

# New Study: High Minimum Wages in Six Cities, Big Impact on Pay, No Employment Losses

---

 [irle.berkeley.edu/high-minimum-wages-in-six-cities](http://irle.berkeley.edu/high-minimum-wages-in-six-cities)

By Jacqueline  
Sullivan

First-ever evaluation of local policies in Chicago, District of Columbia, Oakland, San Francisco, San Jose and Seattle

---

**Contact:** Jacqueline Sullivan | IRLE | [jsullivan@berkeley.edu](mailto:jsullivan@berkeley.edu) (504) 604-2289

**Berkeley, CA** – While this Labor Day marks a year of little or no wage gains for most U.S. workers, a new report from the University of California, Berkeley reveals good news for some low-wage workers.

The report, “The New Wave of Local Minimum Wage Policies: Evidence from Six Cities,” from the Center on Wage and Employment Dynamics (CWED) at UC Berkeley analyzes the effects of minimum wage policies in the six large U.S. cities that were first to raise the minimum wage higher than \$10. The study is the first comprehensive look at the effects of these new policies.

The team of economists find significant pay increases and no significant employment reductions in the six cities.

The Fight for \$15 campaigns that began in 2012 set a new wave of state and local minimum wage policies in motion. Today, ten large cities (Chicago, Los Angeles, Minneapolis, New York City, Oakland, Portland, San Francisco, San Jose, Seattle and Washington, DC), seven states (Arizona, California, Colorado, Massachusetts, New York, Oregon and Washington) and dozens of smaller cities and counties are phasing in minimum wages in the \$12 to \$15 range. Similar policies are being considered in other cities and states across the country.

“We wanted to know if these higher minimum wages had their intended effect of increasing pay for low-wage workers and also if there was any effect on employment,” said Sylvia Allegretto, co-chair of CWED and a co-author of the report.

The researchers look at the food services industry, a major employer of low-wage workers, in Chicago, the District of Columbia, Oakland, San Francisco, San Jose, and Seattle. To distinguish the effects of the policies from other economic changes, the authors use state-of-the-art statistical methods and compare U.S. Bureau of Labor Statistics data on these cities with 173 metro counties across the U.S. that did not experience a minimum wage change.

By the end of 2016 (the final year in the researchers’ analysis), minimum wages in the six cities had increased to \$10.30 in San Jose, \$10.50 in Chicago, \$11.50 in the District of Columbia, \$12.55 in Oakland and \$13 in San Francisco and Seattle. These minimum wages were slated to continue to rise—to \$13 in Chicago and to \$15 in the other five cities.

“The new policies will eventually increase pay for up to 30 percent of the workforce in these cities,” according to Michael Reich, co-chair of CWED and co-author of the report.

The new report casts further doubt on a 2017 University of Washington study that had found large negative employment effects when Seattle’s minimum wage increased to \$13. Critics argued that the UW study was not able to take into account the effects of a job boom in Seattle that did not occur in the rest of Washington State.

The minimum wages analyzed in the report reached much higher levels than any previous policies. The federal minimum wage remains \$7.25, unchanged since 2009.

“When these minimum wage policies were being considered, some predicted that they would lead to significant job losses. We did not find such job losses. We did find that these cities’ minimum wage policies increased the earnings of low-wage workers, just as intended,” said Carl Nadler, co-author of the report.

---

**CONTACT:**

Sylvia A. Allegretto, report co-author, co-chair, Center on Wage and Employment Dynamics, UC Berkeley, [allegretto@berkeley.edu](mailto:allegretto@berkeley.edu), (510) 289-9146

Carl Nadler, report co-author, postdoctoral scholar, Center on Wage and Employment Dynamics, UC Berkeley, [cnadler@berkeley.edu](mailto:cnadler@berkeley.edu), (510) 643-7094

Michael Reich, report co-author, co-chair, Center on Wage and Employment Dynamics at UC Berkeley, [mreich@econ.berkeley.edu](mailto:mreich@econ.berkeley.edu), (510) 384-4551

The [Center on Wage and Employment Dynamics](#) (CWED) is a project of the [Institute for Research on Labor and Employment](#) (IRLE) at UC Berkeley. IRLE connects world-class research with policy to improve workers’ lives, communities, and society.