

# Minimum Wages and Child Well-Being

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## **The Effects of Minimum Wages on Child Maltreatment, Teen Fertility, and Parenting Behaviors**

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### **Abstract:**

- The federal minimum wage is currently \$7.25 per hour, but 29 states have a minimum wage that exceeds \$7.25.
- Increasing the minimum wage leads to fewer child maltreatment reports, especially for neglect reports among young (ages 0-5) and school-aged (ages 6-12) children.
- Increasing the minimum wage reduces the teen birth rate, driven by non-Hispanic white and Hispanic teens.

### **The Issue**

The federal minimum wage was increased to its current level of \$7.25 per hour in 2009. Since that time, there have been several efforts to increase the minimum wage. The Harkin-Miller Minimum Wage Proposal (introduced and failed in both 2012 and 2013) would have raised the minimum wage to \$10.10 per hour. In May 2017, congressional Democrats again introduced legislation to raise the federal minimum wage to \$15 per hour.

Some states and local jurisdictions have chosen to increase their minimum wages independently of the federal government. In July 2017 alone, two states (Maryland and Oregon), Washington D.C., and 12 other localities increased their minimum wages. Meanwhile, effective in August 2017, a statewide Missouri law will override the city of St. Louis's minimum wage, causing the hourly rate of \$10 to *decrease* to Missouri's \$7.70 per hour wage level. Figure 1 shows variation in minimum wage levels across the country.

The motivation behind increasing the minimum wage is to increase incomes among low-income families, thereby reducing material hardship and enhancing the quality of life among those living paycheck-to-paycheck. Two things can be seen in Figure 2, which was produced by the Council of Economic Advisors. First, the real minimum wage has fallen by about one-third in real dollars relative to its 1968 value. Second, even if a person worked 40 hours per week for 52 weeks a year, the federal minimum wage would likely not be enough to lift the family out of poverty.

Figure 1. Minimum Wages Across States, 2016  
 (Data from [Department of Labor](#), Map Generated by Authors)

