481
Mining	709	128	1	580	576	4
Contract Construction	5,120	694	26	4,400	4,350	50
Manufacturing	19,076	3,468	149	15,459	15,282	177
Transportation and Public Utilities	5,777	1,378	4	4,395	2,467	1,927
Wholesale Trade	6,173	1,532	769	3,872	3,851	20
Retail Trade	19,601	2,656	203	16,742	14,235	2,506
Finance, Insurance and Real Estate	6,709	2,661	457	3,591	3,371	220
Services (not including Private Households)	27,934	10,181	102	17,651	12,759	4,892
Private Households 4/	1,014	0	0	1,014	533	481
Public Sector	18,304	5,940	0	12,364	11,447	917
Federal Government	3,085	1,379	0	1,706	1,661	45
State and Local Government	15,219	4,561	0	10,658	9,786	872

See next page for footnotes

Footnotes for Table C1d -- Overtime pay status of employees, by industry

1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 national series; totals may not add up exactly due to rounding.

2/ Section 13(a)(1) of the FLSA exempts from the minimum wage and overtime provisions '...any employee employed in a bona fide executive, administrative, or professional capacity, or in the capacity of outside salesman...' Title 29, Part 541 of the Code of Federal Regulations defines those employees classified as executive, administrative, professional, or outside sales.

3/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).

4/ Wage and salary employment figures come from Current Population Survey (CPS) annual household data.

Table C1e90 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by region and state, 1990 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 2/
Boston	6,433	1,790	4,643	3,990	653
Connecticut	1,645	459	1,186	1,026	161
Maine	547	144	403	347	56
Massachusetts	3,006	853	2,153	1,842	311
New Hampshire	513	137	376	326	50
Rhode Island	454	125	329	285	44
Vermont	267	71	196	165	31
New York	11,994	3,476	8,518	7,267	1,251
New Jersey	3,664	1,038	2,627	2,243	383
New York	8,330	2,438	5,891	5,024	868
Philadelphia	12,108	3,347	8,762	7,482	1,280
Delaware	353	96	257	222	35
District of Columbia	698	223	475	400	75
Maryland	2,211	617	1,594	1,358	236
Pennsylvania	5,238	1,436	3,802	3,246	556
Virginia	2,966	805	2,161	1,850	311
West Virginia	643	171	472	405	67
Southeast	19,804	5,248	14,556	12,443	2,113
Alabama	1,678	437	1,240	1,080	160
Florida	5,567	1,540	4,027	3,334	692
Georgia	3,054	821	2,233	1,920	313
Kentucky	1,518	395	1,123	955	168
Mississippi	974	249	725	624	101
North Carolina	3,195	813	2,382	2,075	308
South Carolina	1,577	401	1,176	1,029	146
Tennessee	2,240	590	1,650	1,426	224

See footnotes at end of table

Table C1e90 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by region and state, 1990 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 2/
Chicago	21,415	5,755	15,661	13,475	2,186
Illinois	5,350	1,487	3,863	3,311	552
Indiana	2,561	664	1,897	1,646	251
Michigan	4,022	1,069	2,953	2,558	395
Minnesota	2,173	594	1,580	1,340	240
Ohio	4,941	1,320	3,620	3,134	486
Wisconsin	2,368	621	1,748	1,486	261
Kansas City	5,560	1,509	4,051	3,405	646
Iowa	1,274	343	931	781	150
Kansas	1,128	304	824	692	132
Missouri	2,392	651	1,741	1,478	263
Nebraska	766	212	554	453	101
Southwest	15,117	4,109	11,008	9,284	1,724
Arkansas	963	247	716	604	112
Colorado	1,557	432	1,125	942	182
Louisiana	1,631	440	1,191	1,011	180
Montana	315	86	230	183	46
New Mexico	601	165	435	362	73
North Dakota	280	78	202	162	40
Oklahoma	1,230	333	897	760	137
South Dakota	306	84	222	180	42
Texas	7,289	1,986	5,302	4,500	802
Utah	737	202	534	452	83
Wyoming	208	55	154	127	27

See footnotes at end of table

Table C1e90 - Estimated number of wage and salary workers in the civilian labor force classified by their status under the overtime pay provisions of the Fair Labor Standards Act, by region and state, 1990 annual averages, in thousands

Region and State	Wage and Salary Employment 1/	Employees exempt under Sec 13(a)(1) of the FLSA	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)		
			Total	subject to the FLSA overtime pay provisions	not subject to the FLSA overtime pay provisions 2/
Western	20,000	5,439	14,561	12,201	2,360
Alaska	239	67	172	147	25
Arizona	1,518	418	1,101	924	176
California	13,104	3,561	9,543	8,017	1,526
Hawaii	547	154	393	316	77
Idaho	416	109	307	246	61
Nevada	627	184	443	362	81
Oregon	1,295	350	945	791	154
Washington	2,254	596	1,658	1,398	260

1/ Wage and salary employment figures are from the Bureau of Labor Statistics (BLS) 790 state series; totals may not add up exactly due to rounding; BLS state employment data does not add up to BLS national employment data.

2/ This concept includes employees not covered by the FLSA and employees exempt under sections of the FLSA other than Sec 13(a)(1).

See footnotes at end of table

Table C1f90 - Minimum wage and overtime pay exemption status of employees not exempt under Sec 13(a)(1) of the Fair Labor Standards Act, by industry division, United States, 1990 annual averages, in thousands

Industry Division	Employees not exempt under Sec 13(a)(1) of the FLSA (Non executive, administrative, professional, outside sales employees)			
	Minimum Wage exemptions apply 1/	Only Overtime exemptions apply		
		Total	Partial Exemption 2/	Full Exemption 3/
All Industries	1,644	4,894	1,048	3,846
Private Sector	1,644	3,977	170	3,807
Agriculture, Forestry and Fishing	841	640	92	548
Mining	0	0	0	0
Contract Construction	0	0	0	0
Manufacturing	22	98	55	43
Transportation and Public Utilities	5	1,897	0	1,897
Wholesale Trade	0	0	0	0
Retail Trade	38	981	0	981
Finance, Insurance and Real Estate	0	0	0	0
Services	336	281	23	258
(not including Private Households)				
Private Households	401	80	0	80
Public Sector	0	917	878	39
Federal Government	0	45	43	2
State and Local Government	0	872	835	37

See next page for footnotes

Footnotes for Table C1f -- Exemption status of employees, by industry

1/ These employees are also exempt from the overtime pay provisions of the FLSA.

