

Estimating Minimum Wage Jobs in Oregon: Not as Easy as it Sounds

Pacific Northwest Regional Economic Conference

May 10, 2023

A three part story...

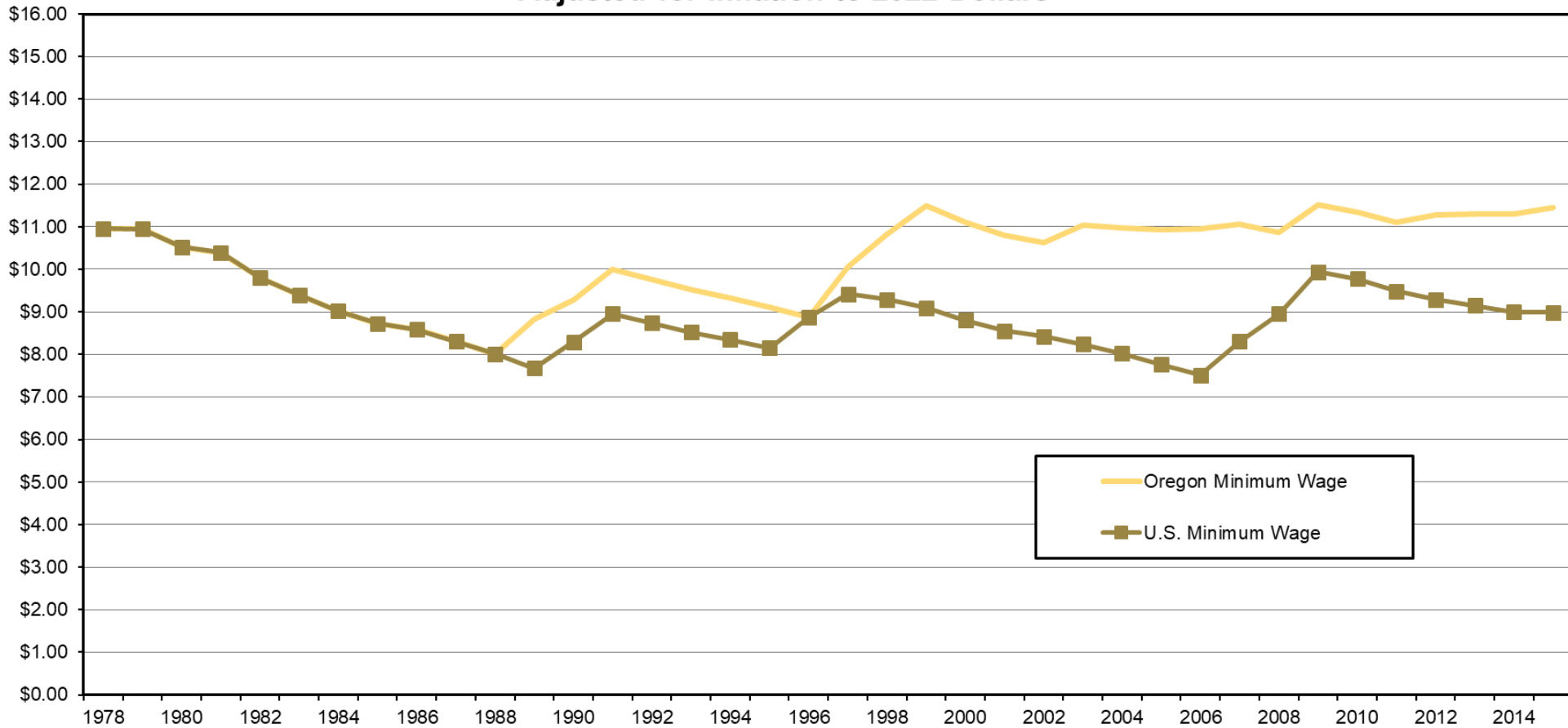
Oregon's Minimum Wage

Counting Minimum Wage Jobs

Estimating Minimum Wage Jobs

Oregon's minimum wage has been higher since 1997

Oregon and Federal Minimum Wage, Adjusted for Inflation to 2022 Dollars



Source: Oregon Employment Department, U.S. Bureau of Labor Statistics R-CPI-U-RS

How Many Minimum Wage Jobs are in Oregon?

