

The Case for a Substantial Minimum Wage Hike for Minnesota

Ann Markusen

Jennifer Ebert

Martina Cameron

Project on Regional and Industrial Economics

The Humphrey Institute of Public Affairs

University of Minnesota

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Over the past three decades, the real value of the minimum wage for Minnesotans earning has fallen precipitously, from \$8.27 to \$5.15.¹ For many workers with families to support, their earnings at minimum wage now leave them below the poverty line, even when working full-time. The decline has left single individuals as well as families with children far below the “basic needs” budget that Growth & Justice has chosen as its target for standards of living.² It discourages people, especially if they face work-related costs like child care, from working.

The easiest, fairest, most dignified and cost-effective way to address the gap is to increase the minimum wage. Minnesota’s minimum wage remains at \$5.15 an hour, the national minimum wage floor, despite the fact that many other states with prosperous economies have raised theirs as high as \$7.00 and beyond. A minimum wage hike could be accomplished by a simple vote of the legislature, would cost the state nothing while increasing tax revenues and would require negligible administrative costs to deliver, because it would apply universally without eligibility screening.

In this brief, we present the case for a substantial minimum wage hike for Minnesota, to \$7.00 an hour, an increase that would bring workers back to nearly 60% of its peak value and that permit many to reach the basic needs budget. We address who would benefit, how the wage hike would be paid for and the overall impact on the Minnesota economy. We summarize recent minimum wage hikes in other states with economies comparable to Minnesota’s, and we compare the minimum wage with the earned income tax credit. We conclude with some thoughts on the political appeal of a minimum wage initiative for Growth & Justice. Those interested in a fuller discussion of the empirical evidence summed up here are encouraged to read our longer technical paper.³

The Minimum Wage as a Social Norm

The minimum wage was adopted by Congress to prevent market forces from driving the wages of the least skilled workers down below a level deemed fair. Its decline in real terms over the past few decades has been a major contributor to the erosion in the American income distribution.⁴ A minimum wages serves as a reference point for wages around it, and thus plays an important role in determining the wages of the state’s overall workforce, especially for workers with only a high school education and those living in rural areas.⁵ It operates as a labor market institution, not a poverty program.

This norm has been undermined over the decades by inflation, requiring costly periodic national and state legislative campaigns to raise the minimum level, only partially successfully in restoring it to its longer term value. An increase in the minimum wage has the potential to drive the wages of those at the bottom of the wage distribution back up towards historic levels, with ripple effects for those in wage intervals above it.⁶ Workers currently making even less than the minimum wage will benefit as a new notion of “fair wage” diffuses through the ranks of employers.⁷

The Beneficiaries of a Minimum Wage Hike in Minnesota

Some 6% to 7% of the state's workers earned a wage below \$7.00 in 2001, and another 12% earned between \$7.00 and \$8.44. Workers in both groups would enjoy wage increases as a result of the proposed wage hike. Conservatively estimating the number of workers in these cohorts, we anticipate that at least 539,000 Minnesota workers, or 19%, would benefit from a minimum wage hike. So would an unknown number of workers in the informal sectors who are also receiving wages at or below these levels.

Who currently works at or below the minimum wage? Minnesota's minimum wage workers are more likely to be younger, less well-educated, non-white, female and students, than are workers as a whole. Some 73% of minimum wage workers are 20 years and older (Table 1). The group of people most likely to be supporting children, those aged 25 to 54 years old, make up 41%. Minimum wage workers are more likely to be female than male (63%), and they are less well educated with 55% having a high school diploma or less. Nearly half are employed in out-state Minnesota, which accounts for 38% of the total workforce.⁸

Table 1. Characteristics of Minimum and Near-Minimum Wage Workers in Minnesota, 2002

	Percentage earning at or below \$5.15	Percentage earning between \$5.15 and \$6.15
Number in Workforce	56,000	61,000
Percent of Workforce	2.3	2.6
Gender		
Male	37.5	39.3
Female	62.5	62.3
Age		
16 - 19	26.8	41.0
20 and older	73.2	60.7
Marital Status		
Married	32.1	24.6
Other	66.1	75.4

Source: Minnesota Department of Labor and Industry, Minimum Wage Report - 2002

Some critics have argued that most minimum wage workers are students, teenagers and those without dependents.⁹ But many young people spend a considerable number of post-education years in jobs where they make within \$1 of the minimum wage, and a surprising number of older workers rely on jobs paying at or near the minimum wage.¹⁰ Furthermore, to dismiss some workers, because they are young or living with their parents or single, as undeserving of a minimum wage hike is akin to the now discredited notion that women should be paid lower wages than men for the same work because their earnings are "pin money" for their families. Since the current minimum wage for a full time worker is just above the poverty line but inadequate to cover a basic needs budget, there is no reason to treat any worker as undeserving. Furthermore,

young workers are as a group in need of an adequate wage to help them build an independent life, buy a used car to enable them to reach work, and invest in a home and an education to increase their lifetime earning capability. Holding down wages may force younger workers to put in more hours making it more difficult for them to devote time to study.

