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RESEARCH BRIEF #37

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Allowing Cities to Raise the Minimum Wage Could Prevent Hundreds of Infant Deaths Annually

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A higher minimum wage is good for health. It reduces teenage pregnancy, maternal smoking, obesity, and adverse birth outcomes, such as low-weight births and infant deaths. The federal minimum wage was last raised in 2009 and remains $7.25 per hour. Some cities and counties have taken matters into their own hands by raising the local minimum wage. Yet many received swift backlash from their state legislatures who repealed the wage increases and removed local authority to raise it ever again. This brief summarizes the findings from our recent study that examined how many infant lives would have been saved if states had not prevented cities and counties from raising their minimum wage.

KEY FINDINGS

- States are increasingly preempting city and county governments from enacting policies that benefit workers, such as raising the minimum wage.
- Each additional dollar of minimum wage reduces infant deaths by up to 1.8% annually in large U.S. cities.
- In the 25 states that preempted minimum wage increases since 2001, over 600 infants could have been saved annually if localities had been allowed to raise their wage to $9.99.
- Over 1,400 infants could be saved annually if localities were allowed to raise the minimum wage to $15.
- State laws that prevent cities and counties from raising their minimum wage contribute to infant deaths.

State Preemption Laws

States can prohibit, or "preempt," localities from legislating on certain issues. Preemption laws are not new. States have long enacted them to harmonize state and local laws and provide a regulatory floor. As an example, states preempt localities from lowering their minimum wage below the state minimum wage. In recent decades though, many states have used preemption to set a regulatory ceiling. Those states now preempt localities from raising the minimum wage, mandating paid leave, and enacting other types of progressive-leaning legislation.[1] The wide-spread use of these new preemption laws is striking. For instance, since 2000, the number of states preempting local government increases in the minimum wage rose from 2 to 25.

Preemption Costs Lives

We identified 12 localities (cities and counties) that raised the minimum wage, but their states revoked the raise and preempted future ones. The states are Alabama, Iowa, Kentucky, Florida, Missouri, and Wisconsin. The average attempted increase across these 12 localities was to a minimum wage of $9.99. We then estimated the effect of the minimum wage on infant deaths in large cities. Each dollar increase in the wage lowered the risk of infant death in the first year of life by 1.5-1.8%.

Using those estimates, we found that preempting increases in minimum wage costs hundreds of infant lives each year. Across the 25 states that reactively or proactively preempted minimum wage increases since 2001, over 600 infants could have been saved each year if localities were allowed to raise their wage to $9.99 (see Figure 1). Over 1,400 infants could be saved annually if localities were allowed to raise their minimum wage to $15.

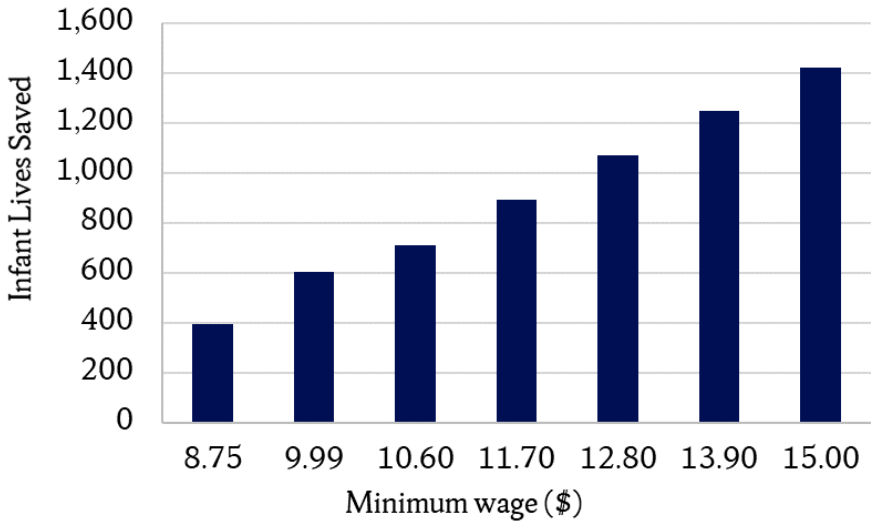

Figure 1. Infant Lives Saved Each Year if States Allowed Counties and Cities to Raise Minimum Wage to $8.75 or More
Source: Wolf, Monnat, & Montez. 2021. "Effects of U.S. State Preemption Laws on Infant Mortality." *Preventive Medicine* 145.

Raise the Wage

States that remove local authority to raise the minimum wage may be cutting lives short. Corporations and their lobbyists have been a driving force behind these laws, with considerable success in Republican-controlled states.[3] Raising the federal minimum wage could circumvent the negative effects of state minimum wage preemption on infant lives. Debates about raising the federal minimum wage have already become a focal point of the incoming Biden administration, which seeks to increase the wage to $15 per hour. Those opposed to raising the wage worry about a potential rise in unemployment. Any such effect on unemployment should be weighed against the benefits of lifting people out of poverty and saving infant lives via higher (more livable) wages. To weigh the potential costs of unemployment against the cost of infant lives, we can estimate the latter on a purely (and crudely) economic basis. Using the $9.6 million dollar figure that U.S. government agencies give to a "statistical life," saving 600 infants each year amounts to an annual savings of $5.8 billion. Saving 1,400 infant lives amounts to an annual savings of $13.4 billion. Keeping the minimum wage low may protect business profits and keep prices lower for consumers, but our results suggest that the tradeoff in human lives is steep.

Data and Methods

We obtained data on infant deaths in each county in each year from the 2001-2018 Multiple Cause-of-Death micro data files, provided by the National Center for Health Statistics. Quarterly data on minimum wage levels come from the U.S. Bureau of Labor Statistics. Information on the timing of preemption come from a review of legal databases. Full details about the modeling approach are included in the peer-reviewed article. All models adjusted for relevant characteristics of counties (race/ethnic composition, labor force participation, mother's educational attainment, metropolitan status) and states (Medicaid income eligibility level, Earned Income Tax Credit, and monthly amounts of Temporary Assistance for Needy Families, and Supplemental Nutrition Assistance Program for 3-person families).

References

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