Unleash Local Preemption & Minimum Wage Report
Summary of Findings

Impact on Children & Families

- Significantly beneficial to children’s emotional and behavioral health
- Allows low-income parents to spend more time with sick or anxious children, attend school meetings, listen to a teenager’s daily concerns and dreams, and many other necessary and/or beneficial family activities
- Children are better prepared for school and achieve more in school
- Children attain higher levels of education in young adulthood
- Children commit fewer crimes
- Fewer incidences of child neglect
- Families spend extra money in ways that improve their children’s material well-being
- Narrows the gap between low-income children and their more affluent peers
- Reduces “toxic stress,” which leads to adverse neurological repercussions
- Reduces the genetic imprint left by childhood poverty, which continues to impact children who are born into poverty throughout the rest of their lives

Impact on Public Health, Safety & Education

- States with the lowest minimum wages (like Louisiana) have worse health outcomes and higher levels of poverty than states that have higher minimum wages
- There is international consensus that income is a determinant of health, shaping access to basic needs and social determinants of health such as housing, education, and job opportunities.
- Low-income earners disproportionately experience adverse health outcomes
- Reduces racial inequities
- Improves access to health care resources and health insurance
- Reduces rates of chronic illness
- Reduces rates of disability
- Increases life expectancy
- Improves adult mental health
- Reduce non-drug suicides, also known as “deaths of despair”
- Fewer incidences of chronic diseases
- Reduces rates of hunger and malnutrition
- Improves access healthy food
- Reduces obesity rates
- Reduces rates of diabetes
- Reduces incidences of people living in unhealthy, substandard housing
- Reduces rates of school absenteeism
- Reduces smoking rates
- Improves rates of regular exercise and physical activity
● Reduces emotional and psychological distress, such as depression
● Reduces rates of premature deaths
● Reduces teen pregnancies
● Improves rates of healthy birth weights
● Reduces rates of postneonatal mortality
● Reduces stress, which leads to a direct improvement in overall decision-making, particularly when it comes to personal health
● Reduces criminal recidivism

Impact on Business and the Economy

● The most comprehensive minimum wage study ever conducted in the U.S. looked at 137 state and local minimum wage increases from 1979-2016. It found that total job numbers remain “essentially unchanged” after a minimum wage increase.
● Minimum wage increases generate both negative and positive employment effects. These negative and positive effects on employment largely offset each other.
● Minimum wage increases have raised workers’ incomes without significant impact on employment.
● Regarding the “Seattle Study”:
  ○ The researchers who conducted the original study showing that the Seattle minimum wage increase had a negative impact reversed their original findings.
  ○ “We’re prepared to have a lot of people come out and say we’re contradicting ourselves,” said Jacob Vigdor, a University of Washington economist and an author of the study.
  ○ The effects of raising the minimum wage are complex and need to be studied with nuance.
  ○ The minimum wage ordinance was associated with an 8% reduction in job turnover rates.
● The broad structural factors typically believed to drive local wages have little impact on the wages of low-earning service workers. (Such factors include higher levels of educational attainment, higher shares of college graduates, tighter labor markets, and higher rates of unionization.)
● The current federal minimum wage is worth 24 percent less in inflation-adjusted terms than at its peak in 1968.
● If the minimum wage had grown at the same rate as worker productivity over the past 50 years, the minimum wage would be nearly $20 an hour.
● The vast majority of U.S. workers—including white-collar and blue-collar workers and those with and without a college degree—have endured more than a decade of wage stagnation.
● Wage growth has significantly underperformed productivity growth regardless of occupation, gender, race/ethnicity, or education level.
● Between 2000 and 2012, wages were flat or declined for the entire bottom 60 percent of the wage distribution (despite productivity growing by nearly 25 percent over this period).
For virtually the entire period since 1979, wage growth for most workers has been weak. The median worker saw an increase of just 5.0 percent between 1979 and 2012, despite productivity growth of 74.5 percent.

The preeminent factor in explaining wage differences for the lowest paid workers across geographic areas is the minimum wage.

The lowest paid workers are not compensated for higher housing costs, so the minimum wage should vary over geographies, depending on the relative housing costs.

While many low-wage workers recognize the need to enhance their skills and educational credentials, the conditions of their employment trap them, making it nearly impossible to escape.

The precariousness of low-wage employment limits the time workers have to search for better jobs, learn new skills, take classes or obtain credentials.

Low-wage workers put considerable effort into maximizing paid hours with multiple jobs, additional one-time jobs, working overtime without overtime compensation, guarding their reputations and continually searching for new opportunities.

The barriers to building human capital suggest that policy makers should focus on improving the conditions of low-wage work rather than expecting workers to move out of this labor market on their own.

The majority of workers who would get a raise are over the age of 30, and the average low-wage worker is 35 years old.

Almost half of the workers who would get a raise have at least some college experience.

Workers who would get pay increases earn close to half of their family’s income.

Minimum wage increases lead to overall growth in GDP.

Higher minimum wages, particularly living wages, incentivize worker productivity.

Higher minimum wages reduce employee turnover.

Higher minimum wages reduce borrowing costs and have positive spillover effects on disposable income and liquidity.

Reduces borrower fees and interest payments.

Reduces usage of payday loans.

Reduces payment delinquency.

Increases credit scores.

Minimum wage increases lead to low-income workers spending more money in the local economy, including purchases of used cars.

A 10% increase in the minimum wage increases earnings in the food services industry 1.3-2.5%.

Total employment in food service was not affected, even among the limited-service restaurants, many of them franchisees.