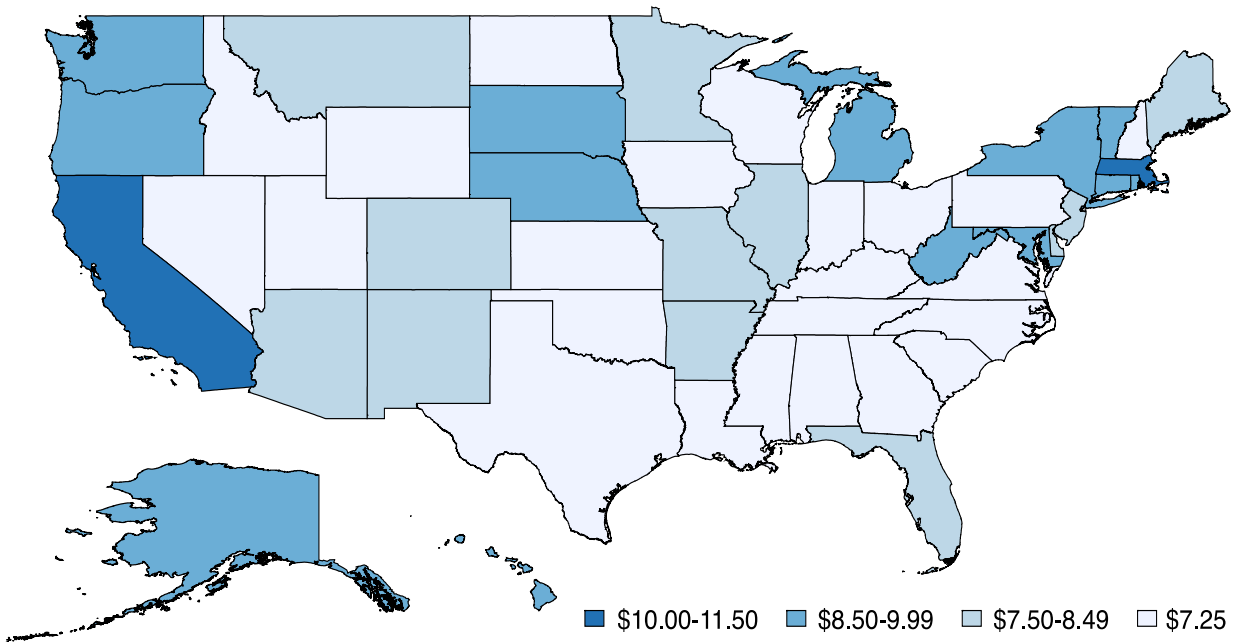
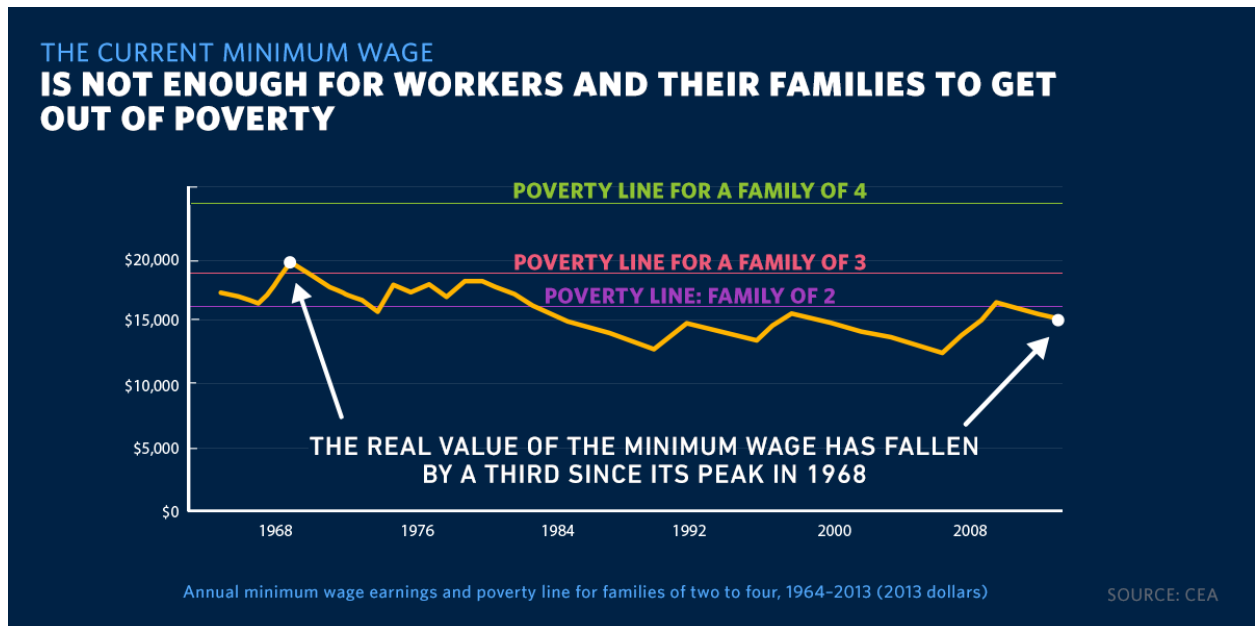


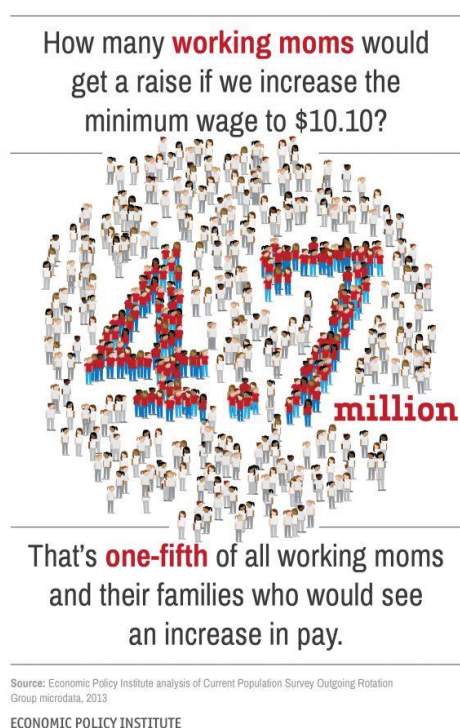
Figure 2: Federal Minimum Wage Earnings Relative to the Federal Poverty Line  
 (Produced by the [Council of Economic Advisors](#))

<https://obamawhitehouse.archives.gov/blog/2014/02/18/congressional-budget-office-report-finds-minimum-wage-lifts-wages-165-million-worker>



Opponents of increasing the minimum wage often worry that the effects would not benefit low-wage workers or families, but would instead stress small businesses and provide wage increases to teenagers in the labor market (however, as we discuss below, raising the wages of teenagers may also have previously unexplored benefits as well). But, research by the Economic Policy Institute has found that (all else equal) an increase in the minimum wage to \$10.10 an hour would increase the wages of 4.7 million working moms (see Figure 3).