By Occupation and Industry

By occupation, some 68% of Minnesota’s minimum wage workers are concentrated in service, sales and administrative support roles. Food service workers, including cooks in restaurants and institutions, fast food cooks, food preparation workers, counter attendants, wait staff, bartenders, and dishwashers, account for 33% of Minnesota workers at or below the minimum wage but smaller shares of those in near minimum wage jobs. We estimate less than 20% of workers in occupations with a median wage of less than \$8.75 an hour in Minnesota are in occupations where they make tips.

Minimum wage workers are not evenly distributed throughout Minnesota industries. Most of the state’s industries pay 95% or more of their workers more than the minimum or near minimum wage. Minimum wage workers are quite concentrated in a few sectors, with service-producing industries accounting for 89% of all minimum wage workers (Table 2). Within the service industries, eating and drinking places account for 31%, though tips are not included in the calculation. Retail trade accounts for another 10%. Services such as health, educational, and social services also account for a large number of minimum wage workers (38.1%).¹¹ Firms in these industries range from the largest in the nation – the Wal-Marts, Hyatts, and MacDonaldis – to small mom-and-pop shops and franchises.

Table 2. Minimum Wage Workers by Industry in Minnesota, 2002

Industry	% employees at or below \$5.15/hour	as % of all workers at or below \$5.15/hour
Eating and drinking places	13.5	30.5
Agriculture	5.1	3.2
Social services	4.9	6.6
Other services	3.3	20.3
Other retail trade	2.1	10.4
Educational services	1.8	6.8
Finance, Insurance, and real estate	1.3	4.1
Health services	1.0	4.5
Transportation, communication and utilities	1.0	2.9
Construction	1.0	2.3
Wholesale trade	0.9	1.7
Public Administration	0.9	1.3
Mining	0.9	0.1
Manufacturing	0.7	5.3

Source: Minnesota Department of Labor and Industry, Minimum Wage Report, 2002

Who Will Bear the Cost of a Minimum Wage Hike?

A minimum wage hike would pump hundreds of millions of dollars into low wage workers' paychecks each year. But for most employers, the impact on total business costs would be small, since a large portion of total costs in affected industries consists of materials (food, gasoline, films, consumer goods). In the fast food industry, for instance, the cost of a meal covers not just labor but also the raw ingredients, non-food supplies, equipment, rent or mortgage payments, property taxes, sales taxes, utilities, and the corporate franchise fee, and building new plants elsewhere. Furthermore, since the increase would affect only those currently at substandard wages, the increase in the total wage bill in each industry would be modest, even for those with high shares of minimum wage workers. The estimated impact of the \$1.35 wage hike in Illinois is highest for food and drinking establishments, where total payroll will rise 3.4%. For the state as a whole, the wage increment is less than 1% of current wages.¹²

Since employers will directly pay these higher payroll costs, who pays depends on employer responses to a minimum wage increase. Employers will do one or more of the following: raise prices they charge for products and services; increase productivity; redistribute profits between workers and owners; and/or lay off workers by downsizing or shifting work out of the state. The evidence suggests that the first three of these account for the lion's share of responses, especially the first – higher prices.¹³ The heavily impacted sectors, with the exception of portions of the hotel and motel industry, are local serving, meaning that sales are highly localized and that their customers reside within the state. Thus a higher state minimum wage would affect competitors equally and make it easier for them to pass wage increases on to consumers in the form of price hikes. Such price increases would be borne by consumers across the income spectrum. For poor households without a worker whose wages would be affected, the price hike might mean an increase in the cost of living of between 0.25 and 0.5%.¹⁴

Higher minimum wages encourage employer efforts to raise productivity. Some wage hike-induced productivity increases would occur even without an explicit effort, through what economists call "efficiency wage" effects: increased worker effort, lower turnover and absenteeism, and lower costs of recruitment, training and supervision.¹⁵ To the extent that businesses cannot pass on wage increases via prices or absorb them through higher productivity, they may have to accept lower profits, at least in the short run. Although fast food employers raised prices to compensate following the early 1990s minimum wage hike in New Jersey, they also experienced a slight decline in profitability.¹⁶

Will a Higher Minimum Wage Cause Unemployment?

