

**Legislative Bills and Ballot Initiatives:  
Raising the Minimum Wage in the American States, 1997-2006<sup>1</sup>**

Eric A. Whitaker  
Department of Political Science  
Western Washington University  
Bellingham, WA 98225-9082

Mitchel N. Herian  
University of Nebraska  
Public Policy Center  
Lincoln, NE 68588-0228

Chris W. Larimer  
Department of Political Science  
University of Northern Iowa  
Cedar Falls, IA 50614-0404

Michael Lang  
Department of Political Science  
Western Washington University  
Bellingham, WA 98225-9082

---

<sup>1</sup> Paper prepared for presentation at the 10<sup>th</sup> Annual State Politics and Policy Conference, June 3-5, 2010, University of Illinois, Springfield.

**Abstract:** The adoption of minimum wage laws in the American states has been intermittent and its trajectory uneven. However, there is little empirical work that systematically assesses factors associated with this class of public policy. To the extent that scholars have considered minimum wage adoption, nearly all of the work has been concentrated at the federal level whereas economists focus predominantly on the effects of wage increases. To date we know little about how political and economic conditions within states are associated with mandated wage increases. In this paper we ask, "What factors are associated with increases in the minimum wage at the sub-national level of American politics?" Specifically, we propose an examination of how state level political and economic factors relate to the introduction and adoption of minimum wage legislation in the American states, and whether those factors that influence legislative adoption are distinct from those associated with ballot initiative adoption. We address our question using event history analysis to analyze an original, state-level dataset covering the years between the two most-recent federal minimum wage increases (1997-2006). If legislators and citizens are sensitive to different environmental factors in choosing to adopt wage increases, this could provide important information for our theoretical understanding of opinion-policy link in state politics and policy adoption. Moreover, because the politics of the minimum wage within states is relatively uncharted territory, our study may provide researchers with additional opportunities to hone policy adoption theories.

## Introduction

In the 2006 midterms the Democratic Party pursued an electoral strategy that largely emphasized economic issues (Andrews 2006). At the national level, Democrats successfully regained control of Congress, and key to this change was their “100-Hour Plan.” Chief among this collection of election year promises was an increase in the federal minimum wage, which, once passed and signed into law mandated a three-step increase in the federal minimum wage.<sup>2</sup> At the state-level, six states overwhelmingly passed ballot initiatives increasing their state minimum wages. Yet, despite robust support in Congress and the endorsement of high minimum wages in the states, debate about the minimum wage persists.<sup>3</sup>

Reducing or eliminating the minimum wage as an employment-boosting strategy is perennially in-fashion in some circles despite consistent popular support (Bartels 2008: 229-32; Page and Jacobs 2009: 62-3). However, the idea has gained traction recently as but one way to combat the so-called “Great Recession.”<sup>4</sup> Both Paul Krugman and Charles Lane, in recent blog posts, consider the idea but arrive at different conclusions. Mr. Krugman concludes that “proposing wage cuts as a solution to unemployment is a totally counterproductive idea”<sup>5</sup> whereas Mr. Lane claims that “increasing the minimum wage destroys jobs, especially for those who need them most.”<sup>6</sup> To be sure, the salience of the debate ebbs and flows over time and conclusive evidence remains elusive (e.g., Card and Krueger 1995; Neumark and Wascher 2008). This, along with higher than normal unemployment figures in 2009 and 2010 (Bureau of Labor Statistics 2010) ensures that such consternation will likely persist.

The economic and social effects of the minimum wage have been debated since its inception. However, what has been missing from this discussion is a thorough consideration of the social and political context *prior* to adoption. That is, what distinguishes this paper from the orthodox debate is that we step back from questions about the specific *effects* of the minimum wage and examine whether state-level characteristics help explain minimum wage adoption decisions. To the extent that scholarship has sought to explain wage increases, attention has been concentrated on national policies and legislative voting (Kau and Rubin 1978; Levin-Waldman 1998, 2001; Silberman and Durden 1976; Waltman and Marsh 2007). That so little state-level research exists is odd given the institutional arrangements that exist under federalism and the fact that advocates have increasingly turned to state legislatures and ballot initiatives to pursue policy.

Thus, we propose extending the empirical literature in two ways. First, we investigate the relationship between minimum wage increases and select political and economic characteristics of the American states. Our argument is straightforward: examination of the variation present at the subnational level will provide a powerful, additional test of the relationships that have been identified so far. Given the power-sharing relationship that characterizes federal political systems, it is not immediately clear whether we should expect minimum wage adoption decisions to be influenced by those factors related to federal action. By exploiting the variation that exists in the American states we may be able to contribute to a more robust understanding of minimum wage policies. Second, we do not confine our investigation to legislative decision making. Rather, because the American states vary in terms of provisions for citizen involvement, we also examine state-level characteristics and the likelihood of adoption via ballot measures.

---

<sup>2</sup> H.R. 2 was signed into law on May 25, 2007. The first increase took effect 60 days thereafter, raising the minimum wage from \$5.15 to \$5.85. The second increase, raising the wage to \$6.55, occurred one-year later, and the third increase, raising the wage to \$7.25, took effect one-year later.

<sup>3</sup> As a basic measure of success, not only did Democrats regain control of Congress, but they made modest gains in states as well: experiencing a net gain of six governorships and gaining unified control of 22 legislatures, up from 19 (U.S. Census Bureau 2009).

<sup>4</sup> <http://economix.blogs.nytimes.com/2009/03/11/great-recession-a-brief-etymology/>. Accessed April 25, 2010.

<sup>5</sup> <http://krugman.blogs.nytimes.com/2009/12/16/would-cutting-the-minimum-wage-raise-employment/>. Accessed December 18, 2009.

<sup>6</sup> [http://voices.washingtonpost.com/postpartisan/2010/01/a\\_response\\_to\\_my\\_critics\\_on\\_re.html?hpid=opinionsbox1](http://voices.washingtonpost.com/postpartisan/2010/01/a_response_to_my_critics_on_re.html?hpid=opinionsbox1). Accessed February 16, 2010.

Our paper consists of three sections. First, we summarize the theoretical debate over the minimum wage and consider the empirical evidence. While much of the early work is consistent with the neoclassical economic perspective, recent research indicates that the effects are not consistently negative, and may be positive. The lack of consensus in the empirical debate suggests that political factors may also contribute to adoption decisions, and to the extent that this observation has been examined we summarize these results as well. In the second section we draw on the extant literature to summarize our models, explain our expectations, and describe the data. In the final section of the paper we report a series of tests and discuss our results.

## Literature Review

Issues ebb and flow on both the public and legislative agendas for different reasons (Baumgartner and Jones 1993), and the minimum wage debate is no different. Historically the minimum wage has been one component of larger efforts to reduce income inequality (Levin-Waldman 2001). Proponents view the policy as necessary on the grounds that it prevents people at or near the bottom of the economic ladder from falling further financially, if not actually assisting people to attain modest economic advancement (Prasch 1996; Seager 1913).<sup>7</sup> Further, mandated increases help low-income workers by making the distribution of wages more equitable, do so with minimal government involvement in the transfer of funds, and can generate consumer spending. Opponents, on the other hand, contend that minimum wage policies decrease profit margins and result in layoffs or other cutbacks that disproportionately harm low-skill or teenage workers (see, e.g., Andrews 2006; Partridge and Partridge 1998; Vedder and Galloway 2001).

The orthodox position against the minimum wage follows from the neoclassic economic perspective which argues that minimum wages are inefficient and interfere with the naturally-evolving marketplace. By setting an arbitrary, non-market-determined wage floor minimum wages increase prices, thereby reducing demand for goods and services. Employers, in turn, seek to reestablish equilibrium by laying off the lowest skilled or least productive workers. Alternately, employers might cutback in non-wage areas such as training or hours. That is, even as some workers benefit from higher wages, others lose out, either due to disemployment effects or other cost-reduction measures.

