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# **IMPACT OF INCREASING THE FEDERAL MINIMUM WAGE**

**SURVEY OF US ECONOMISTS**

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# Executive Summary

Across the nation, lawmakers continue to grapple with the viability and impact of increasing the minimum wage. The debate has become heated and some cities have already enacted increases they believe will benefit workers, some well beyond the \$15/hour mark. While the true impact of these increases is still being discovered, recent surveys of businesses, franchises and other groups suggest that such minimum wage raises may actually harm workers, resulting in fewer jobs, greater difficulty in youth workers finding employment and the adoption of automation and other changes to offset the higher cost of labor.

To better understand how US economists view the likely impact of raising the federal minimum wage up to \$15, up to \$20 and more than \$20, a survey of 166 economists was conducted in March and April 2026.

## Key Findings

- Twenty-six percent of economists support raising the minimum federal wage up to \$15/hour (strongly, 12%; somewhat, 14%), and 74 percent oppose it (somewhat, 14%; strongly, 59%). Overall, there is less support for raising the minimum wage up to \$20/hour, with 10 percent (strongly, 3%; somewhat, 7%), but 90 percent opposing it (somewhat, 13%; strongly, 77%). There is virtually no support for raising the rate to more than \$20/hour with five percent supporting it (strongly, 0%; somewhat, 5%) and 96 percent opposing it (somewhat, 7%; strongly, 89%).

- **There are a number of impacts of raising the minimum wage:**

**Poverty Rates:** As minimum wage rates increase, more economists think it will increase poverty rates. For a wage up to \$15/hour, 39 percent think it will increase poverty rates, while 23 percent say that it will lower them and 37 percent say they will remain unchanged. At a rate up to \$20/hour, over half (59%) say that it will increase poverty rates, while 12 percent say they will be reduced and 31 percent say they will remain unchanged. At more than \$20/hour, two-thirds (66%) think poverty rates will increase, while 10 percent think they will decrease and 24 percent say they will remain unchanged.

**Youth Jobs (Age 19 or Younger):** A majority of economists agree any raise to the minimum wage is likely to reduce the number of jobs held by youth, regardless of the increase. At up to \$15/hour, only four percent of the economists think jobs will increase, while 73 percent say they will decrease and 24 percent say there will be no change. At up to \$20/hour, only one percent think it will increase the number of jobs, but 89 percent say the number of jobs will decrease, while 10 percent think there will be no change. At more than \$20/hour, only one percent say that it will increase jobs, 95 percent think there will be fewer youth jobs while four percent do not think there will be any change from current employment levels.

**Skill Requirements for Entry-Level Hiring:** As minimum wage rates increase, more economists think employers will require greater skills for entry-level jobs. At up to \$15/hour, 60 percent say employers will require greater skills, 40 percent think they will require the same level of skill that they currently do. None think employers will require fewer skills. At up to \$20/hour, 82 percent think employers will require greater skills, while 17 percent think they will require the same level and one percent think they will require fewer skills. At more than \$20/hour, 87 percent agree greater skills will be required, while 11 percent think they will require the same level and two percent say they will require fewer skills.

**Number of Hospitality Jobs:** As minimum wage rates increase, more economists think it will have an adverse effect on the number of available jobs. At up to \$15/hour, 64 percent think it will have a negative impact on the number of available jobs, while 32 percent say there will be no effect. Four percent say they will have a positive effect on the number of jobs. At up to \$20/hour, 89 percent say that it will have a negative impact on jobs, while 9 percent say they will have no impact and two percent say there will be a positive effect. At more than \$20/hour, 96% say the impact will be negative, while three percent say they will have no impact. One percent think the effect will be positive.

**Automation:** As minimum wage rates increase, more economists think employee tasks will be replaced with automation. At up to \$15/hour, 71 percent say that automation will increase, while 29 percent say that there will be no change and one percent say there will be a decrease in automation for employee tasks. At up to \$20/hour, 91 percent of economists agree more businesses will use automation, while eight percent say there will be no change and one percent say there will be a decrease. At more than \$20/hour, 97 percent agree that automation will increase, while two percent think it will stay the same and one percent think it will decrease.

**Cost of Living on Average Americans:** As minimum wage rates increase, more economists think it will adversely affect the cost of living on average Americans. At up to \$15/hour, 59 percent of economists think this wage will increase the cost of living (significantly, 9%; somewhat, 50%), while two percent think it will decrease (somewhat, 1%; significantly, 1%) and 40 percent think it will have no change. At up to \$20/hour, 80 percent think it will contribute to the cost of living (significantly, 20%; somewhat, 60%), while three percent think it will decrease (somewhat, 2%; significantly, 1%) or have no impact (16%). At more than \$20/hour, 84 percent think the impact will cause an increase (significantly, 42%; somewhat, 42%), while three percent think it will decrease (somewhat, 2%; significantly, 1%) or have no change (12%).

**Small Businesses (Less Than 50 Employees):** As minimum wages increase, more economists think small businesses will struggle. At up to \$15/hour, economists are split with 69 percent saying it will be harder to stay in business, while 29 percent think there will be no impact and one percent think it will be easier. At up to \$20/hour, 94 percent think it will be harder to stay in business, while 6 percent say there will be no impact and none think it will be easier. At more than \$20/hour, 98 percent say it will be harder for small businesses, while three percent say there will be no impact and none say that it will be easier.

**Eliminating the Tip Credit:** Most (78%) economists think that eliminating tipped credit would result in fewer tipped jobs in full-service restaurants, while 10 percent say the number of jobs would be unchanged and 10 percent are not sure. Three percent believe there will be an increase in tipped jobs in full-service restaurants if tipped credit is eliminated.

- Twelve percent think minimum wage should be set at the federal level, while twice as many (28%) say at the state level is better and 19 percent say at the local level. Forty-one percent say none of these.
- While raising the minimum wage is argued to address the income needs of poor families, nearly three-fourths (74%) of economists say doing so is not effective at alleviating poverty:
  - Six percent say that raising the minimum wage would be very effective, while 20 percent say somewhat effective and 74 percent say not at all effective.
  - Conversely, expanding the earned income tax credits (and similar wage supplements) is seen as more effective, with 84 percent saying they are effective (very, 40%; somewhat, 44%). Only 13 percent say they are not at all effective and three percent are unsure.
  - Many (62%) agree that boosting general welfare support (e.g., TANF, food stamps) is effective (very, 21%; somewhat, 41%), while 31 percent say that it is not at all effective and seven percent are unsure.



