

# New Minimum Wage Research: Evaluations & Downstream Effects

Raise the Minimum Wage Conference  
National Employment Law Project

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# *CWEDs Research Agenda 2018+*

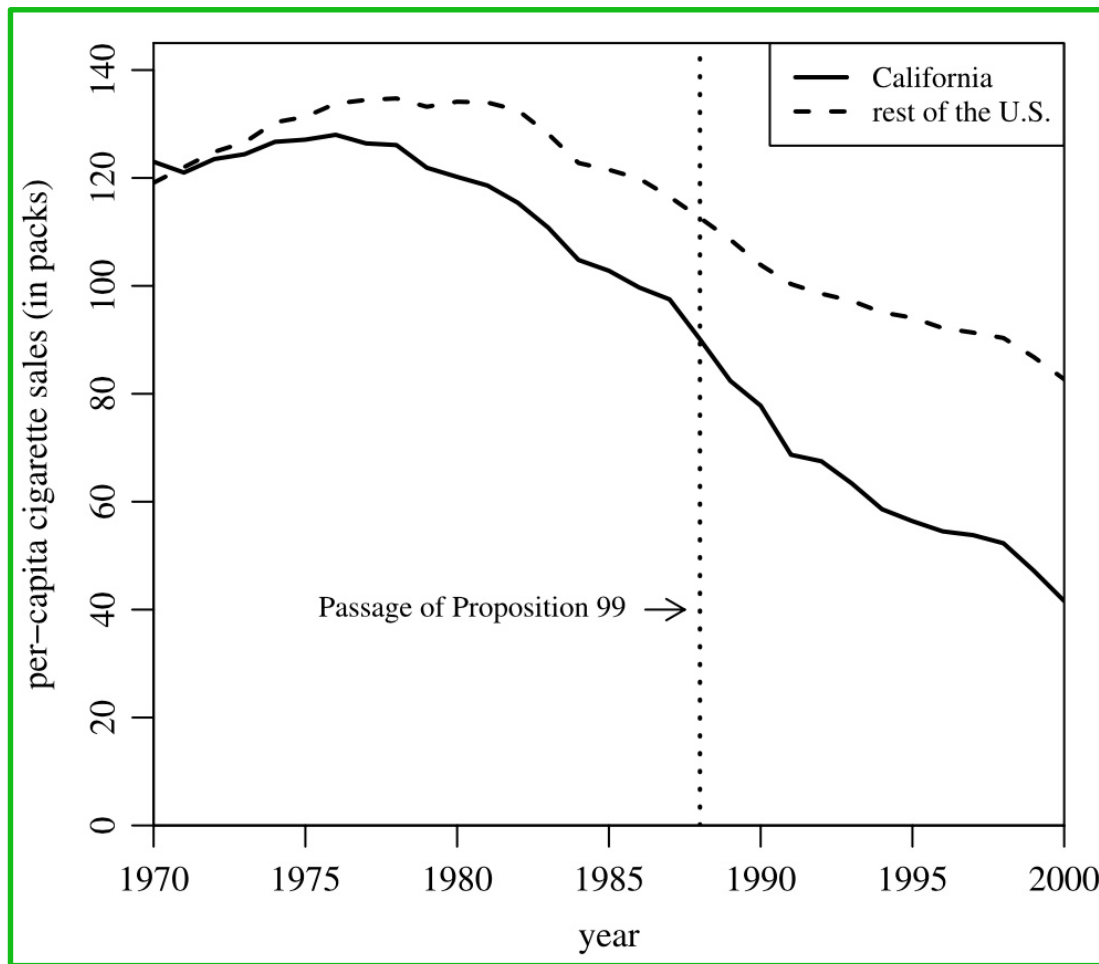
## ■ **Evaluation studies**

- Recent local & state MWs above \$12—many phasing to \$15
- Analyze in as real time as possible

