

Forbes

To Help Hispanics, Remove Minimum Wage Hike From State Of The Union

By CARLI DIMINO

In his fifth State of the Union address, President Obama should face the harsh reality facing millions of Latinos still struggling to find full-time employment, particularly those in search of low-skill and entry level jobs. As the most recent Bureau of Labor Statistics report confirms, overall Hispanic unemployment, still hovering at 8.3 percent, remains 1.6 percent higher than the nation's as a whole.

Last year at this time, instead of suggesting new and creative ways to foster job growth, the President chose to dust off a nice-sounding proposal to increase the federal minimum wage to \$9 per hour. While no doubt well intentioned, the impact of this short-term solution will be to suffocate job opportunities for the very populations most likely to be affected.

English: U.S. President delivers the while standing in front of President of the Senate and Speaker of the House . (Photo credit: Wikipedia)

From Washington, [D.C.](#) to [San Francisco](#), local politicians were the first to seize on increasing the minimum wage in their communities and states, while demands for raising the federal minimum wage have steadily grown louder. Expect these cries to reach a crescendo during the President's speech, and in the days that follow.

Raising Minimum Wage Hurts Those Struggling To Find A Job

It's time the President realizes that every bump in the minimum wage represents a higher hurdle for everyone struggling to find a job. Studies have consistently shown that increasing the minimum wage results in a loss of low-wage jobs, harming the very workers it is intended to help.

According to the [Cato Institute](#), the phenomenon was initially documented as far back as 1938, when the very first federally-imposed minimum wage was implemented. At that time, the Department of Labor recorded that the new 25 cent minimum wage directly caused the loss of 30,000 to 50,000 jobs, more than 1 in 10 of the 300,000 workers the new law was intended to help.

Hispanics are acutely aware that today, a disproportionate number of low-wage jobs are in the service industry, where Latinos comprise 26 percent of employees, more than any other

demographic group. These are workers who simply cannot afford to sustain new rounds of layoffs because Washington insists on making the same mistake over and over again. The disproportionate impact on Hispanics is especially cruel.

How Minimum Wage Laws Affects Hispanics

At The LIBRE Initiative, we have identified that of all demographic groups, Hispanics are forced into part-time labor at a higher rate than any other, and that Latino entrepreneurs start businesses at a rate that is twice the national average. The President's proposal to increase the federal minimum wage will adversely impact both groups.

For the Hispanic part-time worker, a higher minimum wage means a cutback in hours at best, a pink slip at worst — and the dream of full-time employment moves further and further out of reach.

For the Hispanic entrepreneur, an increase in the federal minimum wage can mean closing the doors on a lifelong dream. How many restaurants, hair salons, small stores and other businesses will be forced to trim their hiring needs — or be shuttered altogether — because of the combined impact of a higher federal minimum wage and other Washington business-burdening schemes, including Obamacare?

The 8.3 percent of Hispanic workers who are already out of work cannot benefit from an increase in a wage that they will never receive. The President's proposal will also be of no benefit to the Hispanic part-timer who sees a reduction in hours, the Latino small businesspeople it forces out of business, or those whose employers' bottom lines simply could not sustain federally-mandated higher labor costs.

A job is more than the only reliable ladder out of poverty: it is critical to emotional health, personal dignity and self-respect. For the immigrants who make up [over 36%](#) of our nation's 53 million Latinos, the desire for meaningful employment burns especially bright: these individuals have given up all they once knew, often at great personal risk, seeking only the chance to work hard to provide a better life for themselves and their families. It's too important a goal to be put at risk by yet another Washington mandate.

Mr. President, to help hard-pressed Hispanics, withdraw your proposal to raise the federal minimum wage from your State of the Union address.

Dimino is policy analyst for The LIBRE Initiative.