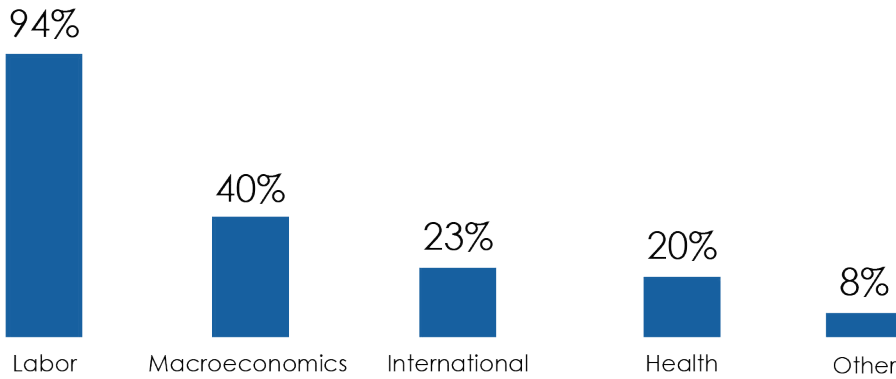
# A Survey of US Economists on the Impact of up to \$15, up to \$20 and more than \$20 Minimum Wage

An online survey of 166 US economists was conducted in March and April 2026<sup>1</sup>. Table 1 provides a summary of the participants. Most consider labor (94%) their area of specialty, followed by macroeconomics (40%), international (23%), health (20%) or some other area (8%). Four-in-five (82%) have been working as economists for more than 20 years. By political affiliation, respondents are split between Republican (21%), Democratic (21%) and Libertarian (23%), with 25 percent saying they are not affiliated with either major party and 11 percent saying they prefer not to say. Most (74%) work in academics, while 12 percent are retired and six percent work for think tanks.

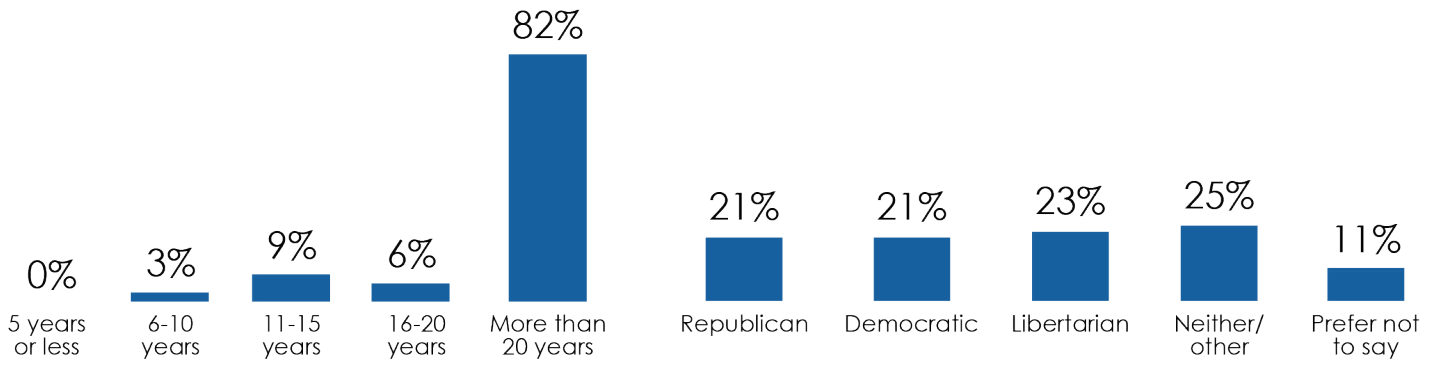
<sup>1</sup>Nicole Bertan and Sabrina Amann-Ross of CorCom, Inc. assisted with this study. CorCom, Inc. is a research and consulting firm headquartered in Pittsburgh, PA. It was founded by Dr. Lloyd Corder, who holds faculty appointments at Carnegie Mellon University and the University of Pittsburgh.

# Table 1

## Respondent Profile

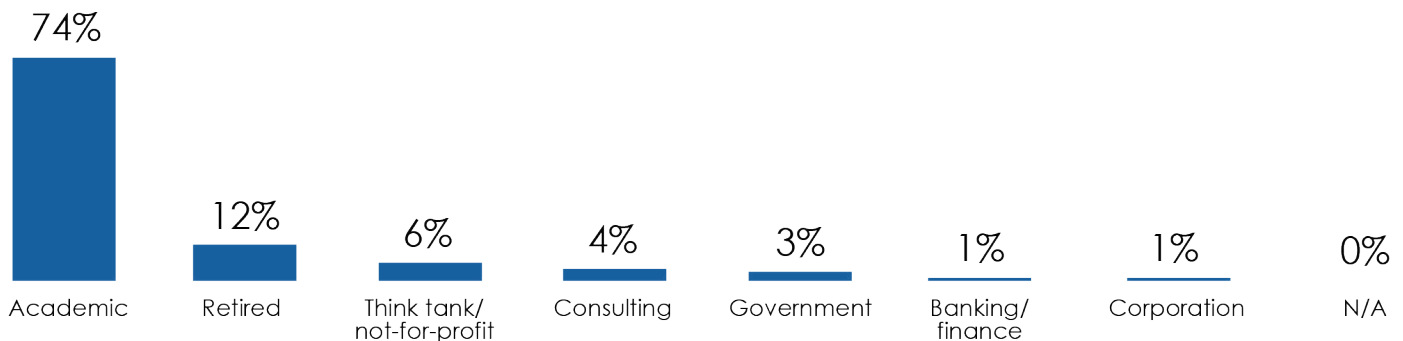


What do you consider to be your area(s) of specialty in economics?



How many years have you worked as an economist?

Do you lean toward a political party?



Which of the following best describes the organization(s) you are associated with? Please indicate your primary role (full-time).