Estimates from the Current Population Survey (CPS) for 2021

- Workers at the federal minimum wage of \$7.25 per hour = 0
- Workers below federal minimum wage of \$7.25 per hour = 3,000

| State | Number of workers (in thousands) | | | | Percent distribution | | | | Percentage of workers paid hourly rates | | |
|--------|----------------------------------|--------------------------|-----------------|--------------------|-------------------------|--------------------------|-----------------|--------------------|---|-----------------|--------------------|
| | Total paid hourly rates | At or below minimum wage | | | Total paid hourly rates | At or below minimum wage | | | At or below minimum wage | | |
| | | Total | At minimum wage | Below minimum wage | | Total | At minimum wage | Below minimum wage | Total | At minimum wage | Below minimum wage |
| Oregon | 1,027 | 3 | 0 | 3 | 1.3 | 0.3 | 0.0 | 0.4 | 0.3 | 0.0 | 0.3 |

This makes sense - Oregon's minimum wage is much higher than the federal minimum wage

Oregon Has Enhanced Wage Records

What are wage records?

- Quarterly payroll reported by employers as part of the Unemployment Insurance program
 - Employer data – county and industry
 - Employee data – SSN, name, wages

What is Oregon's wage record enhancement?

- Employers report the number of hours an employee worked each quarter

How does it enhance analysis?

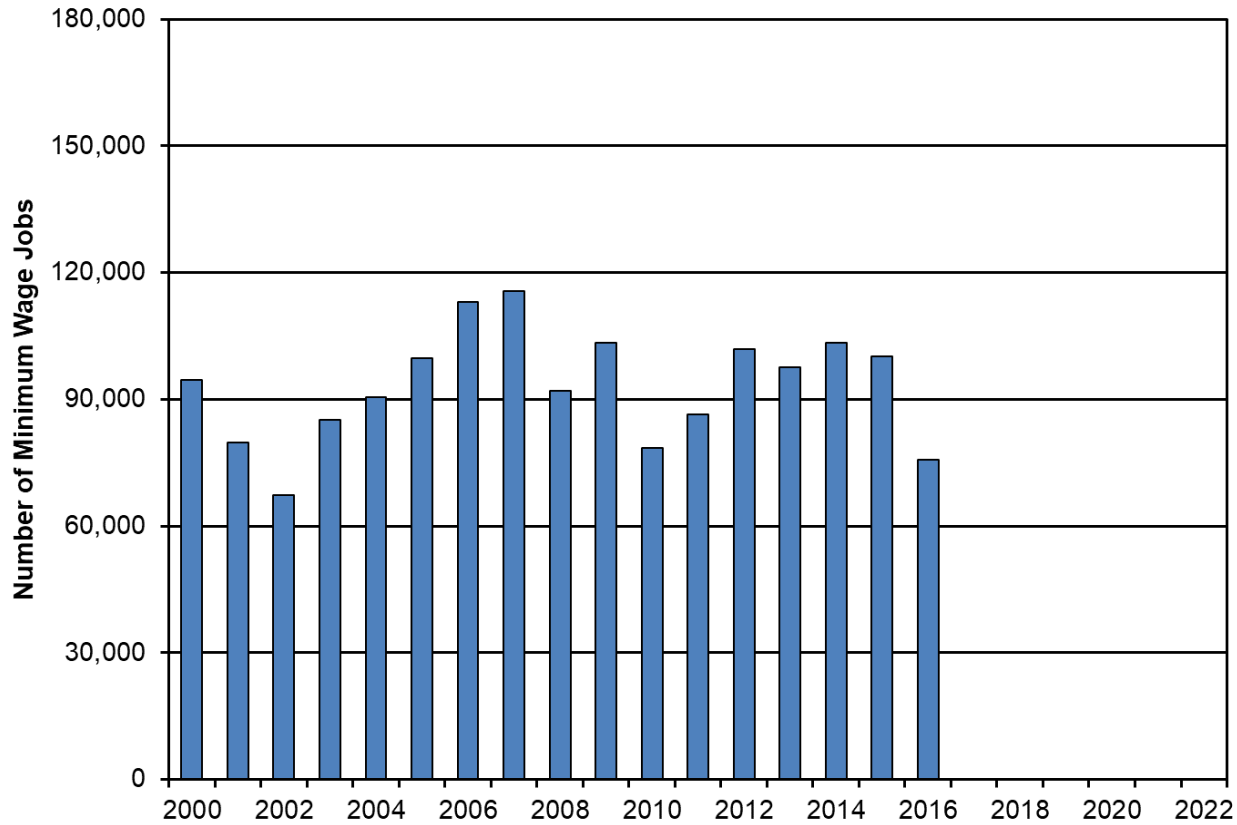
- We can estimate the hourly wage for every worker

