

# Is Wage Theft an Externality of Seattle's Minimum Wage Law?

Isaac M. Sederbaum, MPA

*Evans School of Public Policy & Governance*

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- Wage theft is not getting paid for the work you do.
  - Not getting paid overtime, minimum wage, or for all hours worked are all examples.
- On January 1, 2015, Seattle's minimum wage law began to take effect.
  - Between 2015 and 2019, the number of claims filed against Seattle businesses\* rose by 87%, from 306 claims in 2015, to 571 claims in 2019.
- In 2015, only 7.2% of claims were for unpaid minimum wage.
- In 2016, that number jumped to 13.4%.
- The number of claims for unpaid overtime, unpaid hours worked, and final wages not paid have also increased.



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Why does this matter?

- Jurisdictions around the country are raising their minimum wages.
- If wage theft increases as a result, these jurisdictions will also need to strengthen their anti-wage theft laws.
- There still has been very little research on wage theft using administrative datasets.
  
- How can we investigate if there is a causal relationship between raising the minimum wage and the increase in wage theft claims?



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# Is Wage Theft an Externality of Raising the Minimum Wage?

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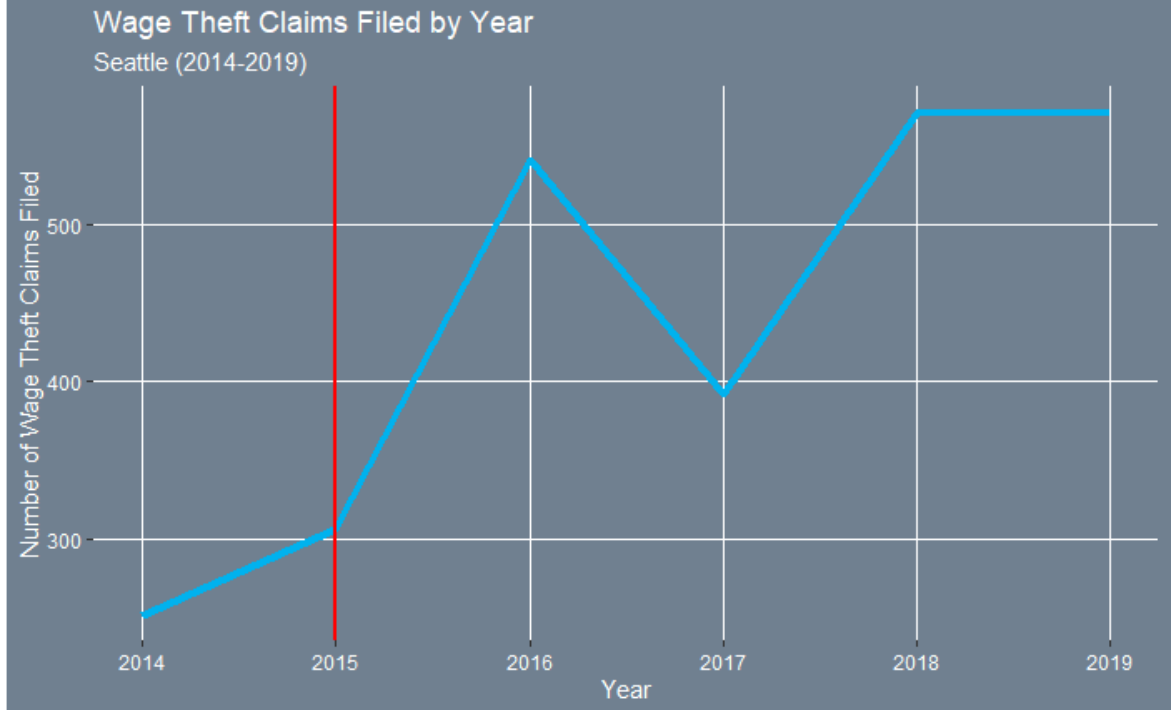
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Since Seattle's Minimum Wage Act took effect in 2015, wage theft claims filed with L&I have risen 87%, from 306 (2015) to 571 (2019).

**Could this be a result of the law?**

A few issues affecting making causal claims:

- The minimum wage has had a step-wise rollout based on company size.
- There is a 3-year window to file a claim (data only includes date filed).
- These are only claims filed with the state. We don't know how much wage theft occurs.



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