If employers cannot raise prices, improve productivity or pay for wage hikes out of excess profits, they are likely to lay off workers or relocate. Relocation out of the state will be negligible, due to the nature of industries relying on minimum wage workers. In order for a firm

to be willing to undertake the costs of moving from the state, it would have to 1) have a customer base not closely tied to the state and 2) face a significant increase in operating costs as a result of the wage hike. As we have shown above, the industries with the largest exposure to low wages are those with a customer base tied to localities and regions within the state. Those more apt to be independent of local demand, such as manufacturing, wholesaling and business services, have rather low exposure. Unless they already have operations elsewhere, to which they can shift work, they will be unlikely to decide to undertake major capital expenditures in order to avoid a small increment in labor costs. In addition, the regional economics literature documents other barriers to firm exit from a region, such as reliance on local inputs and skilled labor, networking and ties with other firms, and manager and owner attachment to the region.¹⁷

What about downsizing in place? The evidence is mixed but suggests little or no impact. Studies on individual industries suggest that even in the most vulnerable, e.g. the fast food industry, net employment effects are positive or at least neutral, rather than negative.¹⁸ Similarly, small businesses do not appear to be at any greater risk than other firms.¹⁹ No evidence of state-wide employment loss or even job growth slowdown for high risk industries has been found in response to individual states' adoption of higher minimum wages.²⁰ The only group that may be at risk of job loss are teenagers. A study using Current Population Survey data from 1979 through 1997 found a significant but modest negative relationship between minimum wage increases and teenage employment.²¹ Provisions for modestly lower minimum wages for teenage workers during initial months of work thus may be warranted.

Most studies of employment changes following a minimum wage hike do not take into account multiplier or spatial effects. Several arguments may be made about how a minimum wage hike works its way through a regional economy and may create more jobs than studies to date have tracked, especially in poorer neighborhoods and rural areas.

First, there is the multiplier effect. A minimum wage hike to \$7.00 in Minnesota will result in hundreds of millions of dollars in additional sales for Minnesota businesses. Lower income workers are more apt to spend higher shares of their wages rather than to save them, in what economists call "the marginal propensity to consume." When these increments are spent within the state, they generate sales for and create new jobs in other state businesses. They may do so quickly as well, circulating these dollars faster in the area economy. Historically, regional economists have found income multipliers to be in the range of 1.5 to 2.0 for a state the size of Minnesota. In other words, for every dollar earned from minimum wage hikes, \$1.50 to \$2.00 of income will be generated in the state economy. Of course, if other consumers face higher prices and business owners' income is diminished, lower spending by these groups will act as a drag. However, the costs to latter are more apt to come out of savings rather than consumption. The net result is that the multiplier effect for low wage increases may in fact be higher than for other forms of economic stimulus or for the status quo, thus creating additional jobs in the economy.

Second, there is the spatial effect. It can be argued that low wage workers are more apt to spend their dollars locally than are higher wage workers.²² Large spending categories include food, rent, health care, financial services, used cars and public transportation, most of which will be

purchased locally. Low income workers, to the extent that they are concentrated in inner city neighborhoods and rural areas, are less apt to travel to suburban discount stores to shop, and they are less apt to travel and consume luxury goods that would result in large leakages out of the state economy. Neighborhood and small town food and retail stores and restaurants, in particular, would be likely to see sales increase as a result of a minimum wage hike, even given that they are likely to be able to pass on their own minimum wage costs to captive customers. If so, modest numbers of new jobs would be created. Thus, given considerable class segregation by residence and region in Minnesota, a minimum wage increase would have the salutary result of concentrating job gains created through multiplier effects in poorer neighborhoods and rural areas.

Longer-term Benefits for The State's Economy

The consequences of the minimum wage hike examined above consist of short run gains, losses and behavioral adjustments by workers, employers and consumers. In the longer run, the dynamic path of a regional economy can be shaped by public policy and by choices made by its chief decision-makers: employers and workers. In an increasingly integrated world economy, they can compete by pursuing a "high road," in which they invest in skills and technologies that will improve productivity. Or they can compete by striving to lower the cost of doing business by foregoing investments in human and physical capital and pursuing cheaper inputs and labor. A great deal has been written about the longer-term futility of the latter course for more advanced economies like the US, and within it, the higher tech states like Minnesota. Firms and workers are unlikely to be able to compete with increasingly accessible low wage products and services from other countries in the world.