2/ Includes workers who are exempt from premium payment for overtime whose workweek standard exceeds 40 hours per week.

3/ Does not include employees who are exempt from both the minimum wage and overtime pay provisions of the act or employees who are not covered by the FLSA.

Estimation Methodology for FLSA Coverage and Exemptions

The objective is to estimate minimum wage and overtime pay coverage and exemptions as described in the Fair Labor Standards Act (FLSA). Employment estimates have been calculated for the period of 1990-96, to update the information that was last calculated for 1990. The analysis covers the United States, the individual states, and data by race and sex. Efforts have been made to compare the new estimates with those produced in 1990 and to explain any significant differences (see below). The following steps were utilized as the methodology to produce accurate estimates. In general terms, estimates started with total employment, subtracted those not covered by the FLSA, and then calculated exemptions for the remaining employees.

1. Construct annual average estimates of total wage and salary workers from 1990-96 using national Bureau of Labor Statistics (BLS) 790 employment data (establishment based). Also, estimate employment for 11 major industries. Use the BLS 790 data for all industries except agriculture and private households, where use is made of Current Population Survey (CPS) household data for wage and salary workers. This is the starting point for estimates of coverage and exemptions. Coverage totals exclude those employees not covered by the FLSA because they are employed in enterprises with a sales volume less than \$500,000 and are not engaged in interstate commerce.

2. To estimate non-covered employees from the FLSA, the methodology utilizes Dunn & Bradstreet employment data by enterprise size for the retail trade and services industries and the prior report for 1990 for the rest of the industries. Retail trade and services make up the majority of cases where employees are working in enterprises that have less than \$500,000 in sales volume with individuals not engaged in interstate commerce. It is estimated that 50% of employees in retail trade or services in companies with less than \$500,000 sales are non-covered employees. This figure in 1997 is roughly one million more than the amount calculated in 1990. Interpolation is used for the years between 1990-97 to fill in amounts of non-covered employees for retail trade and services. For the remainder of industries, where non-covered totals are very small, the 1990 proportion of non-covered employment to total employment by industry is used applying the proportion from 1991-96.

3. Construct non-supervisory employee estimates for the major industries, excluding outside sales workers, from BLS 790 data. The difference between total employees and non-supervisory employees was used to reconcile with estimates of the exemption for executive, administrative, and professional employees as outlined in Part 541 of the Code of Federal Regulations. In manufacturing industries, all non-supervisory production workers are non-exempt (unless exempt under a different exemption), while non-production workers may or may not be exempt. In non-manufacturing industries, managers, department heads, executives, and officers of corporations were considered exempt while non-supervisory workers may or may not be exempt, especially if falling

within the professional category of occupations. A description of the differences between the two categories is found in the BLS Handbook of Methods.

4. Continuing from the above section, employees exempt from Sec 13(a)(1) were estimated. For the agriculture and government industries (where no breakout of supervisory employees is given) use was made of the OES matrix to determine the level of executive, administrative, and professional employees, applying exempt probabilities to each potential exempt occupation. No exemptions were estimated under Sec 13(a)(1) for private households. This is consistent with previous reports. For the rest of the industries, the data specified above in part 3 were utilized as the basis for estimates of executives, administrators, and professionals, further refining the estimates by using the OES matrix to calculate outside sales workers and determine further Sec 13(a)(1) exemption possibilities (from professional occupations not captured in the supervisory employment data).

5. Estimate exemptions from the FLSA for minimum wage and overtime pay for the United States using various data sources, including: a. BLS 1994 industry-occupation matrix (to map occupations within industries since many exemptions are largely industry based) b. ES-202 employment data at the 4 digit SIC level c. Business America and Dunn & Bradstreet detailed industry data that include information on size of firm (which were useful to estimate coverage with regard to small enterprises) d. refining estimates of the percentage of employment exempt in occupations generally exempt for executive, administrative, or professional and outside sales workers. The percentages were provided by knowledgeable Department of Labor staff and were primarily used to estimate professional exemptions, since a measure was already obtained of supervisory workers from the 790 employment. The percentages were only applied to the non-supervisory and non-production employees (depending on the industry, see part 3). Relying on this yearly information on supervisory/non-production employees allowed more accurate measurement of changes in the number of exempt workers since the data captured included not just total employment growth trends, but also the composition of workers within industry divisions. This was an advantage over simply using the one year OES matrix.

Where available data were not specific enough for certain exemptions, information was utilized from a 1988 ESA Minimum Wage and Maximum Hours study, based on unusually detailed 1987 data to benchmark exemption estimates, applying the appropriate proportions to employment data from 1990-96. This method was only used on the detailed exemptions, not Sec 13(a)(1). Details for each particular exemption are outlined in the following section titled "Detailed Descriptions of Methodology to Estimate Exemptions."

6. Code the March 1994 CPS micro data for categories of coverage, exempt from minimum wage, and exempt from overtime pay to create tabulations for data by racial category and gender. Proportions of employed, covered, non-covered, and exempt were then applied to the previously calculated United States coverage and exemption data to

achieve consistent estimates by race and gender. The proportions were trended over 1990-96 using employment trends by sex and race. For example, the other female category has been growing in employment faster than the overall rate of employment and this was captured in the estimates.

7. Utilize the BLS 790 state wage and salary employment data from 1990-96 to obtain state specific coverage and exemption totals. Use was made of U.S. proportions by industry and applied to the states at the one digit SIC level. It is important to note that the BLS state employment totals do not add up exactly to BLS national employment estimates, and therefore estimates of coverage and exemptions will not add up precisely either. This is an acknowledged fact of BLS 790 data.

To summarize, this methodology produced estimates of FLSA coverage and minimum wage and overtime pay exemptions for the United States, individual states, and demographic categories for the period 1990 to 1996. Counts for individual exemptions were presented along with some description of differences between prior 1990 estimates and the newly revised 1990 estimates.

Detailed Description of Methodology to Estimate Exemptions

The proportions of workers covered by the following exemptions were estimated, as described below. These proportions then were applied to the corresponding employment totals for each year.