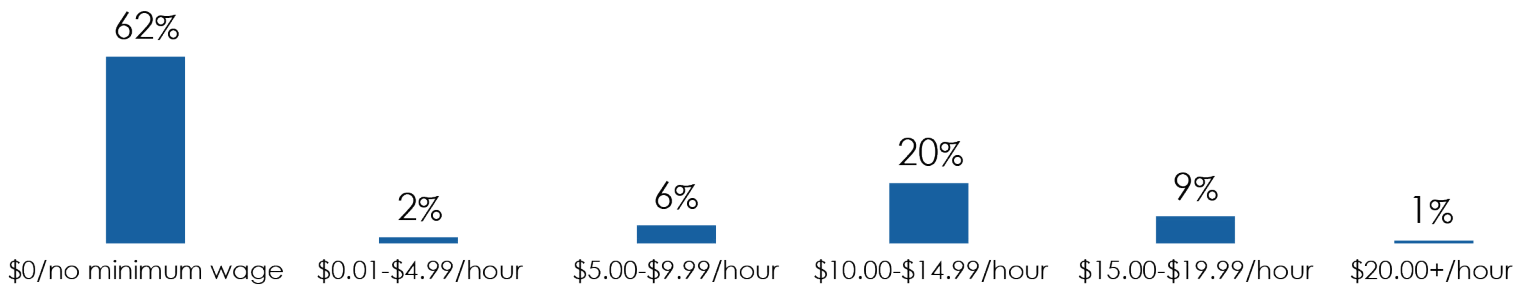
# Ideal Minimum Wage

Economists were asked what they thought was an appropriate federal minimum wage. Table 2 provides a summary of their responses with 62 percent suggesting there should be no federal minimum wage and 38 percent saying it should range between \$0.01 to over \$20/hour.

Ten percent think it should be \$15/hour or higher (\$15.00-\$19.99/hour, 9%; \$20.00+/hour, 1%). Twenty percent say it should be between \$10.00 and \$14.99, while eight percent say it should be under \$10 (\$5.00-\$9.99/hour, 6%; \$0.01-\$4.99/hour, 2%).

## Table 2 Ideal Minimum Wage

The debate over raising the federal minimum wage continues in Congress. Proponents say a wage mandate will fill more open jobs, and opponents say a wage mandate so will reduce the number of jobs available for less-skilled workers and close businesses. Based on your knowledge of the economic literature, what do you think represents an appropriate rate for the federal minimum wage?



# Raising the Current Minimum Wage

Economists were asked their level of support for raising the current federal minimum wage of \$7.25/hour up to \$15/hour, up to \$20/hour and more than \$20/hour. Table 3 provides a summary of these results.

Twenty-six percent of surveyed economists say they support up to a \$15/hour federal minimum wage (strongly, 12%; somewhat, 14%), while 73 percent oppose it (somewhat, 14%; strongly, 59%). Support for raising the minimum wage up to \$15/hour comes primarily from those who say they lean toward the Democratic political party, with 72 percent saying they support it (strongly, 33%; somewhat, 39%). Conversely, nearly all economists who lean Republican (97%) oppose it (somewhat, 9%; strongly, 88%).

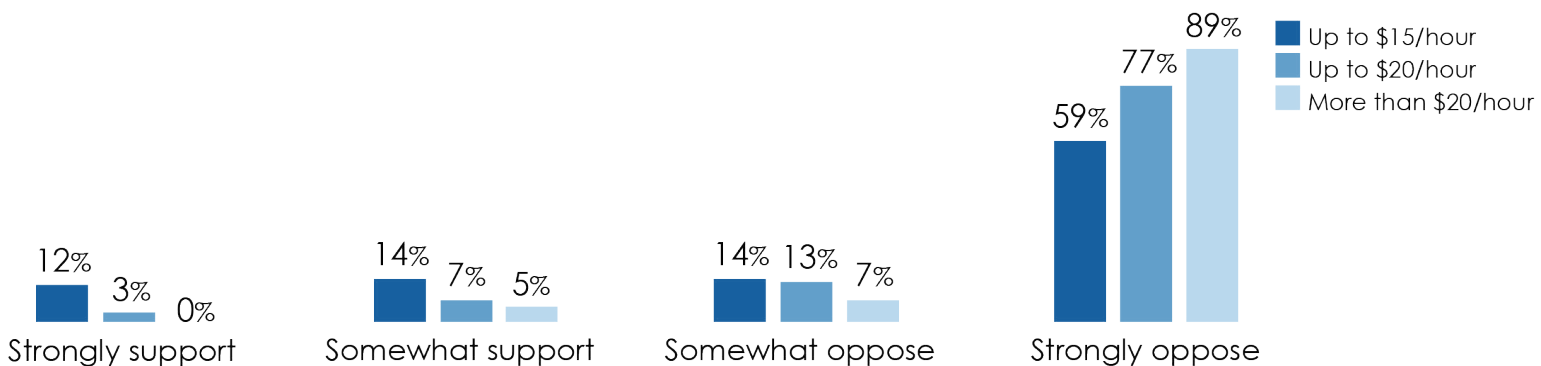
Overall, there is less support for the up to a \$20/hour rate, with 10 percent supporting it (strongly, 3%; somewhat, 7%), but 90 percent opposing it (somewhat, 13%; strongly, 77%).

There is virtually no support for raising the rate to more than \$20/hour, with five percent supporting it (strongly, 0%; somewhat, 5%) and 96 percent opposing it (somewhat, 7%; strongly, 89%).

Those who say there should be no minimum wage (the 62 percent of respondents from Table 2) are more likely to oppose any minimum wage increase. For example, 99 percent oppose raising it to \$15/hour, while 100 percent oppose raising it to \$20/hour and 100 percent oppose raising it to more than \$20/hour.

**Table 3**  
Support for Raising the Federal Minimum Wage

Currently the federal minimum wage is \$7.25 per hour. Do you support or oppose raising the federal minimum wage to:



# Impacts of Differing Minimum Wage Increases

## Poverty Rates

For a wage up to \$15/hour, 39 percent of surveyed economists think it will increase poverty rates, while 23 percent say that it will lower them and 37 percent say they will remain unchanged. More of those who identify as Democratic (55%) think up to \$15/hour will reduce poverty, compared to those who identify as Republican (0%).