What are some of the limitations?

- Limited geographic information (county for 58% of jobs)
- Not reliable for estimating part-time or full-time jobs
- Accuracy of the reporting

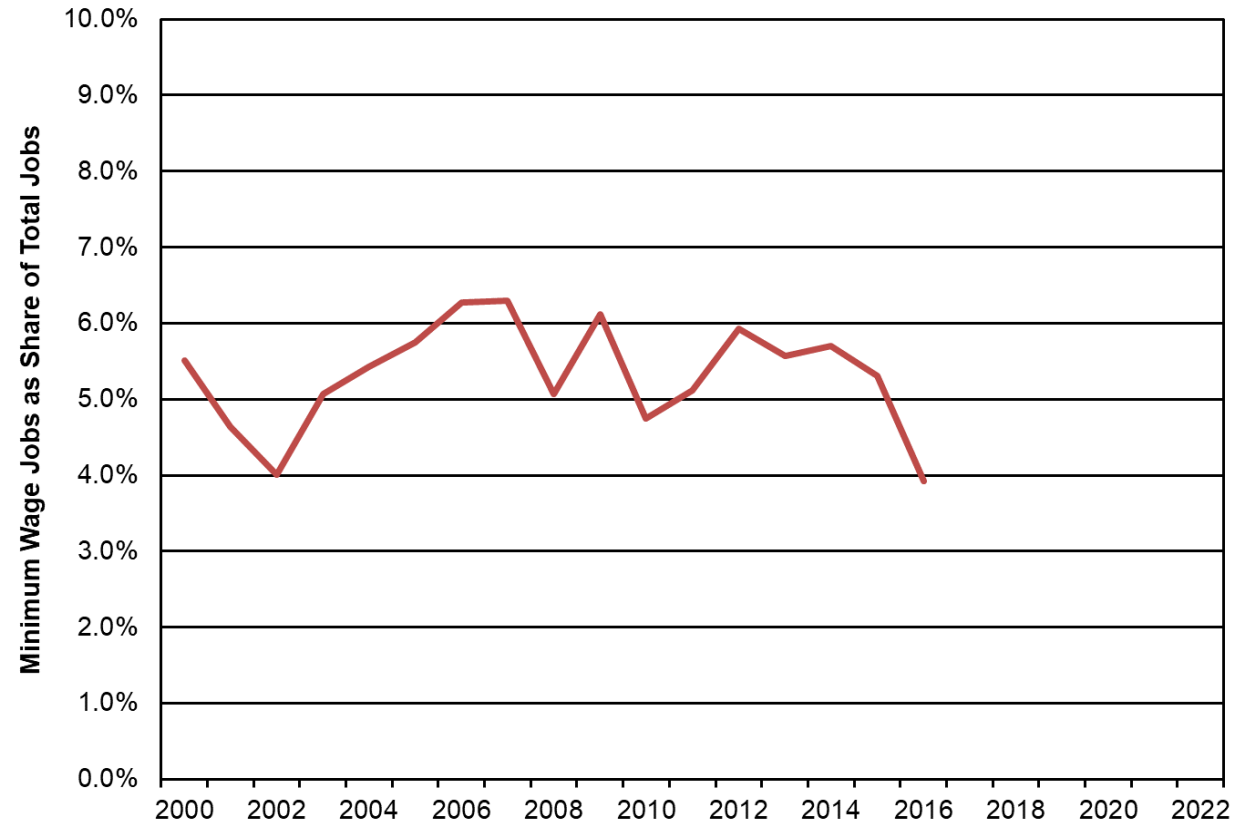
Counting Minimum Wage Jobs using wage file hours data

