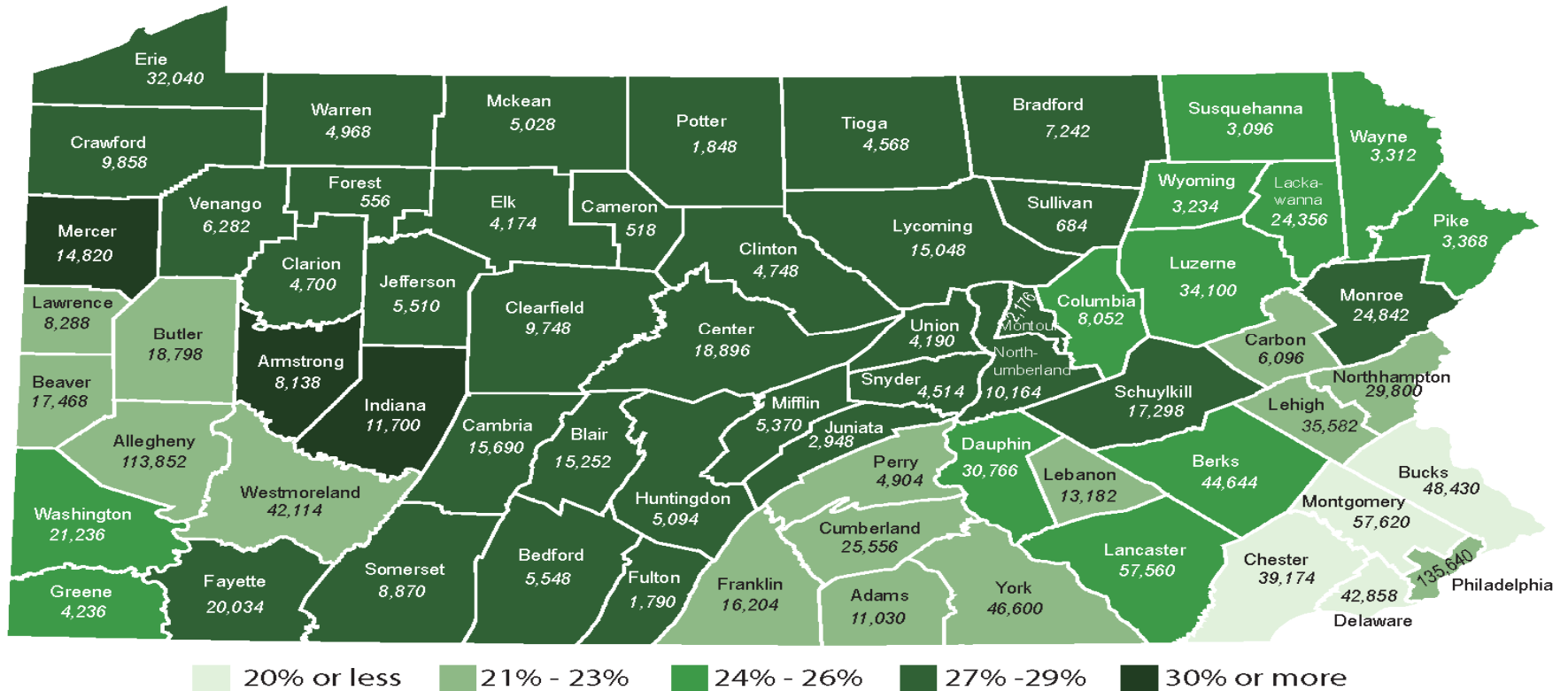


Giving the Local Economy a Boost: The Impact of Raising the Pennsylvania Minimum Wage to \$10.10 Per Hour by County

By Mark Price, April 22, 2015

Increasing the Minimum Wage to \$10.10 Per Hour Would Raise the Wages of 1.2 Million Pennsylvania Workers

The number of workers in each county that would get a raise from a higher minimum wage can be found by the county's name.



Percentage of resident employment represented by workers who would get a raise with a minimum wage of \$10.10 per hour (PA average: 23%)

Source: Keystone Research Center analysis of Current Population Survey and American Community Survey data

Pennsylvania Governor Tom Wolf and the General Assembly are currently considering proposals to raise the state's minimum hourly wage.

This *Policy Watch* examines the local impact of a minimum wage increase to \$10.10 per hour.

Fact sheets are available online for each county, with detailed demographic data on the workers affected by a minimum wage increase (<http://www.keystoneresearch.org/countywageboost>).

Boost Wages, Boost the Economy

When a significant number of jobs in Pennsylvania don't pay enough for our neighbors to afford the basics – things like food, car repairs and eyeglasses – the local economy suffers. For many in our communities, wages are so low that they are forced, even while working, to rely on the local food bank to help make ends meet. Policies that raise the wage and benefits floor can help restore spending on the basics and, in the process, boost the local economy.

