

IAB-Colloquium

zur Arbeitsmarkt- und Berufsforschung

The Effect of Minimum Wages on Labor Market Outcomes: County-Level Estimates from the Restaurant-and-Bar Sector

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We use U.S. county-level data on employment and earnings in the restaurant-and-bar sector to evaluate the impact of minimum wage changes on low-wage labor markets. Our estimated models are consistent with a simple competitive model in which supply-and-demand factors affect both the equilibrium outcome and the probability of a binding minimum wage. Our evidence does not suggest that minimum wages reduce employment, after controls for trends in county level sector employment are incorporated. Employment appears to exhibit a downward trend in states that have increased their minimum wages *relative* to states that have not, thereby predisposing estimates towards reporting negative outcomes.

Mittwoch, 07. Oktober 2009

14:00 Uhr

Sitzungssaal E10

in der Regionaldirektion