

## The Mythical Allure of the Minimum Wage Job

There's nothing more American than a good debate about the minimum wage. Although opponents of the minimum wage typically emphasize that it reduces the number of jobs, there's another strand of opposition predicated on the view that raising the minimum wage will increase the number of youth dropping out of school. In this story, the higher wage acts as an incentive for students to drop out and join the workforce. But where's the hard evidence to support this claim?

According to research by John Robert Warren and Caitlin Hamrock, it's nowhere to be found. In their state-level analysis of minimum wage data from 1982 to 2005, they find no significant relationship between minimum wage increases and high school completion rates.

The minimum wage plays, at best, only a minor role as a "pull factor" in the decision to drop out of school. The minimum wage debate is not likely to die out soon, but we can at least conclude that high schoolers are hardly clamoring to get their hands on minimum wage jobs.

John Robert Warren and Caitlin Hamrock. 2010. "The Effect of Minimum Wage Rates on High School Completion." *Social Forces*, 88(3), 1379–1392.

## The Sickly American Safety Net



During recessions, many people lose their health benefits by virtue of losing their jobs. It stands to reason that their medical care would suffer as a result. But is this conventional wisdom actually the case? And, if so, are recession-induced declines in medical care equally inevitable in all countries?

To explore this question, Annamaria Lusardi, Daniel J. Schneider, and Peter Tufano surveyed people in five countries about their routine medical care usage.

In all countries, those who lost their jobs or lost much of their wealth experienced reductions in medical care, just as one might expect. A comparison among countries, however, reveals striking differences in the extent of this reduction. For example, more than a quarter of all Americans reported a reduction in routine medical care, whereas only 5–12 percent of all Canadians, French, British, or Germans likewise reported a reduction.

Although the recession hit hard on both sides of the Atlantic, its long-term effects on health are likely to be felt much harder in the United States, where a weaker safety net lets much more medical care fall through its cracks.

Annamaria Lusardi, Daniel J. Schneider, and Peter Tufano. 2010. "The Economic Crisis and Medical Care Usage." *National Bureau of Economic Research, Working Paper* 15843.

## Debts to Society

It is well known that prisoners in the United States are over-recruited from the lower rungs of the socioeconomic ladder. In turn, the act of going to prison worsens convicts' economic prospects, not just because prisoners cannot easily go to school or gain much work experience while in prison, but also because the stigma of a criminal record makes it difficult for them, once released, to find a job. But now we're learning that there's yet another way that the penal system generates disadvantage. Many felons emerge from the system saddled not only with a criminal record but also with quite substantial debt.

In new research by Alexes Harris, Heather Evans, and Katherine Beckett, fully 80 percent of probationers and 30 percent of those sentenced to jail time are obliged to pay fines or fees. Further, these debts are not easy to shrug off; indeed, it often takes inmates over ten years to pay them after leaving the system. The debts may in some cases be substantial enough to induce former prisoners to return to crime in an attempt to pay them off.

The question that this research raises is whether the long arm of a prison sentence should be quite so long. If we want released prisoners to reenter society as responsible citizens, it may be counterproductive for us to burden them with so much post-release debt.

Alexes Harris, Heather Evans, and Katherine Beckett. 2010. "Drawing Blood from Stones: Legal Debt and Social Inequality in the Contemporary United States." *American Journal of Sociology*, 115(6), 1753–1799.

## Insecurity Rising

It's been fashionable of late to argue that Americans are living in an ever riskier and less secure world. Even before the Great Recession hit, the standing claim was that we're living in a "risk society," a society marked by an omnipresent threat of downward mobility because of job loss, uncovered medical costs, and other economic disasters.

Although the rise of such a "risk society" has been much discussed, until now we've lacked rigorous data on actual trends in economic security. Using the Panel Study of Income Dynamics, Jacob Hacker and his colleagues have constructed an "Economic Security Index" to quantify such trends. The index tracks the joint occurrence of three risks to economic well-being: a major loss in income, a major out-of-pocket medical expense, and inadequate wealth to buffer these two risks. If a family's available household income is reduced by at least 25 percent, either through decreases in income or increases in medical spending, they are counted as insecure if they don't have an adequate safety net of liquid financial wealth.

Using this definition, economic insecurity has indeed increased over the last quarter century, and it's likely to have increased even more dramatically in the current recession. According to Hacker and his colleagues, economic insecurity increased by 33 percent from 1985 to 2007, and it may have increased by as much as 50 percent up to the present day (according to the best available projections). Thus, even absent the current great recession, it appears that Americans face an increasingly insecure future.

Jacob S. Hacker, Gregory A. Huber, Philipp Rehm, Mark Schlesinger, and Rob Valletta. 2010. "Economic security at risk: findings from the economic security index." New Haven, CT: Institution for Social and Policy Studies.

## The Power of Framing Inequality

There's a long history of research suggesting that minority students who are exposed to negative stereotypes and prejudice will tend to disengage from academics. If the academic game is one that's rigged for failure from the start, then it's hardly surprising that one doesn't want to play it.

But Brian S. Lowery and Daryl A. Wout reason that negative stereotypes might well be reframed to make them less destructive to minority students. Their proposed reframing entailed recasting stereotypes as an advantage for the dominant group rather than a disadvantage for the minority group. It's slightly less irksome, they argue, to miss out on a bonus than to be assessed a penalty. Although it's a seemingly trivial reframing, Lowery and Wout maintain that it might just change the propensity to disengage.

And they appear to be right. When academic inequality was framed, as it typically is, in terms of minority disadvantage, it did lead Black, Latino, and female students to disengage. When, however, the experimenter reversed the framing, presenting the inequality as a dominant-group advantage, minority students remained academically engaged. It's difficult of course to change negative stereotypes, which are famously entrenched and enduring. But the way in which we talk about these stereotypes matters greatly—and can be changed.

Brian S. Lowery and Daryl A. Wout. 2010. "When Inequality Matters: The Effect of Inequality Frames on Academic Engagement." *Journal of Personality and Social Psychology*, 98(6), 956–966.

## Redistributing Pedagogical Wealth

Children learn more when they are taught by high-quality teachers. But whom do the best teachers typically teach? Perhaps understandably, the best teachers often want to teach the high-achieving students, with the result that the students most in need are too often left with less able teachers. If, instead, some of our best teachers were teaching in underperforming districts—often those districts that serve poorer and more disadvantaged youth—we could instantly close some of the achievement gap between those youth and their higher-achieving peers.

Could we solve this problem simply by paying teachers a bit more to work in underperforming districts? Research by Jennifer L. Steele, Richard J. Murnane, and John B. Willett reveals that large inducements do in fact change where the good teachers go to teach. Using data from the California's Governor's Teaching Fellowship (GTF), they find that providing a \$20,000 incentive for talented novice teachers to enter underperforming schools increased their probability of teaching in such schools by 28 percentage points. It seems that cash talks.

But did the incentive-receiving teachers take the money and ultimately run? The evidence suggests not; approximately 75 percent of the GTF recipients remained in their underperforming schools for at least four years (a retention rate that's similar to that of non-recipients). Although budget-stressed states aren't likely to jump on the GTF bandwagon in the short term, such results suggest it's an intervention to file away for the future.

Jennifer L. Steele, Richard J. Murnane, and John B. Willett. 2010. "Do Financial Incentives Help Low-Performing Schools Attract and Keep Academically Talented Teachers? Evidence from California." *Journal of Policy Analysis & Management*, 29(3), 451–478.