

# Do minimum-wage hikes mean healthier babies? <sup>[1]</sup>

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## EXCERPTS

Economists are still debating the limited data that exists on whether raising the minimum wage leads employers to lay off a significant amount of workers. But what about the impact on other areas of life, outside the labor market? This is another elusive question that a growing number of academics have been exploring in recent years. For instance, the White House's economic advisors recently found a correlation between increasing the minimum wage and reduced crime rates.

A new working paper, published last month by researchers at the University of Iowa, the University of Illinois, and Bentley University, shows that a wage hike in a given area can benefit the health of newborn babies born there. The study is one of the first to explore the impact of minimum-wage hikes on infant health. It found that, between 1988 and 2012, increases in the minimum wage were linked to an increase in newborns' fetal growth and birth weight, specifically among babies born to mothers without a college degree. The study also shows that those mothers were slightly more likely to seek prenatal care and smoke less during pregnancy.

The researchers analyzed 45.8 million birth records for pregnancies from 1988 through 2012, during which the federal minimum wage nearly doubled, from \$3.35 to \$7.25. During that same period, wages in states whose minimums exceed what's mandated federally—that's 29 states, plus the District of Columbia—also roughly doubled. Some of those 29 states raised their wages as the federal bar was raised, but others didn't. After comparing data on the pregnancies of women living in states where the minimum wage increased to similar data for women living in states where it remained the same, the researchers found that the marginal \$1 increase in the minimum hourly wage was associated with a 0.4-ounce increase in birth weight and a 2 percent decrease in the risk of a baby having a low birth weight.

Of all the health impacts to measure, the researchers picked birth weight because health during pregnancy can be observed during a clearly delineated time frame and matters greatly to a child's long-term health. And because the researchers could not be sure that the women whose pregnancies they were analyzing had gotten raises (or were even working at all), they focused their analysis on those who were more likely to be working low-wage jobs—namely, mothers without much education. Specifically, the researchers found that the health gains during pregnancy were largest for young single mothers of color. "So many disadvantages begin at birth," says Dhaval Dave, an economist at Bentley University, and one of the authors of the study. "Low birth weights are associated with lower incomes, lower educational attainment, and could have many adverse consequences throughout adulthood."

The study does have its caveats. As noted above, the researchers did not know for sure that the women they were studying were in fact holding jobs whose pay was affected by minimum-wage hikes. Also, smoking during pregnancy is often underreported, because of the accompanying social stigma and well-known health risks, so there's a chance that this study overstated the actual reduction in expectant women's smoking.

That said, the study does add to other evidence that increasing the income of America's lowest-paid workers can affect infants' health. One study, published in 2012 in the *American Economic Journal*, found that a \$1,000 annual increase to the Earned Income Tax Credit was associated with a 7 to 11 percent decrease in low birth weights among pregnant single mothers.

Researchers say the evidence should make lawmakers look at the broader benefits of raising the minimum wage. "We shouldn't just focus on the immediate cost-benefit analysis, but how does this affect someone's health and well-being?" says Dave. What policy makers will do with this information is another question. The latest version of the Democratic Party's platform includes a proposal to raise the minimum wage to \$15 an hour, but Democratic members of Congress have been unable to get support for minimum-wage increases from Republicans and some Democrats.

-reprinted from The Atlantic

**Region:** United States <sup>[3]</sup>

**Tags:** equality <sup>[4]</sup>

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