The House Minimum Wage Raise Bill Will Be a Disaster

On July 18th, 2019, the House of Representatives passed a bill
which will raise the federal minimum wage to $15 per hour.

Adam Schiff
@RepAdamSchiff

BREAKING: The House voted to #RaisetheWage for the first time in over a decade.

This bill will:
- Increase minimum wage to $15 by 2026
- Give up to 33 million working class Americans a raise
- Lift millions of families out of poverty

It's time for a fair wage #ForThePeople. twitter.com/politico/status...

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BREAKING: The House passed legislation to gradually raise the federal minimum wage to $15 per hourpolitico.com/story/2019/07/...

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Rep. Adam Schiff, Twitter (D-CA-28).

Schiff claims that 33 million Americans will receive a well-deserved raise, however, it will only take jobs off the market and make that 33 million downsize significantly.

Higher Minimum Wage Hurts Businesses and Jobs

Raising the minimum wage will harm a wide variety of industries. For example, a study by the Harvard Business School found that for each dollar increase in the minimum wage, there's a 4-10% increase in the likelihood of a restaurant closing. This
trend can be found in multiple commercial enterprises; in fact, it is one of the most likely things to do overall.

A separate study done by [Duke University](https://freebeacon.com/issues/duke-professor-10hour-minimum-wage-would-cause-mass-layoffs-slash-benefits/) Professor Campbell Harvey proves this by showing that 70% of CFOs surveyed would outsource jobs in response to a minimum wage hike. The legislation being passed by Congress will limit the job opportunities and hinder economic competition by imposing these regulations on businesses. Rep. Schiff’s “33 million” would turn into a higher unemployment rate, causing many more to fall into poverty. This doesn’t seem very “#ForThePeople.”

But just how many more people would lose their jobs? There are conflicting statistics about this, but I will use one from each side of the argument: the [Congressional Budget Office](https://www.cbo.gov/sites/default/files/113th-congress-2013-2014/reports/44995-MinimumWage_OneColumn.pdf) says that the central estimate is 500,000 jobs lost, while the [Economic Policy Institute](https://www.epi.org/publication/raising-federal-minimum-wage-to-1010/) says there will be around 85,000 new jobs. That leaves about 415,000 jobs, yet these estimates could be either smaller or closer to 1 million. ([https://www.cbo.gov/sites/default/files/113th-congress-2013-2014/reports/44995-MinimumWage_OneColumn.pdf](https://www.cbo.gov/sites/default/files/113th-congress-2013-2014/reports/44995-MinimumWage_OneColumn.pdf))

We've already seen a major problem with outsourcing, and we need to tackle our unemployment problem as much as possible, not further it. Taking jobs away from those who are attempting to earn a “living wage” by giving that wage to the remaining few is not the solution our country needs. If we wish to bring jobs back to the United States, we cannot push companies away to cheaper labor in other countries.

**Minimum Wage Jobs Are Not Meant to Be A “Living Wage”**

One of the biggest mainstream arguments for raising the minimum wage is that it is not a “living wage.” While this argument is both fair and true, the essential point is lost. The minimum wage is not meant to be a living wage.

Teens often make up these jobs, and they are the ones heavily affected. As the [Heritage Foundation](https://www.heritage.org/jobs-and-labor/report/who-earns-the-minimum-wage-suburban-teenagers-not-single-parents) writes, “Data from the Bureau of Labor Statistics show that most
minimum wage earners are young, part-time workers...Their average family income is over $53,000 a year.” These teens are working mostly for experience and some pocket cash, not to support families.

Further, in a paper written by Economists J.M. Ian Salas, David Neumark, and William Wascher (https://library.cqpress.com/cqresearcher/document.php?id=cqresre2014012400), the analysis showed that for every 10 percent increase in the minimum wage, teen employment goes down 1.5 percent. When employers have to cut costs, the first they’ll go to is the inexperienced teens who can afford to be laid off. The high presence of teens shows that the minimum wage is not intended to support the living of families, and by increasing it, we not only take away adult jobs, but teen jobs as well. Not only would we be pushing jobs overseas, but we would be taking away jobs from our youth in a society where work experience is everything.

**Cutting Costs Benefits Everyone**

Many believe that a low minimum wage allows companies to take advantage of workers; however, that is not necessarily true. By cutting expenses for companies, they will have more to invest in their employees, be it through salaries or other benefits. Soon after the 2018 Tax Cuts came into effect, Amazon (https://www.nbcnews.com/tech/tech-news/amazon-pledges-minimum-wage-15-hour-all-u-s-workers-n915746) announced its intent to pay employees $15 per hour, Target (https://www.cnbc.com/2019/04/04/target-raises-its-minimum-wage-to-13-an-hour-aims-for-15-by-2020.html) declared they would do the same in 2020, and Walmart reported that they would raise their starting wage to $11 per hour. Companies often know of the importance of providing for their employees, in order to increase worker productivity and decrease turnover rates. If you give them the resources, as we have seen, they will invest more in their workers and open more job opportunities.

**Listen to the Democrats**

The Democrats who are pushing this same bill are the ones who often make the claim, “We need to be more like Scandinavia.” For once, I agree. Countries like Norway (https://www.lifeinnorway.net/norway-minimum-wage/) and Sweden (https://checkinprice.com/average-and-minimum-salary-in-stockholm-sweden/) have some of the highest average wages; however, they do not have a legal minimum wage. By and large, these “minimum wages” in Norway and Sweden are not mandated but are negotiated through contracts between trade unions and industry heads. We should follow in that example, not mandating a certain pay, but arranging and agreeing on what the market values the work at. After all, the leverage that workers have is often immensely favorable to their negotiating skills.
While the legislation proposed intends to set a living wage, the only place many of these workers will be living at is on the streets. We must stand for our youth and our American workers by shedding light on the facts and opposing this bill.

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