**Figure 3: A Federal Minimum Wage of \$10.10 Could Help 4.7 Million Moms**  
(Produced by the [Economic Policy Institute](http://www.epi.org/publication/raising-minimum-wage-10-10-benefit-4-7-million/)) <http://www.epi.org/publication/raising-minimum-wage-10-10-benefit-4-7-million/>



Since the children who come to the attention of child protective service agencies often live in female-headed households and minimum wage increases likely raise the earnings of working (and potentially single) mothers, increases in the minimum wage may have the heretofore unexamined benefit of enhancing child health and well-being. Indeed, new research shows that children appear to benefit substantially as a result of minimum wage hikes.

## The Studies

Some of our recent and current research addresses how minimum wages affect child and adolescent well-being. Raissian and Bullinger<sup>i</sup> use child maltreatment reports from the National Child Abuse and Neglect Data System: Child File (NCANDS) from 2004 to 2013 to investigate the

relationship between changes in a state's minimum wage and changes in child maltreatment rates. Bullinger<sup>ii</sup> uses data from the National Vital Statistics System on adolescent fertility from 2004 to 2013 to study how minimum wage changes affect teen childbearing. Both studies use a quasi-experimental, regression based approach to compare child maltreatment reports or teen birth rates in states that changed their real minimum wage levels to states that did not, before and after the minimum wage changed. Both studies use the minimum wage that prevails upon the state. One potential limitation of this approach is minimum wage changes from a local rule or ordinance. In this case, our approach may mask important variation due to a given city's market place conditions.

To better understand the effects of local minimum wage changes, we are also currently extending these studies by focusing on city-level changes in the minimum wage and incorporating parenting behaviors that often precede reports to child welfare agencies (with Will Schneider, Cohort 2 Fellow). This ongoing work uses administrative data from NCANDS: Child File and individual-level survey data from the Fragile Families and Child Well-Being Study (FFCWS).

## What We Found

Raissian and Bullinger find increases in the minimum wage reduce child maltreatment reported to child welfare agencies. In particular, a one-dollar increase in the minimum wage reduces reports of neglect by about 10 percent (roughly 9,700 fewer neglect reports). The decline in neglect reports is driven by young children (ages 0-5) and school-aged children (ages 6-12). We do not find significant effects of minimum wage increases on reports of maltreatment among adolescents, or that the effects vary by the child's race. We interpret this to mean that an increase in the minimum wage allows families to better meet their family's material needs.

Although maltreatment of adolescents is not significantly affected by changes in the minimum wage, Bullinger finds teen (ages 15-19) birth rates are reduced as a result of minimum wage raises. Specifically, a one-dollar increase in minimum wages reduces teen birth rates by about 2 percent (roughly 5,000 fewer births annually), with the effects concentrated among non-Hispanic white and Hispanic adolescents. This research implies that enhancing economic opportunities for teens – including higher wages – can reduce adolescent parenthood.

## Implications

State and local governments have been and will continue to be active in debating and potentially altering legislation that changes minimum wage levels. The minimum wage continues to be one of the most contentious political debates, with most of the dialogue surrounding its effect on employment and poverty. Although research remains unresolved in terms of labor market effects – including research released last month surrounding Seattle's \$15 per hour minimum wage<sup>iii</sup> – there are clear improvements for children following increases in the minimum wage. In addition to our work showing reductions in child maltreatment and teen childbearing, minimum wage bumps also improve birth outcomes<sup>iv</sup> and reduce rates of infant mortality.<sup>v</sup> Together, this burgeoning line of research suggests the minimum wage and other policies that increase incomes of the working poor can improve the health and well-being of children.

The outcomes we study (as well as other understudied social and family outcomes) are critically important to the debate surrounding minimum wage policy discussions. When

considering the true and complete effects of changing the minimum wage, we urge policymakers to review the ripple effects that a rising wage floor can have for working Americans. Further, our research on the minimum wage speaks more broadly to the role income plays in enhancing child well-being. The minimum wage is just one policy lever that can increase household income. We encourage policymakers to consider other policies that raise the incomes of working families, such as the Earned Income Tax Credit (EITC). This growing line of research shows that – as we titled our first study – money matters.

## Sample Tweets

- Studies find higher #minimumwages reduce #childmaltreatment and #teenbirthrates @dorisdukefellows

## Notes

- This research was generously supported by the Doris Duke Fellowships for the Promotion of Child Well-Being and Chapin Hall at the University of Chicago. All errors, omissions, views, and opinions are solely those of the authors.
- Research has been published in *Children and Youth Services Review* and the *American Journal of Public Health*.

## References

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