Minimum Wage and Overtime Exemptions

13(a)(1) - Executive, Administrative, Professional and Outside sales workers' exemptions were estimated utilizing BLS 790 employment data for supervisory employees and added to total estimates of the professional and outside sales occupations from the 1994 OES matrix. Fixed proportions were applied to the non-supervisory employees for 1990-96.

13(a)(3) - Seasonal amusement and recreation employees were estimated by using the 1987 ESA study values (see note at end about 1987 minimum wage and maximum hours coverage estimates produced in 1988 by ESA) and the BLS 790 amusement and recreation employment for 1990-96.

13(a)(5) - Non-supervisory employees in the commercial fishing industry (SIC #091) and fish hatcheries and preserves industry (SIC #092) were estimated using ES-202 data and the OES matrix.

13(a)(6) - Agriculture workers on small farms were estimated by using Current Population Survey (CPS) employment data and Census of Agriculture data by size of farm. Since this exemption is more complex than simply defined by small farms, the 1987 study results also were utilized.

13(a)(7) - Employees exempt under Sec 14 were estimated using historical certificate data provided by the Department of Labor.

13(a)(8) - Small newspaper employee exemptions were calculated by determining what average size of firm produces a newspaper with a circulation of 4,000 or less and then using Dunn & Bradstreet employment data by size of firm. These numbers were further refined by using the 1987 study, which takes into account the fact that the newspaper must have the major part of circulation within the county or contiguous counties in which it publishes.

13(a)(10) - Switchboard operators of small telephone exchanges were not estimated because the number is so small (it was less than 10,000 in 1987) and there is no reasonably accessible data available.

13(a)(12) - Seamen on foreign vessels were estimated by using industry employment for the deep sea foreign transportation of freight industry (SIC #4412) and then applying the appropriate proportions based on the occupations capable of being classified as seamen: seamen, pilots, and ship engineers, using ES-202 data and the OES matrix.

13(a)(15) - Baby-sitters employed on a casual basis and companionship services were estimated based on the 1987 relationship of casual baby-sitters and companionship service workers to child care workers, which is roughly 50%.

6(f) - Domestic service employees working eight hours or less or with earnings too low to be covered by Social Security were estimated using a proportion produced by dividing the 1987 study value with the CPS employment in the private household industry. This proportion was applied to the employment data from 1990-96.

13(d) - Employees delivering newspapers or homeworkers making wreaths were not estimated because of the lack of reliable data and the small number of those affected by this exemption. This is consistent with earlier reports.

Overtime Exemptions

13(b)(1) - Motor carriers were estimated by using trucking industry employment and using the Bureau of Labor Statistics (BLS) industry-occupation matrix for 1994 to break out the drivers, mechanics, loaders, and drivers' helpers. Although there exist more employees who could potentially qualify under this exemption, (i.e., someone who carries a computer keyboard in his/her front seat across state lines for a client) this category of occupations is especially difficult to measure, except on a case-by-case basis.

13(b)(2) - Non-supervisory railroad employees were estimated by using BLS 790 employment data for SIC #40 and the OES matrix to eliminate the supervisory occupation employment.

13(b)(3) - Non-supervisory air transportation employees were estimated by using BLS 790 employment data for scheduled air transportation (SIC #4512) and the OES matrix to eliminate the supervisory occupation employment.

13(b)(5) - Outside buyers of poultry, eggs, cream, and milk were not estimated because the number is so small (it was less than 10,000 in 1987) and there are no reasonably accessible data available.

13(b)(6) - Total seamen for the overtime only exemption were calculated by taking the percentage of water transportation employment from the BLS 790 that fits into the seamen occupation, again using the OES matrix.

13(b)(9) - Announcers, news editors, and chief engineers of radio and TV stations in small population areas were estimated by using industry employment Business America data for those firms located in low populated regions (i.e., less than 100,000 and not in a metro area) and applying the OES matrix to that employment total to capture only the announcers, news editors, and chief engineers.

13(b)(10) - Sales workers, mechanics, and partsmen working in auto sales, were estimated using occupation distributions from the OES matrix for the following industries: new and used car dealers, used car dealers, boat dealers, recreational vehicle dealers, motorcycle dealers, and automotive dealers, not elsewhere classified.

13(b)(11) - Drivers and drivers' helpers paid on a trip basis were not estimated because of a lack of relevant data and the small size of the employees affected by this exemption (less than 10,000 in 1987).

13(b)(12) - Agriculture and irrigation workers were estimated by calculating the total amount of non-supervisory agriculture employees in the Current Population Survey (CPS) data and separating those who are already exempt from the earlier exemption 13(a)(6).

13(b)(13) - Farm workers engaged in livestock auction operations were not estimated because of the nature of the exemption. This is consistent with the 1987 study.

13(b)(14) - Country elevators in the area of production were estimated using the 1987 study value and pushing it forward by the growth in agriculture employment.

13(b)(15) - Employees processing maple sap into sugar and syrup were estimated by using six digit SIC level data from Business America.

13(b)(16) - Transportation of farm products or farm harvesting employees were calculated based on the 1987 study values and applying agriculture employment growth.

13(b)(17) - Taxicab drivers were estimated by using the OES matrix and separating out the chauffeurs based on the unique detail in the 1982 OES survey. Taxicab drivers were then trended by the change in employment in SIC #412 from the ES-202 series.

13(b)(20) and 7(k) - Law enforcement and fire protection employees were calculated by utilizing the OES matrix and 790 data for the following occupations: fire fighters, fire inspectors, correction officers, police patrol officers, and police detectives & investigators (working in a public agency). The less than 5 employees exemption was estimated using the 1987 study relationship of those employees in establishments with less than 5 employees to total fire, police, correctional employment (basically, exempt in 13(b)(20) divided by exempt in 7(k) from 1987).

13(b)(21) - Domestic service live-ins were estimated by using the 1987 study figures and applying growth based on private household employment data for 1990-96.

13(b)(24) - Substitute parents for institutionalized children were not estimated because of the nature of the exemption. This is consistent with the 1987 study.

13(b)(27) - Non-supervisory motion picture theatre employees were estimated using motion picture theatre industry employment (SIC #783) in the BLS 790 program and the OES matrix.