A high road strategy for a state favors economic development incentives that encourage skill acquisition through education and training, entrepreneurship – the start-up and financing of new companies with employment growth prospects, investments in machinery, equipment and research and development in more mature sectors, and better production, management and business practices, all of which contribute to a superior product and service mix and higher productivity.²³ Excellence in specific industries may bring strategic advantages in trade, as long run increasing returns to scale means that those who are "first movers" will enjoy continued growth despite high costs²⁴ – Silicon Valley is an outstanding example. Minnesota has operated in recent decades as a "high road" economy, able to withstand the exodus of low wage manufacturing jobs by replacing them with high-wage manufacturing and service sectors that compete well nationally and internationally. It is admirably high-tech for its size, both in manufacturing and services, and belongs in the class of states, including Massachusetts, Connecticut, New Jersey, Washington, Oregon and parts of California, that have successfully been able to add jobs and maintain high real incomes.²⁵

Would a hike in the minimum wage contribute to a high road strategy? Yes. It would encourage firms to pursue productivity-enhancing strategies and workers to invest in human capital through schooling and other training options. Employers often choose between high and low road strategies in a single industry facing comparable market challenges – some may go the lower cost

route while others pursue a higher productivity strategy, and both sets may succeed, at least in the intermediate run.²⁶ High road responses to a minimum wage hike are most likely in those firms that face competition from out of state. But even fast food employers appear to have engaged in productivity improvements as a way of coping with higher minimum wages.²⁷ The salutary effect on the workforce would be considerable in the longer run, especially as the ripple effect broadens the ranks of those affected. Almost universally, studies show that American economic performance, and that of its states and localities, is ever more closely tied to skilled labor than to any other factor of production.²⁸ Workers would be more motivated, more attached to the employers and more willing and able to invest in further education and training. Better workers would be attracted to the state and induced to stay.

Precedents in Comparable States

Minnesota's minimum wage has remained at the federal level since the last increase in 1997 while 12 states and the District of Columbia have raised theirs well above that (Table 3). Three states, Washington, Oregon and Illinois, provide good comparisons with Minnesota in modest cost of living, relatively strong, diversified economies and pursuit of "high road" growth strategies. Each has recently raised the minimum wage to \$6.50 or above, either through legislative action or popular vote.

What has happened in each of these states? In Washington, residents voted in 1998 overwhelming to increase the state's minimum wage and to index the minimum wage level to inflation annually. Its adoption has not increased unemployment among the lowest paid works and has not resulted in excessive inflationary pressures.²⁹ The state of Oregon has set the minimum wage at \$6.90 per hour, and voters there recently passed an initiative that indexes the minimum wage to inflation annually. The increase successfully raised hourly wages of workers up to the 15th percentile without creating additional unemployment.³⁰ In the summer of 2003, following the election of a Governor who campaigned strenuously on the minimum wage issue, the Illinois legislature increased the state's minimum wage to \$6.50 beginning January 1, 2004 without a COLA adjustment.³¹

Table 3. States with Minimum Wages Above the Federal Wage

State	Minimum Wage (\$), 2003	Cost of Living Index, 2002
Delaware	6.15	*
Alaska	7.15	128
California	6.75	131
Connecticut	6.90	126
District of Columbia	6.15	138
Hawaii	6.25	155
Illinois	6.50	101
Maine	6.25	*
Massachusetts	6.75	127
Oregon	6.90	107
Rhode Island	6.15	*
Vermont	6.25	*
Washington	7.01	102
Minnesota	5.15	103

Source: U.S. Department of Labor, Missouri Economic Research and Information Center

* Not available

An increase to \$7.00 in Minnesota, 36%, would not be out of line with increases elsewhere. State increases have ranged from 25% to 35% and are phased in over at most two years. In 1996, California added a minimum wage hike onto the federal increase for a joint increase of 35% over the period 1996–98.³² Washington’s hike amounted to 30% over the period 1999–2001. Oregon’s minimum wage increased 27% between 1997 and 999 and another 6% in 2003. Illinois raised its minimum wage 26% in one fell swoop.

