



**BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR**

MEMORANDUM

TO: Honorable Rebeca Sosa
Commissioner, District 6

FROM: Neil R. Singh, CPA
Acting Commission Auditor

A handwritten signature in blue ink, appearing to read "Neil R. Singh", is written over the name and title of the Acting Commission Auditor.

DATE: August 29, 2017

SUBJECT: Federal and States' Minimum Wage Rates and States' Living Wage Rates

This memorandum responds to a request from Commissioner Rebeca Sosa to provide information regarding the federal minimum wage, minimum wage per state and living wage rates across the United States.

Minimum Wage

The Fair Labor Standards Act (FLSA) establishes minimum wage, overtime pay, recordkeeping and youth employment standards affecting employees in the private sector and in federal, state and local governments. Covered nonexempt workers are entitled to a minimum wage of not less than \$7.25 per hour. Overtime pay at a rate not less than one and one-half times the regular rate of pay is required after 40 hours of work in a workweek. A minimum wage of not less than \$4.25 an hour is permitted for employees under 20 years of age during their first 90 consecutive calendar days of employment with an employer.

The majority of states also have minimum wage laws, which are generally controlled by legislative activities within the individual states. Where federal and state law have different minimum wage rates, the higher standard applies. Where the state does not have a minimum wage law, the federal minimum wage rate applies.

In Florida, the minimum wage per hour is \$8.10. Florida law permits political subdivisions, such as Miami-Dade County, to set a minimum wage other than a state or federal minimum wage or to provide employment benefits not otherwise required under state or federal laws for: (1) employees of the political subdivision; (2) employees of an employer contracting to provide goods or services for the political subdivision, or for the employees of a subcontractor of such an employer, under the terms of a contract with the political subdivision; or (3) employees of an employer receiving a direct tax abatement or subsidy from the political subdivision, as a condition of the direct tax abatement or subsidy.

Living Wage

A living wage is the amount of income needed to provide a decent standard of living. The purpose of a living wage is to guarantee full time workers sufficient income to live above the federal poverty level and avoid homelessness. Unlike the federal minimum wage and states' minimum wages, it is an alternative measure of basic needs and should pay the cost of living in any location and be adjusted to compensate for inflation. The Massachusetts Institute of Technology (MIT) developed a living wage calculator showing the hourly rate needed to pay for typical basic costs in a given location. These costs are usually food, healthcare, housing, transportation, childcare and other basic necessities (e.g., clothing and personal care items). The living wage draws on these cost elements and the rough effects of income and payroll taxes to determine the minimum employment earnings necessary to meet a family's basic needs while also maintaining self-sufficiency. Based on the MIT calculator, the living wage for Florida is \$11.15 per hour.

On May 11, 1999, the Miami-Dade Board of County Commissioners adopted a living wage ordinance, establishing a living wage requirement for employees under a County service contract. The ordinance was codified at Section 2-8.9 of the Miami-Dade County Code and specifically prescribes a living wage for County service contracts involving a total contract value over \$100,000 per year for services such as food preparation and distribution, security, custodial, clerical, transportation and landscaping. The ordinance also applies to any service provided by a service contractor at the County's Aviation Department, irrespective of the contract value. For covered service contracts, the current living wage for Fiscal Year 2016-17 is \$12.83 per hour with qualifying health benefits valued not less than \$1.86 per hour; otherwise the rate is \$14.69 per hour. For covered Aviation Department contracts, the rate is \$12.63 per hour with qualifying health benefits valued not less than \$2.89 per hour; otherwise it is \$15.52 per hour.

The following table compiles information on the federal minimum wage, minimum wage by state and the living wage per state. The federal and state minimum wage data was pulled from the United States Department of Labor website, while the living wage data was captured from MIT's living wage calculator on MIT's website. The table shows that the District of Columbia has the highest minimum wage rate of \$12.50 per hour, while Georgia and Wyoming have the lowest rate of \$5.15 per hour. In terms of living wage rates, District of Columbia and Hawaii have the highest, \$15.71 and \$14.97 per hour respectively, while South Dakota has the lowest at \$9.62 per hour.