Several proposals before the Pennsylvania legislature would raise the minimum wage. One of those proposals, an increase in the minimum wage to \$10.10 per hour, would boost the wages of 1.2 million workers, or 23%, of the state's resident workforce. In total, wages in Pennsylvania would increase by \$1.8 billion.¹ The higher spending that would result would generate 6,000 jobs.

Raising the minimum wage to \$10.10 per hour would benefit 2.9 times as many workers, and boost total wages more than five times as much

as an alternative proposal to increase the minimum wage to \$8.75 per hour.²

The majority of workers in Pennsylvania that would get a raise as a result of a statewide minimum wage increase are adults (87%) working full-time (50%). On average, the Pennsylvania workers that would benefit from a minimum wage increase earn 41% of their family's income.

Increasing the minimum wage to \$10.10 per hour would result in a meaningful boost to family incomes in Pennsylvania and help grow the state's economy.

Local Impacts

In comparing the local impact of proposals to raise the minimum wage we find that:

- In 46 of Pennsylvania's 67 counties, at least one in four workers would benefit from an increase in the minimum wage to \$10.10 per hour (Table 1).
- In contrast, less than one in 10 workers in 46 counties would get a raise under an alternative proposal to raise the minimum wage to \$8.57 per hour.
- Philadelphia and Allegheny counties have the largest number of workers that would benefit from an increase in the minimum wage to \$10.10 per hour, at 135,640 and 113,852 respectively.
- In both those counties a minimum wage of \$10.10 per hour would benefit 2.8 times as many workers as a minimum wage of \$8.75 per hour.

wages by \$353 million and create 700 jobs. Note the affected employment and wage estimates for a minimum wage of \$8.75 per hour exclude workers under the age of 19 because the proposal does not include them.

¹ David Cooper and Mark Price, *Falling Short: The Impact of Raising the Minimum Wage in PA to \$8.75 vs. \$10.10*. Keystone Research Center. February 2015. <http://keystoneresearch.org/fallingshort>

²² We estimate an increase in the minimum wage to \$8.75 per hour would raise the wages of 430,000 workers or 7.7% of the resident workforce. This would boost

- While urban counties, reflecting their larger population, have more workers impacted by a minimum wage increase, more workers as a share of the resident workforce would be impacted in rural counties. In 48 rural counties in Pennsylvania, 395,000 workers – or 27% of the rural resident workforce – would benefit from a minimum wage increase to \$10.10 per hour (Table 3).³
- In urban counties, the workers that would get a raise from a minimum wage increase to \$10.10, on average, account for 21% of the resident workforce.
- A raise to \$10.10 would benefit 2.9 times more rural workers than a minimum wage increase to \$8.75.
- As a result of a minimum wage increase to \$10.10 per hour, wages would increase, in total, in Philadelphia by \$202 million; in Allegheny County by \$176 million; and in rural Pennsylvania counties by \$588 million (Tables 2 and 3).
- A minimum wage increase to \$10.10 per hour would boost wages in Philadelphia and Allegheny counties and rural Pennsylvania more than five times as much as a minimum wage increase to \$8.75.

More Local Data

Tables 4 and 5 present the total number of workers impacted and the total increase in wages by metropolitan area for a minimum wage increase to \$10.10 and, alternately, to \$8.75 per hour.

³ See Table 3 for a list of rural and urban counties.

⁴ Specifically, we present for affected workers data on gender, age, race & ethnicity, family status (marital and parental status), family income, share of family income earned by affected workers, work hours, and educational attainment.

We have posted [online fact sheets](#) that provide a brief summary of employment and wage impacts as well as demographic⁴ data on the workers affected by a minimum wage increase to \$10.10 per hour for each Pennsylvania county.

Conclusion

It's not uncommon for opponents of raising the minimum wage to note that few people in our communities earn wages low enough to be impacted by the minimum wage. Official statistics are often selectively invoked to illustrate that those who earn low wages are really just teenagers from high-income families.⁵

As this *Policy Watch* and the accompanying [county fact sheets](#) illustrate, the reality is that a minimum wage increase to \$10.10 per hour would boost the wages of 1.2 million workers in Pennsylvania. The workers that would get a raise represent a substantial share of the resident workforce in every county in the commonwealth, from a high of 31% in Mercer County in the Southwest to a low of 16% in Montgomery County in the Southeast.

