



Press Release

The Role of Minimum Wage Increases in Rising Wages

ANDREW EVANS | FEBRUARY 10, 2020

Wages are rising throughout the economy, and some are attributing this growth to minimum wage increases in a number of states. While these minimum-wage hikes have contributed to rising wages for some workers, the data indicate they are not the only factor, argue AAF's President Douglas Holtz-Eakin and Labor Policy Data Analyst Isabel Soto in a new analysis. Further, minimum-wage hikes have depressed job growth in lower-wage industries, they note.

Their key findings:

- Workers in the 10th percentile of earnings saw an estimated 8 percent wage increase in states that raised the minimum wage, but only a 0.7 percent bump in the 25th percentile, indicating the effect of the minimum wage dissipates for workers higher on the wage scale; and
- The number of jobs in lower-skilled industries grew 0.5 percent more slowly in states that raised the minimum wage than in states that did not, a difference that translates into a cumulative 89,000 fewer jobs in those states.

[Read the research.](#)