

## Macro Roundup Article

**Headline:** Does Wage Theft Vary by Demographic Group? Evidence from Minimum Wage Increases

### Article

**Link:** <https://www.aei.org/wp-content/uploads/2023/10/NBER-WP-WageTheftHeterogeneity.pdf>

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**Tweet:** Underpayment of workers relative to the minimum wage increases in the aftermath of minimum wage increases and disproportionately impacts workers aged 16-21. @MichaelRStrain @AEIecon

**Summary:** Using Current Population Survey data, we find evidence that the incidence of underpayment rises substantially for workers across all racial and ethnic groups, in particular among the young, in the wake of minimum wage increases. The overall rise in the underpayment in the wake of minimum wages is equivalent to between 10 and 20% of realized wage gains across the full sample. In addition, we find evidence of two sources of heterogeneity in the rise in underpayment experienced by members of different racial and ethnic groups. Among young workers (those ages 16 to 21), we find evidence that the burden of underpayment falls disproportionately on African American workers. Underpayment may thus blunt the impact of minimum wage increases on wage gaps between young African American workers and other groups of young workers. Related: Studies Debunk Evidence that Higher Minimum Wages Don't Hurt Low-skilled Employment and Part II: CBO Report Shows Increasing the Minimum Wage Hurts Marginal Workers

**Primary Topic:** Minimum Wage

**Topics:** Academic paper, Minimum Wage, Wages/Income, Workforce

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