In every part of the commonwealth the workers that would be impacted by a minimum wage increase earn a substantial share of their family's income. For example, in the Northwest region that includes Cameron, Clarion, Clearfield, Elk, Forest, Jefferson, McKean, Potter, and Venango counties, on average, the workers that would get a raise earn just under half (48.8%) of their family income.

⁵ Lobbyists for business associations, especially the Pennsylvania Chamber of Business and Industry and the National Federation of Independent Business, frequently quote the demographic characteristics of workers at or near \$7.25 per hour instead of the characteristics of workers who would see their earnings rise with an increase in the minimum wage to \$10.10 (or alternatively to \$8.75).

The vast majority of workers affected by a minimum wage increase are adults. For example, in the Southwest in Allegheny County 92.1% of workers benefiting from a minimum wage increase are adults; in the Northwest in Erie 89.3% are adults; in the Southeast in Delaware County 87.9% are adults; in the Northeast in Monroe County 89.3% are adults; and, finally, even in Centre County, home of Pennsylvania State University, 88% of affected workers are adults.

Overall, in the state 37.2% of affected workers are age 40 and older, a share that ranges from a high of just over half (54.3%) in Montour and Northumberland counties, to a low of one in four in Centre County.

Why are so many workers touched by a minimum wage increase? On average, from 1969 to 2015, the purchasing power of the minimum wage has fallen by 0.4% a year.⁶ As the wage floor has fallen like quicksand, it has pulled down the wages of the lowest-earning fifth of Pennsylvania workers. That's why restoring the purchasing power of the minimum wage by increasing it to \$10.10 per hour would benefit so many Pennsylvania workers.

The minimum wage has lost purchasing power because powerful corporations have successfully lobbied to delay increases in the federal minimum wage as well as weakened the law with loopholes such as a tipped minimum wage of \$2.83 per hour for restaurant and tipped workers.⁷ Their lobbying success in depressing the wage floor has given rise to state and local campaigns to restore the purchasing power of the minimum wage. So far 29 states, including every state in the Northeast but Pennsylvania and New Hampshire, have raised the minimum wage above the federal minimum of \$7.25 per hour.

⁶ On average, from 1938 to 1968 the purchasing power of the minimum wage increased by 4.5% a year.

⁷ \$2.83 is the tipped minimum wage in Pennsylvania. The federal tipped minimum wage is \$2.13 per hour. Forcing tipped workers to use their tips to get them to the

In Pennsylvania, corporate interests, in addition to successfully preventing state legislative action to raise the minimum wage to reflect increases in the cost of living, have also secured legislative language that prohibits local governments from adopting their own minimum wage. These victories have come at a high cost to local communities by leaving thousands of working families unable to afford the basics.

Lifting the wage floor has the potential to not just boost family incomes in Pennsylvania, but also spur the local economy. Raising the minimum wage to \$10.10 per hour would increase wages in Pennsylvania by \$1.8 billion. The higher spending that would result would generate 6,000 jobs. It's time to raise the minimum wage in Pennsylvania.

minimum wage leaves them with less income than their fellow tipped workers in states that do not have a tipped minimum wage. Currently, Alaska, California, Nevada, Oregon, Washington, Montana, and Minnesota require employers to pay workers full state minimum wage before tips.

Table 1.

Number of workers that would benefit from a minimum wage increase to \$10.10 and \$8.75 per hour

County	\$10.10		\$8.75		How many times greater is number of workers affected by an increase to \$10.10 per hour
	Total Affected	Share of Resident Workforce	Total Affected	Share of Resident Workforce	
Pennsylvania	1,265,000	22.9%	430,000	7.7%	2.9
Adams	11,030	23.8%	3,534	7.6%	3.1
Allegheny	113,852	21.9%	40,078	7.7%	2.8
Armstrong	8,138	30.3%	2,954	11.0%	2.8
Beaver	17,468	23.0%	6,492	8.6%	2.7
Bedford	5,548	28.5%	1,878	9.7%	3.0
Berks	44,644	24.6%	14,326	7.9%	3.1
Blair	15,252	28.5%	5,166	9.7%	3.0
Bradford	7,242	28.2%	2,414	9.4%	3.0
Bucks	48,430	16.3%	15,148	5.1%	3.2
Butler	18,798	22.0%	6,178	7.2%	3.0
Cambria	15,690	28.5%	5,314	9.7%	3.0
Cameron	518	29.8%	182	10.4%	2.8
Carbon	6,096	22.8%	1,986	7.4%	3.1
Centre	18,896	27.0%	7,120	10.2%	2.7
Chester	39,174	16.3%	13,214	5.5%	3.0
Clarion	4,700	29.8%	1,648	10.4%	2.9
Clearfield	9,748	29.8%	3,420	10.4%	2.9
Clinton	4,748	28.2%	1,738	10.3%	2.7
Columbia	8,052	25.4%	2,800	8.8%	2.9
Crawford	9,858	28.6%	3,800	11.0%	2.6
Cumberland	25,556	23.0%	8,470	7.6%	3.0
Dauphin	30,766	24.9%	8,774	7.1%	3.5
Delaware	42,858	17.6%	14,118	5.8%	3.0
Elk	4,174	29.8%	1,464	10.4%	2.9
Erie	32,040	26.6%	11,618	9.7%	2.8
Fayette	20,034	27.2%	6,574	8.9%	3.0
Forest	556	29.8%	194	10.4%	2.9
Franklin	16,204	23.8%	5,192	7.6%	3.1
Fulton	1,790	28.5%	606	9.7%	3.0
Greene	4,236	24.0%	1,310	7.4%	3.2
Huntingdon	5,094	28.5%	1,724	9.7%	3.0
Indiana	11,700	30.3%	4,248	11.0%	2.8
Jefferson	5,510	29.8%	1,934	10.4%	2.8