13(b)(28) - Small loggers and forestry workers were calculated using Dunn & Bradstreet industry employment by size of firm for the logging and forestry services industries, excluding the supervisory workers.

13(b)(29) - Concessionaires in national parks, forests and in National Wildlife Refuge Systems were estimated using a proportion produced by dividing the 1987 study value with the BLS 790 employment in amusement and recreation. This proportion was applied to the employment data from 1990-96.

7(b)(3) - Independent bulk petroleum dealers were estimated using a proportion produced by dividing the 1987 study value with the BLS 790 employment in petroleum products. This proportion was applied to the employment data from 1990-96.

7(i) - Commission sales workers in retail or service establishments were estimated by preparing a ratio of the 1987 study value with employees in retail and services sales occupations from CPS household data and applying this ratio for 1990-1996 data.

7(m) - Tobacco handling and processing incidental to auction sales were estimated using a proportion produced by dividing the 1987 study value with the BLS 790 employment in tobacco products. This proportion was applied to the employment data from 1990-96.

13(h),(i),(j) - Cotton, sugar, and sugar beet employees were calculated by comparing the 1987 study results with industry employment from the ES-202 series at the 4-digit level for cotton ginning, sugarcane and sugar beets.

13(a)(16) and 13(a)(30) - Federally employed criminal investigators were not estimated this year. Their number is small and would likely be grouped together in those partially exempt in Sec 7(k) in current estimates. This concept could be added in future estimates.

13(a)(17) - Employees in computer-related occupations who earn at least \$27.63/hour are exempt from overtime pay. This concept was not estimated because of a redundancy with the professional exemption and a lack of data to determine the difference.

7(o) - State and local government employees granted compensatory time off instead of overtime pay were not estimated because of a lack of data.

Note: Proportions from the 1987 exemption estimates were based on a report developed by the ESA, Division of Program Development and Research, in 1988. This was a particularly detailed report in part developed for the 50th anniversary of the FLSA.

Differences Between 1990 Data: Previous and Current Methodology

Total wage and salary employment is 2.6 million lower for 1990 in the new estimates than in the previous comparable report. The current methodology uses the Bureau of Labor Statistics (BLS) 790 national series by major industry division for 1990-1996. For agriculture and private households, use is made of Current Population Survey (CPS) household-based wage and salary employment data. This methodology results in 112.15 million wage and salary employees for 1990. It should also be noted that the current estimates are based on the 1990 annual average and the prior report was for September 1990. This difference in employment estimates would be reduced to 1.1 million if BLS 790 state data for September 1990 had been utilized.

The updated executive, administrative, professional employees exempt under Sec 13(a)(1) total is higher by 8.5 million for the private sector. The new estimates rely heavily upon the BLS 790 employment data for supervisory and non-production workers. The use of this data and the assumptions built into the data alone account for increases. For example, in 1990 there are 996,000 supervisory employees in the BLS 790 data for transportation and public utilities, all of which should be counted as exempt. However, in the previous report, there were only 673,000 total exempt as executive, administrative, professional. In addition, some of the non-supervisory employees in transportation and public utilities are exempt as professionals, further increasing the number exempt.

The current methodology also utilized the 1994 BLS Occupational Employment Survey (OES) industry-occupation matrix. This matrix helped calculate how many employees were in typically exempt occupations for each industry. The use of an older matrix would result in differences in occupational employment by industry and therefore differences in the estimation of employees exempt as executive, administrative, or professional. For example, the manufacturing industry may rely on fewer low-skilled line assemblers in 1994 than in 1990, yet may use more professional engineers than in the past, consequently increasing the number of exempt employees. These types of subtle changes over time would theoretically be captured in different industry-occupation matrices.

The updated total for executive, administrative, professional for the public sector is lower by 1.5 million, from 7.4 million to 5.9 million. The federal government amount is actually higher by .8 million, while the state and local government amount is lower by 2.3 million. The current methodology relies on the 1994 OES matrix to estimate employment by occupation for the government. This matrix indicates that 16 percent of the state and local government employment is in professional occupations, helping to reduce the estimate. The earlier estimate for state and local government had 44.2% of all employees counted as executive, administrative, or professional. Meanwhile, the OES matrix indicates this amount should be closer to 30%. It should be noted that the BLS 790 data do not include detailed information on supervisory employees for the public sector, forcing the estimation to rely more heavily upon the OES matrix than in other industries.

The outside sales worker estimate has been reduced from 2.9 million to 1.7 million. The basic current methodology was to use the OES matrix to estimate the number of employees in various sales-related occupations by industry and apply an exempt probability to each occupation. The two industries with the most significant decline (compared to previous estimates) in outside sales workers are manufacturing and finance, insurance, and real estate. With manufacturing, the OES matrix had a substantial amount of employees in the all other sales and related workers occupation. It was estimated for the current methodology that 30% of the workers are outside salesmen. If this assumption was changed to a higher probability, the new estimate would be closer to the previous estimate. With regard to finance, insurance, and real estate, the reason for the reduction in outside sales from 1.19 million to .45 million is once again due to the 1994 OES matrix, which simply had very few employees in sales-related occupations compared with the previous estimate.

Other detailed exemption estimates are fairly close for both minimum wage and/or overtime pay exemptions. See the attached table, which compares the new estimates (1990-96) and special study estimates available for 1987.

To enhance consistency, outside sales workers have been removed from the last column on Tables 3a, c, d, and e (detailed information was not available to permit this change on Table 3b) because that concept is already represented in a previous column. This causes the last column totals to drop even lower than previous estimates. Note that the last two columns add up to the third to last column, where the applicable concepts are for employees who are not exempt under Sec 13(a)(1).

The order and grouping of states on Tables 3c and 3e have been changed to match the current Wage and Hour Division regional definitions.