## ■ **Downstream effects**

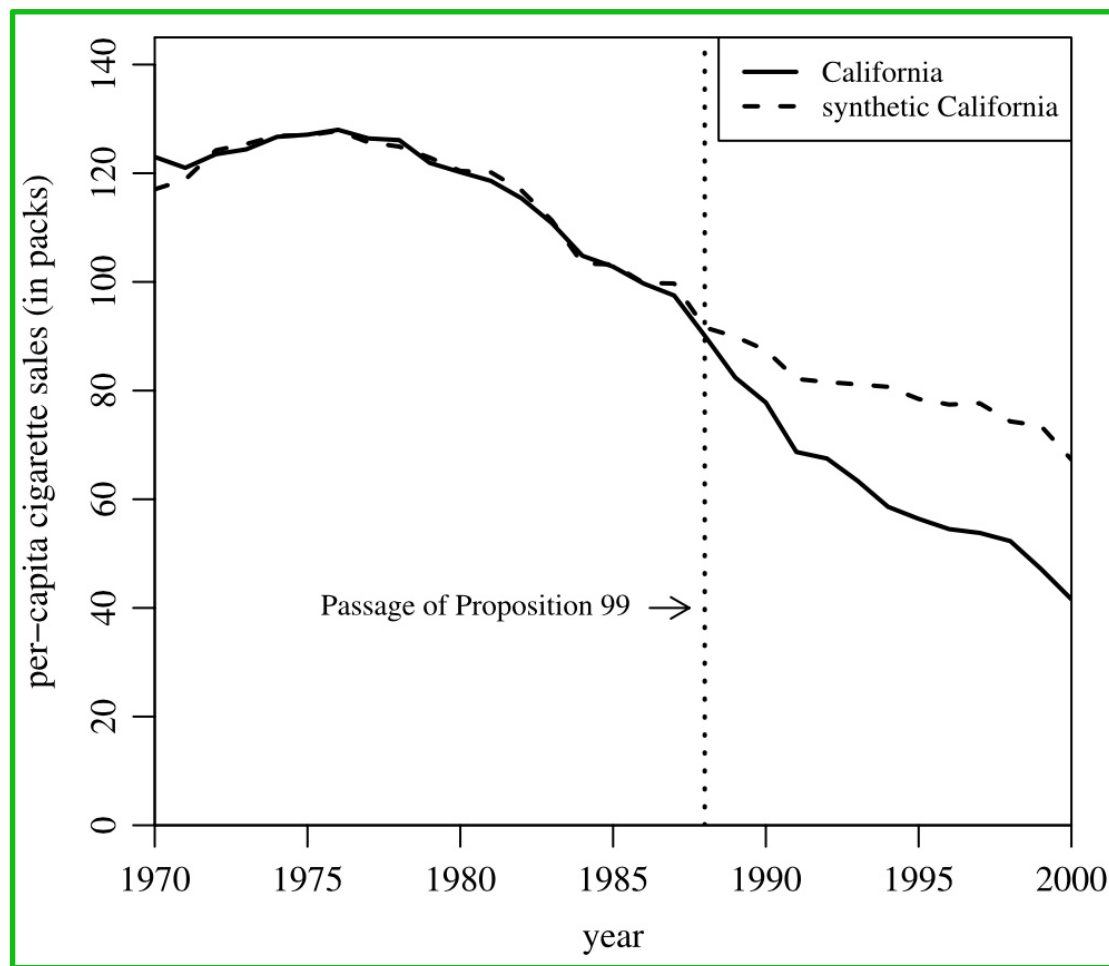
- Conduct research that continues to extend the discourse beyond narrow/single issue of employment
- The cost-benefit potential of significantly higher wage floors demands a broader array of research