Table 1 (continued).

Number of workers that would benefit from a minimum wage increase to \$10.10 and \$8.75 per hour					
County	\$10.10		\$8.75		How many times greater is number of workers affected by an increase to \$10.10 per hour
	Total Affected	Share of Resident Workforce	Total Affected	Share of Resident Workforce	
Juniata	2,948	28.2%	1,078	10.3%	2.7
Lackawanna	24,356	26.6%	8,414	9.2%	2.9
Lancaster	57,560	24.2%	19,004	8.0%	3.0
Lawrence	8,288	23.0%	3,080	8.6%	2.7
Lebanon	13,182	22.3%	4,580	7.8%	2.9
Lehigh	35,582	22.8%	11,590	7.4%	3.1
Luzerne	34,100	25.4%	11,858	8.8%	2.9
Lycoming	15,048	28.2%	5,506	10.3%	2.7
McKean	5,028	29.8%	1,764	10.4%	2.9
Mercer	14,820	31.0%	5,234	10.9%	2.8
Mifflin	5,370	28.2%	1,966	10.3%	2.7
Monroe	24,842	27.8%	7,938	8.9%	3.1
Montgomery	57,620	14.9%	18,760	4.9%	3.1
Montour	2,176	27.0%	722	8.9%	3.0
Northampton	29,800	22.8%	9,706	7.4%	3.1
Northumberland	10,164	27.0%	3,368	8.9%	3.0
Perry	4,904	23.0%	1,626	7.6%	3.0
Philadelphia	135,640	23.5%	48,982	8.5%	2.8
Pike	3,368	24.7%	1,236	9.1%	2.7
Potter	1,848	29.8%	648	10.4%	2.9
Schuylkill	17,298	28.2%	5,330	8.7%	3.2
Snyder	4,514	28.2%	1,652	10.3%	2.7
Somerset	8,870	28.5%	3,004	9.7%	3.0
Sullivan	684	28.2%	228	9.4%	3.0
Susquehanna	3,096	24.7%	1,136	9.1%	2.7
Tioga	4,568	28.2%	1,522	9.4%	3.0
Union	4,190	28.2%	1,532	10.3%	2.7
Venango	6,282	29.8%	2,204	10.4%	2.9
Warren	4,968	28.6%	1,914	11.0%	2.6
Washington	21,236	24.0%	6,574	7.4%	3.2
Wayne	3,312	24.7%	1,216	9.1%	2.7
Westmoreland	42,114	23.1%	15,288	8.4%	2.8
Wyoming	3,234	26.6%	1,118	9.2%	2.9
York	46,600	23.0%	14,606	7.2%	3.2

Source. Keystone Research Center analysis of Current Population Survey and American Community Survey data

Table 2.

Total increase in wages (in millions of dollars) for workers that would benefit from a minimum wage increase to \$10.10 and \$8.75 per hour