Estimated number of non Sec 13(a)(1) employees exempt from minimum wage and/or overtime pay provisions of the FLSA (in thousands): Comparing earlier 1987 values with new estimates

<u>Minimum wage & Overtime pay</u>	1987	1990	1991	1992	1993	1994	1995	1996
Sec 6(f)	277	238	240	267	278	249	250	245
Sec 13(a)(1) outside sales workers only	2766	1712	1684	1670	1691	1737	1775	1804
Sec 13(a)(3)	77	90	94	99	105	111	120	129
Sec 13(a)(5)	16	14	15	14	13	12	11	11
Sec 13(a)(6)	1045	825	822	833	804	843	891	918
Sec 13(a)(7)	na	287	277	257	240	321	325	293
Sec 13(a)(8)	23	22	21	21	21	21	21	21
Sec 13(a)(10)	na	na	na	na	na	na	na	na
Sec 13(a)(12)	na	5	6	5	5	5	4	4
Sec 13(a)(15)	196	163	176	183	179	148	162	143
Totals	4400	3356	3334	3349	3336	3446	3560	3568

<u>Full Overtime Exemption</u>	1987	1990	1991	1992	1993	1994	1995	1996
Sec 7(i)	542	566	558	547	561	575	588	604
Sec 7(n)	na	na	na	na	na	na	na	na
Sec 13(b)(1)	1152	1091	1076	1077	1136	1199	1248	1300
Sec 13(b)(2)	298	229	216	209	204	198	196	195
Sec 13(b)(3)	424	477	467	458	454	446	444	443
Sec 13(b)(5)	na	na	na	na	na	na	na	na
Sec 13(b)(6)	62	41	43	40	39	41	42	42
Sec 13(b)(9)	25	11	11	10	11	11	11	11

Sec 13(b)(10)	641	574	544	541	581	598	621	645
Sec 13(b)(11)	na	na	na	na	na	na	na	na
Sec 13(b)(12)	657	520	514	521	499	527	565	586
Sec 13(b)(13)	na	na	na	na	na	na	na	na
Sec 13(b)(14)	15	15	15	15	14	16	16	16
Sec 13(b)(15)	na	1	1	1	1	1	1	1
Sec 13(b)(16)	21	21	21	21	20	22	22	22
Sec 13(b)(17)	22	47	46	44	44	45	44	43
Sec 13(b)(20)	40	39	41	41	44	46	43	45
Sec 13(b)(21)	93	80	81	90	93	84	84	82
Sec 13(b)(24)	na	na	na	na	na	na	na	na
Sec 13(b)(27)	72	99	97	97	98	99	105	107
Sec 13(b)(28)	33	35	33	33	34	34	34	35
Totals	4097	3846	3761	3746	3814	3940	4065	4178

Partial Overtime Exemption

	1987	1990	1991	1992	1993	1994	1995	1996
Sec 7(b)(3)	36	35	35	35	33	33	32	31
Sec 7(k)	903	878	926	926	990	1028	979	1023
Sec 7(m)	23	21	20	20	18	18	18	17
Sec 13(b)(29)	20	23	24	26	27	29	31	33
Sec 13(h)	25	28	28	29	29	29	30	31
Sec 13(i)	48	47	50	50	50	51	50	49
Sec 13(j)	17	17	17	17	18	16	16	15
Totals	1072	1048	1101	1102	1166	1205	1155	1200

APPENDIX D

FLSA COMPLIANCE INFORMATION

FY 1991-1995

AND

**CERTIFICATES UNDER SECTION 14 OF THE FAIR LABOR
STANDARDS ACT**

FY 1991-1994

Table D1a
FLSA Statistics by Industry
FY 1995
Number of Employees Owed Back Wages

Industry	Number of Compliance Actions	Minimum Wage	Overtime Compensation	Unduplicated Count ¹
All Industries	44,158	78,588	180,724	243,299
Private Sector	42,619	75,783	161,539	221,776
Agriculture	1,589	4,213	4,134	7,851
Mining	168	443	1,279	1,496
Construction	4,483	3,443	19,231	21,780
Manufacturing	4,530	7,867	28,171	33,203
Transportation & Public Utilities	2,274	2,622	7,716	9,968
Wholesale Trade	1,585	987	5,353	6,120
Retail Trade	12,531	28,227	28,743	51,839
Finance, Insurance and Real Estate	1,396	1,564	6,180	7,189
Services	14,063	26,417	60,732	82,330
Public Sector	1,002	2,220	15,270	17,143
Nonclassified Establishments	537	585	3,915	4,380

¹ Excludes double-counting of those paid below both minimum wage and overtime compensation required by the FLSA.

Table D1b
FLSA Statistics by Industry
FY 1995
Amount of Back Wages Owed

Industry	Total	Minimum Wage	Overtime Compensation
All Industries	\$ 140,915,538	\$ 20,995,677	\$ 119,919,861
Private Sector	114,546,262	18,810,806	95,735,456
Agriculture	2,713,784	879,299	1,834,485
Mining	1,231,032	236,599	994,433
Construction	15,139,967	880,877	14,259,090
Manufacturing	19,407,373	2,508,313	16,899,060
Transportation & Public Utilities	11,951,114	854,628	11,096,486
Wholesale Trade	4,186,873	308,570	3,878,303
Retail Trade	19,636,543	5,434,542	14,202,001
Finance, Insurance & Real Estate	4,376,892	1,006,566	3,370,326
Services	35,902,684	6,701,412	29,201,272
Public Sector	22,897,720	2,061,307	20,836,413
Nonclassified Establishments	3,471,556	123,564	3,347,992

Table D1c
FLSA Statistics by Industry
FY 1995
Number of Employees to Whom Employers
Agreed to Pay Back Wages

Industry	Minimum Wage	Overtime Compensation	Unduplicated Count
All Industries	64,476	164,778	216,782
Private Sector	61,849	146,386	195,613
Agriculture	2,936	3,129	5,928
Mining	374	1,549	1,764
Construction	2,882	17,082	19,270
Manufacturing	6,528	25,900	30,181
Transportation & Public Utilities	2,437	4,978	7,091
Wholesale Trade	933	5,055	5,789
Retail Trade	12,531	28,227	28,743
Finance, Insurance & Real Estate	1,073	5,254	6,178
Services	24,131	55,745	76,423
Public Sector	2,049	14,537	16,858
Nonclassified Establishments	578	3,855	4,311

Table D1d
FLSA Statistics by Industry
FY 1995
Amount of Back Wages Employers Agreed to Pay

