

Experimental Evidence on the Effects of Minimum Wages*

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Abstract

New job openings in an online labor market were randomly assigned an employer-specific hourly minimum wage. Higher minimum wages modestly decreased hiring but strongly increased the wages of hired workers. This increase in wages was due to both increased wage bidding by workers up to the minimum and employer selection of more productive, more experienced applicants. The effect of the minimum wage on earnings was negligible: despite strongly increasing wages, the minimum wage reduced the number hours worked.

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Check back soon for actual draft.

*PRELIMINARY—DO NOT CITE OR DISTRIBUTE

†Author contact information, datasets and code are currently or will be available at <http://john-joseph-horton.com/>.