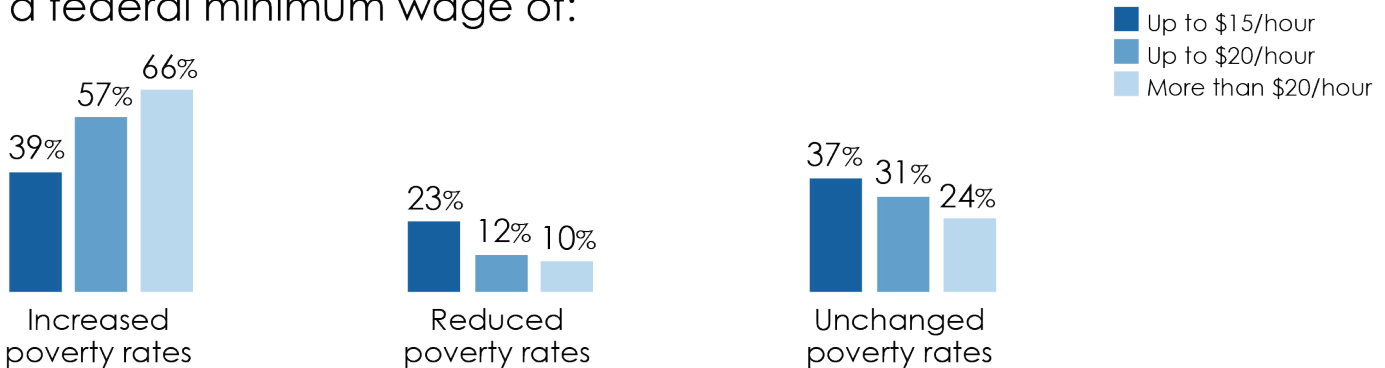
At a rate up to \$20/hour, over half (57%) say that it will increase poverty rates, while 12 percent say they will be reduced and 31 percent say they will remain unchanged.

At more than \$20/hour two-thirds (66%) think poverty rates will increase, while 10 percent think they will decrease and 24 percent say they will remain unchanged.

## Table 4

### Impact on Poverty Rates

Overall, how do you believe poverty rates will be affected by a federal minimum wage of:



## Youth Jobs (Age 19 or Younger)

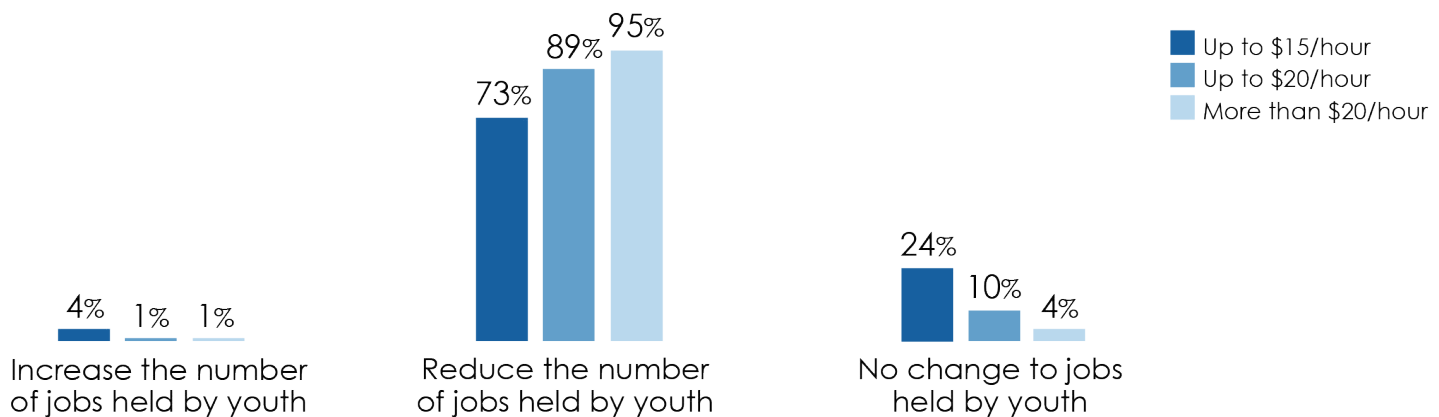
A majority of economists agree that any raise to the minimum wage is likely to reduce the number of jobs held by youth, regardless of the increase. Table 5 presents these results and shows that at up to \$15/hour only four percent of the economists think jobs will increase, while 73 percent say they will decrease and 24 percent say there will be no change.

At up to \$20/hour, only one percent think it will increase the number of jobs, but 89 percent say the number of jobs will decrease, while 10 percent think there will be no change.

At more than \$20/hour, only one percent say that it will increase jobs, 95 percent think there will be fewer youth jobs while four percent do not think there will be any change from current employment levels.

**Table 5**  
**Impact on the Number of Jobs Held by Youth**

Overall, how do you believe the number of jobs held by youth (age 19 or younger) will be affected by a federal minimum wage of:



## Skill Requirements for Entry-Level Hiring

As employers are expected to pay more for entry level workers, will they also expect more skilled employees? Table 6 shows these results, and finds that at up to a \$15/hour federal minimum wage, 60 percent of surveyed economists say employers will require greater skills, 40 percent think they will require the same level of skill that they currently do. None think employers will require fewer skills.

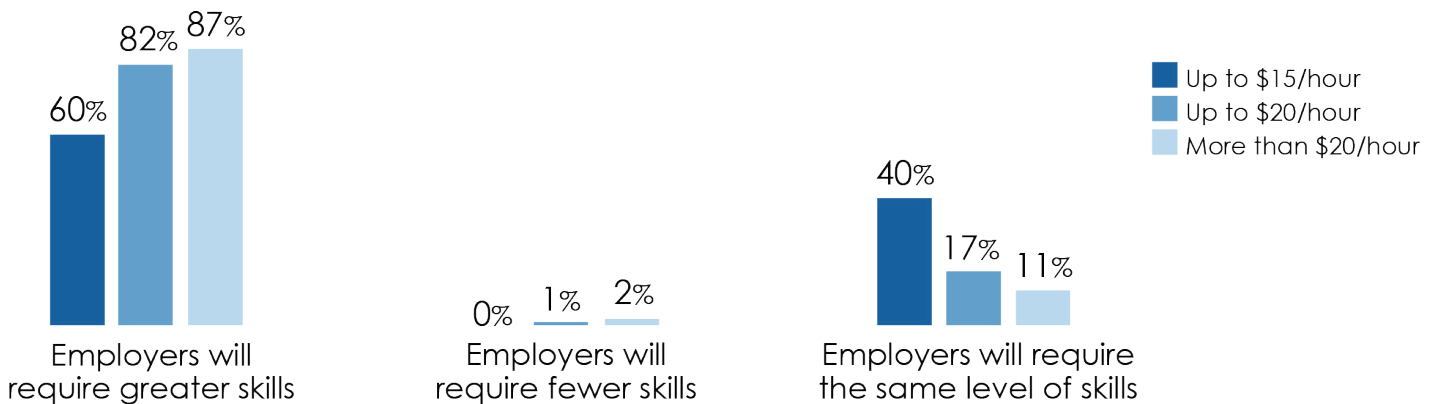
At higher federal minimum wage rates, most economists think employers will expect employees to bring more skills to the table. At up to \$20/hour, 82 percent think employers will require greater skills, while 17 percent think they will require the same level and one percent think they will require fewer skills.