Impact on Reducing Poverty and Its Associated Costs

Advocates on both sides of the minimum wage debate have found that raising the minimum wage reduces poverty.
• There is robust evidence that higher minimum wages lead to increases in incomes at the bottom of the family income distribution.
• Raising the minimum wage is the number one way to cut poverty in half in the U.S.
• Raising the minimum wage helps lift people out of poverty and off public assistance.
• About half of all workers in the bottom 20 percent of wage earners receive public assistance.
• A 10 percent minimum wage increase reduces SNAP enrollment between 2.4 and 3.2 percent, and reduces program expenditures an estimated 1.9 percent.
• Loss of productivity, extra health care costs, and criminal justice costs for adults who grew up poor equals approximately $500 billion annually in the U.S.
• A minimum wage increase is projected to generate revenue rather than cost governments, because families with higher wages pay more in taxes and are eligible for fewer benefits.
• A parent with two children working full time at the federal minimum wage of $7.25 an hour currently earns $4,700 below the poverty level.

Impacts of Preemption Laws

Impact on Louisiana

Other Impacts/Data (General Data & Anecdotal Evidence)
Children & Families

**How Does Household Income Affect Child Personality Traits and Behavior** *(National Bureau of Economic Research (NBER), Sept. 2015)*

*Key finding:* Raising the minimum wage is significantly beneficial to children’s emotional and behavioral health.

- There are large beneficial effects of improved household financial wellbeing on children’s emotional and behavioral health and positive personality trait development.
- These effects are most pronounced for children who are lagging behind their peers in these measures before the intervention.


*Key finding:* Wage increases among the lowest earning families lead to children in those households having higher levels of education in their young adulthood and a lower incidence of criminality for minor offenses.

- An additional $4000 per year for the poorest households increases educational attainment by one year at age 21.
- Wage increases reduce the chances of a child in an affected household of having ever committed a minor crime by 22% at ages 16–17.
- Improved parental quality, as a result of higher wages, is a likely mechanism for the change.


*Key finding:* A $1 increase to the minimum wage would lead to a nearly 10 percent annual decline in reports of child neglect.

*The Great Smoky Mountains Study: Developmental epidemiology in the southeastern United States* *(Social Psychiatry and Psychiatric Epidemiology, May 2016)*

*Key finding:* An income supplement that moved families out of poverty was followed by a marked improvement in behavioral symptoms among children in those families over the next four years.

*Expenditure Patterns Post-Welfare Reform in the UK: Are low-income families starting to catch up?* *(Centre for Analysis of Social Exclusion, London School of Economics, May 2005)*

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1 Akea, Simeonova, Costello, Copeland; [https://www.nber.org/papers/w21562.pdf](https://www.nber.org/papers/w21562.pdf)
2 Akee, Copeland, Keeler, Angold, Costello; [https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2891175/](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2891175/)
4 Costello, Copeland, Angold; [https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4846561/#R37](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4846561/#R37)
5 Washbrook; [https://www.academia.edu/4683575/Expenditure_Patterns_Post-Welfare_Reform_in_the_UK_Are_low-income_families_starting_to_catch_up](https://www.academia.edu/4683575/Expenditure_Patterns_Post-Welfare_Reform_in_the_UK_Are_low-income_families_starting_to_catch_up)
**Key finding:** When low-income families see rising material circumstances they spend the extra money in a way that improves children’s material well-being and that narrows the gap between low-income children and their more affluent peers.

**How Youth Are Put At Risk by Parents’ Low-Wage Jobs** *(University of Massachusetts Boston, Oct. 2012)*

**Key finding:** Children are deeply affected when their parents are struggling, stressed, working more than one job, have no time off (as is often the case in minimum wage jobs), and still don’t earn enough to cover bills. Raising the minimum wage would give these parents more of a margin to spend time with sick or anxious children, attend school meetings, listen to a teenager’s daily concerns and dreams, and many other necessary and/or beneficial family activities.

**Seven Lessons About Child Poverty** *(The Century Foundation, Oct. 2015)*

**Key finding:** “Toxic stress” is a common occurrence for children living in poverty, and that toxic stress can lead to adverse neurological repercussions.

**Genes and Immune System Shaped by Childhood Poverty, Stress** *(The University of British Columbia, 2012)*

**Key finding:** Childhood poverty leaves an imprint on a person's genes. That imprint could play a negative role in our immune response.

**Brain Architecture** *(Center on the Developing Child, Harvard University)*

**Key finding:** Child poverty is not only physically and psychologically damaging to children, it creates a genetic imprint that continues to impact children who are born into poverty throughout the rest of their lives.

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6 Dodson, Albelda, Coronado, Mtshali; [https://scholarworks.umb.edu/csp_pubs/68/](https://scholarworks.umb.edu/csp_pubs/68/)
7 Chang; [https://tcf.org/content/report/seven-lessons-about-child-poverty/](https://tcf.org/content/report/seven-lessons-about-child-poverty/)
9 [https://developingchild.harvard.edu/science/key-concepts/brain-architecture/](https://developingchild.harvard.edu/science/key-concepts/brain-architecture/)
Public Health, Education & Safety

Disparities in Health and Health Care: Five Key Questions and Answers (Henry J. Kaiser Family Foundation, Aug. 2018)\textsuperscript{10}

Key finding: Low-income earners disproportionately experience adverse health outcomes, including higher rates of chronic illness and disability and lower life expectancies, because wages directly affect a person’s ability to access healthy resources.

- Diabetes, heart disease, and hypertension are more common among low-wage earners.
- Individuals with low incomes have as much as a 25% lower life expectancy than those with higher incomes.
- Adverse health experiences of low-income earners trigger a cycle of poverty and poor health by reducing their capacity to work, which can negatively influence their wages, labor force participation, and job choice.

