

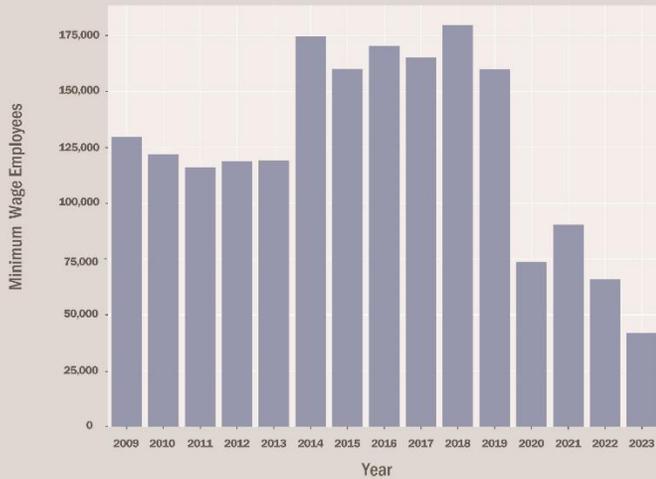
Michigan Hourly Minimum Wage Information

Data from Calendar Years 2009 through 2023

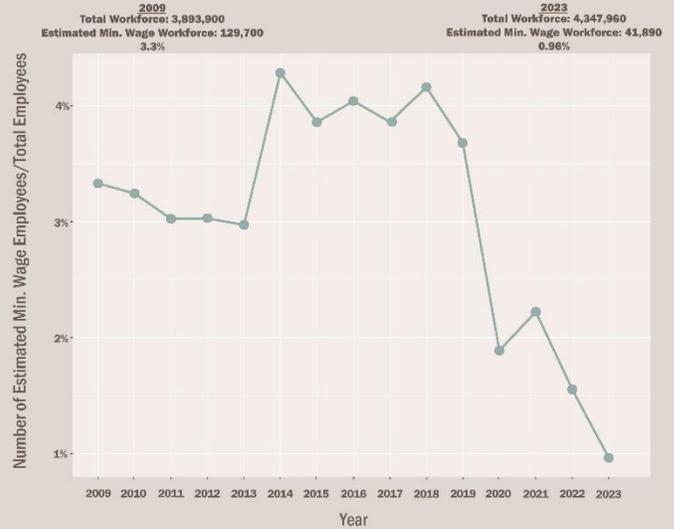
On average how many workers earn the hourly minimum wage in Michigan?

This question can't be answered directly due to the continuous movement of workers in and out of the workforce. The Bureau of Labor Statistics doesn't collect this data in a uniform manner as minimum wages vary by state. Since this measure isn't tracked directly, it must be estimated. One approach is to use a comparison of the hourly minimum wage with the 10th percentile wage, (which is the wage that 90% of workers exceed) to construct an estimated distribution of the wages by occupation. For instance, if the minimum wage is \$9.50 and the 10th percentile wage for Occupation A is \$19.50, only 10% of workers earn less than \$19.50, making it unlikely anyone is earning the minimum wage. In contrast, if Occupation B has a 10th percentile wage of \$9.75, it's likely many of those workers are earning around the \$9.50 minimum wage. The estimates below are based on the wage distribution for detailed occupations in Michigan from 2009 to 2023.

Estimated Average Minimum Wage Workers



Estimated Percentage of Minimum Wage Workers to Total Workforce

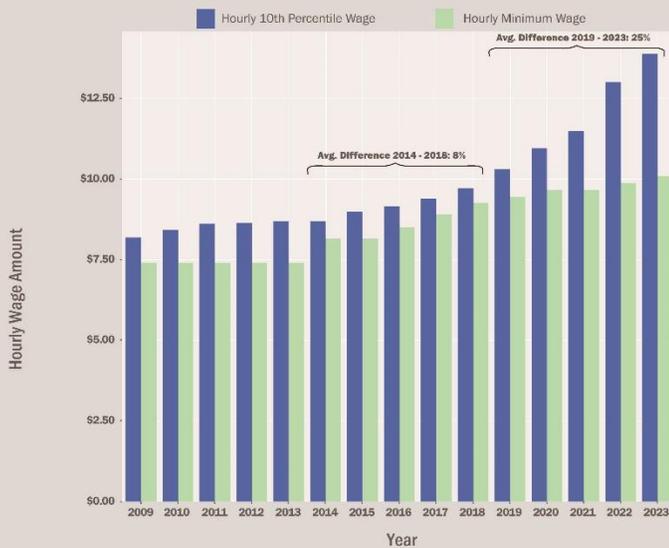


Between 2014 and 2018, when the gap between the minimum wage and the 10th percentile wage was smallest, the number and percentage of workers earning the minimum wage increased.

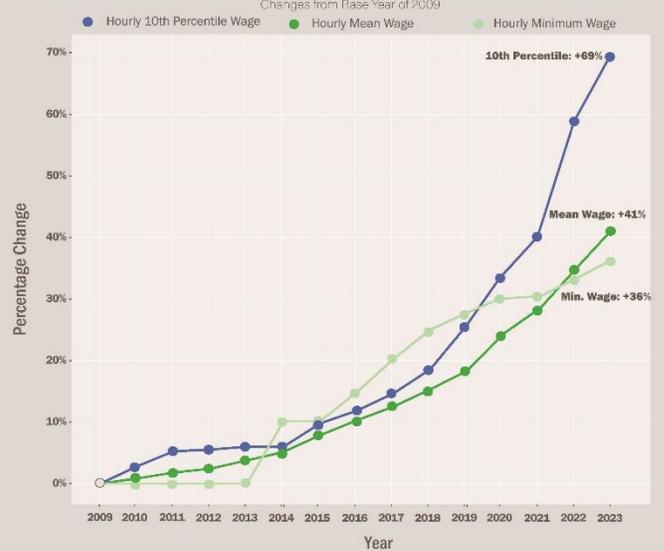
As the gap grows, the estimated number and percentage of workers earning the minimum wage decreases.

Changes in Michigan's Wages

Hourly 10th Percentile Wage and Hourly Minimum Wage Levels



Percent Changes in Avg. Hourly 10th Percentile, and Avg. Hourly Wage, and Hourly Minimum Wage



In 2023, Michigan's minimum wage rose to \$10.10, while the 10th percentile wage statewide was \$13.88. As the gap between the minimum wage and the 10th percentile wage widens, the likelihood that a given worker earns more than the minimum wage increases. If a 37% gap between these two wage levels persists, a change in the minimum wage is unlikely to significantly change the wages for a given individual in a given occupation.

Source: United State Department of Labor - Bureau of Labor Statistics: Occupational Employment and Wage Statistics (OEWS)

SFA Staff Contact: Bobby Canell, Economist & John Maxwell, Associate Director