County	\$10.10	\$8.75	How many times greater is the wage increase to \$10.10 per hour
Pennsylvania	\$1,894	\$353.5	5.4
Adams	\$15.2	\$2.6	5.9
Allegheny	\$176.0	\$32.4	5.4
Armstrong	\$13.6	\$2.6	5.3
Beaver	\$27.5	\$5.4	5.1
Bedford	\$8.2	\$1.5	5.4
Berks	\$64.3	\$11.7	5.5
Blair	\$23.0	\$4.2	5.4
Bradford	\$11.4	\$2.0	5.6
Bucks	\$70.8	\$12.6	5.6
Butler	\$27.3	\$5.1	5.4
Cambria	\$24.6	\$4.5	5.4
Cameron	\$0.9	\$0.2	5.1
Carbon	\$7.8	\$1.4	5.4
Centre	\$31.2	\$5.4	5.8
Chester	\$59.6	\$10.8	5.5
Clarion	\$7.1	\$1.4	5.1
Clearfield	\$13.9	\$2.7	5.1
Clinton	\$7.2	\$1.3	5.4
Columbia	\$9.8	\$1.9	5.3
Crawford	\$16.1	\$3.2	5.0
Cumberland	\$39.3	\$7.5	5.2
Dauphin	\$43.3	\$7.5	5.7
Delaware	\$63.2	\$10.8	5.9
Elk	\$6.1	\$1.2	5.1
Erie	\$51.0	\$9.5	5.3
Fayette	\$29.7	\$5.9	5.0
Forest	\$1.0	\$0.2	5.1
Franklin	\$23.3	\$4.0	5.9
Fulton	\$2.5	\$0.5	5.4
Greene	\$4.6	\$0.9	5.2
Huntingdon	\$7.1	\$1.3	5.4
Indiana	\$18.4	\$3.5	5.3
Jefferson	\$7.7	\$1.5	5.1

Table 2 (continued).

Total increase in wages (in millions of dollars) for workers that would benefit from a minimum wage increase to \$10.10 and \$8.75 per hour

County	\$10.10	\$8.75	How many times greater is the wage increase to \$10.10 per hour
Juniata	\$4.3	\$0.8	5.4
Lackawanna	\$37.1	\$7.4	5.0
Lancaster	\$84.6	\$15.3	5.5
Lawrence	\$13.0	\$2.5	5.1
Lebanon	\$20.7	\$4.2	4.9
Lehigh	\$52.1	\$9.6	5.4
Luzerne	\$55.0	\$10.5	5.3
Lycoming	\$23.2	\$4.3	5.4
McKean	\$7.9	\$1.6	5.1
Mercer	\$23.2	\$4.2	5.6
Mifflin	\$7.9	\$1.5	5.4
Monroe	\$36.3	\$6.7	5.4
Montgomery	\$85.6	\$15.4	5.6
Montour	\$3.6	\$0.7	5.3
Northampton	\$43.3	\$8.0	5.4
Northumberland	\$14.6	\$2.8	5.3
Perry	\$6.1	\$1.2	5.2
Philadelphia	\$202.7	\$39.4	5.1
Pike	\$5.9	\$1.2	4.9
Potter	\$3.1	\$0.6	5.1
Schuylkill	\$24.5	\$4.8	5.1
Snyder	\$6.9	\$1.3	5.4
Somerset	\$13.1	\$2.4	5.4
Sullivan	\$1.1	\$0.2	5.6
Susquehanna	\$4.0	\$0.8	4.9
Tioga	\$6.8	\$1.2	5.6
Union	\$8.0	\$1.5	5.4
Venango	\$9.6	\$1.9	5.1
Warren	\$8.2	\$1.6	5.0
Washington	\$29.9	\$5.7	5.2
Wayne	\$5.0	\$1.0	4.9
Westmoreland	\$65.5	\$12.9	5.1
Wyoming	\$4.4	\$0.9	5.0
York	\$64.8	\$12.4	5.2

Source. KRC analysis of CPS and ACS data

Table 3.

Number of workers that would benefit from a minimum wage increase to \$10.10 and \$8.75 per hour

Urban/Rural	\$10.10		\$8.75		How many times greater is number of workers affected by an increase to \$10.10 per hour
	Total Affected	Share of Resident Workforce	Total Affected	Share of Resident Workforce	
Rural	395,000	27.0%	135,000	9.2%	2.9
Urban	871,000	21.4%	295,000	7.2%	3.0

Total increase in wages (in millions of dollars) for workers that would benefit from a minimum wage increase to \$10.10 and \$8.75 per hour

Urban/Rural	\$10.10	\$8.75	How many times greater is the wage increase to \$10.10 per hour
Rural	\$588	\$110	5.3
Urban	\$1,306	\$243	5.4

Note 1. Rural counties are defined here as those with fewer than 285 people per square mile (the statewide population per square mile from 2011-2013). Rural counties include: Adams, Armstrong, Bedford, Blair, Bradford, Butler, Cambria, Cameron, Carbon, Centre, Clarion, Clearfield, Clinton, Columbia, Crawford, Elk, Fayette, Forest, Franklin, Fulton, Greene, Huntingdon, Indiana, Jefferson, Juniata, Lawrence, Lycoming, McKean, Mercer, Mifflin, Monroe, Montour, Northumberland, Perry, Pike, Potter, Schuylkill, Snyder, Somerset, Sullivan, Susquehanna, Tioga, Union, Venango, Warren, Washington, Wayne, and Wyoming.

