DATA NOTE

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TRENDS IN SUBMINIMUM WAGE EMPLOYMENT FROM 2021 TO 2026 PART 1

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These data were compiled from the list of 14(c) certificate holders published by the US Department of Labor, Wage and Hour Division on April 1, 2021 and April 1,2026.

DataNote #108 is Part 1 of a 2-part series that includes DataNote #110 (Part 2). Section 14(c) of the Fair Labor Standards Act authorizes employers to pay certain employees with disabilities less than minimum wage (also known as subminimum wage). In recent years, more and more states have questioned the underlying assumptions and use of section 14(c)[1].

Number of 14(c) certificate holders

Part 1 of this DataNote series focuses on employers who are 14(c) certificate holders. To get a 14(c) certificate for the 14(c) subminimum wage program[AZ2] , employers must submit an initial application and apply for renewal every two years. Most employers who apply for 14(c) identify as Community Rehabilitation Providers (CRPs), while a small number identify as School Work Experience Programs, Business Establishments, or Hospital/Patient Worker Programs (Table 1). Some 14(c) certificate holders identify under more than one category, including:

- CRP and School Work Experience Program
- CRP and Business Establishment
- CRP and Patient/Hospital Worker
- CRP, School Work Experience Program, and Business Establishment

Many states have implemented legislation or policy ending subminimum wage payments, and several more are in the process of phasing out subminimum wage employment.[1] As a result, the number of 14(c) certificate holders and the number of 14(c) workers has declined dramatically over recent years. The number of employers who are 14(c) certificate holders, including both issued and pending certificates, declined by over 50% from 1,298* in April of 2021 to 624 in April of 2026 (Table 1).

Table 1. 14(c) Certificate Holders April 2021 and 2026

TYPE OF EMPLOYER	Number of 14 (c) certificate holders 2021*	Percent (out of all 14 (c) certificate holders) 2021	Number of 14(c) certificate holders 2026	Percent out of all 14 (c) certificate holders 2026
Community Rehabilitation Providers (CRP)	1,207	93%	590	94.6%
School Work Experience Program (SWEP)	7	0.5%	2	0.3%
Business Establishment	38	2.9%	13	2.1%
Hospital/Patient Worker Program (HPW)	36	2.8%	19	3.0%
Total	**1,288**	**100%**	**624**	**100%**

* In 2021, 10 certificates did not have a listed certificate type or status but also did not report any workers. These 10 programs were coded as missing and excluded from the 2021numbers in this table.

[1] United States Government Accountability Office, Subminimum wage program: Employment outcomes and views of former workers in two states: Report to congressional requesters (2025). Washington, DC.

Variation across states

The change in 14(c) certificate holders is also meaningful when we look at state-level data:

- In 2021, 4 states reported zero 14(c) certificates (including pending and issued)
- In 2026, 14 states and the District of Columbia (n = 15) reported zero 14(c) certificates (including pending and issued)

Despite this dramatic decline in the overall number of 14(c) certificate holders, there is still substantial state-to-state variation in 14(c) employment participation. Of states with active 14(c) certificates:

- there are 5 certificate holders per 100,000 people, on average
- there are 7 states that have 10 or more certificate holders per 100,000 people on average (Table 2)

Pending vs. issued certificates

From 2021–2026, the percentage of 14(c) certificates classified as pending also greatly decreased:

- In April 2021, pending certificates represented 53.5% of all 14(c) certificate holders
- In April 2026, pending certificates represented just 5.3% of all 14(c) certificate holders

Many employers did not renew their certificates, which contributes to the decrease in 14(c) certificate holders.

In addition, the US Department of Labor has addressed a significant backlog of applications for 14(c) certificates. This accounts for some of the change in the total number of certificates due to the lack of applications for certificate renewals.

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Table 2. The Number of 14(c) Certificate Holders per State April 2021–2026

State	Total N of certificate holders 2021	Certificate holders per 100k state population 2021	Total N of certificate holders 2026	Certificate holders per 100k state population 2026	Change in Total N of certificate holders (2026–2021)
AK	1	7.33	0	0	-1
AL	3	16.80	1	0.02	-2
AR	38	0.80	36	1.16	-2
AZ	42	1.73	19	0.25	-23
CA	76	5.16	9	0.02	-67
CO	12	4.84	0	0	-12
CT	31	1.16	11	0.30	-20
DC	1	6.70	0	0	-1
DE	0	N/A	0	0	0
FL	37	5.89	9	0.04	-28
GA	25	4.32	3	0.03	-22
HI	5	2.88	0	0	-5
IA	21	1.52	2	0.06	-19
ID	7	2.72	5	0.25	-2
IL	108	1.17	53	0.42	-55
IN	38	1.79	14	0.20	-24
KS	25	1.17	13	0.44	-12
KY	25	1.80	20	0.43	-5
LA	25	1.85	2	0.04	-23
MA	14	4.99	2	0.03	-12
MD	4	15.41	0	0	-4
ME	0	N/A	0	0	0
MI	25	4.02	10	0.10	-15
MN	76	0.75	47	0.81	-29
MO	86	0.72	78	1.24	-8
MS	8	3.69	3	0.10	-5
MT	19	0.58	2	0.17	-17
NC	44	2.40	25	0.22	-19
ND	14	0.55	1	0.13	-13
NE	12	1.64	2	0.10	-10
NH	0	N/A	0	0	0
NJ	35	2.65	30	0.31	-5
NM	3	7.05	1	0.05	-2
NV	8	3.93	2	0.06	-6
NY	43	4.61	20	0.10	-23
OH	59	2.00	39	0.33	-20
OK	51	0.78	40	0.97	-11
OR	5	8.49	0	0	-5
PA	59	2.20	44	0.34	-15
RI	0	N/A	0	0	0
SC	25	2.08	0	0	-25
SD	11	0.81	3	0.32	-8
TN	6	11.63	0	0	-6
TX	45	6.56	26	0.08	-19
UT	14	2.38	6	0.17	-8
VA	18	4.80	3	0.03	-15
VT	1	6.46	0	0	-1
WA	13	5.95	0	0	-13
WI	63	0.94	42	0.70	-21
WV	6	2.97	1	0.06	-5
WY	1	5.79	0	0	-1
Total	**1,288**	**2.58**	**624**	**0.18**	**-664**