Minimum Wages

David Neumark and William L. Wascher

The MIT Press Cambridge, Massachusetts London, England

© 2008 Massachusetts Institute of Technology

All rights reserved. No part of this book may be reproduced in any form by any electronic or mechanical means (including photocopying, recording, or information storage and retrieval) without permission in writing from the publisher.

For information about special quantity discounts, please email special_sales@mitpress .mit.edu

This book was set in Palatino on 3B2 by Asco Typesetters, Hong Kong. Printed and bound in the United States of America.

Library of Congress Cataloging-in-Publication Data

Neumark, David.

Minimum wages / David Neumark and William L. Wascher.

p. cm

Includes bibliographical references and index.

ISBN 978-0-262-14102-4 (hardcover: alk. paper) 1. Minimum wage—United States.

2. Income distribution—United States. 3. Labor supply—United States.

4. Minimum wage. I. Wascher, William L. II. Title.

HD4918.N432 2008

331.2′30973—dc22

2008017575

10 9 8 7 6 5 4 3 2 1

Acknowledgments

We thank Dan Aaronson, Dale Belman, Jared Bernstein, Carolina Briones, Mike Campolieti, Kenneth Couch, Wendy Cunningham, David Fairris, Fernando Galinda-Rueda, Harry Holzer, David Lee, Andrew Leigh, William Maloney, Alan Manning, Tom Michl, Michael Reich, Joseph Sabia, and four anonymous reviewers for helpful comments on this manuscript, and especially Jennifer Graves and Smith Williams for their careful editing and assistance. We are most grateful to Scott Adams, Wendy Cunningham, Olena Nizalova, Mark Schweitzer, and Lucas Siga for collaboration on some of the research described in this book. Neumark benefited greatly from support as a Visiting Scholar at the Federal Reserve Bank of Cleveland. The Employment Policies Institute (EPI, Washington, D.C.) and the Show-Me Institute (St. Louis, Missouri) have provided some funding to Neumark for writing nontechnical summaries of our research findings for dissemination to a wider audience; the only research funding received from the EPI was support for Neumark's work on our 2007 working paper on minimum wages and the Earned Income Tax Credit (EITC) discussed in chapters 3 and 5.

Chapter 3 is an abbreviated and updated version of our much lengthier review:

Neumark, David, and William L. Wascher. 2007. Minimum Wages and Employment. *Foundations and Trends in Microeconomics* 3, nos. 1–2: 1–182.

The views expressed in this book are our own, and do not necessarily reflect the views of the Federal Reserve Board, the Public Policy Institute of California, or other organizations with which we are affiliated or that have provided support.