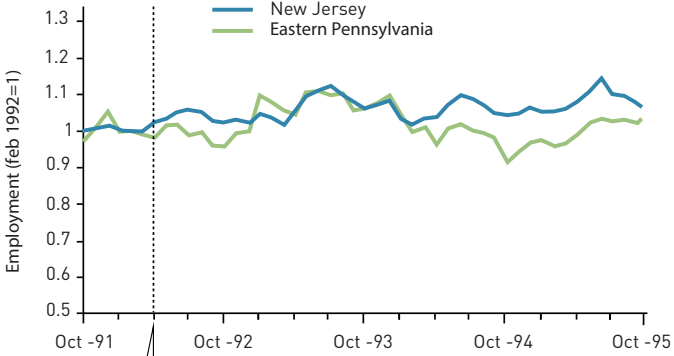
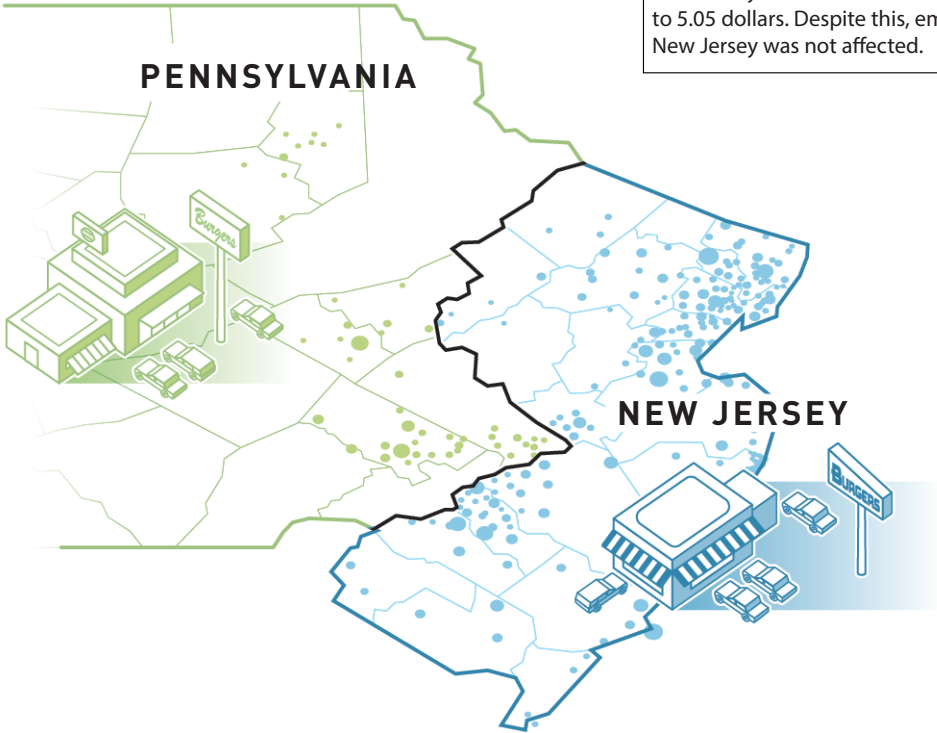


The effect of increasing the minimum wage

Card and Krueger used a natural experiment to study how increasing the minimum wage affects employment.

The researchers identified a treatment group (restaurants in New Jersey) and a control group (restaurants in eastern Pennsylvania) to measure the effect of increasing the minimum wage.

● CONTROL GROUP ● TREATMENT GROUP



1 April 1992: The hourly minimum wage in New Jersey was increased from 4.25 dollars to 5.05 dollars. Despite this, employment in New Jersey was not affected.