



## What does the scholarly research say about whether raising the minimum wage negatively impacts employment?

**Our Work:** We conducted a systematic literature review of peer-reviewed articles published in the U.S. between 2004 and 2019 that assess the effect of raising the minimum wage on employment. Our search returned 144 studies and, of those, we identified 50 that directly addressed our research question above.

**Our Findings:** A plurality of studies (23) found a minimal negative employment effect, sometimes indistinguishable from random noise. Nineteen (19) studies found a negative employment effect of raising the minimum wage, many of which focused on specific populations such as teen workers. Eight (8) studies showed mixed or inconclusive results. **Overall, more studies found a minimal negative employment effect than a major effect, suggesting that minimum wages do not significantly threaten to raise unemployment.** Specifically, we found the following:

1. In recent empirical studies, minimum wage raises do not appear to substantially lower employment, with many studies reporting employment effects indistinguishable from zero or random noise
2. Recent studies of the minimum wage employ robust techniques to control for pre-existing market and geographic-specific trends.
3. Minimum wage raises tend to be absorbed by profits, prices, and consumer demand.
4. Reported small negative employment effects are generally not proportionate to the increase in the minimum wage, and are therefore usually minimal.
5. In some particular cases, raising the minimum wage may show a negative impact on employment, particularly when that wage is binding in that market or when studies restrict to examine just teen employment.
6. Minimum wage employment effects continue to be a debated area of study with ongoing innovation in empirical techniques.

To access our library of study abstracts, which form the basis for these findings, visit:

[www.whatwecnow.info](http://www.whatwecnow.info)

**Our Methodology:** Following the points outlined in Cornell Library’s [Evidence Synthesis Guide](#) for [systematic reviews](#), we searched the database, EconLit, for the keyword phrases, “minimum wage,” “employment,” and “United States,” searching all fields and including related terms. We restricted the results to peer-reviewed articles in English published between 2004 and 2019 in the field of economics. Our search returned 144 articles. We screened the titles and abstracts of these article to narrow our field to those that directly addressed our research question, “What does the scholarly research say about whether raising the minimum wage negatively impacts employment?” That screening process yielded 50 studies.

We read the full text of these 50 studies and classified them based on whether they concluded that raising the minimum wage in U.S. regions had a minimal negative employment effect (either a negligible negative impact, no negative impact, or a positive impact) or a tangible negative employment effect. We placed those that reported mixed results into a separate category. We then summarized the most salient findings and posted all 50 study abstracts, classified by type, on our online portal.

**Suggested Citation:** What We Know Project, Cornell University, “What Does the Scholarly Research Say about Whether Raising the Minimum Wage Negatively Impacts Employment?” (online literature review), 2020.