Contrary to the neoclassical perspective, institutional economics posits that a minimum wage can be effective in redistributing wealth by lowering the profits of employers and increasing the purchasing power of those who are more likely to spend money (Prasch 1996). Proponents further argue that the benefits of wage increases are not restricted to only those making the current entry level wage. Rather, workers whose compensation is near the minimum may benefit from a “ripple effect” of wage increases (Card and Krueger 1995: 3). In an earlier era, Progressives also argued that wage increases motivate workers, making them more productive and less willing to shirk (Prasch 1996; Seager 1913).

The competing perspectives offer a diverse array of potential outcomes, and dependent variables do vary across studies. However, the empirical literature has generally focused on the employment effects rather than directly assessing employee motivations. Arguably the most consistent result has been that wage increases produce fewer employment opportunities (Brown et al. 1982; Burkhauser et al. 2000; Neumark and Wascher 1992; West and McKee 1980) and lower the average number of work hours (Couch and Wittenburg 2001). Although focusing largely on the teenage labor market, these studies converge on the idea that minimum wage increases produce negative outcomes.<sup>8</sup> As Deere et al. (1995) summarize the literature, there was

---

<sup>7</sup> In signing the Small Business Job Protection Act of 1996, President Clinton claimed the “bill ensures that a parent working full-time at the minimum wage can lift himself or herself and their children out of poverty. Nobody who works full-time with kids in the home should be in poverty.” <http://clinton6.nara.gov/1996/08/1996-08-20-president-remarks-on-signing-minimum-wage-bill.html>. Accessed May 3, 2010.

<sup>8</sup> Brown et al. (1982) and Neumark and Wascher (1992) estimate that a ten percent increase in the minimum wage is associated with a one to two percent decrease in the teen employment rate.

“quibbling about the exact magnitude of the effect, but not much discussion about whether negative employment effects existed” (p. 232).

Arguably, the most provocative challenge to the orthodox view has come from the “new economics of the minimum wage” school. In a series of studies Card and Krueger (1995) find evidence that more recent state- and federally-mandated increases resulted in higher take-home pay for affected workers and, while employment increases did not consistently achieve statistical significance, they were “uniformly positive” (p. 389). Additional research corroborates these conclusions in that wage increases in the early 1990s were more effective in reducing poverty than wage increases in the 1980s (Addison and Blackburn 1999) and minimum wages, when moderately generous, effectively reduce family income inequality (Volscho 2005).

In sum, the competing conclusions found in the effects literature may actually complicate the minimum wage policy debate (Levin-Waldman 1998, 2001). The neoclassical perspective argues that increases result in greater unemployment for the very groups who are supposed to benefit. Opponents contend that higher wages can modestly redistribute wealth and increase consumption propensities among the working poor, which in-turn stimulates economic growth. The fact that the effects remain contestable suggests that additional factors are worth considering.

We contend that an emphasis on effects has resulted in scholarship deemphasizing adoption decisions – the very place where politics may matter. According to Sobel (1999), “the pursuit of [minimum wage] policy goals has been subjected to the political pressures facing Congress” (p. 761) since the wage’s inception during the Great Depression.<sup>9</sup> This position is argued most forcefully by Levin-Waldman (2001), whose thesis is that “the minimum wage above all is a matter of politics, and to focus solely on economic models as though they drive the policy process is to ultimately miss the point” (p. 2). To the extent that we can draw on empirical evidence to understand how political considerations influence action on the minimum wage, much of this research considers the U.S. Congress. Nonetheless, it generally finds political variables contribute meaningfully to outcome explanations.

For example, Congressional votes on a proposed minimum wage increase in 1973 were explained by campaign contributions. Specifically, campaign contributions by labor unions predicted support for the bill and small business contributions were associated with votes against it (Silberman and Durden 1976).<sup>10</sup> Cross-sectional analysis also shows that region, unionization, and political party are reliable predictors of Senate support in 1977 (Krehbiel and Rivers 1988). While these results are consistent with conventional expectations, we cannot reliably generalize to other contexts, time periods, or institutional settings.

When time series data is considered a different picture comes into focus. In their examination of Congressional voting between 1938 and 1974, Kau and Rubin (1978) find no effect for union strength or political party on five of six votes.<sup>11</sup> Only in 1938 do these variables reliably relate to the final outcome. On its face the result for party is counter-intuitive. However, the authors reason that ideological cleavages rooted in regional differences (i.e., north versus south) likely offset the influence of party. The only significant and consistent predictors across the successful votes recorded between 1949 and 1974 are members’ liberalism (as rated by Americans for Democratic Action) and the average hourly wage in manufacturing. This first result is consistent with the expectation that liberals rather than conservatives support wage increases (Andrews 2006; Bartels 2008; Poole and Rosenthal 1991, cited in Seltzer 1995: 1303). The second result is more puzzling. Specifically, the positive relationship indicates that support for minimum wages is stronger when the average

---

<sup>9</sup> Rather than granting jurisdiction to an independent board, the House, for example, revised the original Fair Labor and Standards Act by giving Congress control over minimum wage rates (Seltzer 1995).

<sup>10</sup> The prevalence of low wage workers, the proportion of teenagers in the labor market, and whether the state was in the South were also significant factors.

<sup>11</sup> The counter-intuitive result for unions seems to be the result of multicollinearity; Kau and Robin (1978) report that the correlation between union strength and the average hourly manufacturing wage is 0.78.

manufacturing wage is higher – a point that contradicts Silberman and Durden (1976) who find support to be associated with lower wages. That is, the former suggests political pressure matters in that support for higher minimum wages may be concentrated among high wage workers, whereas the latter suggests lawmakers are responsive to conditions experienced by their constituents, many of whom we might expect to be less politically engaged, all things being equal.

At the very least these results indicate that explanations of minimum wage adoption may need to account for greater nuance, which Oren Levin-Waldman underscores in analyzing of the declining value of the minimum wage. His main thesis – that the declining fortunes of organized labor have contributed to the changing dynamics of Congressional support for the minimum wage – is supported by a series of regression analyses showing that the votes cast by Democrats and Republicans are influenced by characteristics of their states (Levin-Waldman 1998, 2001). Specifically, Democrats from states with right-to-work laws deviate from their party and cast votes against minimum wage laws. Across the aisle, Republicans from states with relatively higher union density are more likely to vote in favor of minimum wage legislation.

On balance, these studies suggest that political variables are at least as important as economic indicators in helping to explain minimum wage increases, at least for the U.S. Congress. What seems to be missing in the literature is any clear indication as to whether these same factors also account for the variation that exists among the American states. While the institutional structures are similar, important differences include such things as political culture, opportunities for citizen input, and resource availability. Moreover there is a consistent empirical record showing state-level political factors to have a significant effect in specific policy domains (e.g., crime policy, see Smith 2004; welfare policies, see Brown 1995; Jennings 1979) and on policy more generally (Erikson et al. 1993). To date we are aware of only three published studies that assess political factors associated with the minimum wage: two of the studies assess the determinants of the minimum wage rates rather than policy adoption, and the third examines minimum wage adoption in historical perspective. The examinations of the determinants of wage rates find union strength, higher manufacturing wages, and lower levels of capital strength to be predictive of higher minimum wages in the 1970s (Cox and Oaxaca 1982), and state wealth and policy liberalism relate positively to more generous state-mandated minimum wages in 1998 specifically (Waltman and Pittman 2002). Valerie Hoekstra's (2009) analysis of minimum wage adoption in the first half of the 20<sup>th</sup> century demonstrates the influence of intergovernmental factors such as U.S. Supreme Court decisions on state-level actions.

The broad conclusions that we draw from the available literature are two. First, the effects of wage increases are variable. While this may be due to temporal factors or model specification, it also opens the door for political interests to pressure policymakers (Levin-Waldman 1998, 2001) or, at the very least, to cherry pick the evidence to support ideologically rigid positions. Second, political factors generally contribute to a more robust understanding of minimum wage policies. To the extent that adoption decisions themselves have been assessed, the few studies in print tend to focus on Congress rather than state legislatures (although see Waltman and Pittman 2002). Nonetheless, this body of research serves as a reasonable compendium of ideas to explore at the subnational level of American politics, and in the next section we outline our approach.