At more than \$20/hour, 87 percent agree greater skills will be required, while 11 percent think they will require the same level and two percent say they will require fewer skills.

### Table 6

#### Impact on Skill Requirements for Entry Level Hiring

Overall, how do you believe the skills requirement for entry-level hiring will be affected by a federal minimum wage of:



## Number of Hospitality Jobs

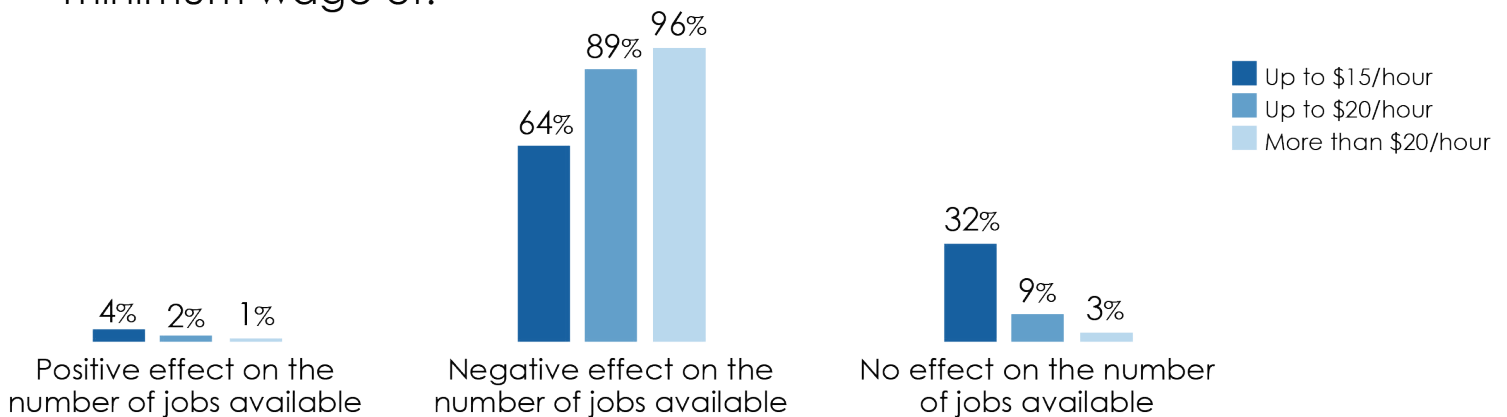
Because the hospitality industry employs the majority of minimum wage-earners, economists were asked about the impacts of raising the minimum-wage in this industry. Their responses are presented in Table 7. Sixty-four percent say a federal minimum wage up to \$15/hour will have a negative impact on the number of available jobs, while 32 percent say there will be no effect. Four percent say they will have a positive effect on the number of jobs.

More economists think the number of jobs available will be impacted at higher rates. At up to \$20/hour, 89 percent say that it will have a negative impact on jobs, while 9 percent say they will have no impact and two percent say there will be a positive effect.

At more than \$20/hour, 96 percent say the impact will be negative, while three percent say they will have no impact. One percent think the effect will be positive.

### Table 7 Impact on the Number of Hospitality Jobs

According to the U.S. Department of Labor, the hospitality industry also employs the majority of minimum wage-earners. How do you believe the number of hospitality industry jobs available will be affected by a federal minimum wage of:



## Automation

Replacing traditional employee tasks with automation, such as customer kiosks or automated food preparation, is a strategy some businesses have tried to lower costs. Table 8 presents the findings economists believe will be the impact of automation at differing minimum wages. A majority of economists agree that any potential increases will result in an increase in automation for employee tasks. At up to \$15/hour, 71 percent say that automation will increase, while 29 percent say that there will be no change and one percent say there will be a decrease for employee tasks.

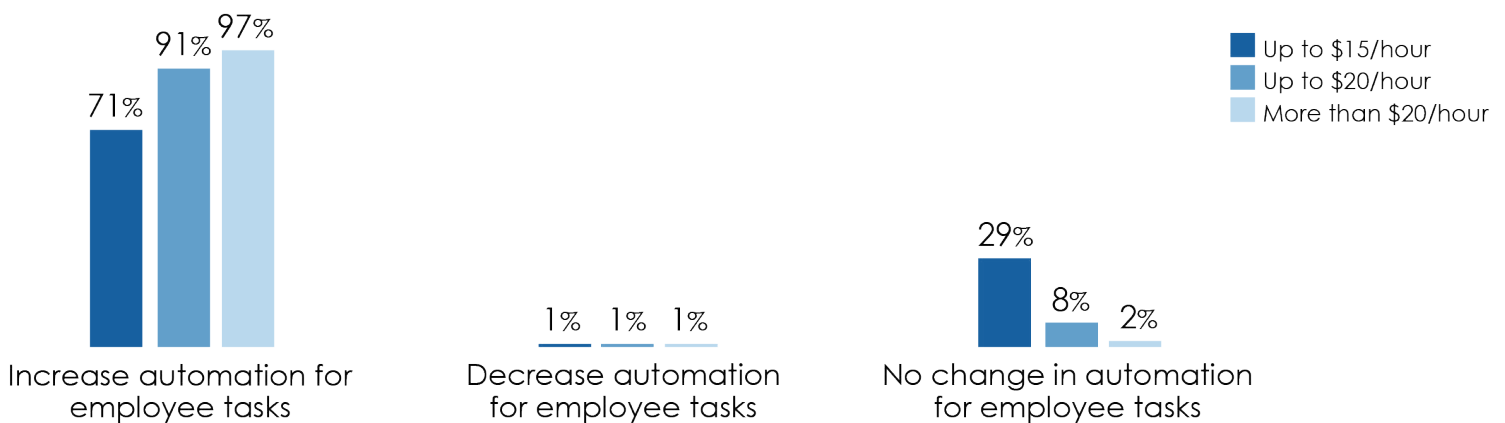
At up to \$20/hour, 91 percent of economists agree more businesses will use automation, while eight percent say there will be no change and one percent say there will be a decrease.