# *Synthetic control example: CA tobacco tax and cigarette consumption*



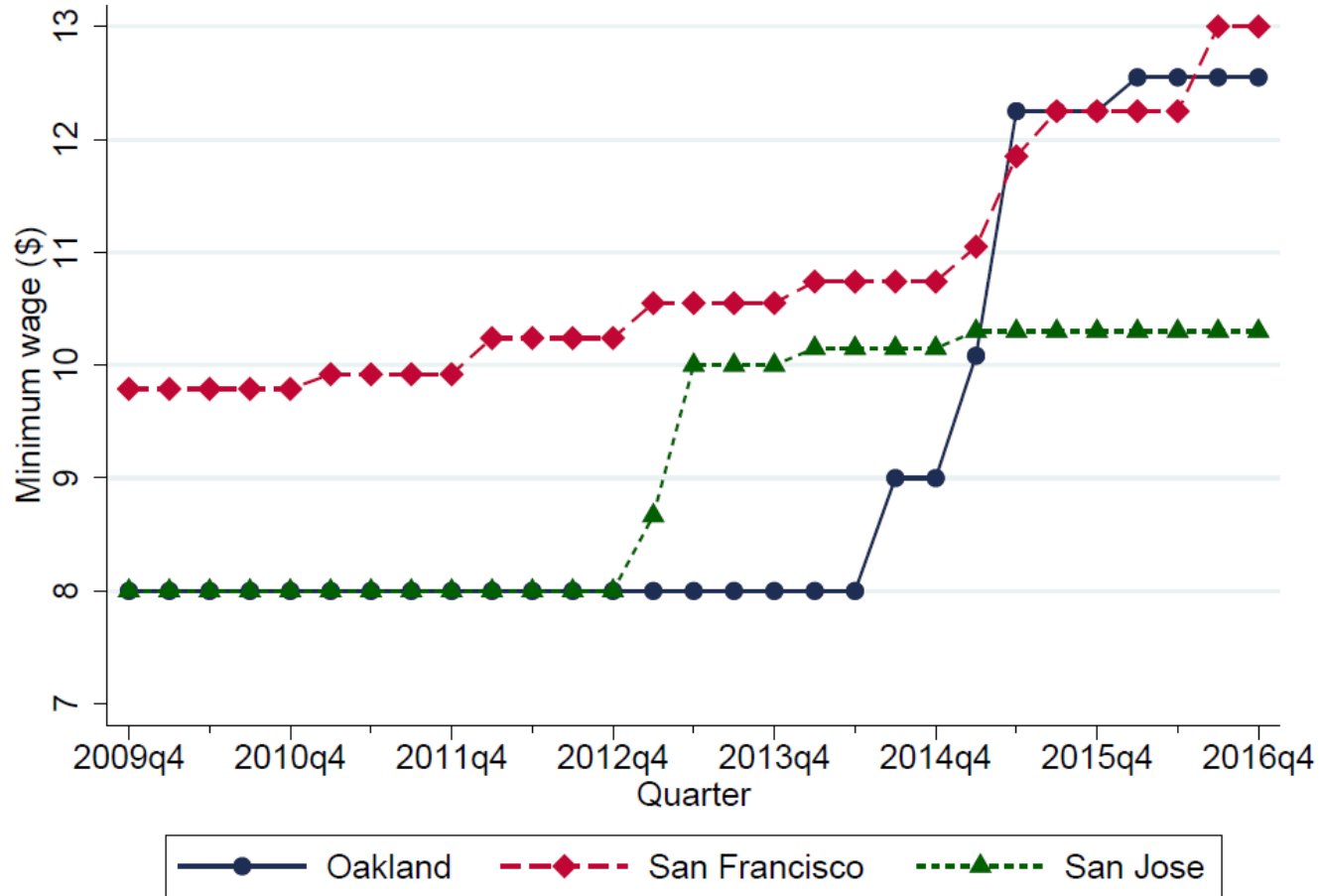
Source: Abadie, Diamond, and Hainmueller 2010.