### **The Politics of Minimum Wage Adoption**

Policy adoption in a federal political system may be influenced by various factors including crisis, public opinion (Erikson et al. 1993), partisan control of government (Garand 1985), the scope of the state's tax base, the proximity of elections (Kuklinski 1978), the actions of neighboring states (Berry and Berry 1992), and the mechanisms of direct democracy (Arceneaux 2002; Gerber 1996). So-called "innovators" are those states that respond to salient conditions and make adoption decisions early whereas "laggards" are slow to change (Hays 1996: 631), and while information flows vertically or horizontally federal institutions can shape state-level behavior by issuing directives (Hoekstra 2009). Even as federal policy exerts influence the American states retain considerable latitude, often enacting policies where federal policy is perceived to be deficient or is non-existent (Bartels 2008: 226-7). However, state policymakers face a different array of demands and constraints

than their federal counterparts, and the outcomes produced by state governments are often a product of different circumstances (Barrilleaux and Davis 2003; Langer 2001). In discussing income distribution, for example, Barrilleaux and Davis note the “the United States encourages a mix of national, state, and local policy... [where] the national policy presumably reflects broad public sentiment about appropriate acts and state and local governments... may enact policies that are more attuned to public opinion at the subnational level (p. 281). We extend this logic to the issue of the minimum wage in the American states.

According to the U.S. Bureau of Labor Statistics the value of the minimum wages has dropped annually since its high watermark in 1968 (see, e.g., Bartels 2008: 225; Sklar et al. 2001: 53)<sup>12</sup> and has steadily decreased as a percentage of the average hourly wage (Levin-Waldman 2001: 122-3). Because most states with minimum wage laws link it to the federal wage, the real value of state minimum wages has declined as well (Volscho 2005). We argue that on an issue like the minimum wage employment levels and income inequality are not just worthy of study as potential effects, but may also be salient antecedent conditions. That is, to better understand how governments respond to these and other conditions within their jurisdiction it is necessary to account for relevant characteristics of the decision environment.

### *Party Control*

To better understand why some states respond to federal inaction on the minimum wage by choosing to adopt a more generous wage and other states abstain from such action we believe that partisan control of state legislature is an obvious starting point. Scholarship indicates that, among other things, state political parties have grown more ideological and less pragmatic (Paddock 1992), partisan control of state political institutions is associated with changes in expenditures (Garand 1985), and Democratic control of government is more consequential for social welfare policies, particularly when class divisions are salient (Brown 1995).<sup>13</sup>

We interpret these results to be consistent with the orthodox expectation that Democrats, rather than Republicans, are more likely to support minimum wage increases (Bartels 2008, Chapter 8). However, there is some room to challenge conventional wisdom. For example, President Eisenhower, during his 1955 State of the Union address, called for legislation to amend the Fair Labor and Standards Act by raising the minimum wage<sup>14</sup> whereas the Carter Administration was decidedly “anti-labor” (Levin-Waldman 2001: 9). In Congress, support for the minimum wage is conditioned by factors such as union density within states or the presence of right-to-work laws (Levin-Waldman 2001). Further nuance is found at the state level. To the extent that Democrats have larger majorities their policies may “drift” whereas shrinking majorities pass policies to please their core supporters (Barrilleaux 2000). However, Waltman and Pittman (2002) report that Democratic strength in state legislatures was negatively related to minimum wage rates, although the relationship did not achieve statistical significance.

## **Model Specification and Data**

In order to examine the relationship between political factors and minimum wage legislative activity we analyze two dependent variables and use a series of different model specifications for each. Our dependent variables are constructed based on our count of the number of “liberal” minimum wage bills introduced in each year. We define liberal minimum wage legislation as all legislation proposing either an increase in the

---

<sup>12</sup> The exceptions to this rule are exclusive those years in which the federal minimum wage was increased.

<sup>13</sup> It may also be the case that a competitive Democratic party is associated with enhanced mobilization among the lower class (Hill et al. 1995, although see Rinquist et al. 1997).

<sup>14</sup> Levin-Waldman (1998) speculates that this is attributable to the fact that Democrats regained control of Congress in the 1954 midterms, resulting in a “larger contingent of candidates with labor endorsement” (p. 789). An alternate explanation is that the political parties were more ideologically diverse in the mid-20<sup>th</sup> century, with members willing to cross party lines (Davidson et al. 2010: 287).

wage or expanding coverage to new employment sectors.<sup>15</sup> Specifically, our dependent variables include: 1) a count of all liberal legislation introduction where the state is coded based on the number of qualifying minimum wage bills introduced per year for the years 1997 - 2006; and 2) a dichotomous measure of legislative adoption where states are coded as 1 if any bill extending the scope of coverage or increasing the minimum wage is passed between years 1997 and 2006 and 0 otherwise. Additionally, to provide an understanding of the determinants of minimum wage adoption through the mechanisms of direct democracy we test our baseline model against initiative adoptions in the American states. Here our unit of analysis is the election year rather than the calendar year.

#### *Independent variables*

On balance, previous research leads us to hypothesize that Democratic control of state legislatures will be associated with a greater likelihood of enacting minimum wage laws in-excess of the federal standard. In testing this expectation, and to capture the various findings summarized above, we operationalize our key independent variable in three ways. Specifically, we use: (1) the Ranney measure of Democratic control of state government (the variable ranges from 0 to 100 with higher values reflecting greater Democratic control of both the legislature and the governorship), (2) a dummy variable to capture unified control of statehouses, and (3) a proportional measure (proportion of seats controlled by Democrats) to capture the relative strength of Democratic legislative caucuses. We also include a dichotomous measure of gubernatorial control (Democratic control = 1) to capture any unique contribution from the executive.

In order to account for any relationship between public sentiment and minimum wage adoption we include a measure of citizen ideology. Specifically, we assume that the economic and employment impact of the minimum wage laws – whether negative (e.g., Neumark and Wascher 2008) or positive (e.g., Card and Krueger 1995) – are actually minimal to the average citizen. That is, symbolic aspects of the minimum wage may be more influential than traditional economic indicators. We employ Berry et al.’s (1998, 2007) state-level measure of citizen ideology to test the expectation that a liberal citizenry is associated with an increased probability of a state adopting more generous minimum wage laws.

We also control for legislative options available to the citizenry. The logic of the so-called “gun behind the door,” as explained by Lascher et al. (1996: 760), is that citizen initiatives can be used to urge recalcitrant lawmakers to adhere more closely to the public will. While Lascher et al.’s empirical analysis fails to find support for the hypothesized relationship across a number of issues when comparing initiative and non-initiative states (also see Monogan et al. 2009), other research shows that ballot initiatives can enhance the overlap between citizen opinion and policy outputs, at least for salient issues such as abortion (Arceneaux 2002) and campaign finance reform (Pippen et al. 2002). Because ballot initiatives provide citizens in approximately one-half of the American states with an alternate method for passing legislation we control whether the state has the ballot initiative.

Beyond political variables, a number of economic and socioeconomic factors may be related to minimum wage legislation. Specifically, we include a proportional measure of union density within each state and a dummy variable capturing whether the state is a right-to-work state or not. Our expectation about union strength follows from the political pressure explanation in that a greater concentration of union members can more effectively bring pressure to bear on policymakers to support labor-backed legislation and the historical relationship between organized labor and the Democratic Party (Bartels 2008; Levin-Waldman 1998, 2001; Silberman and Durden 1976; although see Kau and Robin 1978). In effect, right-to-work provisions increase the organizational and mobilization costs to labor unions. Although speculative, we see this logic leading to two potential outcomes. Specifically, the presence of right-to-work laws may lead some legislators to more vigorously champion the interests of a core constituencies such as labor unions and the less affluent, or, as

---

<sup>15</sup> Due to the number of years and the large number of bills we relied on the bill summaries and abstracts in coding the substantive content of the legislation. After cleaning our data file and removing duplicate legislation we coded 1,450 bills across a ten year period.

