Is a minimum wage hike good or bad for you?

The minimum wage has been controversial since the first national minimum wage law went into effect in 1938. The following passages look at this controversy from two points of view. As you read them, think about your own life. Would a hike in the minimum wage be good for you by boosting wages? Or would it hurt you by making it harder for you to find a job?

A Just Minimum Wage: Good for Workers, Business and Our Future

by Holly Sklar and Paul H. Sherry

The federal minimum wage faced fierce opposition in the 1930s, and opponents predictably try to block raises in the minimum today. Opponents stereotype minimum wage workers as teenagers who don’t need or deserve higher wages. Opponents claim business can’t afford a higher minimum wage. They claim a higher minimum wage will destroy small business, increase unemployment, harm less educated workers, fuel inflation and aggravate poverty. Real world experience shows the claims are wrong.

Most Minimum Wage Workers Are Adults

As if to justify miserly pay, minimum wage critics often stereotype minimum wage workers as teenagers living with their families and working for fun money. In fact, the typical minimum wage earner is an adult.

A Glimmer of Hope: The Unusual Backlash Against Minimum Wage

by Thomas Sowell

A survey has shown that 85 percent of the economists in Canada and 90 percent of the economists in the United States say that minimum wage laws reduce employment. But you don’t need a Ph.D. in economics to know that jacking up prices leads fewer people to buy. Those people include employers, who hire less labor when labor is made artificially more expensive . . .

There is no free lunch. Higher labor costs mean fewer jobs.

Since all workers do not have the same skill or experience, minimum wage laws have more impact on some than on others. Young, inexperienced and unskilled workers are especially likely to find it harder to get a job when wage rates have been set higher than the value of their productivity . . .

In the United States, the group hardest hit by minimum wage laws are black male teenagers. Those who refuse to admit that the minimum wage is the reason for high unemployment rates among young blacks blame
adult woman, not a teenager.

- Three out of four minimum wage workers are age 20 and older.
- While women make up just under half the total workforce, two out of three minimum wage workers are women.
- Most minimum wage workers have high school degrees or more, including 7 percent with a bachelor's degree or higher.

As for Teenagers
Teenagers shouldn't be paid less for doing the same job as an adult whether they are in the Army or working at a gas station. Many teenage minimum wage workers are already out of school and working for a living...

The United States does not provide universal public college education. While most high school graduates go on to college, a significant number can't afford to, however good their academic record. A U.S. Department of Education study, which followed a group of students since the 8th grade, provides fresh evidence of the link between socioeconomic status and higher education. The worst scoring students from high socioeconomic status families complete college as frequently as the best students from low socioeconomic status families.

Many teenagers are working minimum wage jobs in order to pay for college. The lower the minimum wage, the more hours students have to work at jobs while attending high school and college.

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racism, lack of education and whatever else occurs to them.

The hard facts say otherwise. Back in the 1940s, there was no less racism than today and black teenagers had no more education than today, but their unemployment rate was a fraction of what it is now—and was no different from that of white teenagers.

What was different back then? Although there was a minimum wage law on the books, the inflation of that era had raised wage rates well above the specified minimum, which had remained unchanged for years.

For all practical purposes, there was no minimum wage law. Only after the minimum wage began to be raised, beginning in 1950, and escalating repeatedly in the years thereafter, did black teenage unemployment skyrocket.

Most studies show unemployment resulting from minimum wages. But a few studies that reach different conclusions are hailed as having "refuted" the "myth" that minimum wages cause unemployment.

Some of these latter studies involve surveying employers before and after a minimum wage increase. But you can only survey employers who are still in business. By surveying people who played Russian roulette and are still around, you could "refute" the "myth" that Russian roulette is dangerous.

Minimum wage laws play Russian roulette with people who need jobs and the work experience that will enable them to rise to higher pay levels. There is now a glimmer of hope that more people are beginning to understand this, despite political demagoguery.

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