Abstract
We examine the effect of the minimum wage on restaurant prices. We contribute to both the study of economic impact of the minimum wage and to the micro patterns of price stickiness. For that purpose, we use a unique dataset of individual price quotes collected to calculate the Consumer Price Index in France and we estimate a price rigidity model based on a flexible \((S, s)\) rule. We find a positive and significant impact of the minimum wage on prices. The effect of the minimum wage on prices is however very protracted. The aggregate impact estimated with our model takes more than a year to fully pass through to retail prices.