Oregon Minimum Wage Jobs, 2000 to 2016



Source: Oregon Employment Department, First Quarter Wage Records

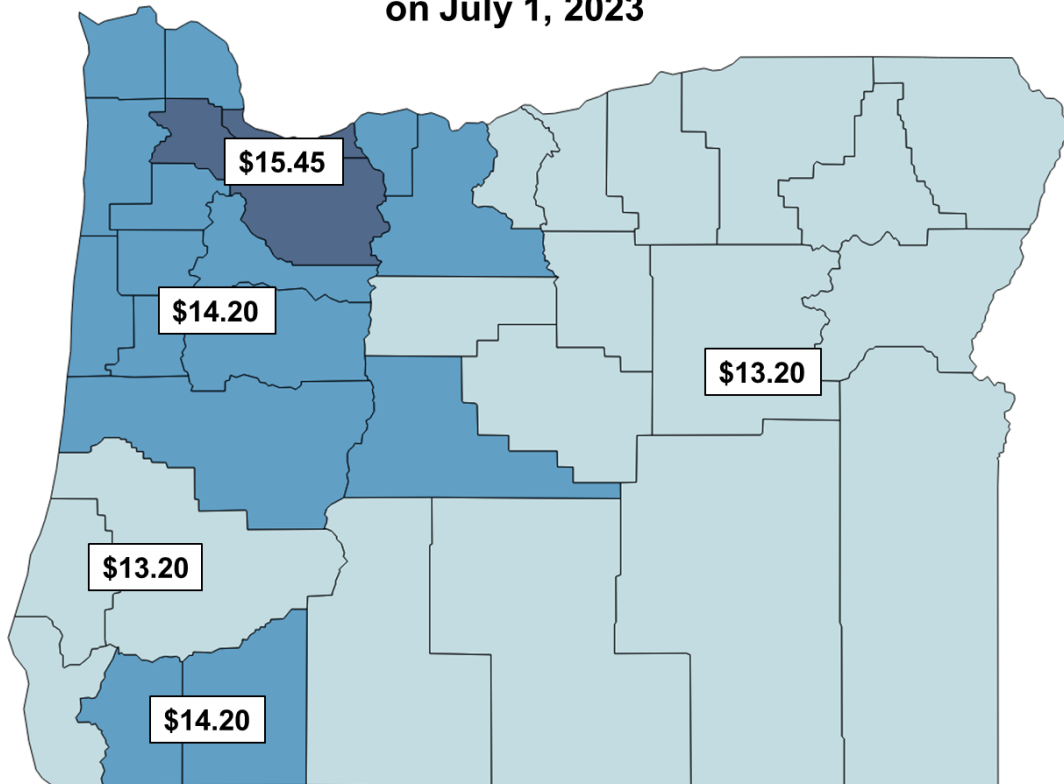
Oregon Minimum Wage Jobs, 2000 to 2016



Source: Oregon Employment Department, First Quarter Wage Records

Oregon's Evolving Minimum Wage

**Oregon's Minimum Wage Increases
on July 1, 2023**



Source: Oregon Employment Department

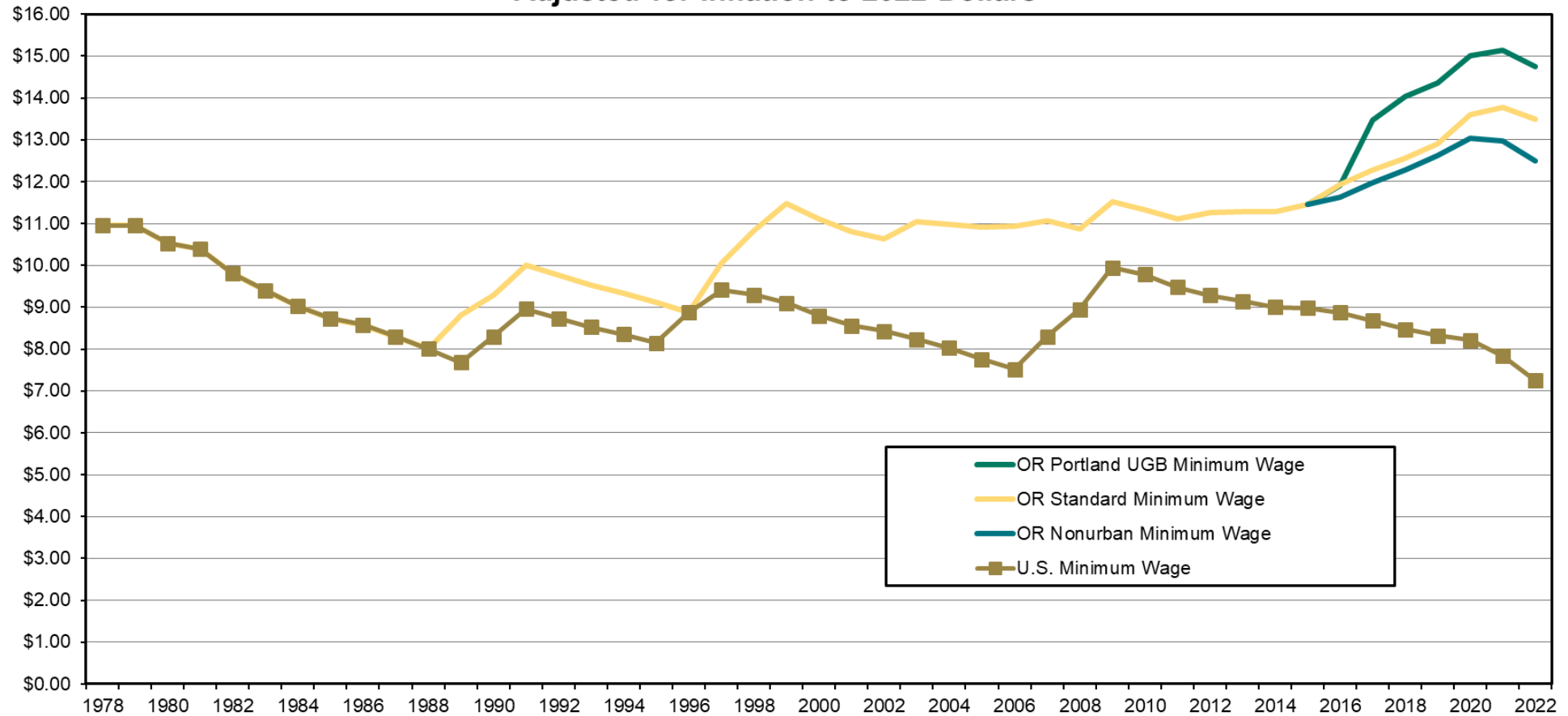
Oregon's minimum wage levels were set by Senate Bill 1532 in 2016. Increased on July 1 each year through 2022.

There are three tiers of minimum wages based on location of the job.

Increases on July 1 each year based on inflation starting in 2023.

Three minimum wages In Oregon Since 2016

Oregon and Federal Minimum Wage,
Adjusted for Inflation to 2022 Dollars



Source: Oregon Employment Department, U.S. Bureau of Labor Statistics R-CPI-U-RS

Enhancing Wage Records Using Quarterly QCEW

Example for one employer

Wage Records

Hourly wage class distribution, assigned to county 900 and one NAICS (retail)

| Industry | Minimum Wage | Above Minimum Wage | Total |
|------------|--------------|--------------------|-------|
| Retail | 5 | 85 | 90 |
| % in class | 5.6% | 94.4% | 100% |

Quarterly Census of Employment and Wages (QCEW)

Total employment in each county (maximum in any month of quarter)

