



## Only the tax man benefits from wage hike

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Contrary to all the claims being made by the liberal socialist professors and pundits, the wage earner is the only loser in this (proposed) minimum wage increase. The real winners are the government taxing agencies. How?

A wage increase of \$2.60 means the government can now collect an additional 25 percent, ... equivalent to 65 cents, without increase tax rates. The real spending money left in the wage earner's pocket is therefore only \$1.95 not the anticipated \$2.60

The service providers (movies, food, construction, hardware, etc.), however, will have to increase the cost of their services by \$2.60, plus an additional 4 percent gross receipts tax, which equals to \$2.70.

So the wage earner gets to keep \$1.95, while the cost of living goes up \$2.70.

This is the mathematics of the real world --  $1 + 1 = 2$  ... not 11.

The Cato Institute released an updated 2013 study showing that welfare benefits pay more than a minimum-wage job in 33 states and the District of Columbia. Even worse, welfare pays more than \$15 per hour in 13 states. According to the study, welfare benefits have increased faster than minimum wage. It's now more profitable to sit at home than it is to earn an honest day's pay.

Hawaii is the biggest offender, where welfare recipients earn \$29.13 per hour, or a \$60,590 yearly salary, all for doing nothing.

Here is the list of the states where the pre-tax equivalent "salary" that welfare recipients receive is higher than having a job:

- Hawaii: \$60,590
- District of Columbia: \$50,820
- Massachusetts: \$50,540
- Connecticut: \$44,370
- New York: \$43,700
- New Jersey: \$43,450
- Rhode Island: \$43,330
- Vermont: \$42,350
- New Hampshire: \$39,750
- Maryland: \$38,160
- California: \$37,160
- Oregon: \$34,300
- Wyoming: \$32,620
- Nevada: \$29,820
- Minnesota: \$29,350
- Delaware: \$29,220
- Washington: \$28,840
- North Dakota: \$28,830
- Pennsylvania: \$28,670
- New Mexico: \$27,900
- Montana: \$26,930
- South Dakota: \$26,610
- Kansas: \$26,490

- Michigan: \$26,430
- Alaska: \$26,400
- Ohio: \$26,200
- North Carolina: \$25,760
- West Virginia: \$24,900
- Alabama: \$23,310
- Indiana: \$22,900
- Missouri: \$22,800
- Oklahoma: \$22,480
- Louisiana: \$22,250
- South Carolina: \$21,910

As a point of reference the average middle-class annual income today is \$50,000, down from \$54,000 at the beginning of the Great Recession. Hawaii, D.C. and Massachusetts pay more in welfare.

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