At more than \$20/hour, 97 percent agree that automation will increase, while two percent think it will stay the same and one percent think it will decrease.

### Table 8

#### Impact on Automation for Certain Tasks Previously Completed by Employees

Some employers have piloted use of automation for certain tasks previously completed by employees, such as kiosks for customer check out or automated food preparation. Overall, how do you believe employers would utilize automation for a federal minimum wage of:



## Cost of Living on Average Americans

Inflation has been a significant concern and has been rising nationally over the last several years. Table 9 shows economists' opinions of the impact of raising the federal minimum wage on the cost of living for average Americans. At up to \$15/hour, 59 percent of economists think this wage will increase the cost of living (significantly, 9%; somewhat, 50%), while two percent think it will decrease (somewhat, 1%; significantly, 1%) and 40 percent think it will have no change.

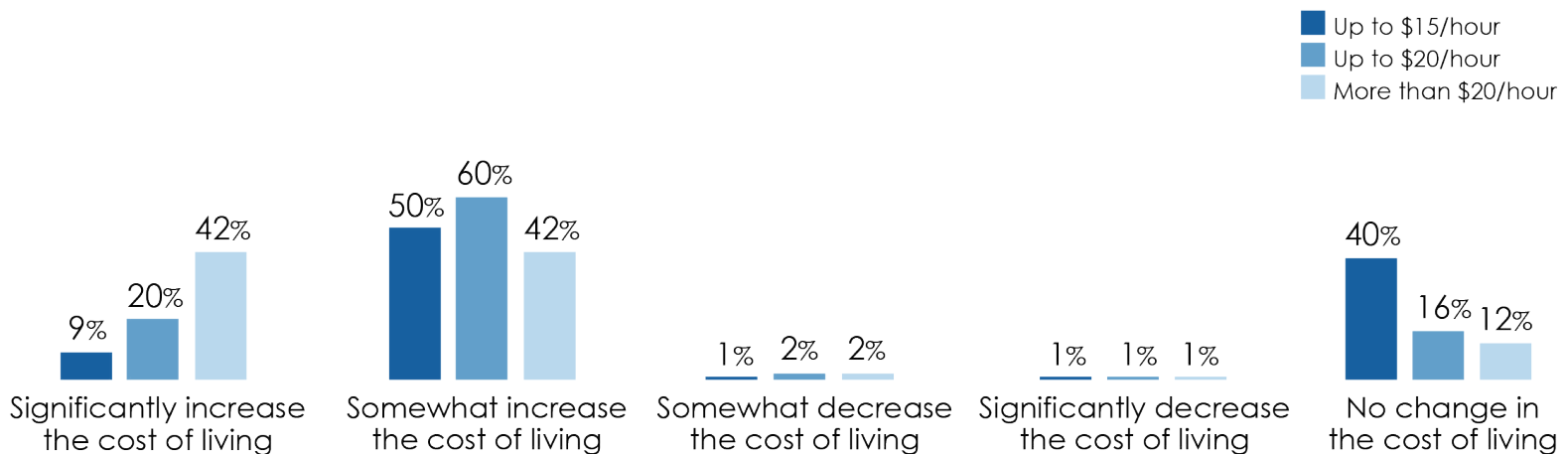
At up to \$20/hour, 80 percent think it will contribute to the cost of living (significantly, 20%; somewhat, 60%), while three percent think it will decrease (somewhat, 2%; significantly, 1%) or have no impact (16%).

At more than \$20/hour, 84 percent think the impact will cause an increase (significantly, 42%; somewhat, 42%), while three percent think it will decrease (somewhat, 2%; significantly, 1%) or have no change (12%).

Many economists who identify as Democratic agree that increasing the federal minimum wage will increase the cost of living (Up to \$15/hour, 18%; Up to \$20/hour, 70%; More than \$20/hour, 76%). Economists who identify as Republican are more likely to say a federal minimum wage increase will result in increases in cost of living (Up to \$15/hour, 79%; Up to \$20/hour, 90%; More than \$20/hour, 89%).

**Table 9**  
Impact on Cost of Living on Average Americans

Based on recent events, inflation has been on the rise nationwide over the last several years. At the same time, various states and local areas are raising their minimum wages. How do you think the cost of living for average Americans would be affected by a federal minimum wage of:



## Small Businesses (Less Than 50 Employees)

Table 10 shows what economists think will happen to small businesses at the differing wage rates. At up to \$15/hour, 69 percent of economists say it will be harder to stay in business, while 29 percent think there will be no impact and one percent think it will be easier.

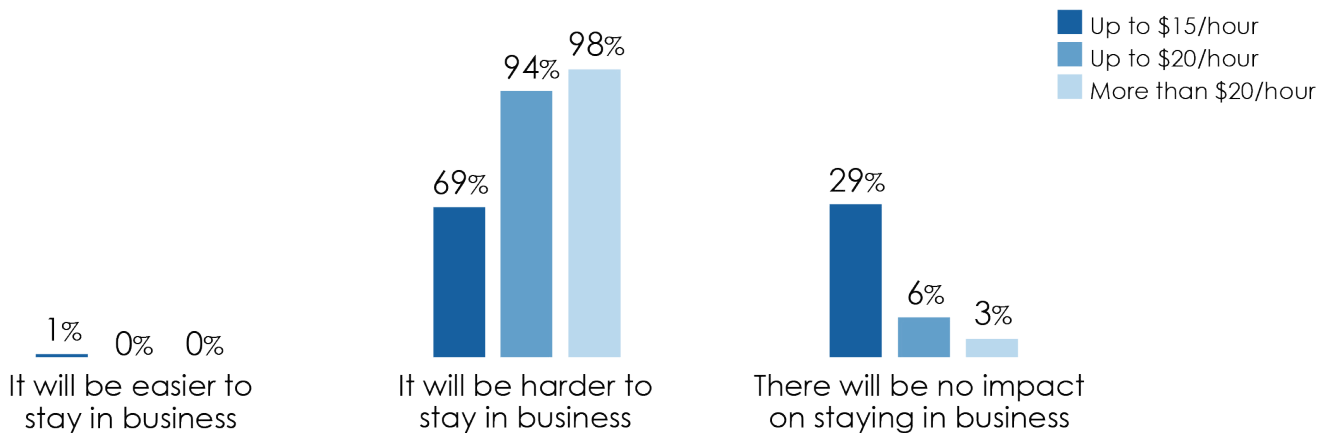
Most agree that at the higher rates, businesses will struggle. At up to \$20/hour, 94 percent think it will be harder to stay in business, while 6 percent say there will be no impact and none think it will be easier.