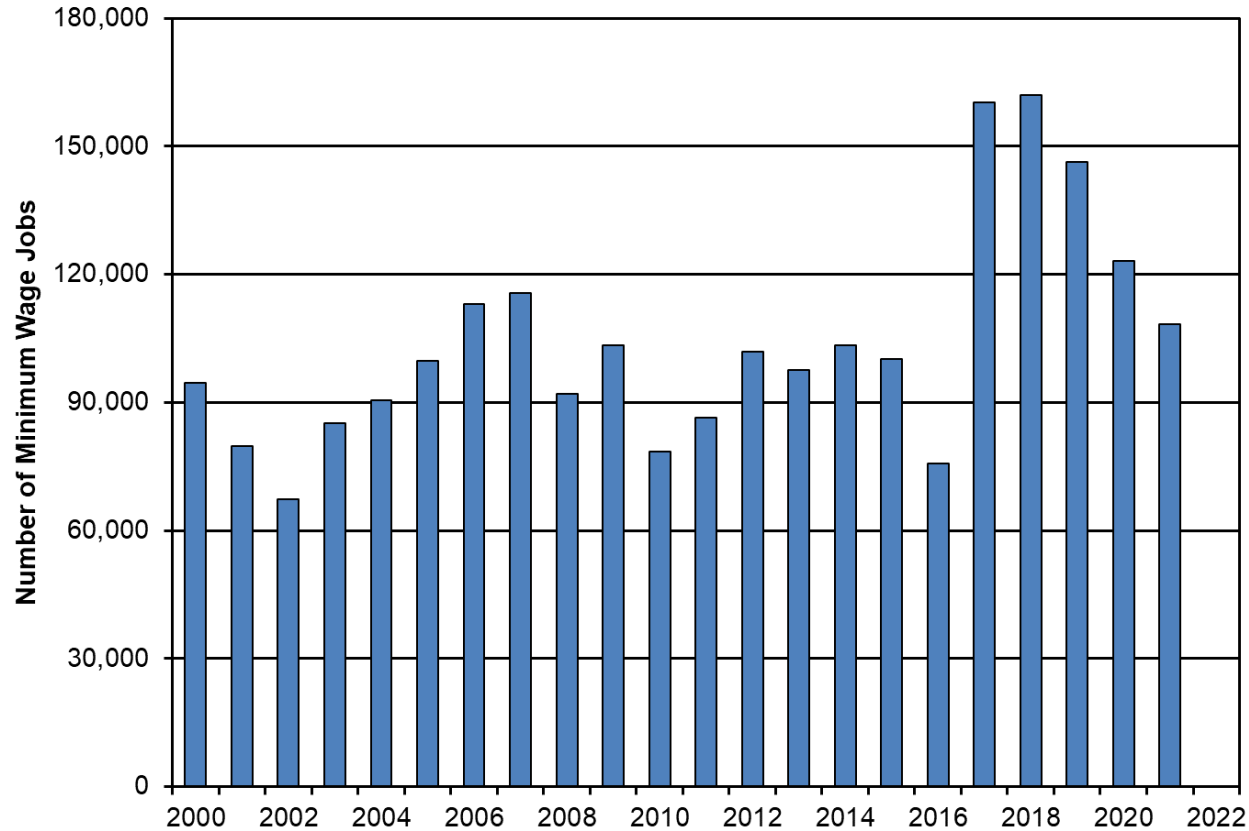
| County | Store # | Employment |
|-------------|---------|------------|
| A - \$15.45 | 1 | 25 |
| B - \$14.20 | 2, 4 | 49 |
| C - \$13.20 | 3 | 14 |
| Total | | 88 |

Apply the percent of employment by hourly wage class from the wage records to the count of employment by county from the QCEW records.

| County | Minimum Wage | Above Minimum Wage | Total |
|-------------|--------------|--------------------|-------|
| A - \$15.45 | 1 | 24 | 25 |
| B - \$14.20 | 3 | 46 | 49 |
| C - \$13.20 | 1 | 13 | 14 |
| Total | 5 | 83 | 88 |
| % in class | 5.6% | 94.4% | 100% |