Levin-Waldman (1998, 2001) argues, right-to-work laws may result in Democrats being less supportive of wage policies.

Our baseline model also includes a number of controls for salient conditions within states. Median income and unemployment are included to capture general economic well-being and job market characteristics, respectively. Previous research on the minimum wage finds unemployment to be related inversely to wage rates – at least in the Canadian provinces (Blais et al. 1988). While consistent with the general tenor of the early effects literature more recent research suggests that the relationship between unemployment and minimum wages is less rigid (Card and Krueger 1995). However, because the available evidence is inconclusive, we refrain from making a strong prediction about the direction of the relationship in our analysis.

We include a dummy variable to capture whether or not each state has an earned income tax credit (EITC). The EITC is considered by many to be an alternate and rather effective means of transferring income (Slemrod and Bakja, as cited in Bartels 2008: 246). Additionally, the structure of the EITC generally makes it more palatable to conservatives. Specifically, assistance is tied to work and the refund schedule tends to be bell-shaped such that the credit increases as income increases, but only up to a point before diminishing. To the extent that the EITC is effective in lifting recipients out of poverty it would seem to have bipartisan appeal. We also account for temporal aspects of the model by including a measure counting the number of years since the last federally-mandated increase. That is, we assume that as more years pass and as the real value of the minimum wage declines states will be more likely to propose, if not adopt, more generous minimum wage laws.

Finally, we account for alternate explanations not commonly cited in the existing minimum wage literature. Here we draw on comparative policy research that has tested the substitution and complimentary hypotheses in the domain of social welfare expenditures. Specifically, the substitution hypothesis predicts an inverse relationship between the minimum wage and social welfare policies. That is, states choose between concentrating on means-tested programs or work-based programs, but do not implement both. Alternately, the complimentary hypothesis predicts that minimum wage policies will be combined with other policies to more effectively provide opportunities and assistance to the less well-off (see Waltman and Marsh 2007). To test these hypotheses in the American states we include four additional variables. Two of these variables, state spending on unemployment insurance and workers compensation, capture the generosity of policies that are labor-related. The third variable, state and local tax per capita, controls for each state's capacity to offer targeted policy options. Finally, assuming that higher TANF roles are indicative of a need for redistributive policies, we control for the proportion of the state population receiving benefits through Temporary Assistance for Needy families (TANF). This measure is designed to capture the relative need for minimum wage and other social welfare policies.<sup>16</sup>

In order to examine the relationship between these variables and the introduction of minimum wage legislation we use OLS regression,<sup>17</sup> and to examine the factors associated with adoption we use event history analysis (EHA) with Cox Regression. In EHA, as with any pooled cross-sectional analysis, time is an important factor in conceptualizing the data set and interpreting the results (Stimson 1985; Box-Steffensmeier and Jones 2004). That is, it is possible that the selection of years omits important information, such that events within a discrete time period may be initiated by events outside a given range. In order to mitigate the

---

<sup>16</sup> Based on our understanding of the substitution and complimentary hypotheses we acknowledge that measures of financial generosity would make for a more appropriate test. However, we elected to use enrollment numbers to avoid losing observations due to missing data for state-level TANF spending.

<sup>17</sup> To control for year-specific unobserved effects, we include dummy variables for each year, using 1997 as our reference point. Because of the relatively small number of observations in our other models, and because of the nature of Cox Regression (Allison and Christakis 2006), we do not include dummy variables for years in subsequent models.

possibility of exogenous confounds we locate our study between the two most recent federal minimum wage increases, beginning our dataset in 1997 and ending it in 2006.

## Results

The results for minimum wage bill introductions in the American states are presented in Table 1. A total of six models are presented with models A, C, and E representing our baseline model. The only difference between these three tests is our measure of Democratic legislative control. Focusing first on the significant coefficients, citizen ideology, union density, and right-to-work states are consistent predictors of bill introduction. Across these three tests, we find that liberalism, the presence of right-to-work laws, and higher concentrations of union membership reliably predict legislative actions. Substantively, the estimates show that for a one-unit increase in citizen ideology (more liberal), we see a 1.4 to 2.0 percentage point increase in the number of bills introduced. A one percent increase in union membership produces an increase of 5.2 to 10.1 percentage points in bills introduced. Interestingly, the presence of right-to-work laws is associated with a 40.8 to 50.1 percentage point increase, on average, in the number of minimum wage bills introduced in state legislatures.

We interpret the relationship between citizen ideology and union density and bill introduction to be straightforward. However, both the direction and magnitude of the relationship between right-to-work states and the introduction of liberal minimum wage legislation is somewhat surprising. At the very least this relationship necessitates further investigation to adequately account for the result. During the years under consideration, 7.4 percent of workers in right-to-work states were unionized on average, whereas 15.6 percent of workers in states without right-to-work laws belonged to a union. The relative disparity could result in policy makers in right-to-work states more vigorously championing the interests of one of their party's core constituencies. However, if this accounts for the relationship, the effect is apparently not specific to Democratic lawmakers. Alternately, it may suggest that smaller, more exclusive groups are more unified and committed to bringing about substantive policy change. While it is too early to pass judgment definitively, we also acknowledge that the relationship may not render itself explainable through state-level analysis; rather it may require more in-depth analysis such as that provided by a case-study approach.

[Insert Table 1 here]

Table 1 also indicates that states with a direct democracy mechanism see fewer minimum wage bills introduced than states without the initiative process. While we cannot properly assess the gun-behind-the-door hypothesis due to an absence of public opinion measures, this suggests that legislators may be assuming the costs in terms of the political capital required to introduce minimum wage legislation. Stated another way, legislators serving in states with ballot initiatives appear to be less inclined to introduce legislation to expand the minimum wage. While only nine states adopted minimum wage increases using ballot initiatives, we believe this an area worthy of additional research.

There are also strong relationships between bill introduction and median income and years since the last federal increase in minimum wage. As median income decreases we see an increase in the number of minimum wage bills introduced. And, as expected, the further we get from the last federal action on minimum wage, the more we see states stepping up to the plate regarding changes in minimum wage laws. In short, we interpret these results to be consistent with the idea that states are responsive to the political and economic environment, and that states that allow for direct participation tend to have fewer minimum wage bills introduced.

While these significant relationships are interesting enough, perhaps more noteworthy are the null results for partisan control of both statehouses and the governor's office. Regardless of how it is measured, and across all three models, partisan control of the legislature is unrelated to the amount of legislative activity. Similarly, gubernatorial partisanship has no effect on minimum wage bill introduction. At first blush this may fit with

the idea that rather than party, it is certain types of party coalitions that might be more consequential in specific policy areas (Brown 1995). At the very least, it suggests that political parties face competing demands and that the introduction of minimum wage legislation may be more a product of state-specific factors rather than a general orientation towards labor and low-wage workers. On the other hand, a more parsimonious explanation is simply that majority status alone should not predict bill introduction. That is, regardless of whether a political party is in the minority or the majority, all legislators have an equal opportunity to introduce legislation. Extending this logic, party control of the legislature should become consequential to the extent that Democrats, if in the majority, will have an easier time maneuvering legislation through committees and the full legislature, and ultimately submitting legislation to the executive to either sign or veto.

Turning our attention to models B, D, and F we see that the relationships already discussed persist when controlling for other labor-related policies, as well as social welfare policies and per capita tax burden. There are clear patterns between each variable and the number of minimum wage introduction bills introduced. For both unemployment insurance and workers compensation spending we observe a significant relationship, though the coefficient for unemployment insurance is positive while workers compensation is negative in models D and F and positive in model B. Also, there is a significant relationship between both per capita tax revenue and the number of welfare recipients and bill introduction. While there does not seem to be a direct link between a state's tax burden and the minimum wage itself, this finding may suggest that states with higher tax burdens are more likely to adopt a diverse array of economic policies. That is, these states may consider expansion of the minimum wage as a complimentary policy solution aimed at increasing capital accumulation and spending among the less-well-off.