At more than \$20/hour, 98 percent say it will be harder for small businesses, while three percent say there will be no impact and none say that it will be easier.

### Table 10

#### Impact on Small Businesses

In your opinion, how will small businesses (less than 50 employees) be impacted by a federal minimum wage of:



## Eliminating the Tip Credit

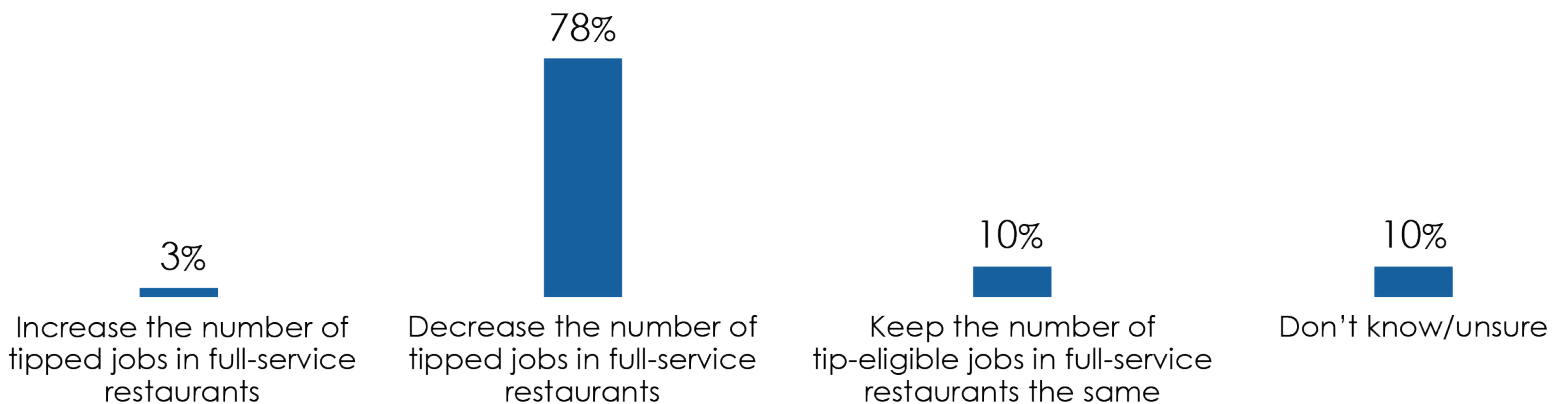
While not a direct raise in minimum wage, proposed legislation in Congress would eliminate tip credit, or the amount federal law allows restaurants to meet tipped employees' minimum wage through a combination of a base wage and their tips. If passed, this legislation would effectively raise the federal minimum wage for tipped workers by over 600 percent.

Table 11 provides economists' responses on the potential impact of eliminating the tip credit. Most (78%) economists think that eliminating the tip credit would result in fewer tipped jobs in full-service restaurants, while 10 percent say the number of jobs would be unchanged and 10 percent are not sure. Three percent believe there will be an increase in tipped jobs in full-service restaurants if tip credit is eliminated.

### Table 11

#### Impact on Tipped Jobs in Full-Service Restaurants With Elimination of Tip Credit

Currently, federal law allows restaurants to meet tipped employees' minimum wage requirements through a combination of a base wage and their tips. Legislation in Congress would eliminate this law (allowed in 43 states), effectively raising the federal minimum wage for tipped workers by over 600 percent. Overall, do you believe raising the base wage required for tipped employees would:



## Best Method for Setting Minimum Wage Policy

Table 12 presents the results for economists' opinions on the best way to set minimum wage policy. Twelve percent think minimum wage should be set at the federal level, while twice as many (28%) say at the state level and 19 percent say at the local level. Forty-one percent say none of these.

**Table 12**  
**Best Policy for Setting Minimum Wage**

In your opinion, which is the best way to set minimum wage policy?



## Efficiency of Policies in Addressing Low Income Needs

Raising the minimum wage is one way to address the income needs of poor families, but as Table 13 shows, economists are split on its effectiveness. Six percent say that raising the minimum wage would be very effective, while 20 percent say somewhat effective and 74 percent say not at all effective.

Conversely, expanding the earned income tax credits (and similar wage supplements) is seen as more effective, with 84 percent saying they are effective (very, 40%; somewhat, 44%). Only 13 percent say they are not at all effective and three percent are unsure.

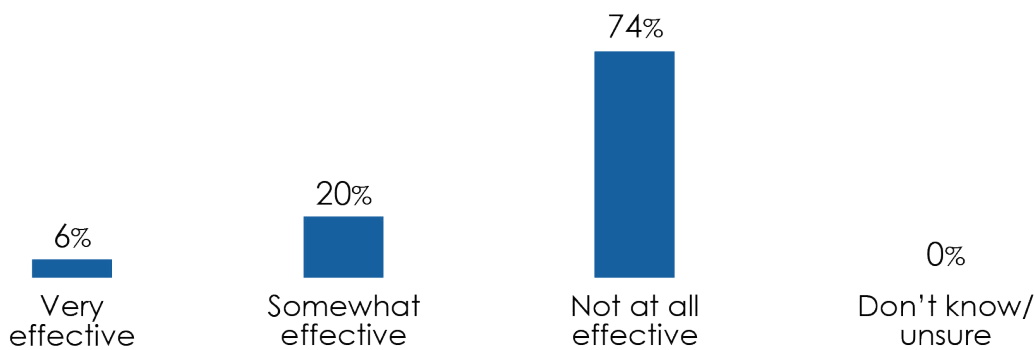
Many (62%) agree that boosting general welfare support (e.g., TANF, food stamps) is effective (very, 21%; somewhat, 41%), while 31 percent say that it is not at all effective and seven percent are unsure.

## Table 13

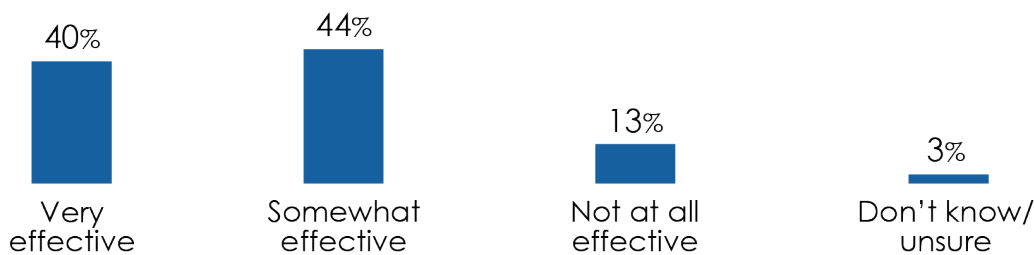
### Efficiency of Policies in Addressing Low Income Needs

In your opinion, how effective would each of the following proposed policies be in addressing the income needs of poor families?

