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## *The Effect of Minimum Wage Rates on States' High School Completion Rates*

A common concern about proposals to raise minimum wage rates is that such policies will reduce the rate at which young people complete high school. Despite considerable economic research on the impact of increased minimum wage rates on youth unemployment rates, there is substantially less credible evidence about the impact of increased minimum wage rates on rates of high school completion. The work that has been done has suffered from (1) narrow timeframes and (2) inadequate measures of states' high school completion rates. Overcoming these limitations, we analyze the impact of changes in state and federal minimum wage rates on state high school completion rates for the graduating classes of 1982 through 2005 using Warren's (2005) Estimated Completion Rate to measure the key dependent variable. Our state-level analyses generally provide little support for the argument that increasing the minimum wage reduced rates of high school completion. We find that very large increases in the minimum wage might very modestly reduce the high school completion rate, but only in states in which students are permitted to drop out before age 17.



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