Moving on to bill adoption, Table 2 presents the results for these models. Again, a total of six models are presented with models G, I, and K representing our baseline model, and H, J, and L representing the alternate models. As in Table 1, we see a consistent and positive effect for citizen ideology. However, the only other variable to achieve conventional levels of statistical significance is union density (see models G and I), however, unemployment is marginally significant (see models H and L). We interpret the negative relationship between unemployment and legislative adoption to be generally consistent with Blais et al.'s (1989) research finding wage rates were more generous when unemployment was low.

Somewhat surprisingly the other covariates, including measures of partisanship control in the legislature and governor's mansion, are nonsignificant. The primary conclusion we draw from a comparison of the bill introduction and legislative adoption models is that the independent variables included in our models do a better job of predicting the introduction of minimum wage laws than the actual adoption. Other than citizen liberalism and union density, which both indicate that a more liberal citizenry and a greater concentration of unionized employees are associated with more minimum wage legislative activity and more successful adoptions, minimum wage bill adoption may be somewhat idiosyncratic – at least relative to the current models. At present we are left to conclude that minimum wage adoptions in the American states are largely the product of unobserved effects.

[Insert Table 2 here]

In order to examine factors associated with the adoption of liberal minimum wage legislation via the initiative process we use Cox regression and, with the exception of removing the dummy variable capturing direct democracy, we employ the same set of variables as in the legislative bill introduction and adoption models. Also, because statewide elections only take place in even numbered years for the vast majority of states, we use state-elections years as our unit of analysis rather than state-years. While only nine states have relied on the initiative to pass minimum wage increase, all nine states did so in even numbered election years.<sup>18</sup> The

---

<sup>18</sup> Washington State's initiative passed in 1998; Oregon's initiative passed in 2002; Florida and Nevada's initiative passed in 2004; and Arizona, Colorado, Missouri, Montana, Nevada, and Ohio's initiatives passed in 2006. Note that the Nevada state constitution requires ballot initiatives to pass in two successive elections.

results show that there are no significant relationships between the variables when the model is set up this way.<sup>19</sup> Thus, with the understanding that the variables predictive of legislative activity may be distinct from those predictive of citizen-led activity, we developed an alternate model. While some of the variables included in our baseline model are maintained, we rotate other variables in under the assumption that citizens and legislators may be attentive to different factors. Specifically we speculate that economic and contextual variables may be more influential than political variables. As a post hoc test we introduce variables controlling for percentage of population under poverty line; per capita gross domestic product; voter turnout; and, to control for possible effect of policy diffusion, a control for the percentage of neighboring states that have adopted minimum wage increases during the time period under examination. Dropped from the original models are controls for presence of earned income tax credits, right to work laws, and the proportion of TANF recipients.

[Insert Table 3 here]

Table 3 presents the logistic regression results of the modified regression analysis predicting initiative adoption of minimum wages laws. In this model the number of years since federal minimum wage adoption is the strongest predictor of whether states adopt minimum wage increases using the ballot initiative. In addition, median income is a marginally significant and negative predictor of minimum wage adoption. This suggests that citizens are attentive to aggregate economic indicators; as income levels drop citizens are increasingly likely to support easily understood policy options such as increasing the minimum wage. Similarly, states with lower relative tax burdens have fewer resources with which to combat inequality, and it is citizens in such states who are more likely than their counterparts in more tax-heavy states to support minimum wage legislation. State gross domestic product (per capita) shows a significant positive relationship, suggesting that states with higher levels of economic activity are more likely to adopt minimum wage legislation with the initiative process. Finally, though the variable controlling for the adoption of minimum wage laws in neighboring states did not turn out to be significant, the relationship borders on marginal significance.

### Conclusion

The present study compliments the extant minimum wage literature in at least two ways. First, it contributes to a more robust understanding of the types of considerations and conditions that are relevant to decisions makers in minimum wage politics. Consistent with previous research we find that unions and state-level ideology are strong predictors of liberalism in this policy domain. While past research focused on individual-level vote choice and found it responsive to organized interests (e.g., Silberman and Durden 1976) and constituent preferences (e.g., Waltman and Pittman 2002), we extend this work by examining bill introduction and legislative adoption over a 10-year period in the American states.

Across both the bill introduction and legislative adoption models we find that citizen ideology is the only consistent predictor. That liberal citizenries produce governments more apt to pass legislation that is consistent with their general orientation is exactly what we would expect in a representative democracy. While union density is a strong predictor of bill introductions, it is less reliable in predicting outputs. According to Erikson et al. (1993), “representation in the states works not...in terms of government compliance with specific demands...but rather in terms of public opinion controlling the general ideological direction of state policy” (p. 244). The fact that organized interests can get bills on the legislative agenda is hardly surprising,

---

<sup>19</sup> The results of the full Cox regression predicting ballot adoption: Democratic Strength (B=.000; SE=.045); Dem. Governor (B=1.328; SE=1.128); Cit. Ideology (B=.067; SE=.053); Union (B=.169; SE=.171); Right to Work (B=-.407; SE=1.032); Median Income (B=.554; SE=1.000); Unemployment (B=.416; SE=.468); EITC (B=-.267; SE=1.469); # of Min.Wage Bills Introduced in Leg. (B=-.113; SE=.405); Unemployment Ins. (B=.000; SE=.000); Workers Comp. (B=.000; SE=.000); State and Local Taxes (B=-22.599; SE=20.151); TANF (B=-1.18; SE=.105).

however, that the ideological leanings of the citizenry are systematically related to introduction and adoption is perhaps more telling.

Second, we believe that the present study is the first to go beyond legislative decision-making and consider citizen-initiated legislation. While our initial results failed to yield significant results (see footnote 19), our secondary analysis at least suggests a practical electorate in that if both the federal government and their state legislature take too long to address perceived inequalities citizens (perhaps at the urging of organized interests) will assume responsibility where such mechanisms are available. Moreover, we find that initiative adoption is related (at least marginally) to aggregate indicators such as tax rates and income levels. Our tentative interpretation is that as relatively easily interpreted indicators, citizens are reasonably attentive to the economic factors. While we found a similar relationship between income and bill introduction, median income has no relationship to legislative adoption.

However, the pattern of results is not always clear cut. Consider that the results do not support our primary hypothesis that Democratic control of state institutions would increase the likelihood of minimum wage adoption. This is in contrast to conventional wisdom (e.g., Andrews 2006) and even some of the published research (e.g., Krehbiel and Rivers 1988). However, it is consistent with other research at both the national (Kau and Robin 1978) and state (Waltman and Pittman 2002) levels. While this null result requires further investigation, one potential explanation is that our political measures do not adequately capture the variation that exists between states but within political parties (Brown 1995).

This point suggests a number of other caveats that are worth considering. While space limitations preclude us from offering a full account of the limitations, we would like to explicitly raise two points. First, in thinking about our legislative models, we chose to adopt a parsimonious approach in coding bills. Specifically, we coded bill abstracts rather than bill texts. While this choice obviously obscures the nuances of legislation, it represents a practical approach given the time frame we consider and the difficulties associated with collecting legislation from all 50 states over a 10-year period.

In considering legislative adoption we look at only the final vote by asking whether or not the legislature passed and the state adopted what we refer to as liberal minimum wage bills. Certainly one of the drawbacks is that we lose contextual information about how bills might change from the time they are introduced and assigned to the requisite committee(s) to passage. That is, bills can be modified or rewritten to help them progress through the legislative process and the bill summaries and abstracts likely do not adequately capture whether, for example, tax incentives were added to a bill to make it more palatable for those opposed to the minimum wage for ideological reasons. By choosing to consider only the output, we acknowledge that the final product is very likely the result of political compromise and likely includes specific measures designed to attract people who would have likely voted against the bill in its original form (see, e.g., Seltzer 1995, specifically, p. 1303). We see this as a potential explanation for the null results for partisan control of the legislature, particularly in the adoption models.