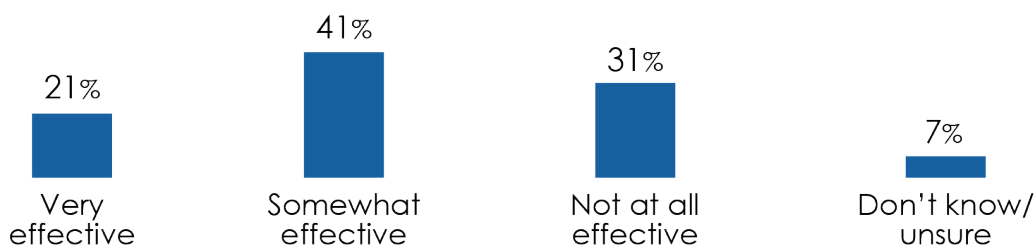
#### Raising the federal minimum wage



#### Expanding earned income tax credits (and similar wage supplements)



#### Boosting general welfare supports (e.g., TANF, food stamps)



# Economist Minimum Wage Survey

- 1. The debate over raising the federal minimum wage continues in Congress. Proponents say a wage mandate will fill more open jobs, and opponents say a wage mandate so will reduce the number of jobs available for less-skilled workers and close businesses. Based on your knowledge of the economic literature, what do you think represents an appropriate rate for the federal minimum wage? Please put “0” if you do not think there should be a federal minimum wage. \_\_\_\_\_ /hour**
- 2. Currently the federal minimum wage is \$7.25 per hour. Do you support or oppose raising the federal minimum wage to:**
  - Up to \$15/hour
  - Up to \$20/hour
  - More than \$20/hour
    - Strongly support
    - Somewhat support
    - Somewhat oppose
    - Strongly oppose
- 3. Overall, how do you believe poverty rates will be affected by a federal minimum wage of:**
  - Up to \$15/hour
  - Up to \$20/hour
  - More than \$20/hour
    - Strongly support
    - Somewhat support
    - Somewhat oppose
    - Strongly oppose
- 4. Overall, how do you believe the number of jobs held by youth (age 19 or younger) will be affected by a federal minimum wage of:**
  - Up to \$15/hour
  - Up to \$20/hour
  - More than \$20/hour
    - Increase the number of jobs held by youth
    - Reduce the number of jobs held by youth
    - No change to jobs held by youth



**5. Overall, how do you believe the skills requirement for entry-level hiring will be affected by a federal minimum wage of:**

- Up to \$15/hour
- Up to \$20/hour
- More than \$20/hour
  - o Employers will require greater skills
  - o Employers will require fewer skills
  - o Employers will require the same level of skills

**6. According to the U.S. Department of Labor, the hospitality industry also employs the majority of minimum wage-earners. How do you believe the number of hospitality industry jobs available will be affected by a federal minimum wage of:**


- Up to \$15/hour
- Up to \$20/hour
- More than \$20/hour
  - o Positive effect on the number of jobs available
  - o Negative effect on the number of jobs available
  - o No effect on the number of jobs available

**7. Some employers have piloted use of automation for certain tasks previously completed by employees, such as kiosks for customer check out or automated food preparation. Overall, how do you believe employers would utilize automation for a federal minimum wage of:**

- Up to \$15/hour
- Up to \$20/hour
- More than \$20/hour
  - o Increase automation for employee tasks
  - o Decrease automation for employee tasks
  - o No change in automation for employee tasks

**8. Based on recent events, inflation has been on the rise nationwide over the last several years. At the same time, various states and local areas are raising their minimum wages. How do you think the cost of living for average Americans would be affected by a federal minimum wage of:**

- Up to \$15/hour
- Up to \$20/hour
- More than \$20/hour
  - o Significantly increase the cost of living
  - o Somewhat increase the cost of living
  - o Somewhat decrease the cost of living
  - o Significantly decrease the cost of living
  - o No change in the cost of living



**9. In your opinion, how will small businesses (less than 50 employees) be impacted by a federal minimum wage of:**

- Up to \$15/hour
- Up to \$20/hour
- More than \$20/hour
  - It will be easier to stay in business
  - It will be harder to stay in business
  - There will be no impact on staying in business

**10. Currently, federal law allows restaurants to meet tipped employees' minimum wage requirements through a combination of a base wage and their tips. Legislation in Congress would eliminate this law (allowed in 43 states), effectively raising the federal minimum wage for tipped workers by over 600 percent. Overall, do you believe raising the base wage required for tipped employees would:**

- Increase the number of tipped jobs in full-service restaurants
- Decrease the number of tipped jobs in full-service restaurants
- Keep the number of tip-eligible jobs in full-service restaurants the same
- Don't know/unsure

**11. In your opinion, which is the best way to set minimum wage policy?**

- At the federal level
- At the state level
- At the local level
- None of these

**12. In your opinion, how effective would each of the following proposed policies be in addressing the income needs of poor families?**

- Raising the federal minimum wage
- Expanding earned income tax credits (and similar wage supplements)
- Boosting general welfare supports (e.g., TANF, food stamps)
  - Very effective
  - Somewhat effective
  - Not at all effective
  - Don't know/unsure

**13. In your opinion, which is the best way to set minimum wage policy?**

- Health
- Labor
- Macroeconomics
- International
- Other: \_\_\_\_\_

**14. Which of the following best describes the organization(s) you are associated with? Please indicate your primary role (full-time). Please select “N/A” if you are not associated with an organization.**

- Academic
- Think tank/not-for-profit
- Corporation
- Government
- Banking/finance
- Consulting
- Retired
- N/A

**15. How many years have you worked as an economist?**

- 5 years or less
- 6 - 10 years
- 11 - 15 years
- 16 - 20 years
- More than 20 years

**16. Do you lean toward a political party?**

- Yes, Republican
- Yes, Democratic
- Yes, Libertarian
- Neither/other
- Prefer not to say

