

In Praise of a Higher Minimum Wage

Raising the minimum wage helps low-paid workers without damaging the broader economy, the authors of two new research papers find.

The United States now has its highest minimum wage ever (even when adjusting for inflation), but only if you take into account the new minimum-wage laws that states and cities have recently adopted. As *The New York Times* reported earlier this week, the effective national minimum wage has risen to \$11.80 an hour. That's substantially higher than the federally mandated minimum of \$7.25 per hour, which has remained unchanged for a decade.

Conservative economists and pundits have long argued that higher minimum wages cause firms to reduce employment, especially of low-wage workers, and thus they inflict damage on the U.S. economy. But two new papers provide powerful evidence that higher minimum wages in fact boost the conditions of workers—especially the least skilled and lowest paid among them—without doing broad economic harm...

Continua a leggere su citylab.com