



Cost of minimum wage hike to land on the least able to bear it

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Many years ago, I was a minimum wage worker making \$3.35 an hour writing obituaries for the Galesburg Register-Mail. More than a few times during that college summer break, I had an editor holler at me, “There is no “a” in cemetery!”

But I learned how to meet deadlines, deal with the public and spell a bit better.

Most people I know have had similar first-job experiences. They didn’t earn a whole lot, but they learned enough to help them get a better job down the road.

Back in the days before email and fax machines, several reporters would take dictation over the phone from funeral directors. Like so many low-skill jobs, technology has reduced the need for such positions.

Today, in many cities, the obituaries are emailed in from funeral homes and later edited. There is no need for a minimum-wage-earning college kid to take dictation.

Newspapers, like all businesses, are always looking for ways to perform the same tasks for less money.

We could spend a lot of time bemoaning the loss of low-paying positions to innovation or we can simply accept that businesses will seek the most cost-effective solutions.

That’s why talk of raising the state’s minimum wage is troubling.

While it will result in pay raises for some lucky individuals, it will result in fewer jobs for the state's low-skill workers. As the cost of labor goes up, the demand will go down. When I mentioned this economic principle to a friend, he asked: "Then who will do the work, if positions are eliminated?"

Look no further than McDonalds for the answer. According to a recent Malcolm Berko column, the fast food chain anticipates adding touch screens in 2,000 of its 15,000 restaurants in 2015.

Customers rather than employees will be the ones pecking away at the touch screens and sending their orders directly to the kitchen. According to the Berko analysis, this will result in the elimination of four to six employees per location, reducing labor costs by \$110,000 per location.

Many of these fast food workers who would see their jobs eliminated earn the minimum wage. Raising the minimum wage will accelerate the loss of these and other jobs. Most folks earning minimum wage are either under 25 or working part-time, a 2012 study conducted by the Cato Institute found.

In November, Gov. Pat Quinn said, "Our minimum wage is \$8.25. It is not enough for a Mom, a Dad or anyone to raise a family on."

But the Cato study found less than 5 percent of those earning minimum wage are heads of households.

So raising the minimum wage will do little to help those trying to raise families and will do much to hurt young people trying to enter the workforce.

And, in this economy, that's the last thing we want to do.