The Minimum Wage compared with the Earned Income Tax Credit

The minimum wage and the working family tax credit (WFTC), Minnesota’s version of earned income tax credit (EITC) are two powerful tools that the state can use for improving the standard of living for poor families and individual workers. Both have the advantage of requiring minimal enforcement, screening or administrative costs compared with other poverty programs. The WFTC is more closely targeted to poverty alleviation than is the minimum wage. Some 44% of families eligible for the EITC nationally live below the poverty level, while only 19% of the benefits of a minimum wage increase go to workers below the poverty line.³³

Two points can be made however, regarding the disadvantages of the WFTC and the inadvisability of relying up it as the major means of raising living standards. First, the take-up rate for the WTC is somewhere around 80%, good for a poverty program but still leaving substantial numbers of people behind. Few people receive it in a timely fashion, because they do not withhold through the year (many are embarrassed to reveal to their employers their eligibility). Furthermore, on average 5% of it is used to pay for preparing complicated tax forms.

In contrast, the minimum wage is easy to implement and the full value goes to the worker as it is earned throughout the year.

Second, if the WFTC is increasingly resorted to as a low wage supplement, the public sector will bear the cost. The WFTC is a tax expenditure - not a direct appropriation but spending in the form of foregone taxes. This means that the state governments must either spend less on something else or raise taxes. In contrast, an increase in the minimum wage, as discussed above, is paid for by higher prices, induced productivity gains and lower business profits. If the real minimum wage continues to lose value due to inflation and the WFTC has to take up the slack, taxpayers and citizens will have to shoulder a larger share of the burden. Over time, the WFTC would grow in size as a supplement to the increasingly low salaries of workers at minimum-wage-paying businesses and is thus a subsidy to these businesses and their consumers.

In fact, the WFTC and the minimum wage are not so much alternatives as complements for raising standards of living. A full-time, year-round single minimum wage worker is boosted above the poverty level by the WFTC, but a full-time minimum wage worker supporting several family members lives below the poverty line even after taking into account the effects of the EITC and WFTC (see Table 4).³⁴ Neither makes it anywhere near the basic needs budget.

Table 4: Family Income Levels with by Minimum Wage with EITC, 2001 (\$)

	Gross Earnings	Federal EITC	25% State EITC	Net Income	Jobs Now Basic Needs	Federal Poverty Line
Single Worker						
Half-time minimum wage	5,350	364	91	5,805	23,640	8,590
Full-time minimum wage	10,700	54	14	10,768	23,640	8,590
Family of three, 1 child						
Half-time minimum wage	5,350	1,819	455	7,624	27,828	14,100
Full-time minimum wage	10,700	2,428	607	13,735	27,828	14,100
Family of four, 2 children						
Half-time minimum wage	5,350	2,140	535	8,025	34,152	18,100
Full-time minimum wage	10,700	4,008	1,002	15,710	34,152	18,100

Source: See Footnote 34

Low-income families are best served by a combination of the WFTC and a minimum wage adjusted for inflation. The WFTC loses its effectiveness over time if the minimum wage is not adjusted to account for inflation.³⁵

Finally, it should be noted that neither the EITC nor the minimum wage targets the non-working poor. In about half the families below the poverty line, no member is working; even among non-elderly poor families, 43% have no workers during a typical year.³⁶ Policies that increase full-time, full-year work will have the largest effect on poverty. Indeed, if all non-elderly poor households included one full-time, full-year worker, poverty among these households would be reduced by two-thirds.³⁷ Thus employment initiatives and poverty programs that target these

groups will therefore meet an ongoing need. Better welfare, employment and training programs will be needed to address this population.

The Politics of the Minimum Wage

A minimum wage increase is primarily a strategy for combating growing American income inequality and improving the economic well-being of lower-middle class and working class Americans, two groups who have experienced the greatest wage erosion over the past twenty years. Some 48% of the benefits of a higher minimum wage go to working families whose income is between one and three times the poverty line,³⁸ thus enabling many of them to reach the Jobs Now basic needs budget. Since these households and individuals are more apt than the poor to hold full-time, full-year jobs, the impact for them is magnified. These are working Minnesotans widely reported to be politically disaffected, and a minimum wage debate would help bring them back into the political arena.

Politically, there are good reasons to pursue growth and justice through a better minimum wage. As Timothy Bartik of the Upjohn Institute for Employment Research puts it:

Focusing on the poor may not be the best political strategy for reducing poverty. A focus on the poor may elicit less support from the many non-poor who believe themselves immune from poverty. Focusing on the poor's problems may imply that the solutions to poverty come from the poor changing their character and skills.