Note 2. Urban counties are defined here as those with at least 285 people per square mile (the statewide population per square mile from 2011-2013). Urban counties include: Allegheny, Beaver, Berks, Bucks, Chester, Cumberland, Dauphin, Delaware, Erie, Lackawanna, Lancaster, Lebanon, Lehigh, Luzerne, Montgomery, Northampton, Philadelphia, and Westmoreland.

Source. Keystone Research Center analysis of Current Population Survey and American Community Survey data

Table 4.

Workers by metropolitan area[¥] that would benefit from a minimum wage increase to \$10.10 and \$8.75 per hour

Metropolitan area	\$10.10		\$8.75		How many times greater is number of workers affected by an increase to \$10.10 per hour
	Total Affected	Share of Resident Workforce	Total Affected	Share of Resident Workforce	
Allentown-Bethlehem-Easton	71,476	23%	23,282	7%	3.1
Altoona	15,252	29%	5,166	10%	3.0
Bloomsburg-Berwick	10,228	26%	3,522	9%	2.9
Bradford	5,028	30%	1,764	10%	2.9
Chambersburg-Waynesboro	16,204	24%	5,192	8%	3.1
DuBois	9,748	30%	3,420	10%	2.9
East Stroudsburg	24,842	28%	7,938	9%	3.1
Erie	32,040	27%	11,618	10%	2.8
Gettysburg	11,030	24%	3,534	8%	3.1
Harrisburg-Carlisle	61,224	24%	18,870	7%	3.2
Huntingdon	5,094	29%	1,724	10%	3.0
Indiana	11,700	30%	4,248	11%	2.8
Johnstown	15,690	29%	5,314	10%	3.0
Lancaster	57,560	24%	19,004	8%	3.0
Lebanon	13,182	22%	4,580	8%	2.9
Lewisburg	4,190	28%	1,532	10%	2.7
Lewistown	5,370	28%	1,966	10%	2.7
Lock Haven	4,748	28%	1,738	10%	2.7

[¥] metropolitan areas defined here to include the Pennsylvania counties that make up core-based statistical areas (CBSAs)

<http://www.census.gov/population/metro/files/lists/2013/List1.xls>

Table 4 (continued).

Workers by metropolitan area^Y that would benefit from a minimum wage increase to \$10.10 and \$8.75 per hour

Metropolitan area	\$10.10		\$8.75		How many times greater is number of workers affected by an increase to \$10.10 per hour
	Total Affected	Share of Resident Workforce	Total Affected	Share of Resident Workforce	
Meadville	9,858	29%	3,800	11%	2.6
New Castle	8,288	23%	3,080	9%	2.7
Oil City	6,282	30%	2,204	10%	2.9
Philadelphia City	135,640	24%	48,982	9%	2.8
Philadelphia metro*	323,722	19%	110,220	6%	2.9
Pittsburgh City	39,420	28%	13,522	10%	2.9
Pittsburgh metro ^T	241,638	23%	84,138	8%	2.9
Pottsville	17,298	28%	5,330	9%	3.2
Reading	44,644	25%	14,326	8%	3.1
Sayre	7,242	28%	2,414	9%	3.0
Scranton--Wilkes-Barre--Hazleton	61,690	26%	21,390	9%	2.9
Selinsgrove	4,514	28%	1,652	10%	2.7
Somerset	8,870	29%	3,004	10%	3.0
State College	18,896	27%	7,120	10%	2.7
Sunbury	10,164	27%	3,368	9%	3.0
Warren	4,968	29%	1,914	11%	2.6
Williamsport	15,048	28%	5,506	10%	2.7
York-Hanover	46,600	23%	14,606	7%	3.2

^Y metropolitan areas defined here to include the Pennsylvania counties that make up core-based statistical areas (CBSAs)

<http://www.census.gov/population/metro/files/lists/2013/List1.xls>

* Philadelphia metro is defined here to include Bucks, Chester, Delaware, Montgomery, and Philadelphia counties.

^T Pittsburgh metro is defined here to include Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland counties.

Source. KRC based on CPS and ACS data

Table 5.

