



Charles Koch's plan to fix the economy: Destroy minimum wage and 'addictive' welfare

By Travis Gettys
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Billionaire industrialist Charles Koch has a vision for ending unemployment: replacing the social safety net with low-skill, low-paying jobs.

The chairman and CEO of Koch Industries outlined his economic plan with an opinion piece published Monday by *USA Today*, where he expressed deep concern over chronic underemployment and diminished opportunities for younger or disadvantaged workers.

“The effects of underemployment are not just economic, they are also social and psychological,” Koch said. “Real work is an important part of how we define ourselves. Meaningful work benefits both us and others. Those who lack real jobs often end up depressed, addicted or aggressive.”

Koch argued that welfare benefits provided “addictive disincentives” to work, citing a recent Cato Institute study that found low-income assistance paid more than a minimum wage job in 35 states, and he claimed Obamacare encouraged business owners to hire part-time workers instead of full-time employees.

The heavyweight political donor also complained that food stamps no longer carried work requirements, although workers for companies such as McDonalds and Walmart earn so little they cost taxpayers billions of dollars in assistance.

Koch cited Martin Luther King Jr. to suggest Americans should be willing to work as street sweepers – and do their best while on the job – if that’s the only work they can find or perform.

“When I was growing up, my father had me spend my free time working at unpleasant jobs,” Koch said. “Most Americans understand that taking a job and sticking with it, no matter how unpleasant or low-paying, is a vital step toward the American dream. We are in for more trouble if young people don’t find that all-important first job, which is critical to beginning their climb up the ladder.”

Corporations also bear some responsibility for improving work opportunities, Koch argued.

“When it comes to creating opportunities for all, we can do much better,” Koch said. “It’s time to let people seek opportunities that best suit their talents, for businesses to forsake cronyism and for government to get out of the way.”

He encouraged “principled entrepreneurship” by creating value for customers and acting with integrity instead of seeking corporate subsidies.

And Koch argued that government should step aside and allow corporations – such as his own – to invest and hire however they please.

“At Koch Industries, we’ve seen how punitive permitting for large projects creates years of delay, increasing uncertainty and cost,” Koch said. “Sometimes projects are canceled and jobs with them. Meanwhile, 30 percent of U.S. employees need government licenses to work. We need a system that rewards those who create real value, not impedes them.”

He said “government’s decades-long, top-down approach to job creation has failed,” arguing that these policies had left millions underemployed or unemployed and reduced the supply and quality of good and services.

“Everyone knows education increases a person’s ability to create value,” Koch said. “But the willingness to work, an essential for success, often has to be taught, too.”