

THE IMPACT OF SEATTLE'S \$15 MINIMUM WAGE ON YOUNG WORKERS

SUMMARY

This study¹ examines one possible policy that may affect youth employment: laws mandating higher minimum wages. Drawing on unique data from Seattle, the first major city to implement a \$15 minimum hourly wage, we examine the impacts of the minimum wage policy on workers aged 16-24. We examine three outcomes: continued employment, hours worked, and earnings. Using quasi-experimental triple difference models, we find that Seattle's \$15 minimum wage ordinance reduced employment among young workers in the quarter after it took effect but not significantly in subsequent quarters. Young workers in Seattle worked significantly fewer hours but did not earn less. Subgroup analyses show that initial dips in employment were most pronounced among young women and Black workers.

POLICY CHOICE: RAISING THE MINIMUM WAGE

Seattle's decision to raise the minimum wage to \$15 per hour was a pioneering move among major U.S. cities. First implemented in 2015, the policy aimed to address income inequality and improve the financial well-being of low-wage workers. By increasing the minimum wage, the city hoped to provide a living wage that could support workers' basic needs and reduce reliance on public assistance. Critics of the policy raised concerns about potential negative impacts on employment and economic vibrancy of the region. [Early evidence from Seattle](#) showed that, among workers of all ages, workers with less experience saw greater reductions in hours worked compared to workers with more experience. This finding raised concern that younger workers could have experienced negative impacts of the minimum wage at crucial times in their working lives.

WHY YOUNG WORKERS MATTER

For adolescents and young adults, finding and keeping a job has important [developmental](#) and [instrumental](#) implications. However, labor force participation among workers aged 16-24 has dropped by 14 percent over the past two decades, the largest percentage drop for any age group. This drop is particularly strong for young men and White youth, although [employment rates for Black, Latino, and Asian youth](#) have been lower than rates for White youth over this century. Employment matters for youth because early labor market experiences resonate over a career and hence lifetime.

THIS STUDY

This study followed the cohort of people aged 16 to 24 who were working in jobs that paid less than \$11 per hour as Seattle's first wage hike took effect in 2015. Using detailed wage records linked to demographic data from various Washington state agencies, we matched young workers in Seattle "treated" by the minimum wage increase to a comparison group of young workers in Washington state outside of Seattle and its surrounding counties. We used a quasi-experimental triple difference strategy to estimate the causal impact of Seattle's minimum wage increases over the seven quarters (nearly two years) following the implementation of Seattle's minimum wage ordinance. We evaluated three outcomes: employment status, hours worked, and earnings.

¹ Based on Freitag, Callie, Hanna Cho, and Jennifer Romich. "Disaggregating City-Level Minimum Wage Impacts: How Do Young Workers Fare?" Poster presented at the Population Association of America Annual Meeting, Washington, DC, April 11, 2025.

Creating data on young workers

This study leverages the unique [Washington Merged Longitudinal Administrative Dataset \(WMLAD\)](#), a rich resource that combines employment records from the state's Unemployment Insurance (UI) program with detailed demographic data from various state agencies. This innovative approach allows researchers to [overcome the limitations of UI data](#), which lack critical demographic details such as age, sex, and race. By integrating these diverse data sources, the study provides a comprehensive and nuanced analysis of the impacts of Seattle's minimum wage ordinance on young workers. The enriched dataset enables detailed subgroup analyses, offering valuable insights into how different demographic groups are uniquely affected by policy changes.

KEY FINDINGS

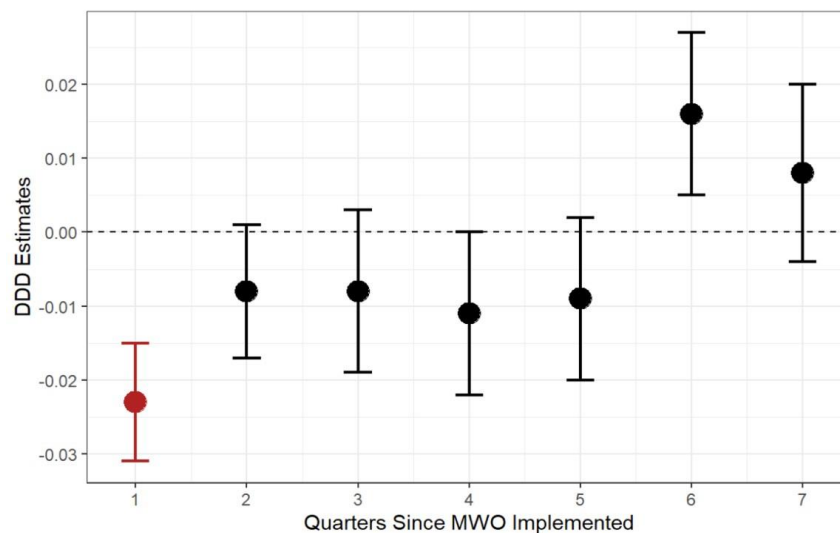
1. **Employment Impact:** The study found that the \$15 minimum wage ordinance was associated with a small (~2%) and temporary reduction in employment among young workers in the quarter immediately following its implementation. However, this decline did not persist in subsequent quarters.
2. **Hours Worked:** Young workers in Seattle experienced a significant reduction in hours worked in most quarters following the wage increase. Estimates vary from quarter to quarter but are in the range of about a half hour less per week.
3. **Earnings:** Despite the reduction in hours worked, young workers overall did not see a significant change in their earnings in any quarter following Seattle's minimum wage increases. This suggests that, in most quarters and for most workers, the higher wage offset the reduction in hours, allowing workers to maintain their income levels.