Total increase in wages (in millions of dollars) by metropolitan area[¥] from a minimum wage increase to \$10.10 and \$8.75 per hour

Metropolitan area	\$10.10	\$8.75	How many times greater is the wage increase to \$10.10 per hour	Metropolitan area	\$10.10	\$8.75	How many times greater is the wage increase to \$10.10 per hour
Allentown-Bethlehem-Easton	\$103.2	\$19.0	5.4	Meadville	\$16.1	\$3.2	5.0
Altoona	\$23.0	\$4.2	5.4	New Castle	\$13.0	\$2.5	5.1
Bloomsburg-Berwick	\$13.4	\$2.5	5.3	Oil City	\$9.6	\$1.9	5.1
Bradford	\$7.9	\$1.6	5.1	Philadelphia City	\$202.7	\$39.4	5.1
Chambersburg-Waynesboro	\$23.3	\$4.0	5.9	Philadelphia metro*	\$481.9	\$89.0	5.4
DuBois	\$13.9	\$2.7	5.1	Pittsburgh City	\$58.6	\$10.8	5.4
East Stroudsburg	\$36.3	\$6.7	5.4	Pittsburgh metro ^F	\$369.6	\$69.9	5.3
Erie	\$51.0	\$9.5	5.3	Pottsville	\$24.5	\$4.8	5.1
Gettysburg	\$15.2	\$2.6	5.9	Reading	\$64.3	\$11.7	5.5
Harrisburg-Carlisle	\$88.7	\$16.2	5.5	Sayre	\$11.4	\$2.0	5.6
Huntingdon	\$7.1	\$1.3	5.4	Scranton--Wilkes-Barre--Hazleton	\$96.6	\$18.7	5.2
Indiana	\$18.4	\$3.5	5.3	Selinsgrove	\$6.9	\$1.3	5.4
Johnstown	\$24.6	\$4.5	5.4	Somerset	\$13.1	\$2.4	5.4
Lancaster	\$84.6	\$15.3	5.5	State College	\$31.2	\$5.4	5.8
Lebanon	\$20.7	\$4.2	4.9	Sunbury	\$14.6	\$2.8	5.3
Lewisburg	\$8.0	\$1.5	5.4	Warren	\$8.2	\$1.6	5.0
Lewistown	\$7.9	\$1.5	5.4	Williamsport	\$23.2	\$4.3	5.4
Lock Haven	\$7.2	\$1.3	5.4	York-Hanover	\$64.8	\$12.4	5.2

[¥] metropolitan areas defined here to include the Pennsylvania counties that make up core-based statistical areas (CBSAs)
<http://www.census.gov/population/metro/files/lists/2013/List1.xls>

* Philadelphia metro is defined here to include Bucks, Chester, Delaware, Montgomery, and Philadelphia counties.

^F Pittsburgh metro is defined here to include Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland counties.

Source. KRC based on CPS and ACS data

Methodological Appendix

Estimating the number of affected workers statewide

Using data from the 2014 Outgoing Rotation Group public use microdata of the Current Population Survey, we estimated that a minimum wage increase to \$10.10 in two stages between 2015 and 2016 would affect 1.2 million Pennsylvania workers and boost wages by \$1.8 billion. See the *Online Technical Appendix: Falling Short: The Impact of Raising the Minimum Wage in Pennsylvania to \$8.75 vs. \$10.10* for additional details on the derivation of these statewide totals (available at <http://goo.gl/osBjP4>).

Allocating affected workers to each county

To allocate statewide figures for the number of workers affected by a minimum wage increase to each county, estimates of each county's share of workers earning between \$7.25 and \$11.25⁸ an hour was calculated using public use microdata data from the 2011-2013 American Community Survey.⁹

Public use microdata areas

A wide variety of data from the American Community Survey (ACS) is published by the Census Bureau on its site, American FactFinder, for

⁸ Workers with a wage just above the new minimum wage –between \$10.10 and \$11.25– would also get a raise as their employers adjust their pay scales to reflect the new minimum wage.

⁹ Steven Ruggles, J. Trent Alexander, Katie Genadek, Ronald Goeken, Matthew B. Schroeder, and Matthew Sobek. Integrated Public Use Microdata Series: Version 5.0 [Machine-readable database]. Minneapolis: University of Minnesota, 2010.

¹⁰ The county groups are 1) Crawford & Warren 2) Clinton, Juniata, Lycoming, Mifflin, Snyder, & Union 3) Bradford, Sullivan & Tioga 4) Pike, Susquehanna, & Wayne 5) Lackawanna & Wyoming 6) Columbia & Luzerne 7) Cameron, Clarion, Clearfield, Elk, Forest, Jefferson, McKean, Potter, & Venango 8) Armstrong &

geographies as small as a local school district. For researchers wishing to do more complex calculations, such as estimating hourly earnings using the ACS, it is necessary to access survey data through public use microdata. These are anonymous records of individual responses by Pennsylvania citizens to each of the ACS survey questions on subjects including annual earnings from work, usual hours worked in a week, and weeks worked in the last year. One limitation of using this data is that the smallest geographic area identifiable is a Public Use Microdata Area (PUMA) - a geographic area that has at least 100,000 people. This means that larger counties like Philadelphia County are comprised of multiple PUMAs which, for this analysis, are combined into a single group. There are also many counties in Pennsylvania, such as Perry County, that have fewer than 100,000 people and, as a result, their individual survey responses are grouped¹⁰ with survey responses from neighboring counties -- in Perry County's case, Cumberland County.¹¹ For those Pennsylvania counties grouped with a neighboring county, we first estimated the number of workers earning between \$7.25 and \$11.25 in the larger group. We then allocated these totals to the individual counties that compose this group, using each county's share of resident employment (averaged over 2011, 2012, and 2013); resident employment data is published by the Bureau of Labor Statistics in its Local Area Unemployment Statistics data.¹²