Industry	Total	Minimum Wage	Overtime Compensation
All Industries	\$108,135,767	\$14,640,884	\$93,494,883
Private Sector	86,104,864	12,506,271	73,598,593
Agriculture	1,734,558	451,103	1,283,455
Mining	1,007,162	170,095	837,067
Construction	12,542,449	684,705	11,857,744
Manufacturing	16,393,821	1,660,763	14,733,058
Transportation & Public Utilities	3,576,270	544,189	3,032,081
Wholesale Trade	3,127,265	268,340	2,858,925
Retail Trade	16,146,745	3,422,018	12,724,727
Finance, Insurance & Real Estate	2,447,764	344,234	2,103,530
Services	29,128,830	4,960,824	24,168,006
Public Sector	19,405,194	2,012,940	17,392,254
Nonclassified Establishments	2,625,709	121,673	2,504,036

Table D1a
FLSA Statistics by Industry
FY 1994
Number of Employees Owed Back Wages

Industry	Number of Compliance Actions	Minimum Wage	Overtime Compensation	Unduplicated Count
All Industries	50,754	91,743	241,457	310,132
Private Sector	48,504	82,907	208,306	273,580
Agriculture	1,824	4,470	4,943	9,195
Mining	202	187	1,163	1,225
Construction	4,749	3,777	25,790	28,340
Manufacturing	4,450	10,040	30,031	35,601
Transportation & Public Utilities	2,660	3,279	8,442	11,066
Wholesale Trade	2,075	2,301	6,394	7,977
Retail Trade	16,206	30,633	48,822	74,467
Finance, Insurance and Real Estate	1,742	2,539	13,551	15,735
Services	14,596	25,681	69,170	89,974
Public Sector	1,242	7,282	27,189	29,383
Nonclassified Establishments	1,008	1,554	5,962	7,169

Table D1b
FLSA Statistics by Industry
FY 1994
Amount of Back Wages Owed

Industry	Total	Minimum Wage	Overtime Compensation
All Industries	\$126,642,240	\$19,531,807	\$107,180,920
Private Sector	132,006,547	23,750,548	108,255,999
Agriculture	3,905,266	1,780,517	2,124,749
Mining	962,185	58,630	903,555
Construction	17,810,606	1,485,913	16,324,693
Manufacturing	19,577,677	3,180,258	16,397,419
Transportation & Public Utilities	6,827,424	1,628,081	5,199,343
Wholesale Trade	4,764,057	1,117,997	3,646,060
Retail Trade	31,798,697	6,680,494	25,118,203
Finance, Insurance & Real Estate	5,877,005	1,139,594	4,737,411
Services	40,483,630	6,679,064	33,804,566
Public Sector	18,750,543	1,358,892	17,391,651
Nonclassified Establishments	5,227,333	392,578	4,834,755

Table D1c
FLSA Statistics by Industry
FY 1994
Number of Employees to whom Employers
Agreed to Pay Back Wages

Industry	Minimum Wage	Overtime Compensation	Unduplicated Count ¹
All Industries	84,884	227,260	291,157
Private Sector	75,927	195,787	256,071
Agriculture	2,812	4,676	7,291
Mining	156	1,101	1,160
Construction	3,423	22,977	25,313
Manufacturing	9,491	26,666	32,437
Transportation & Public Utilities	2,906	7,800	10,149
Wholesale Trade	2,091	5,984	7,381
Retail Trade	29,632	47,322	72,212
Finance, Insurance & Real Estate	2,299	12,723	14,767
Services	23,117	66,538	85,361
Public Sector	7,240	26,234	28,420
Nonclassified Establishments	1,717	5,239	6,666

¹ Excludes double-counting of those paid below both minimum wage and overtime compensation required by the FLSA.

Table D1d
FLSA Statistics by Industry
FY 1994
Amount of Back Wages Employers
Agreed to Pay

Industry	Total	Minimum Wage	Overtime Compensation
All Industries	\$126,642,240	\$19,531,807	\$107,180,920
Private Sector	107,278,026	17,799,148	89,549,365
Agriculture	1,941,419	422,806	1,518,613
Mining	870,025	43,747	826,278
Construction	13,827,648	1,173,424	12,655,187
Manufacturing	14,919,831	2,778,435	12,141,396
Transportation & Public Utilities	5,065,966	1,272,205	3,863,285
Wholesale Trade	3,737,263	401,946	3,035,317
Retail Trade	28,628,532	5,582,671	23,045,861
Finance, Insurance & Real Estate	4,523,306	854,617	3,688,689
Services	34,064,036	5,269,297	28,794,739
Public Sector	15,575,425	1,338,980	14,236,445
Nonclassified Establishments	3,788,789	393,679	3,395,110

Table D1a
FLSA Statistics by Industry
FY 1993
Number of Employees Owed Back Wages

Industry	Number of Compliance Actions	Minimum Wage	Overtime Compensation	Unduplicated Count
All Industries	54,748	158,028	243,790	378,343
Private Sector	52,476	140,991	219,650	339,590
Agriculture	2,534	16,068	7,204	22,884
Mining	255	207	1,195	1,312
Construction	5,435	4,444	34,647	37,711
Manufacturing	4,892	19,233	29,685	44,763
Transportation & Public Utilities	2,848	4,275	9,714	13,098
Wholesale Trade	2,043	2,897	8,616	10,701
Retail Trade	17,064	58,293	46,491	98,573
Finance, Insurance & Real Estate	1,876	1,973	7,811	9,119
Services	15,529	33,601	74,287	101,429
Public Sector	1,426	10,123	17,794	27,012
Nonclassifiable Establishments	846	6,914	6,346	11,741

Table D1b
FLSA Statistics by Industry
FY 1993
Amount of Back Wages Owed

Industry	Total	Minimum Wage	Overtime Compensation
All Industries	\$160,413,111	\$35,649,254	\$124,763,857
Private Sector	137,602,186	32,037,487	105,564,704
Agriculture	4,121,262	1,266,598	2,854,664
Mining	1,080,383	76,397	1,003,986
Construction	21,869,435	1,362,272	20,507,163
Manufacturing	16,844,922	5,011,924	11,832,998
Transportation & Public Utilities	7,786,217	1,824,532	5,961,685
Wholesale Trade	5,687,076	971,742	4,715,334
Retail Trade	30,330,290	12,459,947	17,870,343
Finance, Insurance & Real Estate	5,218,379	1,371,214	3,847,165
Services	44,664,222	7,692,856	36,971,366
Public Sector	16,329,782	2,164,420	14,165,362
Nonclassified Establishments	6,481,143	1,447,352	5,033,791