The Poor Pay More - Poverty’s High Cost to Health (Robert Wood Johnson Foundation, Sept. 2009)\textsuperscript{11}

Key finding: Poverty has a negative impact on the health of individuals and the body politic as well. Raising the minimum wage is one of the most effective policies in addressing poverty and public health.

- Negative health outcomes affect both wage earners and all of the members of their household throughout their life course.
- Babies born in low-income families are twice as likely to have a low birthweight as babies in higher-income families.
- Children in low-income families are 40% more likely to have asthma.
- Children in low-income families are four times more likely to dropout of high school.

Can Economic Policies Reduce Deaths of Despair? (National Bureau of Economic Research, April 2019)\textsuperscript{12}

Key finding: Higher minimum wages and EITCs significantly reduce non-drug suicides, directly addressing the rising problem of “deaths of despair.”

- A 10 percent increase in the minimum wage reduces non-drug suicides among adults with high school or less by 3.6 percent.
- Midlife mortality has risen steadily in the U.S. since the 1990s for non-Hispanic whites without a bachelor’s degree, and since 2013 for Hispanics and African-Americans who lack a bachelor’s degree. These increases largely reflect increased mortality from alcohol poisoning, drug overdose and suicide (so-called “Deaths of Despair”).

\textsuperscript{11} Kaplan; http://www.rwjf.org/content/dam/farm/reports/reports/2009/rwjf47463
\textsuperscript{12} Dow, Godoy, Lowenstein, Reich; https://www.nber.org/papers/w25787
Health Impacts of Raising California’s Minimum Wage (Human Impact Partners, May 2014)\textsuperscript{13}

Key findings: Raising the minimum wage has an extraordinary range of positive health and education impacts, including:

- Families whose income increased as a result of the higher minimum wage are more likely to be born healthier, develop stronger bodies and brains, and suffer from fewer chronic diseases as adults and into old age.
- People who live above the federal poverty line can expect to live more than five years longer than those below the line.
- Fewer people live in poverty, ensuring that they get enough to eat.
- Fewer people are forced to live in unhealthy environments created by substandard housing and poor neighborhoods.
- More people have adequate health care and access to health insurance.
- More children are better prepared for school and achieve more in school, which in itself leads to healthier adult lives.
- Children miss fewer school days.
- Teens whose family incomes are below the poverty level are almost twice as likely to miss three or more days of school in a month when compared to teens in families with incomes of more than three times the poverty level.
- Fewer people would smoke—adults in families in poverty are 50% more likely to smoke than those in families earning more than three times the poverty level.
- More people exercise regularly. Adults in families below the poverty level are half as likely to get recommended weekly amounts of physical activity as those in families whose incomes are three times the poverty level.
- Children in lower income families also get less exercise. Teens in families below the poverty level are 2.5 times as likely to be overweight or obese as teens in families whose incomes are three times the poverty level.
- Fewer people suffer from emotional and psychological problems, such as depression and poor self-esteem. Adults in families who live in poverty are over twice as likely to face serious psychological distress and to suffer from family life impairment as those in higher income families.
- Premature deaths of 389 lower-income Californians would be prevented each year.

Closing the Gap in a Generation: Health equity through actions on the social determinants of health (World Health Organization, 2008)\textsuperscript{14}

Key finding: There is international consensus that income is a determinant of health, shaping access to basic needs and social determinants of health such as housing, education, and job opportunities.

Could Raising the Minimum Wage Improve the Public’s Health? (American Journal of Public Health, Aug. 2016)\textsuperscript{15}

\textsuperscript{13} Bhatia; http://healthpolicy.ucla.edu/publications/Documents/PDF/2014/SB935_HealthAnalysis.pdf
\textsuperscript{14} https://apps.who.int/iris/bitstream/handle/10665/43943/9789241563703_eng.pdf?sequence=1
\textsuperscript{15} Leigh; https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4940672/
Key finding: Increasing wages can improve psychological well-being, including:
- Improved job satisfaction
- Improved delay-of-gratification ability
- Increased opportunity costs of engaging in unhealthy habits


**Key finding:** A living wage is associated with substantial health improvement.

*Food Insecurity and Public Assistance* (Journal of Public Economics, Sept. 2012)\(^1^7\)

**Key finding:** Finances are strongly linked to a person’s ability to access healthy food and other resources, creating a link between poverty and a series of chronic diseases including obesity and diabetes.


**Key finding:** Low-wage workers reported fewer unmet medical needs in states with higher minimum-wage rates.
- In high-wage states, workers were better able to pay for the care they needed. In low-wage states, workers skipped medical appointments.

*Minimum Wages and Public Health: A Literature Review* (Preventive Medicine, 2019)\(^1^9\)

**Key finding:** Increased minimum wages reduce smoking prevalence among low-wage/low-skilled workers.
- No consistently harmful health effects are found due to increases in minimum wages.


**Key finding:** A $1 increase in the minimum wage above the federal level was associated with a 1-2 percent decrease in low birth weight births and a 4 percent decrease in postneonatal mortality.

