



*Minimum-wage policy:*  
Downstream effects on children

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# Yes, “money matters”

- Research shows strong effects of income on children’s long-term outcomes. For example:
  - Brain development (Noble et al.)
  - Earnings and employment (Duncan et al.)
  - Education (Akee et al.; Dahl and Lochner)
  - *Also: health, behavior, productivity, criminal conduct...*
- Child poverty costs U.S. economy ~3.8% GDP/year
- Now: Increasing attention to downstream effects of *minimum-wage policy* specifically vs. *income*



# Urgency of advancing research on downstream effects of MWs

- Advocacy perspective:
  - Families of color: Growing share of U.S. children, and disproportionately impacted by MW policy
  - Political realities: Tax “reform” and “welfare” reform
- Wonky perspective:
  - Static analyses tend to underestimate policy impacts
    - CBO vs. Dube; Census vs. Hoynes
  - More causal analysis will help us compare delivery mechanisms for additional income
    - Parents’ paychecks or cash transfers vs. tax credits



# Child maltreatment (Raissian and Bullinger)

- Channels through which minimum wages affect neglect:
  - Purely income? Purely parental time and supervision? Combination?
  - Value of greater choice? Job satisfaction?
- Are maltreatment reports coming from schools?
  - Possible interaction with absenteeism?
- Stratification: States bound by federal policy vs. states proactively raising MWs



# Effect of MWs on public benefits (West and Reich)

- 73% of households receiving means-tested public benefits have at least 1 working member
- How much does minimum-wage policy affect **enrollment in and spending on...**?
  - SNAP (Supplemental Nutrition Assistance Program)
  - Medicaid
- Findings: A 10% **↑** in the minimum wage...
  - **↓** SNAP enrollment by 2.4% - 3.2%
  - **↓** SNAP expenditures by 1.9%
  - **↓** Medicaid enrollment by 0.31 percentage points  
*(relative to average enrollment rate of 15.8%\*)*