Jurisdiction	Minimum Wage (per hr)	State Minimum Wage Comment	Living Wage (per hr)
Federal Gov.	\$7.25		--
Alabama	--	No state minimum wage law	\$10.48
Alaska	\$9.80		\$11.98
Arizona	\$10.00		\$10.74
Arkansas	\$8.50	Applicable to employers of 4 or more employees	\$9.92
California	\$10.00/\$10.50	\$10.00 for employers with less than 25 employees \$10.50 for employers with greater than 26 employees	\$13.21
Colorado	\$9.30		\$11.82
Connecticut	\$10.10		\$12.51

Jurisdiction	Minimum Wage (per hr)	State Minimum Wage Comment	Living Wage (per hr)
Delaware	\$8.25		\$12.01
District of Columbia	\$12.50		\$15.71
Florida	\$8.10		\$11.15
Georgia	\$5.15	Applicable to employers of 6 or more employees	\$11.35
Hawaii	\$9.25		\$14.97
Idaho	\$7.25		\$10.39
Illinois	\$8.25	Applicable to employers of 4 or more employees, excluding family members	\$11.72
Indiana	\$7.25	Applicable to employers of 2 or more employees	\$10.23
Iowa	\$7.25		\$10.04
Kansas	\$7.25		\$10.19
Kentucky	\$7.25		\$10.17
Louisiana	--	No state minimum wage law	\$10.67
Maine	\$9.00		\$10.88
Maryland	\$9.25		\$13.84
Massachusetts	\$11.00		\$12.38
Michigan	\$8.90	Applicable to employers of 2 or more employees	\$10.24
Minnesota	\$7.75/\$9.50	\$7.75 for small employer (enterprise with annual receipts of less than \$500,000) \$9.50 for large employer (enterprise with annual receipts of \$500,000 or more)	\$10.95
Mississippi	--	No state minimum wage law	\$10.30
Missouri	\$7.70		\$10.16
Montana	\$4.00/\$8.15	\$4.00 for business not covered by the Fair Labor Standards Act with gross annual sales of \$110,000 or less \$8.15 for business with gross annual sales of more than \$110,000	\$10.29
Nebraska	\$9.00	Applicable to employers of 4 or more employees	\$9.97
Nevada	\$7.25/\$8.25	\$7.25 for health ins. benefits provided \$8.25 for no health ins. benefits provided	\$10.63
New Hampshire	\$7.25		\$11.34
New Jersey	\$8.44		\$12.99
New Mexico	\$7.50		\$10.66
New York	\$9.70		\$13.56
North Carolina	\$7.25		\$10.96
North Dakota	\$7.25		\$10.38
Ohio	\$7.25/\$8.15	\$7.25 for employers with gross annual receipts under \$299,000 \$8.15 for employers with gross annual receipts of \$299,000 or more	\$9.88

Jurisdiction	Minimum Wage (per hr)	State Minimum Wage Comment	Living Wage (per hr)
Oklahoma	\$7.25/\$2.00	\$7.25 for employers of 10 or more full time employees at any one location and employers with annual gross sales over \$100,000 regardless of number of full time employees \$2.00 for all other employers	\$10.20
Oregon	\$10.25		\$11.90
Pennsylvania	\$7.25		\$10.46
Rhode Island	\$9.60		\$11.12
South Carolina	--	No state minimum wage law	\$10.60
South Dakota	\$8.65		\$9.62
Tennessee	--	No state minimum wage law	\$10.10
Texas	\$7.25		\$10.67
Utah	\$7.25		\$10.78
Vermont	\$10.00	Applicable to employers of two or more employees	\$11.74
Virginia	\$7.25	Applicable to employers of 4 or more employees	\$13.21
Washington	\$11.00		\$11.68
West Virginia	\$8.75	Applicable to employers of 6 or more employees at one location	\$10.01
Wisconsin	\$7.25		\$10.58
Wyoming	\$5.15		\$10.31

Sources:

Florida Wage and Employment Benefits Requirements –

http://www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=0200-0299/0218/Sections/0218.077.html

Living Wage Analysis –

<https://www.thebalance.com/living-wage-3305771>

Miami-Dade County Living Wage Ordinance –

https://library.municode.com/fl/miami_dade_county/codes/code_of_ordinances?nodeId=PTIICOOR_CH2AD_ARTIINGE_S2-8.9LIWAORCOSECOCOEM

Miami-Dade County Living Wage Rates FY 2016-17 Notice –

<http://www.miamidade.gov/smallbusiness/library/reports/2016-2017-living-notice.pdf>

Federal Minimum Wage –

<https://www.dol.gov/general/topic/wages/minimumwage>

States Minimum Wage –

<https://www.dol.gov/whd/minwage/america.htm>

States Living Wage –

<http://livingwage.mit.edu/>