Second, we recognize that our measure of the ballot initiatives is blunt. It fails to distinguish between states such as California which use the initiative process more frequently and those states that less frequently rely on direct democracy mechanisms (Lascher et al. 1996), and it ignores interstate variation in the complexity of the initiative process itself (Bowler and Donovan 2004). However, given the low numbers of adopters in general, and the lower number of ballot initiative adopters, a more discriminating measure is not empirically justifiable. Thus, it could be that explanations of minimum wage adoption through direct democracy requires more in-depth analysis and may lend itself more readily to a case study approach, at least for now.

**Table 1: OLS Regression Predicting Minimum Wage Bill Introductions, 1997-2006**

Variables	A	B	C	D	E	F
	B (SE)	B (SE)	B (SE)	B (SE)	B (SE)	B (SE)
Democratic Strength	.006 (.005)	.007 (.005)	---	---	---	---
Unified Democrat Leg. (dummy)	---	---	.224 (.146)	.234 (.146)	---	---
Proportion Democrat Leg.	---	---	---	---	.004 (.005)	.005 (.005)
Dem. Governor	.103 (.140)	.131 (.137)	.145 (.131)	.182 (.129)	.154 (.133)	.192 (.131)
Citizen Ideology	.019** (.006)	.014* (.006)	.018* (.006)	.014* (.006)	.020** (.006)	.014* (.006)
Union Density	.098*** (.018)	.054** (.020)	.101*** (.018)	.058** (.020)	.096*** (.018)	.052** (.020)
Right-to-Work	.501** (.197)	.425* (.198)	.513** (.195)	.424* (.196)	.483* (.197)	.408* (.199)
Median Income	-.147 (.122)	-.388** (.142)	-.150 (.120)	-.393** (.141)	-.155 (.122)	-.394** (.142)
Unemployment	.044 (.072)	-.073 (.078)	.030 (.069)	-.077 (.075)	.049 (.073)	-.070 (.079)
EITC	.244 (.157)	.182 (.158)	.265 (.156)	.205 (.157)	.250 (.157)	.191 (.158)
Years Since Last Federal Increase	.351 (.211)	.467* (.215)	.362 (.210)	.470* (.212)	.327 (.211)	.444* (.215)
State Has Initiative Available	-.424** (.137)	-.316* (.139)	-.429** (.130)	-.340** (.132)	-.439** (.138)	-.327* (.141)
Unemployment Insurance	---	.000** (.000)	---	.000** (.000)	---	.000** (.000)
Workers Comp	---	.000* (.000)	---	-.000* (.000)	---	-.000* (.000)
State and Local Tax	---	5.561** (1.992)	---	5.350** (1.966)	---	5.604** (2.008)
AFDC/TANF Roles	---	.190* (.093)	---	.189* (.092)	---	.195* (.093)
Constant	-1.600 (.840)	-1.309 (.893)	-1.425 (.810)	-1.023 (.868)	-1.466 (.831)	-1.197 (.889)
R <sup>2</sup>	.21	.25	.21	.25	.21	.25
N	489	489	486	486	488	488

**Notes:** #p<.10 \*p<.05 \*\*p<.01 \*\*\*p<.001. Values in columns are beta coefficients (B) and standard errors (SE).

Though not presented here, dummy variables for each year were used to control for unobserved year-specific events; 1997 serves as the reference year.

**Table 2: Cox Regression Predicting Legislative Adoption of Minimum Wage Laws, 1997-2006**

Variables	G	H	I	J	K	L
	B (SE)	B (SE)	B (SE)	B (SE)	B (SE)	B (SE)
Democratic Strength	.037 (.025)	.042 (.027)	---	---	---	---
Unified Democrat Leg. (dummy)	---	---	.853 (.624)	.799 (.688)	---	---
Proportion Democrat Leg.	---	---	---	---	.038 (.025)	.041 (.029)
Dem. Governor	-.542 (.570)	-.454 (.588)	-.388 (.539)	-.230 (.552)	-.237 (.512)	-.091 (.522)
Citizen Ideology	.064* (.032)	.069# (.038)	.070* (.031)	.079* (.036)	.061 (.033)	.066# (.039)
Union Density	.144* (.063)	.080 (.082)	.147* (.063)	.084 (.086)	.121 (.060)	.058 (.081)
Right-to-Work	-.824 (.894)	-.627 (.935)	-.854 (.905)	-.734 (.933)	-1.026 (.875)	-.820 (.911)
Median Income	-.541 (.385)	-.231 (.520)	-.575 (.385)	-.211 (.525)	-.478 (.377)	-.229 (.513)
Unemployment	-.270 (.283)	-.655# (.378)	-.217 (.281)	-.580 (.373)	-.256 (.274)	-.613# (.368)
EITC	.156 (.586)	.320 (.603)	.271 (.610)	.440 (.614)	.129 (.575)	.263 (.592)
State Has Initiative Available	-.170 (.557)	-.108 (.658)	-.346 (.525)	-.358 (.626)	-.204 (.546)	-.133 (.650)
Unemployment Insurance	---	.000 (.000)	---	.000 (.000)	---	.000 (.000)
Workers Comp	---	.000 (.000)	---	.000 (.000)	---	.000 (.000)
State and Local Tax	---	-6.640 (8.238)	---	-7.436 (8.247)	---	-4.672 (8.250)
AFDC/TANF Roles	---	.565 (.406)	---	.551 (.414)	---	.516 (.414)
Chi-Square	48.5	63.5	49.1	64.2	48.1	64.1
Log Likelihood	154.3	146.5	154.8	147.5	154.3	146.8
N	410	410	407	407	407	407

**Notes:** #p<.10 \*p<.05 \*\*p<.01 \*\*\*p<.001. Values in columns are beta coefficients (B) and standard errors (SE).

**Table 3: Logistic Regression Predicting Ballot Adoption of Minimum Wage Laws, 1997-2006**

<b>Variables</b>	<b>B (SE)</b>	<b>Exp(B)</b>
Democratic Strength (Ranney)	.015 (.051)	1.015
Dem. Governor	.883 (1.224)	2.418
Citizen Ideology	.055 (.047)	1.057
Union Density	.247 (.202)	1.281
Median Income	-2.979# (1.606)	.051
Unemployment	.176 (.552)	1.192
Years Since Last Federal Increase	1.025** (.377)	2.788
State and Local Tax	-46.173# (26.053)	.000
Number of Leg. Bills Introduced	-.055 (.415)	.946
% of Neighboring States w/ Minimum Wage Increase	3.757 (2.829)	42.828
Poverty Rate	-.538 (.376)	.584
Voter Turnout	-.096 (.060)	.908
Gross Domestic Product	3.436# (1.986)	31.062
Constant	8.409 (7.933)	
Cox & Snell R <sup>2</sup>	.19	
Log Likelihood	37.03	
N	139	