A political strategy to reduce poverty may be more successful if it focuses on institutional or social conditions that affect the well-being of many lower-middle class and working class groups, not just the poor. Wage rates are one such issue.³⁹

In addition, since the largest shares of workers affected are in relatively young age cohorts, an increase in the minimum wage, especially given a highly publicized public debate about it, will help to bring younger workers, whose voting participation and civic engagement are low, into the political arena.

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Endnotes

- ¹ Baiman et al, based on data from the US Bureau of Labor Statistics, 2003.
- ² Jobs Now Coalition, 2002.
- ³ Markusen, Ebert and Cameron, 2003.
- ⁴ Galbraith, 1998.
- ⁵ Spriggs and Klein, 1994; Levin-Waldman, 2002: 639.
- ⁶ Dunlop, 1957; Levin-Waldman, 2002.
- ⁷ Bartik, 2002: 27.
- ⁸ Anderson, Berry and Jung, 2003.
- ⁹ See for instance Wilson, 2001.
- ¹⁰ Carrington and Fallick, 2001.
- ¹¹ Anderson, Berry and Jung, 2003.
- ¹² Baiman et al, 2003.
- ¹³ In contrast to the lively empirical debate on the aggregate employment effects of the minimum wage, reviewed below, evaluative research on alternative business responses to higher minimum wages is hard to come by. Several studies have been done of particular industries' actual responses, especially Card and Krueger's work (1994, 1995, 2000) on the fast food industry. Several others have modeled the likely responses with secondary data, the best of which is Pollin, Brenner and Luce (2002) on the consequences of the 1992 New Orleans city minimum wage increase of nearly 20%.
- ¹⁴ Pollin et al, 2002: 856–7.
- ¹⁵ Pollin, et al, 2002; Bartik, 2002: 5; Fernsten and Croffoot, 1986; Worcester, 1999.
- ¹⁶ Card and Krueger, 1995, 2000.
- ¹⁷ Bartik, 1991, 2002; Pollin et al, 2002.
- ¹⁸ In a seminal study of the impact of a substantial 1992 minimum wage hike (\$4.25 to \$5.05) on franchise fast food establishments in New Jersey, Card and Krueger (1994, 1995) found positive rather than negative employment effects. Their findings were challenged by Neumark and Wascher (2000a), who compared New Jersey fast food establishments to those in Pennsylvania, a state that did not raise its minimum wage in the same period, finding higher employment growth in the latter. Their sample was, however, challenged by Card and Krueger (2000), who improved and re-calibrated their own model and found that the increase in question “probably had no effect on total employment in New Jersey’s fast-food industry and possibly had a small positive effect” (p. 38).
- ¹⁹ Levin-Waldman, 1999
- ²⁰ Baiman, Doussard, Mastracci, Persky and Theodore, 2003. This study controls for other factors such as overall economic growth rates and average state wage rates, isolating the effect of changes in minimum wages.
- ²¹ Burkhauser, Couch and Wittenburg, 2000. Their results differ from previous studies because of differing assumptions made about macro-economic performance
- ²² Pollin et al, 2002, is the only study reviewed that addresses these differential neighborhood effects.
- ²³ See Eisinger, 1988, and Fitzgerald and Green Leigh, 2002, for compendiums on strategies that work for states and localities.
- ²⁴ Krugman, 1991, 1994.
- ²⁵ Chapple et al, 2003; Markusen and Schrock, 2003.
- ²⁶ Parker and Gray, 2003.
- ²⁷ Card and Krueger, 1995, 2000.
- ²⁸ Mathur, 1999; Markusen, 2003.
- ²⁹ Smith, 2003.
- ³⁰ Thompson and Sheketoff, 2001.
- ³¹ Baiman et al, 2003.
- ³² Pollin et al, 2002: 848.
- ³³ Turner and Barnow, 2003; Burkhauser, Couch and Wittenberg, 1996.
- ³⁴ Jobs Now Coalition, 2003; Johnson, 2001; U.S. Department of Health and Human Services, 2001; Colorado Fiscal Policy Institute, 2002.

- ³⁵ Bernstein, 2002.
³⁶ Bartik, 2001: 37.
³⁷ Bartik, 2002: 4; Sawhill, 1999).
³⁸ Burkhauser, Couch and Wittenberg, 1996.
³⁹ Bartik, 2002: 28-9.