Table D1c
FLSA Statistics by Industry
FY 1993
Number of Employees to Whom Employers
Agreed to Pay Back Wages

Industry	Minimum Wage	Overtime Compensation	Unduplicated Count ¹
All Industries	138,639	216,804	336,466
Private Sector	122,214	194,088	299,693
Agriculture	10,722	7,773	18,150
Mining	161	1,067	1,164
Construction	3,650	26,927	29,701
Manufacturing	16,681	26,943	39,785
Transportation & Public Utilities	3,590	8,342	11,449
Wholesale Trade	2,745	7,621	9,617
Retail Trade	53,939	43,376	92,479
Finance, Insurance & Real Estate	1,923	7,552	8,837
Services	28,803	64,487	88,511
Public Sector	9,600	17,244	25,988
Nonclassified Establishments	6,825	5,472	10,785

¹ Excludes double-counting of those paid below both minimum wage and overtime compensation required by the FLSA.

Table D1d
FLSA Statistics by Industry
FY 1993
Amount of Back Wages Employers
Agreed to Pay

Industry	Total	Minimum Wage	Overtime Compensation
All Industries	\$122,391	\$24,311,860	\$98,079,482
Private Sector	101,808,987	21,490,184	80,318,803
Agriculture	3,516,845	875,377	2,641,468
Mining	960,658	65,631	895,027
Construction	14,252,229	978,519	13,273,710
Manufacturing	13,989,331	4,023,327	9,966,004
Transportation & Public Utilities	5,484,621	966,659	4,517,962
Wholesale Trade	4,027,266	799,478	3,227,808
Retail Trade	22,074,001	7,063,449	15,010,552
Finance, Insurance & Real Estate	4,716,200	1,301,783	3,414,417
Services	32,787,816	5,415,961	27,371,855
Public Sector	14,767,415	1,417,312	13,350,103
Nonclassified Establishments	5,814,940	1,404,364	4,410,576

Table D1a
FLSA Statistics by Industry
FY 1992
Number of Employees Owed Back Wages

Industry	Number of Compliance Actions	Minimum Wage	Overtime Compensation	Unduplicated Count
All Industries	60,516	149,509	298,267	418,742
Private Sector	58,355	136,438	262,741	371,187
Agriculture	2,429	5,786	5,801	11,329
Mining	339	776	3,770	4,261
Construction	5,794	6,436	40,454	45,160
Manufacturing	4,856	14,886	35,388	44,044
Transportation & Public Utilities	2,965	3,854	11,288	14,511
Wholesale Trade	2,279	3,512	9,944	12,410
Retail Trade	21,015	57,560	55,784	106,005
Finance, Insurance & Real Estate	2,178	2,578	8,206	10,052
Services	16,500	41,050	92,106	123,415
Public Sector	1,443	11,516	22,013	32,897
Nonclassified Establishments	718	1,555	13,513	14,658

Table D1b 92
FLSA Statistics by Industry
FY 1992
Amount of Back Wages Owed

Industry	Total	Minimum Wage	Overtime Compensation
All Industries	\$177,829,959	\$35,450,982	\$142,378,977
Private Sector	149,993,561	32,783,622	117,209,939
Agriculture	3,359,376	806,130	2,553,246
Mining	190,463	2,018,300	2,208,763
Construction	22,964,689	1,915,344	21,049,345
Manufacturing	22,199,132	4,908,734	17,290,398
Transportation & Public Utilities	8,476,718	1,674,335	6,802,383
Wholesale Trade	6,757,784	819,995	5,937,789
Retail Trade	28,369,721	8,124,987	20,244,734
Finance, Insurance & Real Estate	5,240,939	1,073,989	4,166,950
Services	50,416,439	13,269,645	37,146,794
Public Sector	15,767,206	2,200,080	13,567,126
Nonclassified Establishments	12,069,192	467,280	11,601,912

Table D1c
FLSA Statistics by Industry
FY 1992
Number of Employees to whom Employers
Agreed to Pay Back Wages

Industry	Minimum Wage	Overtime Compensation	Unduplicated Count ¹
All Industries	137,221	269,815	382,786
Private Sector	124,771	235,605	337,042
Agriculture	5,091	3,626	8,596
Mining	352	3,534	3,656
Construction	5,916	35,492	39,906
Manufacturing	12,646	33,294	40,892
Transportation & Public Utilities	3,574	10,108	13,053
Wholesale Trade	2,905	8,482	10,592
Retail Trade	53,812	51,475	99,090
Finance, Insurance & Real Estate	2,326	6,858	8,657
Services	38,149	82,736	112,600
Public Sector	11,258	21,118	31,833
Nonclassified Establishments	1,192	13,092	13,911

¹ Excludes double-counting of those paid below both minimum wage and overtime compensation required by the FLSA.

Table D1d
FLSA Statistics by Industry
FY 1992
Amount of Back Wages Employers
Agreed to Pay

Industry	Total	Minimum Wage	Overtime Compensation
All Industries	\$136,505,202	\$27,612,950	\$1,108,887,252
Private Sector	111,781,642	25,438,412	1,086,343,230
Agriculture	1,983,573	597,042	1,386,531
Mining	1,846,816	99,179	1,747,637
Construction	17,308,710	1,654,157	15,654,553
Manufacturing	15,554,705	3,697,437	11,857,268
Transportation & Public Utilities	6,306,209	1,016,004	5,290,205
Wholesale Trade	5,187,153	608,107	4,579,046
Retail Trade	20,987,971	6,162,960	14,825,011
Finance, Insurance & Real Estate	3,328,373	586,253	2,742,120
Services	39,278,132	11,017,273	28,260,859
Public Sector	13,459,646	1,897,833	11,561,813
Nonclassified Establishments	11,263,914	281,705	10,982,209

Table D1a
FLSA Statistics by Industry
FY 1991
Number of Employees Owed Back Wages

