

Seattle's minimum wage increase did not change crime or employment rates

March 15 2021



Credit: CC0 Public Domain

Between 2015 and 2017, Seattle, Washington, became the first U.S. city to increase its hourly minimum wage to \$15, more than double the federal minimum wage and 60 percent higher than Seattle's previous minimum wage. A new study examined the impact of this change on public safety. The study was motivated by the idea that since crime is sometimes the result of material deprivation, changes in the minimum wage might have implications for criminal activity: Boosting the minimum wage could raise workers' salaries (which could be associated with reduced crime). But if higher minimum wages spur employers to substitute capital for labor, this could increase unemployment (which could be associated with increased crime). The study found little evidence that Seattle's aggregate rate of violent or property crimes changed relative to other U.S. cities. It also found no meaningful adverse effects on low-wage workers' rates of employment.

The study, by researchers at the University of Pennsylvania, appears in *Criminology & Public Policy*, a publication of the American Society of Criminology.

"Our study suggests that Seattle increased its [minimum wage](#) without compromising public safety, at least in the short run," explains David Mitre-Becerril, a doctoral student in criminology at the University of Pennsylvania, who led the study.

Past research on the effects of minimum wage legislation on [crime](#) has been mixed.

In this study, researchers compared crime trends in Seattle to 118 U.S. cities in 18 states that did not increase their minimum wage but whose pre-2015 crime trends were comparable to Seattle. Seattle's minimum wage began to be implemented in 2015 and rose to \$15/hour by 2017. For the period 2010 to 2017, researchers collected crime data from the FBI's Uniform Crime Reports and the Seattle Police Department. They

also collected sociodemographic and employment/earnings data from the American Community Survey conducted by the U.S. Census Bureau. Sociodemographic data included information on race, age, schooling, and poverty level.

The study found that Seattle's rate of violent crime (murder, robbery, aggravated assault) did not diverge significantly from the other cities' rates. With respect to property crimes (burglary, larceny, motor vehicle theft), the findings were more nuanced. Although researchers found evidence that Seattle's rate of burglaries may have increased 15 to 30 percent during the study period, driven by offenses on commercial premises, they did not detect an aggregate change in property crimes.

The increase in Seattle's minimum wage appears to have had little impact on arrest rates among any major demographic group, including young men, who tend to drive an outsized share of offending and whose employment has been considered the most sensitive to changes in the minimum wage. This, the authors note, may be because Seattle's law did not end up reducing employment for low-skilled workers.

This could be because Seattle has more college-educated workers and fewer low-wage earners than other cities, primarily because of its booming tech industry, which would mean that fewer workers were affected by a shift in the wage structure than in other cities.

The study's authors note that they focused on one [city](#), thus limiting the generalizability of their findings to other cities. To address this matter, the researchers supplemented their work with analyses of four other U.S. cities that have increased their minimum wages substantially, though less than in Seattle, during the same period. In those cities—Chicago and three cities in California: San Francisco, San Jose, and Sunnyvale—the laws spurred few consistent increases in criminal offenses.

The authors also note that Washington State legalized recreational marijuana in December 2013 and allowed retail sales of recreational marijuana beginning in July 2014, which may have affected crime rates, though there is little evidence of a change in public safety immediately following the law.

"In the aftermath of Seattle's decision to raise the minimum wage, several other U.S. cities and states plan to follow suit," notes Aaron Chalfin, assistant professor of criminology at the University of Pennsylvania, who coauthored the study. "Therefore, the question of how high minimum wages can be pushed without compromising public safety is timely.

"However, the COVID-19 pandemic is likely to affect regional economic dynamics: Although a \$15 minimum [wage](#) appears not to have disrupted Seattle's labor market during a period of broad economic growth, it could become a structural barrier to employment during the coming months, which may have implications for [public safety](#)."

More information: David Mitre-Becerril et al, Testing public policy at the frontier: The effect of the \$15 minimum wage on public safety in Seattle, *Criminology & Public Policy* (2021). [DOI: 10.1111/1745-9133.12539](#)

Provided by Crime and Justice Research Alliance

Citation: Seattle's minimum wage increase did not change crime or employment rates (2021, March 15) retrieved 3 May 2024 from <https://phys.org/news/2021-03-seattle-minimum-wage-crime-employment.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private

study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.