

# MESQUITE LOCAL NEWS

## **Minimum wage hike proposal would have opposite effect of its intention**

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Be careful what you ask for, because you just might get it — good and hard.

A group of altruistic, benevolent and well-meaning Nevadans calling themselves the Committee to Raise the Minimum Wage in Nevada has filed a petition with the Nevada Secretary of State's office that — if it garners enough signatures to be placed on the 2016 ballot and then enough votes at the polls — would nearly double the minimum wage over the next decade.

The petition, filed this past week, would amend the Nevada Constitution to increase the minimum wage to \$9.25 an hour upon passage and by 75 cents a year until it reaches \$13 an hour, after which it would increase to match any federal minimum wage hike or equal to an increase in the cost of living. The current constitutional minimum wage is \$7.25 an hour if health insurance is provided and \$8.25 if not.

The petition also states that tips and gratuities shall not be credited as a way to offset the minimum wage and removes the \$1 credit for providing health insurance. It also removes the exemption for those under 18 employed part-time by non-profits, but it does allow a lower wage if it is part of a “bona fide collective bargaining agreement” — the usual sop to the unions.

A measure to raise the minimum wage to \$9 an hour never made it out of the 2015 Legislature.

The committee must gather 55,000 signatures from across the state to qualify for placement on the ballot.

One of the leaders of the petition drive, Neal Anderson, a Unitarian minister from Northern Nevada, told The Associated Press, “All labor has dignity and therefore we need to value that work. At some point we need to change policy as well, not just provide charity, which is never enough.”

The problem is that study after study has found that raising the minimum wage does not lift more people out of poverty, but rather its net effect is to actually increase the portion of families that are poor and near-poor, according to an analysis of those studies by the Heritage Foundation. This is because a few will see higher income, others will have their work hours reduced and

some will drop from minimum wage to zero wage due to layoffs and businesses closing their doors.

The Congressional Budget Office has estimated that if the federal minimum wage were increased to \$10.10 an hour — as proposed by President Obama and others — up to a million workers would lose their jobs.

According to the American Enterprise Institute, when the minimum wage rose 41 percent between 2007 and 2009, the jobless rate for 16- to 19-year-olds increased by 10 percentage points, from about 16 percent in 2007 to more than 26 percent in 2009 — even higher for minorities.

These are entry level jobs without which younger Americans cannot build the skills needed to earn higher pay.

Another Heritage study reported that every dollar increase in minimum wage really only raises take-home pay by 20 cents once welfare benefits are reduced and taxes are increased.

Then there are the affects on everyone. A Cato Institute analysis reports that a “comprehensive review of more than 20 minimum wage studies looking at price effects found that a 10 percent increase in the U.S. minimum wage raises food prices by up to 4 percent and overall prices by up to 0.4 percent.”

Victor Joecks, executive vice president of the Nevada Policy Research Institute, has warned that this proposal is not only anti-business, but anti-worker as well.

“Ultimately, it is the workers who get paid the least that will suffer the most from hikes in the minimum wage — with many of them losing their jobs as businesses close or turn to automation to replace entry-level jobs,” Joecks writes on the NPRI website. “The primary value of entry-level jobs is that they allow workers to gain basic employment skills, which in turn allows them to earn higher wages in the future. Raising the minimum wage, however, makes it harder for low skill workers to get those first jobs. Having that first job is crucial, because two-thirds of minimum wage workers earn a raise within a year.”

He points out that Nevada teenage unemployment already is 23.6 percent.

If this petition is successful it could put countless Nevadans on the dole for life.