Figure 1. Impacts on Employment

Results Employment

*Triple difference -
in-difference*

- The employment losses were only temporary and soon rebounded

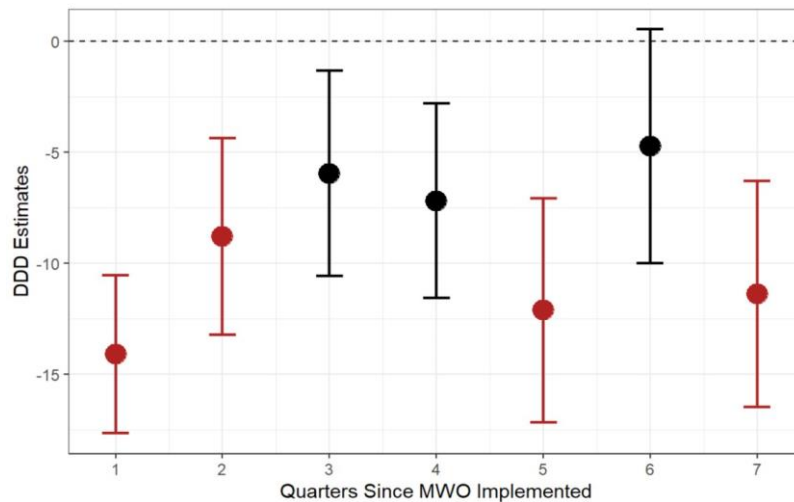


Note: The error bars represent SEs. Red points denote that they are statistically significant at the 95% confidence level.

SUBGROUP ANALYSES

- **Sex:** Female young workers experienced more significant initial reductions in employment, compared to male young workers. These impacts did not continue after the initial quarters of implementation.
- **Race and Ethnicity:** Black young workers experienced consistently negative, though not always statistically significant, employment and earnings effects. Hispanic young workers experienced significant declines in hours worked and earnings in the first quarter of implementation. However, this decline did not continue throughout the other quarters.
- **Industry:** The retail trade and health care sectors saw the most significant negative impacts on employment in the first year of implementation. Only young workers in the retail trade sector saw persistent declines in hours worked in most quarters. Declines in employment and hours worked, however, were not associated with significant declines in earnings. The average young worker in retail trade experienced earnings declines in most quarters, but these declines were not statistically significant.

Figure 2: Impacts on Hours Worked



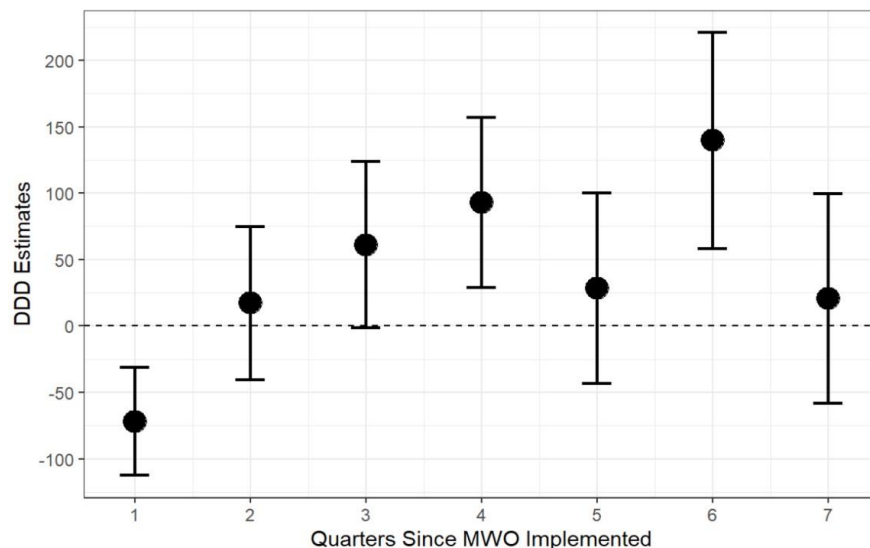
Note: The error bars represent SEs. Red points denote that they are statistically significant at the 95% confidence level.

Results Hours Worked

*Triple difference -
in-difference*

- Declined in most quarters
- -0.4 to -1.1 fewer hours worked per week

Figure 3: Impacts on Earnings



Note: The error bars represent SEs. Red points denote that they are statistically significant at the 95% confidence level.

Results Earnings

*Triple difference -
in-difference*

- No significant changes

DISCUSSION AND IMPLICATIONS

1. **Concerns about young workers' well-being do not justify maintaining lower minimum wages.** The findings from this study suggest that higher wages do not significantly raise the incomes of young workers, but do not harm most young workers, either. The average young worker who experienced the Seattle minimum wage phase-in worked fewer hours while maintaining the same level of total earnings.
2. **Raising the minimum wage should be combined with targeted support for negatively affected groups.** Although higher minimum wages appear to have neutral impacts on young workers overall, the negative employment and earnings impacts in the first phase of implementation were borne primarily by workers who face racism and sexism in the labor market. The effects on young women as well as young Black, and Hispanic workers were negative but transitory. Policymakers should consider additional support measures for vulnerable subgroups who may be disproportionately affected by the negative impacts of minimum wage increases. Workers will benefit most when a minimum wage increase is part of a broader strategy to improve economic equity, including enforcement of equal employment opportunities and investments in education, training, and social services.

CONCLUSION

Seattle's \$15 minimum wage ordinance provides important lessons for policymakers. While the policy achieved its goal of raising wages without significantly reducing earnings, it also highlighted how groups already vulnerable in the labor market—women, Black, and Hispanic workers—bear the greatest negative impacts immediately following the implementation of a higher minimum wage. By considering these findings, other cities and states can design more effective wage policies that promote economic equity and support young workers' development.

References

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