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\(^1^6\) Bhatia, Katz; [https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1446793/](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1446793/)

\(^1^7\) Borjas; [https://sites.hks.harvard.edu/fs/gborjas/publications/journal/JPUBE2004.pdf](https://sites.hks.harvard.edu/fs/gborjas/publications/journal/JPUBE2004.pdf)

\(^1^8\) McCarrer, Zimmerman, Ralston, Martin; [https://ajph.aphapublications.org/doi/10.2105/AJPH.2006.108928](https://ajph.aphapublications.org/doi/10.2105/AJPH.2006.108928)

\(^1^9\) Leigh, Leigh, Du; [https://reader.elsevier.com/reader/sd/pii/S0091743518303104?token=11A0B93A1A07517C8FC1441464D46C3A6314D6133591D0FB40988E84F72001B9A47CBA9CFDA6EAAE6577F19367909EF](https://reader.elsevier.com/reader/sd/pii/S0091743518303104?token=11A0B93A1A07517C8FC1441464D46C3A6314D6133591D0FB40988E84F72001B9A47CBA9CFDA6EAAE6577F19367909EF)

The Effect of Minimum Wages on Adolescent Fertility: A Nationwide Analysis (American Journal of Public Health, March 2017)\textsuperscript{21}

**Key Finding**: A $1 increase in the minimum wage would likely reduce the adolescent birth rate by about 2 percent in the US.

- That reduction would equate to about 5,000 fewer births per year.
- The number would go higher if the minimum wage was increased even further.

The Association Between a Living Wage and Subjective Social Status and Self-rated Health: a Quasi-experimental Study in the Dominican Republic (Social Science & Medicine, Nov. 2014)\textsuperscript{22}

**Key finding**: In the Dominican Republic, workers at a factory that paid well above the minimum wage reported better health status and subjective social status (both validated predictors for future health) than workers at another factory that paid only minimum wage.


**Key finding**: Employees who received the London Living Wage scored higher on psychological well-being metrics than those who worked for average-paying employers.

Introduction of a National Minimum Wage Reduced Depressive Symptoms in Low-Wage Workers: A Quasi-Natural Experiment in the UK (Health Economics, April 2016)\textsuperscript{24}

**Key finding**: Higher minimum wages improve adult mental health.

- The intervention group, whose wages rose above the minimum wage, experienced lower probability of mental ill health compared with both control group 1 and control group 2. This improvement represents 0.37 of a standard deviation, comparable with the effect of antidepressants (0.39 of a standard deviation) on depressive symptoms.


**Key finding**: In Nova Scotia, the minimum wage increased by 79% between 2002 and 2012. During that period, most minimum-wage-earning households were better able to afford nutritious foods.

Heart and Mind in Conflict: The Interplay of Affect and Cognition in Consumer Decision Making (Journal of Consumer Research, Dec. 1999)\textsuperscript{26}

\textsuperscript{21} Bullinger; https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5296690/  
\textsuperscript{23} Flint, Cummins, Wells; https://www.ncbi.nlm.nih.gov/pubmed/24014136  
\textsuperscript{24} Reeves, McKee, Mackenbach, Whitehead, Stuckler; https://onlinelibrary.wiley.com/doi/epdf/10.1002/hec.3336  
\textsuperscript{25} Newell, Williams, Watt; https://www.ncbi.nlm.nih.gov/pubmed/25165833  
\textsuperscript{26} Shiv, Fedorikhin; https://academic.oup.com/jcr/article-abstract/26/3/278/1815363
Key finding: The stress of poverty is a burden on the mind that causes people to make worse decisions and ignore their health.


Key finding: Raising the minimum wage reduces criminal recidivism

- The average minimum wage hike decreased the probability of someone returning to prison within three years by 2.25%.

**Improving Health by Increasing the Minimum Wage** *(American Public Health Association, Nov. 2016)*

Key finding: Meaningful and safe work, properly compensated, is key to public health.

- Women and people of color—many of whom provide for families—are more likely to earn low wages and therefore disproportionately experience the adverse health effects of poverty.
- APHA supports the right of all people to earn a living wage sufficient to support a dignified existence.
- The minimum wage can be an important tool for undoing racial inequities and improving health outcomes for all. It is critical for federal and state policymakers to strongly consider the potential health improvements afforded by increasing minimum wages.
- States with the lowest minimum wages (or states that have left the minimum wage at the very low federal standard) have the worst health outcomes and highest levels of poverty.


Key finding: Historically underserved populations experience the health effects of low income at inequitable rates.

- Women were more likely than men to be among the working poor.
- Blacks and Hispanics continued to be more than twice as likely as Whites and Asians to be among the working poor.

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27 Agan, Makowsky; [https://www.nber.org/papers/w25116](https://www.nber.org/papers/w25116)


Economic Impact

The Effect of Minimum Wages on the Total Number of Jobs: Evidence from the United States Using a Bunching Estimator (The Society of Labor Economists, April 2017)\(^{30}\)

Key finding: This is the most comprehensive minimum wage study ever conducted in the U.S. It looks at 137 state and local minimum wage increases from 1979-2016. It found that total job numbers remain “essentially unchanged” after a minimum wage increase.

- Using variation in state minimum wages in the United States between 1979 and 2016, we find that, on average, the number of missing jobs paying below the new minimum during the five years following implementation closely matches the excess number of jobs paying just above minimum. This leaves the overall number of low-wage jobs essentially unchanged, while raising average earnings of workers below those thresholds.


Key finding: We estimate the effect of the minimum wage on the frequency distribution of hourly wages using 138 prominent state-level minimum wage changes between 1979 and 2016. We find that the overall number of low-wage jobs remained essentially unchanged over five years following the increase.

- The direct effect of the minimum wage on average earnings was amplified by modest wage spillovers at the bottom of the wage distribution.
- We also find no evidence of disemployment when we consider higher levels of minimum wages.

The New Wave of Local Minimum Wage Policies: Evidence from Six Cities (University of California, Berkeley, Institute for Research on Labor and Employment, Sept. 2018)\(^{32}\)

Key finding: On average across the six cities, we find that a 10 percent increase in the minimum wage increases earnings in the food services industry between 1.3 and 2.5 percent.