Indiana 9) Beaver & Lawrence 10) Greene & Washington 11) Bedford, Blair, Cambria, Fulton, Huntingdon, & Somerset 12) Cumberland & Perry 13) Adams & Franklin 14) Montour & Northumberland 15) Carbon, Lehigh, & Northampton.

¹¹ PUMA boundaries in the 2010-2011 American Community Survey were based on the 2000 Census. PUMA boundaries in the 2012-2013 American Community Survey were based on the 2010 Census. In order to conduct our analysis we combined PUMAs to create county groups that were consistent across the two different PUMA boundary definitions.

¹² We used the same procedure to allocate our statewide estimate of the estimated workforce (5,535,000) to individual counties.

Imputing Weeks Worked

Earnings data in the American Community Survey (ACS) are reported on an annual basis. Hourly earnings were calculated by dividing annual income from work by the product of usual weekly hours and weeks worked. Weeks worked is reported in ACS public use microdata in intervals. For example, people who worked 28 weeks during the year are identified as having worked between 27 and 39 weeks. In order to calculate hourly earnings, it is necessary to have an estimate of weeks worked rather than a range of weeks worked for each person in our Pennsylvania sample. Using three years of data (2012, 2013, and 2014) from the Current Population Survey, Annual Social and Economic Supplement, we used a regression model of standard demographic and labor market variables to predict the discrete number of weeks worked per year for workers within each interval. The estimators from this model are then applied to the ACS data to impute a discrete value of weeks worked per year for all workers, allowing us to calculate an hourly wage.

CPS and ACS demographic data

Table A1 (next page) presents the demographic characteristics of the workers affected by a minimum wage increase to \$10.10 per hour for Pennsylvania calculated from the two household surveys: The 2014 Outgoing Rotation Group public use microdata of the Current Population Survey (CPS) and the public use microdata data from the 2011-2013 American Community Survey (ACS).

For the state as a whole we rely on the CPS to estimate the total number of workers impacted, the total increase in wages, and the demographics of the affected workers.

As discussed earlier, we use the ACS to distribute the CPS statewide counts of affected workers and the increase in wages to the counties and the ACS to estimate the demographic characteristics at the county level of affected workers.

The demographic data across the two surveys are broadly consistent. Overall, the individuals drawn from our ACS sample skew male, older, whiter, have a higher share of married parents, are more likely to report full-time work, are more likely to have completed additional schooling and are lower income than the sample of individuals drawn from the CPS. The differences observed in the individual characteristics between the two samples do not alter in a meaningful way our conclusions about the demographics of the workers impacted by a minimum wage increase.

Table A1.

Comparing the demographic characteristics of Pennsylvania workers that would benefit from a minimum wage increase to \$10.10 per hour in the Current Population Survey (CPS) and the American Community Survey (ACS)

Category	Percent of affected workers		Category	Percent of affected workers	
	CPS	ACS		CPS	ACS
Sex			Work hours		
Female	58.6%	57.1%	Part-time (< 19h)	19.1%	12.4%
Male	41.4%	42.9%	Mid-time (20-34)	30.6%	28.2%
Age			Full-time (35+)	50.3%	59.4%
20 +	87.0%	91.6%	Education		
Under 20	13.0%	8.4%	Less than high school	16.5%	12.2%
Race/ethnicity			High school	41.2%	40.3%
White	73.4%	78.5%	Some college	28.8%	32.1%
Black	12.4%	10.0%	Bachelor's degree or higher	13.6%	15.4%
Hispanic	9.1%	7.2%	Family income		
Asian	5.0%	4.3%	less than \$40,000	40.3%	45.4%
Family status			\$40,000 to \$74,999	31.6%	28.4%
Married parent	13.2%	20.2%	\$75,000 or more	28.1%	26.2%
Single parent	10.2%	10.2%	Average Share of Family Income Earned by Affected Workers	40.8%	45.1%
Married, no kids	19.3%	17.2%			
Unmarried, no kids	57.3%	52.3%			

Source. KRC based on CPS and ACS data.