**Note:** #p<.10 \*p<.05 \*\*p<.01 \*\*\*p<.001

## References

- Addison, John T. and McKinley L. Blackburn. 1999. "Minimum Wages and Poverty Reduction." *Industrial and Labor Relations Review* 52 (3): 393-409.
- Allison, Paul D. and Nicholas A. Christakis. 2006. "Fixed-Effects Methods for the Analysis of Nonrepeated Events." *Sociological Methodology* 36: 155-72.
- Andrews, Edmund L. 2006, July 13. "Democrats Link Fortunes to Rise in Minimum Wage." *New York Times*, p. A 18.
- Arceneaux, Kevin. 2002. "Direct Democracy and the Link between Public Opinion and State Abortion Policy." *State Politics and Policy Quarterly* 2 (4): 372-87.
- Barrilleaux, Charles. 2000. "Party Strength, Party Change and Policy-Making in the American States." *Party Politics* 6 (1): 61-73.
- Barrilleaux, Charles and Belinda Creel Davis. 2003. "Explaining State-Level Variations in Levels and Change in the Distribution of Income in the United States, 1978-1990." *American Politics Research* 31 (3): 280-300.
- Bartels, Larry M. 2008. *Unequal Democracy: The Political Economy of the New Gilded Age*. NY: Russell Sage Foundation.
- Baumgartner, Frank R. and Bryan D. Jones. 1993. *Agendas and Instability in American Politics*. Chicago, IL: University of Chicago Press.
- Berry, Frances Stokes and William D. Berry. 1992. "Tax Innovation in the States: Capitalizing on Political Opportunity." *American Journal of Political Science* 36 (3): 715-42.
- Berry, William D. Evan J. Ringquist, Richard C. Fording, and Russell L. Hanson. 1998. "Measuring Citizen and Governmental Ideology in the American States, 1960-1993." *American Journal of Political Science* 42 (1): 327-48.
- Berry, William D. Evan J. Ringquist, Richard C. Fording, and Russell L. Hanson. 2007. "The Measurement and Stability of State Citizen Ideology." *State Politics and Policy Quarterly* 7 (2): 111-32.
- Bibby, John F. and Thomas M. Holbrook. 1999. "Parties and Elections." In *Politics in the American States: A Comparative Analysis* (7<sup>th</sup> Ed.), eds. V. Gray and R.L. Hanson. DC: CQ Press.
- Bibby, John F. and Thomas M. Holbrook. 2004. "Parties and Elections." In *Politics in the American States: A Comparative Analysis* (8<sup>th</sup> Ed.), eds. V. Gray and R.L. Hanson. DC: CQ Press.
- Bibby, John F. and Thomas M. Holbrook. 2007. "Parties and Elections." In *Politics in the American States: A Comparative Analysis* (9<sup>th</sup> Ed.), eds. V. Gray and R.L. Hanson. DC: CQ Press.
- Blais, André, Jean-Michel Cousineau, and Kenneth McRoberts. 1989. "The Determinants of Minimum Wage Rates." *Public Choice* 62 (July): 15-24.
- Box-Steffensmeier, Janet M., and Bradford S. Jones. 2004. *Event history modeling: A guide for social scientists*. New York: Cambridge University Press.

- Bowler, Shaun and Todd Donovan. 2004. "Measuring the Effect of Direct Democracy on State Policy: Not All Initiatives Are Created Equal." *State Politics and Policy Quarterly* 4 (3): 345-63.
- Brown, Charles, Curtis Gilroy, and Andrew Kohen. 1982. "The Effects of the Minimum Wage on Employment and Unemployment." *Journal of Economic Literature* 20 (2): 487-528.
- Brown, Robert D. 1995. "Party Cleavages and Welfare Effort in the American States." *American Political Science Review* 89 (1): 23-33.
- Bureau of Labor Statistics. 2010. "Labor Force Characteristics from the Current Population Survey, 2007-2010."  
[http://data.bls.gov/PDQ/servlet/SurveyOutputServlet?data\\_tool=latest\\_numbers&series\\_id=LNS14000000](http://data.bls.gov/PDQ/servlet/SurveyOutputServlet?data_tool=latest_numbers&series_id=LNS14000000). Accessed April 25, 2010.
- Burkhauser, Richard V., Kenneth A. Couch, and David C. Wittenburg. 2000. "Who Minimum Wage Increases Bite: An Analysis Using Monthly Data from the SIPP and the CPS." *Southern Economic Journal* 67 (1): 16-40.
- Card, David and Alan B. Krueger. 1995. *Myth and Measurement: The New Economics of the Minimum Wage*. Princeton, NJ: Princeton University Press.
- Couch, Kenneth A. and David C. Wittenburg. 2001. "The Response of Hours of Work to Increases in the Minimum Wage." *Southern Economic Journal* 68 (1): 171-77.
- Cox, James C. and Ronald L. Oaxaca. 1982. "The Political Economy of Minimum Wage Legislation." *Economic Inquiry* 20 (October): 533-55.
- Davidson, Roger H., Walter J. Oleszek, and Frances E. Lee. 2010. *Congress and Its Members* (12<sup>th</sup> Ed). DC: CQ Press.
- Deere, Donald, Kevin M. Murphy, and Finnis Welch. 1995. "Employment and the 1990-1991 Minimum-Wage Hike." *The American Economic Review* 85 (2): 232-27.
- Erikson, Robert S., Gerald C. Wright, and John P. McIver. 1993. *Statehouse Democracy: Public Opinion and Policy in the American States*. Cambridge: Cambridge University Press.
- Frosch, Dan. 2009, October 13. "Colorado Plans to Lower Minimum Wage in 2010." *New York Times*.  
<http://www.nytimes.com/2009/10/14/us/14colorado.html>. Accessed March 22, 2010.
- Garand, James C. 1985. "Partisan Change and Shifting Expenditure Priorities in the American States, 1945-1978." *American Politics Quarterly* 13 (4): 355-91.
- Gerber, Elisabeth R. 1996. "Legislatures, Initiatives, and Representation: The Effects of State Legislative Institutions on Policy." *Political Research Quarterly* 49 (2): 263-86.
- Hays, Scott P. 1996. "Influences on Reinvention during the Diffusion of Innovations." *Political Research Quarterly* 49 (3): 631-50.
- Hill, Kim Quail, Jan E. Leighley, and Angela Hinton-Andersson. 1995. "Lower-Class Mobilization and Policy Linkage in the U.S. States." *American Journal of Political Science* 39 (1): 75-86.

- Hoekstra, Valerie. 2009. "The Pendulum of Precedent: U.S. State Legislative Response to Supreme Court Decisions on Minimum Wage Legislation for Women." *State Politics and Policy Quarterly* 9 (3): 257-83.
- Kau, James and Paul Rubin. 1978. "Voting on Minimum Wages: A Time-Series Analysis." *Journal of Political Economy* 86 (April): 337-42.
- Krehbiel, Keith and Douglas Rivers. 1988. "The Analysis of Committee Power: An Application to Senate Voting on the Minimum Wage." *American Journal of Political Science* 32 (4): 1151-74.
- Kuklinski, James H. 1978. "Representativeness and Elections: A Policy Analysis." *American Political Science Review* 72 (1): 165-77.
- Jennings, Edward T. 1979. "Competition, Constituencies, and Welfare Policies in the American States." *American Political Science Review* 73 (2): 414-29.
- Langer, Laura. 2001. "The Consequences of State Economic Development Strategies on Income Distribution in the American States, 1976 to 1994." *American Politics Research* 29 (4): 392-415.
- Lascher Jr., Edward L., Michael G. Hagen, and Steven A. Rochlin. 1996. "Gun Behind the Door? Ballot Initiatives, State Policies and Public Opinion." *Journal of Politics* 58 (3): 760-75.
- Levin-Waldman, Oren M. 1998. "Exploring the Politics of the Minimum Wage." *Journal of Economic Issues* 32 (3): 773-802.
- Levin-Waldman, Oren M. 2001. *The Case of the Minimum Wage: Competing Policy Models*. Albany, NY: SUNY Press.
- Matsusaka, John G. 2001. "Problems with a Methodology Used to Evaluate the Voter Initiative." *Journal of Politics* 63 (4): 1250-56.
- Monogan, James, Virginia Gray, and David Lowery. 2009. "Public Opinion, Organized Interests, and Policy Congruence in Initiative and Noninitiative U.S. States." *State Politics and Policy Quarterly* 9 (3): 304-24.
- Neumark, David and William Wascher. 1992. "Employment Effects of Minimum and Subminimum Wages: Panel Data on State Minimum Wage Laws." *Industrial and Labor Relations Review* 46 (1): 55-81.
- Neumark, David and William L. Wascher. 2008. *Minimum Wages*. Cambridge, MA: MIT Press.
- Paddock, Joel. 1992. "Inter-Party Ideological Differences in Eleven State Parties: 1956-1980." *The Western Political Quarterly* 45 (3): 751-60.
- Page, Benjamin I. and Lawrence R. Jacobs. 2009. *Class War? What Americans Really Think About Economic Inequality*. Chicago, IL: University of Chicago Press.
- Partridge, Mark D. and Jamie S. Partridge. 1998. "Are Teen Unemployment Rates Influenced by State Minimum Wage Laws?" *Growth and Change* 29 (Fall): 359-82.
- Pippen, John, Shaun Bowler, and Todd Donovan. 2002. "Election Reform and Direct Democracy: Campaign Finance Regulation in the American States." *American Politics Research* 30 (6): 559-82.
- Prasch, Robert E. 1996. "In Defense of the Minimum Wage." *Journal of Economic Issues* 30: 391-97.