- The six cities that implemented higher minimum wages have stronger private sector growth than the average comparison county. Simply comparing employment in the treated and comparison counties risks masking any true employment losses that may result from the higher minimum wages. Our analysis uses statistical methods that isolate the causal effect of the local minimum wage policies.
- We cannot detect significant negative employment effects. Our models estimate employment effects of a 10 percent increase in the minimum wage that range from a 0.3 percent decrease to a 1.1 percent increase, on average.

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\(^{30}\) Cengiz, Dube, Lindner, Zipperer; [https://www.sole-jole.org/17722.pdf](https://www.sole-jole.org/17722.pdf)

\(^{31}\) Cengiz, Dube, Lindner, Zipperer; [https://www.nber.org/papers/w25434](https://www.nber.org/papers/w25434)

Our conclusions are supported by robustness tests that check whether our findings are influenced by contemporary changes in the cities that are not related to minimum wages.

Recent research on minimum wages up to $10 has generally not found employment effects. Ours is the first comprehensive look at effects of minimum wages above $10.

We focus on the food services industry, a major employer of the low-wage labor force.

Seattle’s Minimum Wage Experience 2015-16 (University of California, Berkeley, Institute for Research on Labor and Employment, June 2017)\(^{33}\)

**Key finding:** Wages in food services did increase—indicating the policy achieved its goal—and our estimates of the wage increases are in line with the lion’s share of results in previous credible minimum wage studies.

- Employment in food service, however, was not affected, even among the limited-service restaurants, many of them franchisees, for whom the policy was most binding.

Effects of a $15 Minimum Wage in California and Fresno (University of California, Berkeley, Institute for Research on Labor and Employment, Jan. 2017)\(^{34}\)

**Key findings:** Minimum wage increases generate both negative and positive employment effects. As it turns out, these negative and positive effects on employment largely offset each other, in both California and in Fresno County.

- 96 percent of workers who would get increases are over 20; 58.2 percent are over 30.
- Workers who would get pay increases are less-educated than the overall workforce, but almost half (47.3 percent) have at least some college experience.
- Workers who would get pay increases earn close to half of their family’s income.
- Three industries account for almost 40 percent of the private sector workers who would be getting increases in California: retail trade (16.5 percent), restaurants (14.6 percent), and health services (8.2 percent).
- Total wage costs would increase by 2.8 percent across all employers.
- Employee turnover reduction, automation, and increases in worker productivity would offset some of these payroll cost increases.
- Businesses could absorb the remaining payroll cost increases by increasing prices by 0.6 percent through 2023. This price increase is well below the annual inflation rate of 1.8 percent over the past five years. Price increases in restaurants would be 5.1 percent.
- The consumers who would pay these increased prices range across the entire income distribution.
- Our estimate projects a very small increase in employment growth relative to what would occur without the minimum wage increase. This slightly higher job growth would add 13,980 more jobs by 2023, raising employment by 0.1 percent by 2023.

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A $15 statewide minimum wage by 2023 would generate a significant increase in earnings for about 5.26 million workers in California while creating a small price increase borne by all consumers.

Our estimates for Fresno County project larger wage and cost effects and a close to zero but positive effect on employment.


**Key finding:** Minimum wage increases have raised workers’ incomes without significant impact on employment.

- The study carefully analyzed minimum wage impacts across state borders by comparing employment patterns in more than 250 pairs of neighboring counties in the U.S. that had different minimum wage rates between 1990 and 2006.

**Geographical Variation in Wages of Workers in Low-Wage Service Occupations: A U.S. Metropolitan Area Analysis** *(Economic Development Quarterly, March 2019)*

**Key finding:** The broad structural factors typically believed to drive local wages have little impact on the wages of low-earning service workers. (Such factors include higher levels of educational attainment, higher shares of college graduates, tighter labor markets, and higher rates of unionization.)

- The preeminent factor in explaining wage differences for these lowest paid workers across geographic areas is the minimum wage.
- Our results indicate that if local communities want to raise the wages for these workers, raising the minimum wage would have a direct impact.
- Since the lowest paid workers are not compensated for higher housing costs, perhaps the minimum wage should vary over geographies, depending on the relative housing costs.

**Minimum Wage Increases and Individual Employment Trajectories** *(National Bureau of Economic Research, Oct 2018)*

**Key finding:** In this paper, the researchers who conducted the original study showing that the Seattle minimum wage increase had a negative impact reverse their original findings.

- “We’re prepared to have a lot of people come out and say we’re contradicting ourselves,” Jacob Vigdor, a University of Washington economist and an author of the study told the Times. “That we’re flip-flopping.”
- The effects of raising the minimum wage are complex and need to be studied with nuance. Raising the minimum wage has different effects on different types of workers.

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On net, the minimum wage increase from $9.47 to as much as $13 per hour raised earnings by an average of $8-$12 per week.

We associate the minimum wage ordinance with an 8% reduction in job turnover rates.

**How raising the federal minimum wage would help working families and give the economy a boost** *(Economic Policy Institute, Aug. 2012)*

*Key finding:* Across the phase-in period of the minimum-wage increase (a proposed federal increase from $7.25 to $9.80 from 2012-2014), GDP would increase by roughly $25 billion, resulting in the creation of approximately 100,000 net new jobs over that period.

**Minimum Wages and Consumer Credit: Impacts on Access to Credit and Traditional and High-Cost Borrowing** *(Federal Reserve Board, Washington, D.C., June 2018)*

*Key findings:* Overall, minimum wages reduce borrowing costs and have positive spillover effects on disposable income and liquidity. Minimum wage increases:

- On aggregate, a $1 increase in the minimum wage saves borrowers $90 million in fees and interest annually
- Increase the supply of unsecured credit
- Reduce usage of payday loans
- Reduce payment delinquency
- Increase credit scores

**Measuring the Employment Impacts of the Living Wage Ordinance in Santa Fe, New Mexico** *(University of New Mexico, Bureau of Business and Economic Research, June 2006)*

*Key finding:* Annual total employment for businesses in Santa Fe with 25 or more employees increased slightly between the year before the LWO and the year after the LWO.

