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## Higher Minimum Wage Causes More Crime, Study Shows

Hans Bader

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A higher minimum wage results in more crime, [notes](#) Michael Cannon of the Cato Institute. A small fraction of low-wage workers who lose their jobs due to minimum wage hikes apparently turn to theft and other property crimes.

Cannon cites [a study](#), "The unintended effects of minimum wage increases on crime," recently published in the *Journal of Public Economics*. It [states](#):

This study explores the impact of one of the most prominent low-wage labor policies in the United States — the minimum wage — on teenage and young adult arrests. Using data from the 1998–2016 Uniform Crime Reports and a difference-in-differences approach, we find that a 1 percent increase in the minimum wage is associated with a 0.2 percent increase in property crime arrests among 16-to-24-year-olds, an effect driven by larceny-related arrests. Supplemental analyses of “affected workers” in the National Longitudinal Survey of Youth 1997 show that increases in the minimum wage increase property crime for low-wage workers. Minimum wage-induced job loss may be a mechanism to explain increases in larceny arrests.

As [a result](#), "a \$15 Federal minimum wage, proposed as part of the *Raise the Wage Act*, could generate approximately 309,000 additional larcenies."

On the other hand, the [study finds](#) "no evidence that minimum wage hikes impact violent crime arrests." It's only property crime that increases due to minimum wage hikes and related job losses, not violent crime. Lots of people lose their jobs in recessions, but that [doesn't make](#) violent crime increase -- it sometimes [falls instead](#). Criminologists say there [is not](#) a "clear relationship" between "violent crimes" and "economic indicators."

Raising the minimum wage to \$15 an hour can [cause job losses](#) in cities or counties with low median wages. In such regions, living costs are often low, too, and a married couple each making \$13 an hour can live a middle-class lifestyle. There are dirt-cheap cities and counties in the U.S. where the average hourly income is [only \\$15 an hour](#), yet [most people](#) there [own](#) their own home, and have a decent quality home that is bigger than the average European lives in, because

it costs so little to live there. Working-class Americans typically live in [bigger homes than](#) middle-class Europeans.

When the minimum wage is increased too much or too quickly, affected employers can't pass the cost of a minimum wage increase on to their customers, and they [lay off employees](#) instead.

Employers in wealthier areas are less affected by minimum wage hikes, because most of them already pay their employees well above the minimum wage. Some entire retail chains already pay minimum wages of over \$15. For example, in 2022, [Hobby Lobby raised its minimum wage to \\$18.50/hr](#).

Businesses in low-wage areas pass on much of the cost of minimum wage hikes to the people who buy their products. A \$15 minimum wage thus increases the cost of the products that everyone purchases. As economist James Sherk [notes](#), "Economists find that businesses pass minimum-wage costs on to their customers by raising prices." As the Associated Press [reported in 2018](#), "Prices rise as the minimum wage increases."

As Steve Bakke [noted in The Courier](#), "A large increase" in the minimum wage is "inflationary, with most of the costs passed on to consumers. Consumer price increases would eventually wipe out much of the purchasing power gains intended for low income workers."

Minimum wage hikes can lead to tax increases. In 2016, California's legislative analyst [estimated](#) that the gradual increase in California's minimum wage to \$15 an hour would [cost taxpayers \\$3.6 billion more](#) a year in government pay alone. Easy-to-perform, unskilled jobs in state and local governments historically often paid less than \$15 per hour. States had no difficulty hiring people for far less than \$15 per hour, because the jobs were not demanding, and often came with excellent benefits (such as health insurance and sometimes pensions).