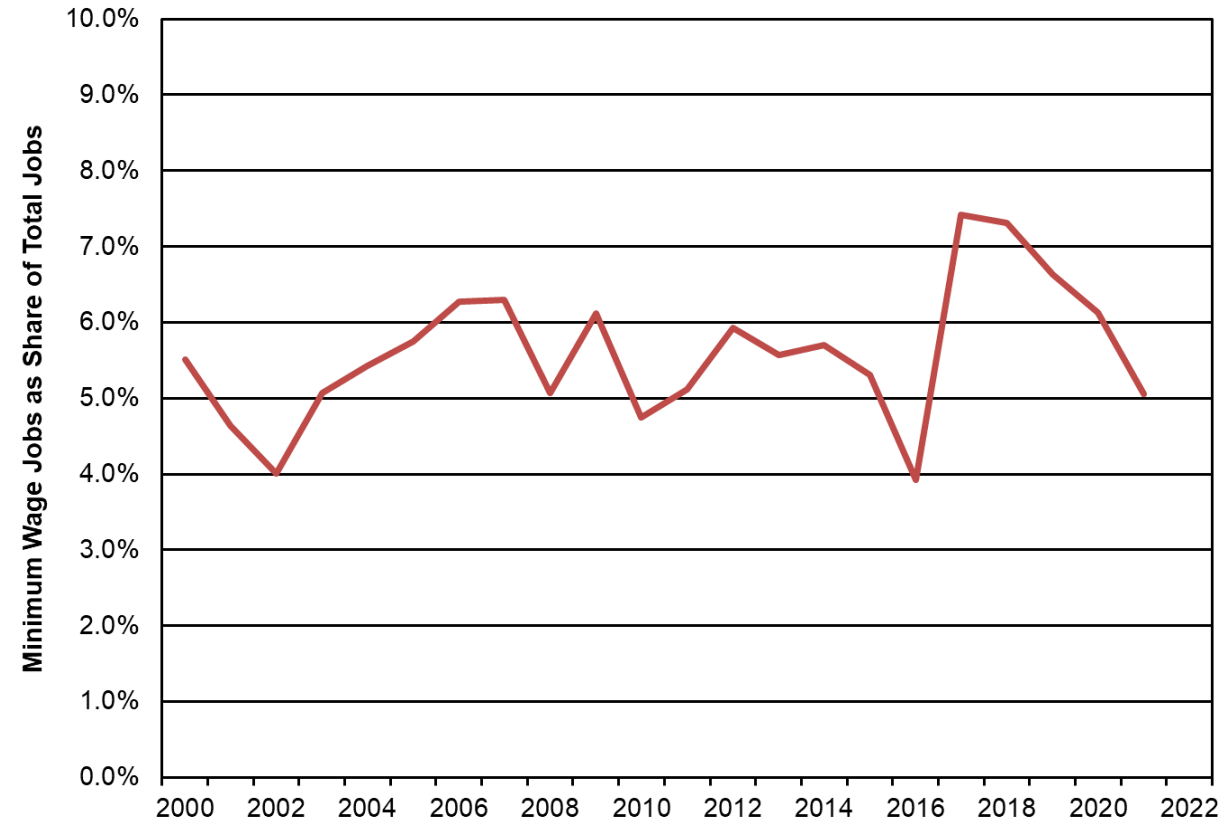
Minimum Wage Jobs Since 2000

Oregon Minimum Wage Jobs, 2000 to 2021



Source: Oregon Employment Department, First Quarter Wage Records through 2016, and Third Quarter 2017-2021

Oregon Minimum Wage Jobs, 2000 to 2021



Source: Oregon Employment Department, First Quarter Wage Records through 2016, and Third Quarter 2017-2021

Potential Future Enhancements

DMV Records

Demographic information from the Department of Motor Vehicles

- Wage record matching based on last 4-digits of SSN and name
 - Date of Birth – age of minimum wage workers
 - Gender – men and women in minimum wage jobs
- DMV address might help improve the location of minimum wage jobs

Other

Wish to add establishment location to wage file records

Thank You!

Minimum wage estimates were developed by Barbara Peniston (retired) and are continued by Beth Dyer.

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