- Both the average employment for those firms also increased marginally, but the number of businesses fell by four.
- Small businesses, those with less than 25 employees, behaved very similar, losing two businesses, but having overall more employees and a slightly increased average number of employees per business.
- Businesses with an annual average of 25 or more employees in the year before or the year after the LWO increased their employment levels by .35 employees. This modest increase is larger than the average increase for businesses with less than 25 employees in Santa Fe and businesses with less than 25 employees in Albuquerque.
- Over the same time period, when Albuquerque’s LWO wasn’t raised, large businesses in Albuquerque actually decreased their employment by an average of 2.4 employees.

**Publication Selection Bias in Minimum-Wage Research? A Meta-Regression Analysis** *(British Journal of Industrial Relations, May 2009)*

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39 Dettling, Hsu; [http://www-personal.umich.edu/%7Ejwhsu/dettling_hsu_minwage_credit.pdf](http://www-personal.umich.edu/%7Ejwhsu/dettling_hsu_minwage_credit.pdf)
40 Potter; [http://bber.unm.edu/media/publications/EmploymentLivingWageAnalysis.pdf](http://bber.unm.edu/media/publications/EmploymentLivingWageAnalysis.pdf)
Key Finding: This meta-study of 64 studies of the impact of minimum wage increases shows that the bulk of the studies find close to no impact on employment.

**The UK National Minimum Wage’s Impact on Productivity** (British Journal of Management, 2016)\(^{42}\)

**Key finding:** Higher minimum wages, particularly living wages, incentivize worker productivity.


**Key finding:** Higher minimum wages reduce employee turnover.

**A Decade of Flat Wages: The Key Barrier to Shared Prosperity and a Rising Middle-Class** (Economic Policy Institute, Aug. 2013)\(^{44}\)

**Key finding:** The vast majority of U.S. workers—including white-collar and blue-collar workers and those with and without a college degree—have endured more than a decade of wage stagnation. Wage growth has significantly underperformed productivity growth regardless of occupation, gender, race/ethnicity, or education level.

- Weak wage growth over 2000–2007, combined with the wage losses for most workers from 2007 to 2012, mean that between 2000 and 2012, wages were flat or declined for the entire bottom 60 percent of the wage distribution (despite productivity growing by nearly 25 percent over this period).
- For virtually the entire period since 1979 (with the one exception being the strong wage growth of the late 1990s), wage growth for most workers has been weak. The median worker saw an increase of just 5.0 percent between 1979 and 2012, despite productivity growth of 74.5 percent—while the 20th percentile worker saw wage erosion of 0.4 percent and the 80th percentile worker saw wage growth of just 17.5 percent.


**Key finding:** Minimum wage increases lead to low-income workers spending more money in the local economy, including purchases of used cars.

- Immediately following a minimum wage hike, household income rises on average by about $250 per quarter and spending by roughly $700 per quarter for households with minimum wage workers. Most of the spending response is caused by a small number of households who purchase vehicles.

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\(^{43}\) Lester, Reich; [https://econpapers.repec.org/article/ucpjlabec/doi_3a10.1086_2f685449.htm](https://econpapers.repec.org/article/ucpjlabec/doi_3a10.1086_2f685449.htm)

\(^{44}\) Shierholz, Mishel; [https://www.epi.org/publication/a-decade-of-flat-wages-the-key-barrier-to-shared-prosperity-and-a-rising-middle-class/](https://www.epi.org/publication/a-decade-of-flat-wages-the-key-barrier-to-shared-prosperity-and-a-rising-middle-class/)

\(^{45}\) Aaronson, Agarwal, French; [https://www.aeaweb.org/articles?id=10.1257/aer.102.7.3111](https://www.aeaweb.org/articles?id=10.1257/aer.102.7.3111)
Key finding: Economists are changing their tune on the effects of raising the minimum wage. As more evidence emerges on minimum wage increases, fewer economists predict that such increases will lead to substantial job losses.


Key finding: Minimum wage increases have almost zero impact on total job numbers.

- A data-driven LASSO procedure that optimally corrects for state trends produces a small employment elasticity (–0.01). Even a highly sparse model rules out substantial disemployment effects.

Impact of Raising the Federal Minimum Wage (Brookings, July 2009)⁴⁸

Key findings: The main effect is going to be low-wage workers will have a higher pay today than they had yesterday and there will be, I think, virtually no detectable effect on employment.

- If you take all of the wages paid to all of the minimum wage workers in the United States and you add all of those wages together, it is a very trivial part of the total wage bill of American businesses and so the effects on prices in the United States are also likely to be very, very tiny.

Between 2013 and 2017, Wage Growth at the Bottom was Strongest in States with Minimum Wage Increases (Economic Policy Institute, March 2018)⁴⁹

Key finding: Wage growth at the 10th percentile in states with at least one minimum wage increase from 2013 to 2017 was more than twice as fast as in states without any minimum wage increases (5.2 percent vs. 2.2 percent).

- As expected, given women’s lower wages in general, this result is even stronger for women (5.1 percent vs. 0.8 percent).

Low-wage Workers are Older Than You Think (Economic Policy Institute, Aug. 2013)⁵⁰

Key findings: The average low-wage worker is 35 years old. Among low-wage workers, 88 percent are over 20 years old, 36 percent are over 40, 56 percent are women, 28 percent have children, and on average they earn half of their family’s total income.