Industry	Number of Compliance Actions	Minimum Wage	Overtime Compensation	Unduplicated Count
All Industries	60,686	116,585	286,604	382,914
Private Sector	58,667	111,327	250,418	342,306
Agriculture	2,821	3,498	5,921	9,227
Mining	376	924	2,720	3,192
Construction	6,335	5,754	49,865	53,501
Manufacturing	4,883	15,891	30,597	43,495
Transportation & Public Utilities	3,113	5,211	9,990	14,459
Wholesale Trade	2,422	2,786	7,895	9,978
Retail Trade	19,750	43,708	50,367	88,226
Finance, Insurance & Real Estate	2,214	2,232	7,826	9,667
Services	16,753	31,323	85,237	110,561
Public Sector	1,577	4,556	30,356	34,234
Nonclassified Establishments	442	702	5,830	6,374

Table D1b
FLSA Statistics by Industry
FY 1991
Amount of Back Wages Owed

Industry	Total	Minimum Wage	Overtime Compensation
All Industries	\$142,723,851	\$24,896,762	\$117,827,089
Private Sector	123,737,342	23,488,998	100,248,354
Agriculture	2,955,678	780,773	2,174,905
Mining	2,111,657	132,326	1,979,331
Construction	23,933,172	1,328,253	22,604,909
Manufacturing	14,148,086	3,635,767	10,512,319
Transportation & Public Utilities	8,521,925	1,904,745	6,617,200
Wholesale Trade	5,300,074	946,467	4,353,607
Retail Trade	23,422,142	6,820,648	16,601,494
Finance, Insurance & Real Estate	3,944,106	719,501	3,224,605
Services	39,400,502	7,220,518	32,179,984
Public Sector	15,072,053	1,250,695	13,821,358
Nonclassified Establishments	3,914,446	157,069	3,757,377

Table D1c
FLSA Statistics by Industry
FY 1991
Number of Employees to whom Employers
Agreed to Pay Back Wages

Industry	Minimum Wage	Overtime Compensation	Unduplicated Count ¹
All Industries	100,079	266,690	350,652
Private Sector	94,444	242,668	321,694
Agriculture	2,983	5,186	8,004
Mining	859	2,751	3,185
Construction	4,813	46,829	50,110
Manufacturing	9,133	28,707	35,706
Transportation & Public Utilities	4,272	8,813	12,507
Wholesale Trade	2,342	7,077	8,869
Retail Trade	40,521	56,744	92,300
Finance, Insurance & Real Estate	1,926	7,007	8,618
Services	27,595	79,554	102,395
Public Sector	4,892	20,326	24,677
Nonclassified Establishments	743	3,696	4,281

¹ Excludes double-counting of those paid below both minimum wage and overtime compensation required by the FLSA.

Table D1d
FLSA Statistics by Industry
FY 1991
Amount of Back Wages Employers
Agreed to Pay

Industry	Total	Minimum Wage	Overtime Compensation
All Industries	\$115,265,086	\$16,770,033	\$98,495,053
Private Sector	98,471,283	15,436,008	83,035,275
Agriculture	2,330,292	599,588	1,730,704
Mining	1,980,502	107,266	1,873,216
Construction	18,593,227	866,101	17,727,126
Manufacturing	10,511,580	1,946,623	8,564,957
Transportation & Public Utilities	6,243,496	960,171	5,283,325
Wholesale Trade	4,284,660	661,090	3,623,570
Retail Trade	19,056,701	4,931,853	14,124,848
Finance, Insurance & Real Estate	3,062,264	575,294	2,486,970
Services	32,408,561	4,788,002	27,620,559
Public Sector	13,448,518	1,167,264	12,281,254
Nonclassified Establishments	3,345,285	166,761	3,178,524

Table 1a
Certificates Granting a Partial Minimum Wage Exemption
and Employment Authorization under FLSA Sections 14(a) and 14(b)
FY 1993 - 1994

Section and Type of Certificate	Certificates		Employment Authorized	
	FY 1994	FY 1993	FY 1994	FY 1993
Section 14(a), Total	643	502	652	502
Learner	1	1	10	10
Student-learner	642	501	642	501
Student-worker	0	0	0	0
Apprentice	0	0	0	0
Messenger	0	0	0	0
Section 14(b)				
Full-time students*	10,987	6,388	102,317	59,723
Retail & Service	10,592	6,174	82,093	47,852
Agriculture	338	181	2,623	1,408
Higher ed	57	33	17,601	10,463

* Note that data for the number of full-time students employed in retail or service establishments and agriculture are not reported. The data shown are based upon estimates that an average of 7.75 full-time students are employed annually under each certificate.

Table 1b
**Certificates Granting a Partial Minimum Wage Exemption
and Employment Authorized under Section 14(c) of the FLSA
FY 1993 - 1994**

Type of Certificate	Certificates		Employment Authorized	
	FY 1994	FY 1993	FY 1994	FY 1993
Competitive industry	1,725	1,653	5,501	4,334
Rehabilitation centers*	5,750	5,430	200,000	165,470
Patient workers in hospitals and institutions	393	396	14,300	13,700

* Unduplicated count of certified facilities.

Table 2a
Certificates Granting a Partial Minimum Wage Exemption and
Employment Authorization under Sections 14(a) and 14(b) of the
Fair Labor Standards Act
FY 1991 - 1992

Section and type of Certificate	Certificates		Employment Authorized	
	FY 1992	FY 1991	FY 1992	FY 1991
Section 14(a), Total	531	581	644	594
Learner	2	2	15	15
Student-learner	529	579	529	579
Student-worker	0	0	0	0
Apprentice	0	0	0	0
Messenger	0	0	0	0
Section 14(b)				
Full-time Students*	7,291	8,759	59,723	68,892
Retail & service	7,062	8,482	54,734	65,741
Agriculture	193	218	1,499	1,691
Higher ed	36	59	12,659	17,836

* Note that data for the number of full-time students employed in retail or service establishments and agriculture are not reported. The data shown are based upon estimates that an average of 7.75 full-time students are employed annually under each certificate.

Table 2b
Certificates Granting a Partial Minimum Wage Exemption
and Employment Authorized under Section 14 (c) of the FLSA
FY 1991 - 1992

Type of Certificate	Certificates		Authorized Employment	
	FY 1992	FY 1991	FY 1992	FY 1991
Competitive industry	1,733	1,770	6,262	5,184
Rehabilitation Centers*	5,571	5,237	171,370	178,697
Patient workers in hospitals and institutions	437	244	10,051	7,577

* Unduplicated count of certified facilities.