- Rinquist, Evan J., Kim Quaile Hill, Jan Leighley, and Angela Hinton-Andersson. 1997. "Lower-Class Mobilization and Policy Linkage in the U.S. States: A Correction." *American Journal of Political Science* 41 (1): 339-44.
- Rubin, Alissa J. 1996, August 3. "Congress Clears Wage Increase with Tax Breaks for Business." *Congressional Quarterly Weekly Report*, 2175-2177.
- Schattschneider, E.E. 1975. *The Semi-Sovereign People: A Realist's View of Democracy in America*. Hinsdale, IL: Dryden Press.
- Seager, Henry R. 1913. "The Minimum Wage as Part of a Program for Social Reform." *Annals of the American Academy of Political and Social Science* 48: 3-12.
- Seltzer, Andrew J. 1995. "The Political Economy of the Fair Labor and Standards Act of 1938." *Journal of Political Economy* 103 (6): 1302-42.
- Silberman, Jonathan I. and Garey C. Durden. 1976. "Determining Legislative Preferences on the Minimum Wage: An Economic Approach." *The Journal of Political Economy* 84 (2): 317-30.
- Sklar, Holly, Laryssa Mykyta, and Susan Wefald. 2001. *Raise the Floor: Wages and Policies That Work for All of Us*. New York: Ms. Foundation for Woman.
- Smith, Kevin B. 2004. "The Politics of Punishment: Evaluating Political Explanations of Incarceration Rates." *Journal of Politics* 66 (3): 925-38.
- Sobel, Russell S. 1999. "Theory and Evidence on the Political Economy of the Minimum Wage." *Journal of Political Economy* 107 (4): 761-85.
- Soss, Joe, Sanford F. Schram, Thomas P. Vartanian, and Erin O'Brien. 2001. "Setting the Terms of Relief: Explaining State Policy Choices in the Devolution Revolution." *American Journal of Political Science* 45 (2): 378-95.
- Stimson, James A. 1985. "Regression in Space and Time." *American Journal of Political Science* 29 (4): 914-47.
- U.S. Census Bureau. 2009. *The 2009 Statistical Abstract: The National Data Book*. <http://www.census.gov/compendia/statab/2009/2009edition.html>. Accessed May 12, 2010.
- Vedder, Richard K. and Lowell E. Gallaway. 2001. "Does the Minimum Wage Reduce Poverty?" *Economic Policy Institute*. [http://www.epionline.org/studies/vedder\\_06-2001.pdf](http://www.epionline.org/studies/vedder_06-2001.pdf). Accessed December 4, 2006.
- Volscho, Thomas W. 2005. "Minimum Wages and Income Inequality in the American States, 1960-2000." *Research in Social Stratification and Mobility* 23: 343-68.
- Waltman, Jerold and Christopher Marsh. 2007. "Minimum Wages and Social Welfare Expenditures: Substitutes or Complements?" *Policy Studies* 28 (2): 163-74.
- Waltman, Jerold and Sarah Pittman. 2002. "The Determinants of State Minimum Wage Rates: A Public Policy Approach." *Journal of Labor Research* 23 (1): 51-56.
- West, E.G. and Michael McKee. 1980. "Monopsony and 'Shock' Arguments for Minimum Wages." *Southern Economic Journal* 46 (3): 883-91.

Variable Name	Variable Description	Mean	SD	Source
Democratic Strength	Ranney index of Dem. Control and Party Competition	0.49	0.15	Bibby and Holbrook, <i>Politics in the American States: A Comparative Analysis</i> . Virginia Gray, Russell L. Hanson, and Herbert Jacob, eds. 7 <sup>th</sup> , 8 <sup>th</sup> , 9 <sup>th</sup> editions. Washington, D.C.: CQ Press.
Unified Democrat Leg. (dummy)	Dummy Variable: Dem. Control of Both Houses of State Legislature = 1	--	--	Compiled by Klarner – SPPQ Website <a href="http://www.ipsr.ku.edu/SPPQ/journal_datasets/klarner.shtml">http://www.ipsr.ku.edu/SPPQ/journal_datasets/klarner.shtml</a>
Proportion Democrat Leg. Governor	Democratic Proportion in Legislature Dummy Variable: Dem. Control of Executive = 1	0.51	0.15	
Citizen Ideology	State Citizen Liberalism (range: 0-100)			Berry, et al., <a href="http://www.uky.edu/~rford/stateideology.html">http://www.uky.edu/~rford/stateideology.html</a>
Union Density	% of workforce represented by unions	12.03	5.67	<i>Bureau of Labor Statistics</i> (various years) <a href="http://stats.bls.gov/schedule/archives/all_nr.htm#UNION2">http://stats.bls.gov/schedule/archives/all_nr.htm#UNION2</a>
Right-to-Work	Dummy Variable: Right to Work Law = 1	--	--	Various Sources
Median Income	Median income for family of four in \$10,000s	5.01	0.73	<i>Statistical Abstracts</i> (various years) <a href="http://www.census.gov/hhes/income/4person.html">http://www.census.gov/hhes/income/4person.html</a>
Unemployment	% of population unemployed	4.67	1.12	<i>Bureau of Labor Statistics</i> (various years) <a href="http://data.bls.gov/PDQ/outside.jsp?survey=la">http://data.bls.gov/PDQ/outside.jsp?survey=la</a>
EITC	Dummy Variable: EITC Law = 1	--	--	<i>State EITC Online Resource Center</i> <a href="http://www.stateeitc.org/">http://www.stateeitc.org/</a>
# Years Since Last Federal Increase	Count	--	--	--
State Has Initiative Available	Dummy Variable: Initiative = 1	--	--	<i>Ballot and Initiative Center</i> <a href="http://www.iandrinstute.org/">http://www.iandrinstute.org/</a>
Unemployment Insurance	State spending on UI in \$10,000s	5,104,527.54	6,888,471.80	<i>Statistical Abstracts</i> (various years)

Workers Comp	State spending on WC in \$10,000s	8,327,603.81	1,3245,461.29	<i>Statistical Abstracts</i> (various years)
State and Local Tax	State and Local Tax per capita	0.27	0.06	<i>Tax Policy Center:</i> <a href="http://www.taxpolicycenter.org/taxfacts/displayafact.cfm?Docid=513">http://www.taxpolicycenter.org/taxfacts/displayafact.cfm?Docid=513</a>
TANF Roles	% of population receiving TANF benefits	0.02	0.01	<i>Statistical Abstracts</i> (various years) % computed by authors
Number of Leg. Bills Introduced	Number of bills introduced to increase state minimum wage per election cycle (measured per year when used as DV in Table 1)	.92	1.51	<i>Data obtained from National Council of State Legislatures (1997-2006)</i> Numbers computed by authors
Poverty Rate	% below poverty line	11.75	3.12	<i>Statistical Abstracts</i> (various years)
Voter Turnout	% voting for U.S. House of Representatives	44.88	10.99	<i>Statistical Abstracts</i> (various years)
Gross Domestic Product	Gross Domestic Product per capita in \$10,000s	5.90	3.15	<i>Statistical Abstracts</i> (various years) Per capita computed by authors

**Note:** All means and standard deviations in this table are computed using all state-years from 1997-2006, regardless of whether the state-year was dropped from the Cox regression models in Tables 2 of the logistic regression model in Table 3. All economic variables are pegged at 1997 dollar levels. Proportion variables (Democratic Strength, Proportion Democrat Leg., and TANF Roles) were transformed into whole numbers when conducting the regression analyses.