⁴⁶ http://www.igmchicago.org/surveys/15-minimum-wage
⁴⁸ https://www.brookings.edu/on-the-record/impact-of-raising-the-federal-minimum-wage/
⁵⁰ Essrow, Cooper; https://www.epi.org/publication/wage-workers-older-88-percent-workers-benefit/
Reducing Poverty and its Associated Costs

*Minimum Wages and the Distribution of Family Incomes* (IZA Institute of Labor Economics, Feb. 2017)\(^{51}\)

**Key finding:** Higher minimum wages likely reduce poverty. There is robust evidence that higher minimum wages lead to increases in incomes at the bottom of the family income distribution.

*Economists Agree: Raising the Minimum Wage Reduces Poverty* (Washington Post, Jan. 2014)\(^{52}\)

**Key finding:** Advocates both for and against minimum wage increases found that raising the minimum wage reduces poverty.

*Strategies for Assisting Low-Income Families* (Brookings, July 2013)\(^{53}\)

**Key findings:** Raising the minimum wage would help lift people out of poverty and off public assistance.

- Households in the bottom third of economic distribution derive approximately 25 percent of their income from non-earned sources, including state government assistance programs.
- Raising the minimum wage to $9 per hour would increase low-income household earnings by approximately 19 percent.

*From Poverty to Prosperity: A National Strategy to Cut Poverty in Half* (Center for American Progress, April 2007)\(^{54}\)

**Key finding:** Raising the minimum wage to half the average hourly wage, and indexing it to that standard going forward, is the number one way to cut poverty in half in the U.S.

*Low-wage Work Uncertainty Often Traps Low-wage Workers* (Center for Poverty Research, UC-Davis)\(^{55}\)

**Key finding:** While many low-wage workers recognize the need to enhance their skills and educational credentials, the conditions of their employment trap them, making it nearly impossible to escape.

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The precariousness of low-wage employment limits the time workers have to search for better jobs, learn new skills, take classes or obtain credentials.

Low-wage workers put considerable effort into maximizing paid hours with multiple jobs, additional one-time jobs, working overtime without overtime compensation, guarding their reputations and continually searching for new opportunities.

The barriers to building human capital suggest that policy makers should focus on improving the conditions of low-wage work rather than expecting workers to move out of this labor market on their own.

**Raising the Federal Minimum Wage to $10.10 Would Save Safety Net Programs Billions and Help Ensure Businesses Are Doing Their Fair Share** *(Economic Policy Institute, Oct. 2014)*

*Key finding:* About half of all workers in the bottom 20 percent of wage earners receive public assistance, for a total of approximately $45 billion per year.

- That $45 billion accounts for roughly half of all public assistance dollars from means-tested income-support programs.
- Raising the minimum wage would reduce the number of Americans needing public assistance by up to 2 million people, including tens of thousands of Louisianans.
- The corresponding reduction in public assistance spending would be nearly $8 billion on the federal level and millions of dollars for Louisiana.

**Ending Child Poverty Now** *(Children’s Defense Fund, 2015)*

*Key findings:*

- Loss of productivity, extra health care costs, and criminal justice costs for adults who grew up poor equals approximately $500 billion.
- A minimum wage increase is projected to generate revenue rather than cost governments, because families with higher wages pay more in taxes and are eligible for fewer benefits.
- A parent with two children working full time at the federal minimum wage of $7.25 an hour currently earns $4,700 below the poverty level.
- The current federal minimum wage is worth 24 percent less in inflation-adjusted terms than at its peak in 1968. If it had grown at the same rate as productivity, the minimum wage would be $18.42 today (as of 2016).

**The Effects of Minimum Wages on Food Stamp Enrollment** *(Industrial Relations: A Journal of Economy and Society, Sept. 2015)*

*Key finding:* A 10 percent minimum wage increase reduces SNAP enrollment between 2.4 and 3.2 percent, and reduces program expenditures an estimated 1.9 percent.

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Key finding: When you reduce or remove the stigma associated with being poor, poor individuals exhibit better executive control, higher fluid intelligence, and a greater willingness to avail themselves of benefits programs.
Louisiana Impact

*Budgeting for Basic Needs: A Struggle for Working Families* *(National Center for Children in Poverty, Columbia University, March 2009)*

**Key finding**: As of 2009, a two-parent family with two children living in East Carroll Parish would need at least $35,000 per year to make ends meet. At the current minimum wage, that would require both parents to work at least 100 hours per week combined, 52 weeks a year, without any sick days or vacation time.

Preemption-specific Information

*Colorado Legislature Approves Landmark Bill to Repeal Preemption of Local Minimum Wage Laws* *(National Employment Law Project, May 2019)*

**Key finding**: Pushed by corporate interests looking to keep pay low, in 1999, Colorado was one of the first states to ban communities from raising the minimum wage at the local level. But today, recognizing it was a mistake that hurt workers, Colorado’s legislature became the first in the nation to vote to repeal such a ban.

*On Preemption of Miami Beach’s Minimum Wage Ordinance* *(National Employment Law Project, March 2017)*

**Key finding**: The court’s ruling invalidating Miami Beach’s minimum wage ordinance – and upholding the legislature’s ban on cities’ addressing local needs for higher wages – is unfortunate and will hurt communities across the state. It also flies in the face of the opinion of leading constitutional experts, who filed a legal brief agreeing that the legislature’s ban was illegal.

*City Governments are Raising Standards for Working People--and State Legislators are Lowering them Back Down* *(Economic Policy Institute, Aug. 2017)*

**Key finding**: In practice, these laws are being used to strip authority from local governments who seek to increase protections for workers. State legislatures' dramatic shift in the use of preemption to forbid local governments from enhancing protections for workers above the state level has resulted in actually lowering labor and employment standards in some cases.

