

Macro Roundup Article

Headline: [How Important are Minimum Wage Increases in Increasing the Wages of Minimum Wage Workers?](#)

Article Link: https://www.aei.org/wp-content/uploads/2023/04/cep_draft_for_AEI_website_4_10_2023-v2.pdf?x91208

Author(s)	Michael Strain and Jeffrey Clemens
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Tweet: [. @MichaelRStrain @jeffreypclemens report that wage gains for near minimum-wage workers in states that increase the mandated minimum wage are similar to states without a minimum wage.](#)

Summary: We find that state minimum wage changes account for a modest fraction of the wage gains realized by minimum wage workers. Improvements in macroeconomic conditions and progression across occupations and industries appear to play a more significant role. We find that wage increases are the norm among minimum-wage workers, even in the absence of minimum wage increases. The twelve-month time horizon we can analyze in the Outgoing Rotation Groups of the Current Population Survey is quite far from being a career. Even over this relatively short horizon, fewer than one-third of those employed at the time of both interviews remain employed in minimum wage jobs at the time of their second interview. Second, the fact that this fraction has been quite stable over time suggests the operation of the labor market, at least with respect to the wage gains it delivers to low-wage workers, has not changed substantially over the last several decades. interview. Second, the fact that this fraction has been quite stable over time suggests the operation of the labor market, at least with respect to the wage gains it delivers to low-wage workers, has not changed substantially over the last several decades. It may be that some workers churn into and out of minimum wage jobs over a period of years.

Primary Topic: Minimum Wage

Topics: Academic paper, Data, Minimum Wage, Quote, Wages/Income, Workforce

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