# *Synth-CA as a weighted average of other states: pre-period match, post-period effect*

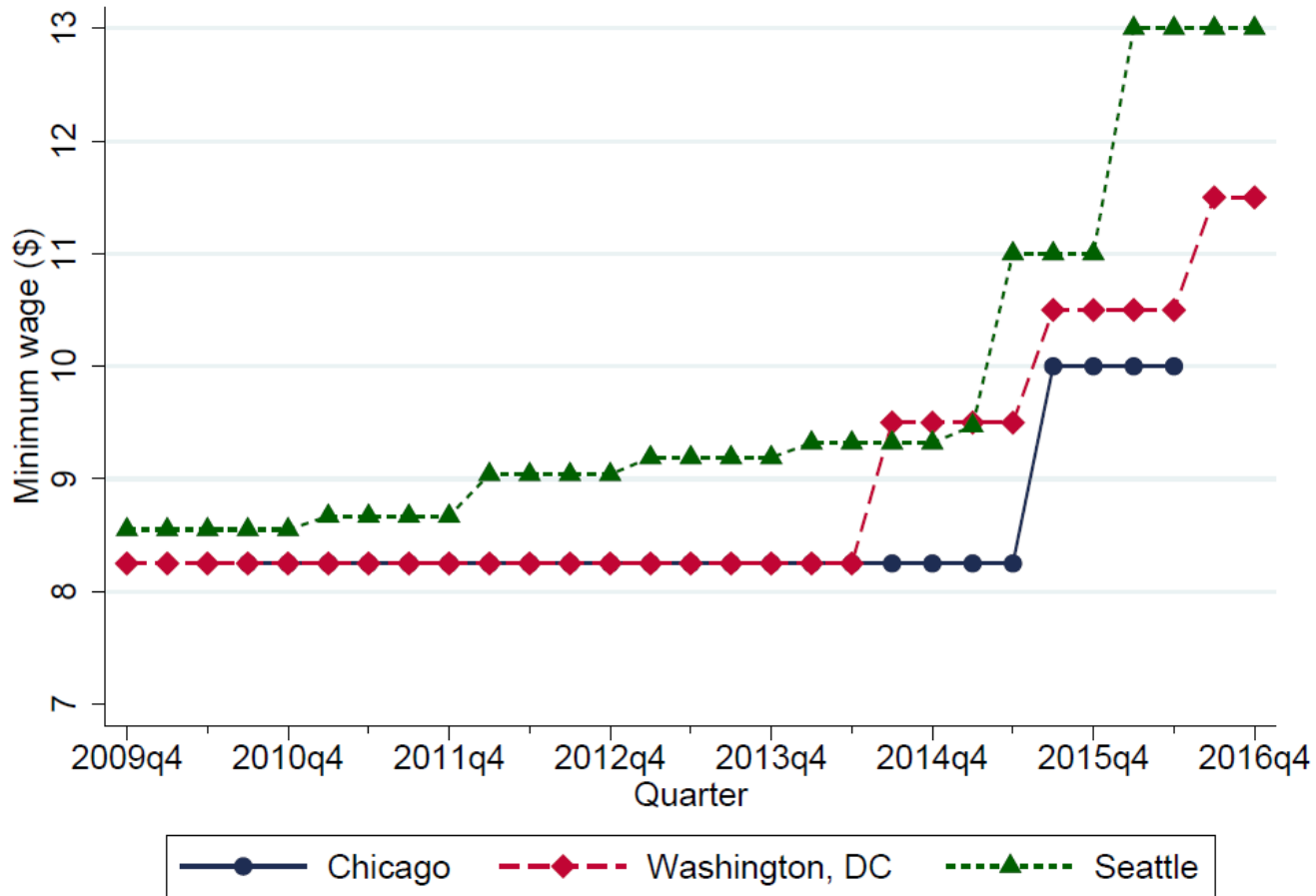


Source: Abadie, Diamond, and Hainmueller 2010.

# Three CA cities



# Three other cities



# *Donor pool selection & policy*

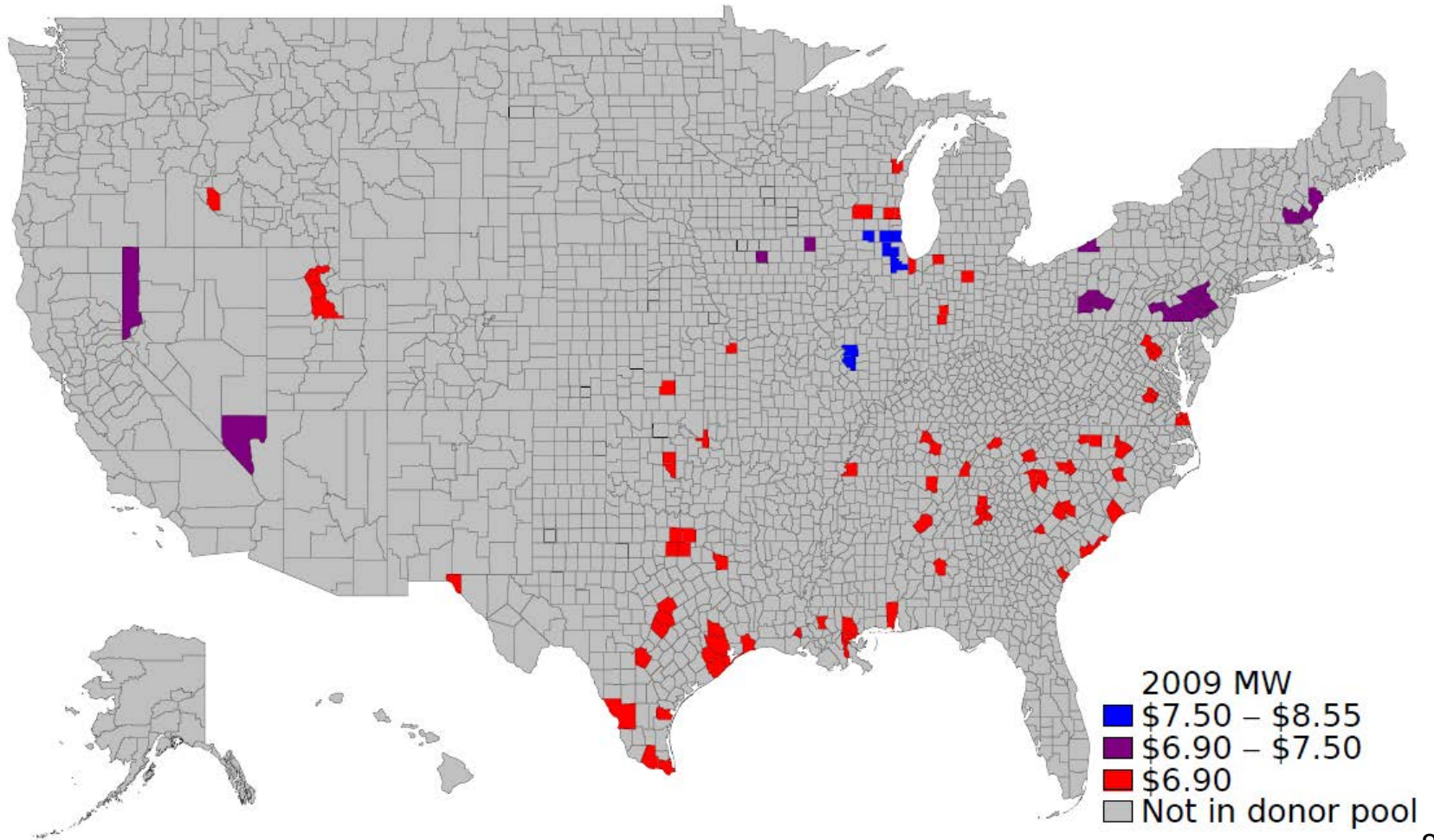
City	Pre-period	Evaluation-pd	MW growth	Donor pool
Chicago	2010q3--2015q2	2015q3--2016q2	19.2%	No increases
Oakland	2009q4--2014q2	2015q2--2016q3	43.8%	No increases
San Jose	2009q4--2012q4	2013q2--2014q3	23.1%	No increases
Wash. DC	2009q4--2014q2	2014q3--2016q4	21.9%	No increases
San Francisco	2009q4--2015q1	2015q2--2016q4	11.4%	Indexed to inflation
Seattle	2009q4--2015q1	2015q2--2016q4	24.1%	Indexed to inflation

We use QCEW county data on earnings & employment

We restrict our donor pool to counties:

- In a metropolitan area with at least 200k population
- “Clean” - meaning no state or local MW policy
- Similar MW - no changes or indexation

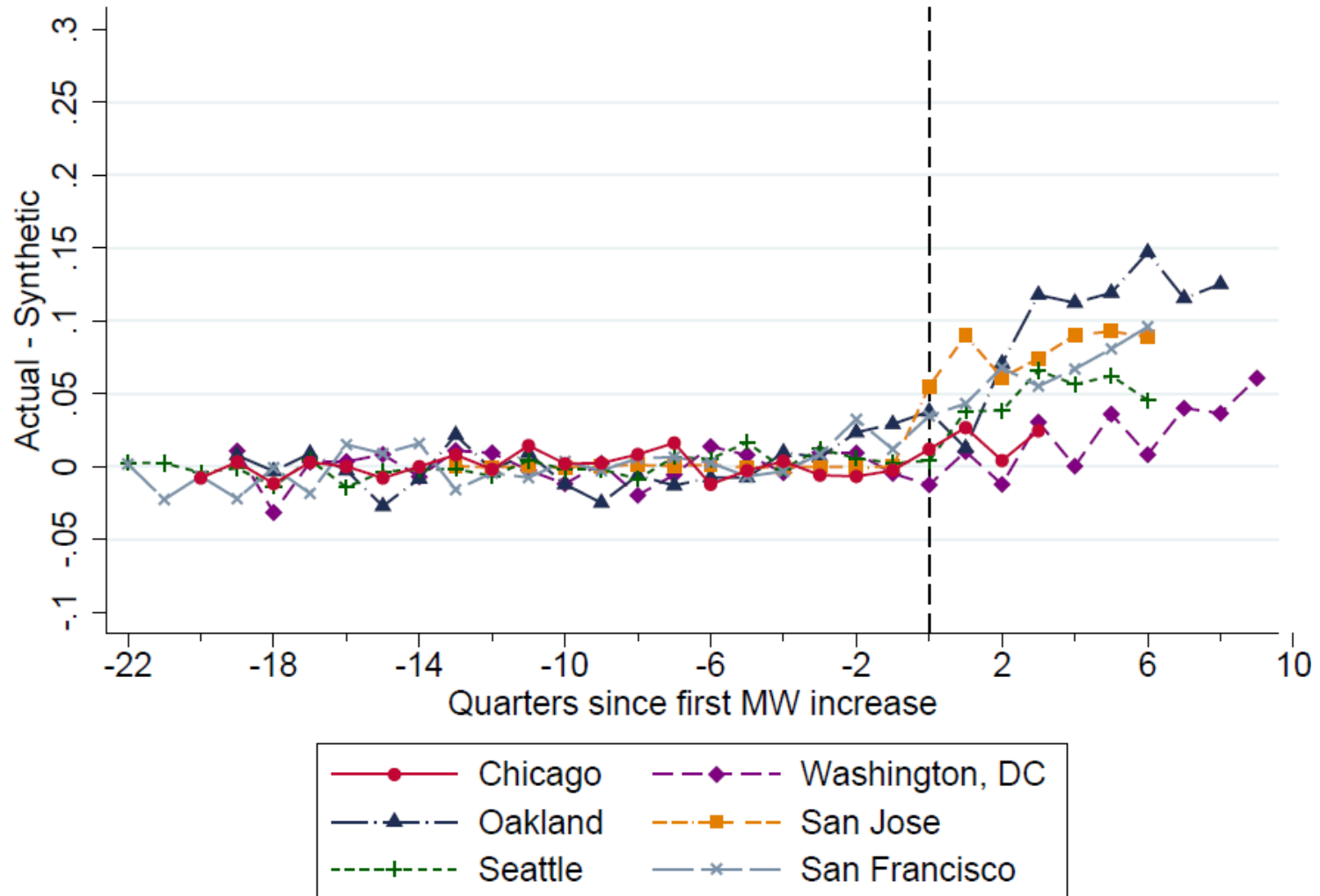
# Chicago donor pool





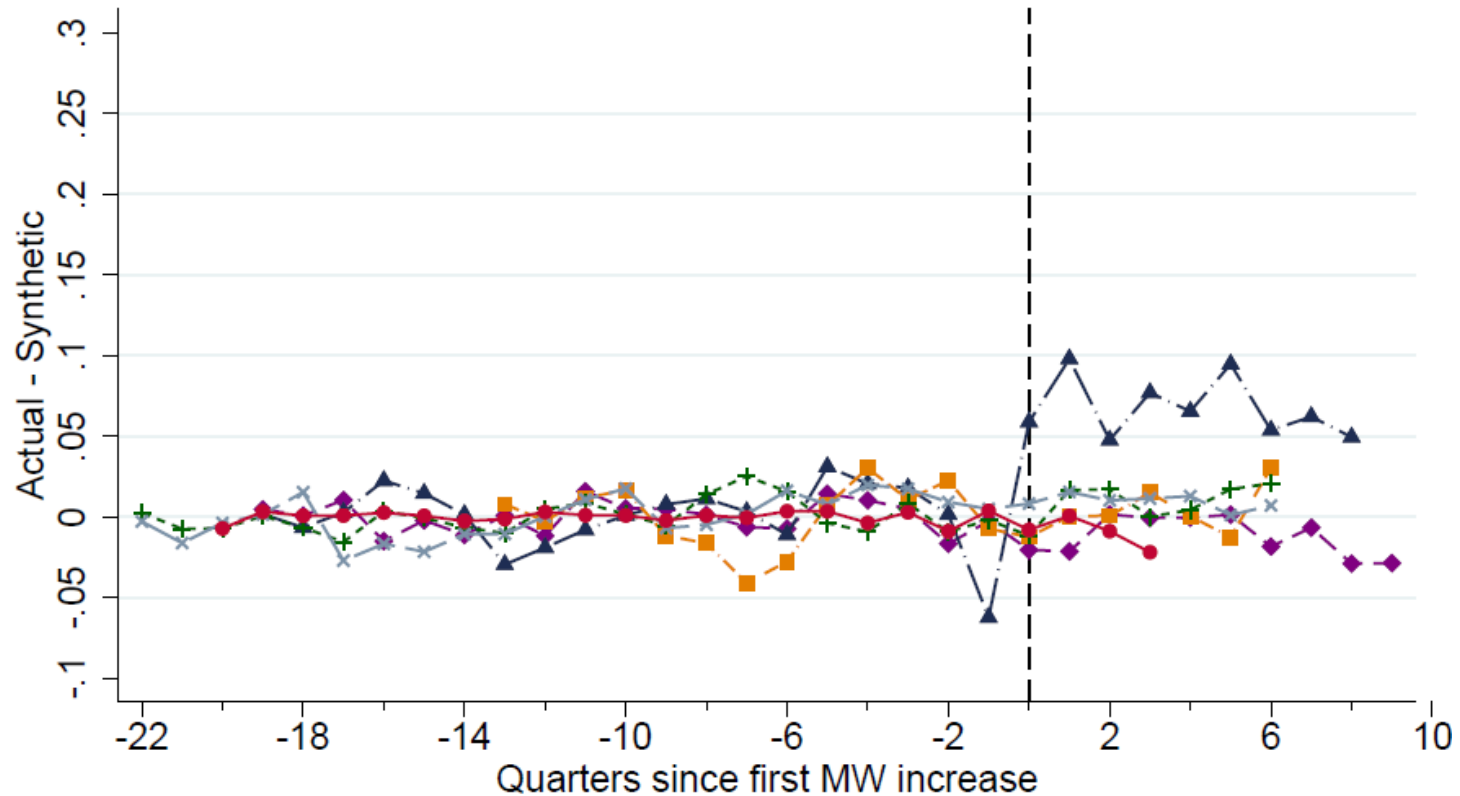
# Earnings effects: food svc & drinking places

Preliminary results do not cite



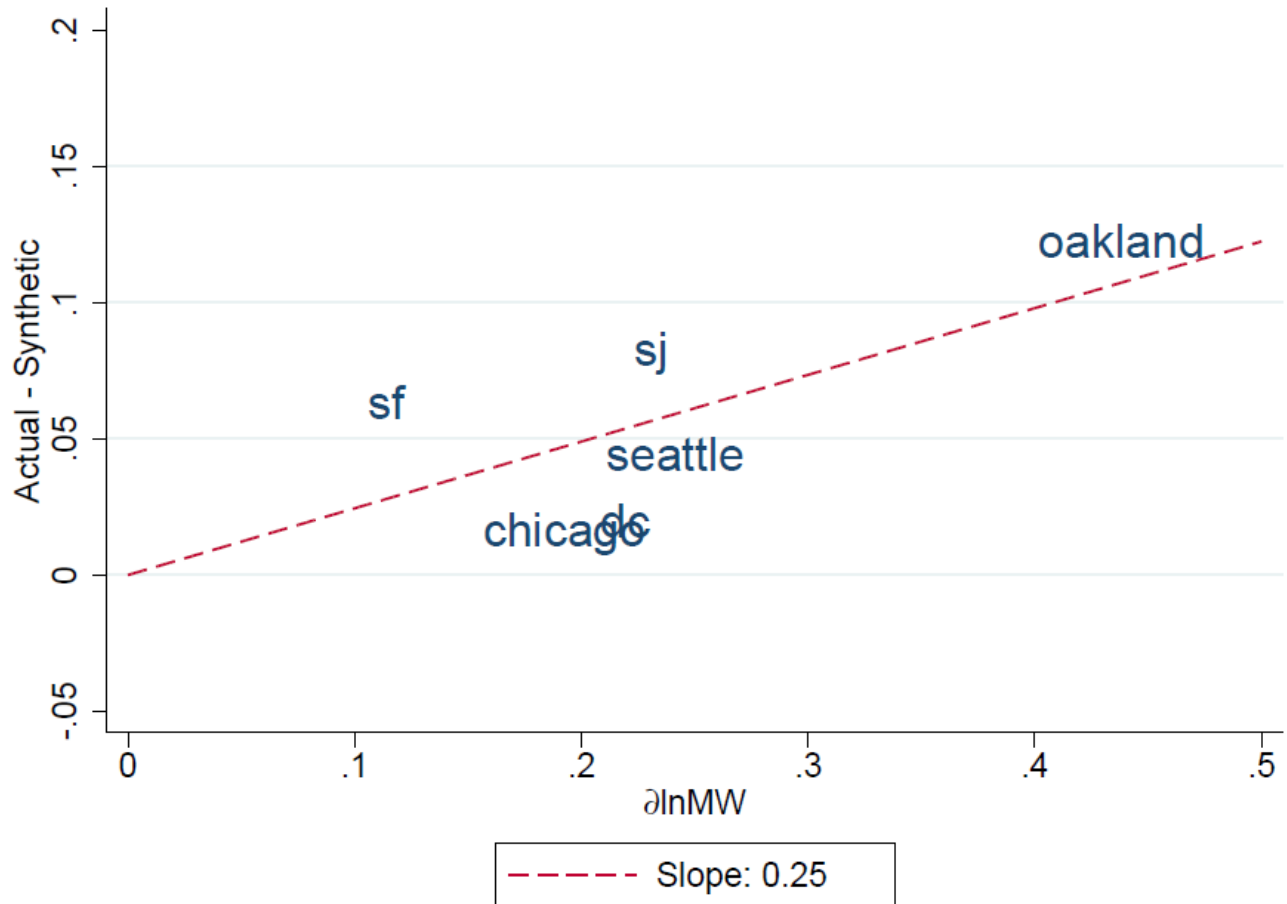
# Employment effects: food svc & drinking places

Preliminary results do not cite



# Pooled analysis for earnings effects - lie along a regression line

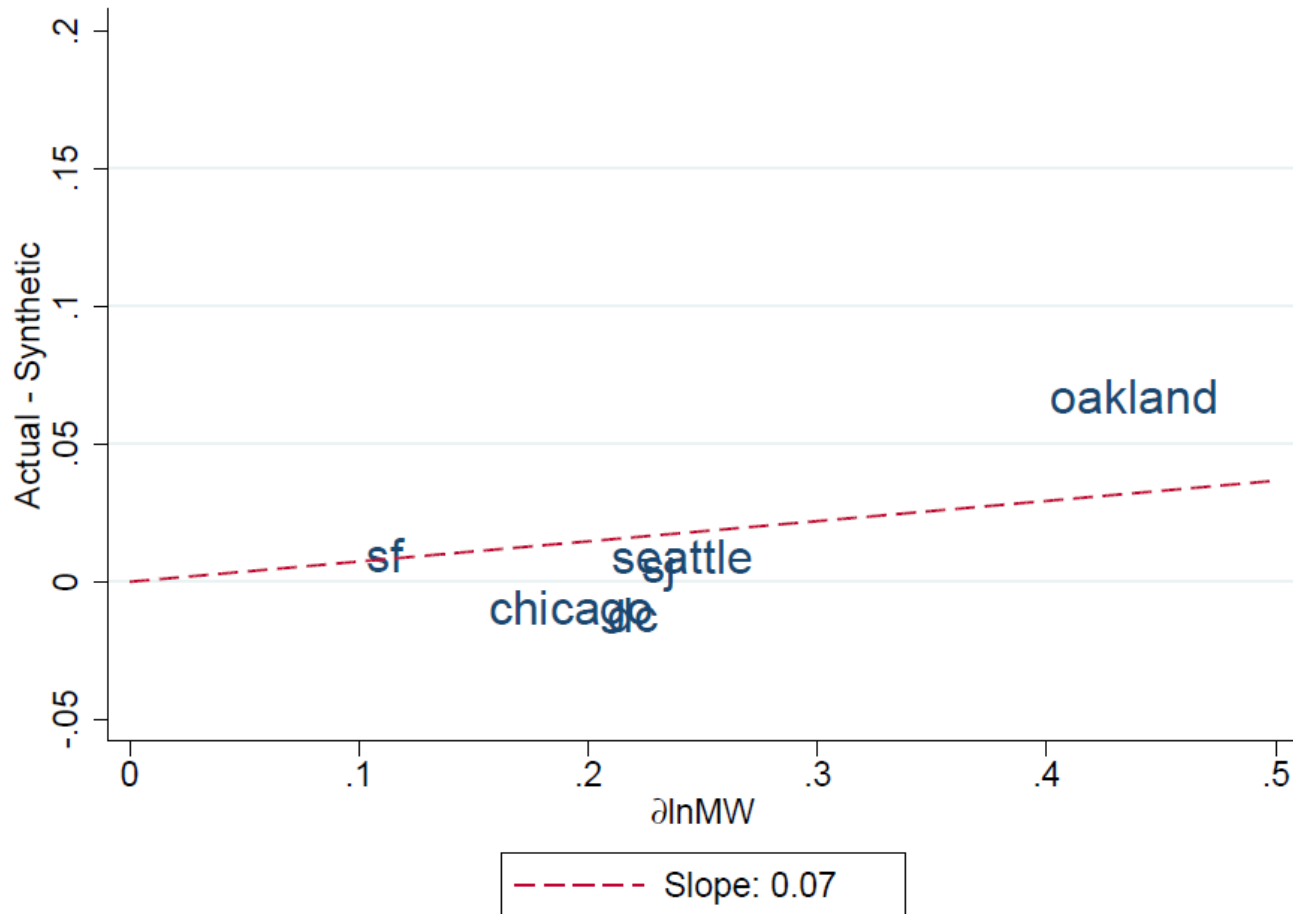
Preliminary results do not cite



Confidence interval [0.10, 0.40]

# Pooled analysis for employment effects do not exhibit this pattern

Preliminary results do not cite



Confidence interval [-0.21, 0.36]

# *CWEDs Research agenda on downstream effects*

- **Importance of downstream effects**
  - Conduct research that continues to extend the discourse beyond narrow/single issue of employment
  - The cost-benefit potential of significantly higher wage floors demands a broader spectrum of research
- **Moving ahead with research on outcomes other than employment...Yah!**
  - Infant health: birth weight, death, prenatal care
    - Vital statistics data-w/geo codes
  - Low wage worker health:
    - NLSY and BRFSS data-w/geo codes
  - Education and mobility
    - Chetty data, ACS, NLSY

**Stay tuned as our 6 City brief will be out in early 2018 and downstream effects analyses will follow**

**Thank you!**

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