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60 Dinan; [https://academiccommons.columbia.edu/doi/10.7916/D86W9KSM](https://academiccommons.columbia.edu/doi/10.7916/D86W9KSM)


State Legislative Ideology & the Preemption of City Ordinances: The Case of Worker Rights Laws (University of Nebraska at Omaha, 2018)\(^{64}\)

**Key finding:** Ideology appears to play an important role in the decision to involve the state in the affairs of local governments in recent decades.

- Previous experience with preemption reduces the risk of future preemption.
- If, as the results of this analysis suggest, more conservative state legislative ideology is an important predictor of preemption activity, it is entirely possible for these preemptions to be undone with changes in ideology. If local autonomy begins to change with state election cycles, local elected officials and administrators will have a difficult time planning for future events.

The Challenge of the New Preemption (Columbia Law School, 2018)\(^{65}\)

**Key finding:** Local autonomy deals with polarization by devolving policy-making to different communities with different populations, conditions, preferences and concerns. It also permits the testing of different ways of addressing disputed issues and the development of some real world evidence of how new approaches work in practice.

Preemption, Federalism, and Local Democracy (Fordham Urban Law Journal, 2017)\(^{66}\)

**Key findings:** Throughout the United States, city residents are coming to the uncomfortable realization that they have no right to local democracy.

- Though it is hardly unprecedented for states to preempt local regulations, the breadth and ambition of the recent preemption efforts have rarely been seen in American history.
- The preemption controversy, and the larger urban/rural fissure it exemplifies, indicates that today’s partisan politics is an all-out conflict between competing social groups, rather than a temporary alignment of ephemeral interests.\(^{64}\) If that is true, it has dangerous implications for liberal democracy.

Hyper Preemption: A Reordering of the State–Local Relationship? (Georgetown Law Journal, 2018)\(^{67}\)

**Key finding:** These preemption statutes punish local governments or their public officials for taking policy positions that only arguably violate state law and deny them access to the typical legal processes for determining the legality of local ordinances, or otherwise seek to transplant local policy authority without a substantive debate about why state control is preferable.

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\(^{65}\) Briffault; [https://scholarship.law.columbia.edu/cgi/viewcontent.cgi?article=3091&context=faculty_scholarship](https://scholarship.law.columbia.edu/cgi/viewcontent.cgi?article=3091&context=faculty_scholarship)

\(^{66}\) Stahl; [https://ir.lawnet.fordham.edu/cgi/viewcontent.cgi?referer=https://www.google.com/&httpsredir=1&article=2681&context=ulj](https://ir.lawnet.fordham.edu/cgi/viewcontent.cgi?referer=https://www.google.com/&httpsredir=1&article=2681&context=ulj)

\(^{67}\) Scharff; [https://georgetownlawjournal.org/articles/271/hyper-preemption/pdf](https://georgetownlawjournal.org/articles/271/hyper-preemption/pdf)
Anecdotal evidence

**Dollars on the Margins** *(The New York Times Magazine, 2019)*

“Poverty can be unrelenting, shame-inducing and exhausting. When people live so close to the bone, a small setback can quickly spiral into a major trauma. Being a few days behind on the rent can trigger a hefty late fee, which can lead to an eviction and homelessness. An unpaid traffic ticket can lead to a suspended license, which can cause people to lose their only means of transportation to work. In the same way, modest wage increases have a profound impact on people’s well-being and happiness.”

“When the minimum wage goes up, I see it,” says Dr. Margot Kushel, who directs the University of California, San Francisco Center for Vulnerable Populations, which is based in a local hospital. When Kushel’s patients have a bit more money in their pockets, “they exercise more. They are less stressed and can quit smoking. Their mental health improves pretty dramatically. Their sleep gets better. And people start eating healthier almost immediately.” Kushel continued: “We will spend an incredible amount on a new heart drug. But if we increased wages by $1, we’d save more lives.”

**Birmingham Bounce: Raising the Minimum Wage in the South** *(The New York Times, Aug. 2015)*

“The absence of state minimums reflects a tolerance for poverty-level wages that is, in turn, a vestige of slavery in the South.”

Additions


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Fed Reserve research on MW:  

Upjohn research on prices after MW increase (already used above?):  
http://research.upjohn.org/cgi/viewcontent.cgi?article=1278&context=up_workingpapers


Brookings on low-wage jobs (recap):  
https://www.brookings.edu/research/meet-the-low-wage-workforce/

Actual report:  


Vox explainer:  

Business for a Fair Minimum Wage:  

https://www.minimumwage.com

https://www.npr.org/2020/01/06/794027489/when-prices-increase-but-the-minimum-wage-has-not

MW increase effect on suicide rates:  
https://jech.bmj.com/content/early/2020/01/03/jech-2019-212981

Hunger in America/LA:  

House Speaker vote breakdown:  
https://twitter.com/GregHilburn1/status/1216770739300454406?s=20
Journalist Resource:
https://journalistsresource.org/studies/economics/workers/federal-minimum-wage-research/

Cal-Berkeley “Minimum Wage Effects in Low-Wage Areas”:

Impact on affordable housing: https://journals.sagepub.com/doi/10.1177/0891242419836493

CBO research paper:

Poverty and health disparities:

Low wages -> Food insufficiency -> Poor health outcomes:
https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1446676/

Income and longevity:
https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1446793/

Vox wages & suicide rates:
https://portside.org/2020-01-10/higher-minimum-wage-fewer-suicides

Minn. Supreme Court allows local MW: