



Minimum-wage hike means fewer low-skilled jobs

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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 that “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-skilled jobs, technology has reduced the need for such positions.

Today, in many cities, obituaries are emailed in from funeral homes and later edited. There’s no need for a college kid to take dictation.

Newspapers, like all businesses, are always looking for ways to operate at less expense.

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 Illinois’ minimum wage is troubling. While it will result in higher pay for some, it will mean fewer jobs for the state’s low-skilled 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 such positions are eliminated?”

Look no further than McDonald's for the answer.

Financial advice columnist Malcolm Berko recently wrote that McDonald's anticipates adding touch screens at 2,000 of its roughly 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 Berko's analysis, this will result in the elimination of four to six employees per restaurant, reducing labor costs by about \$110,000 at each one.

Many of these fast-food workers who would see their jobs eliminated earn the minimum wage.

As if technology isn't a large enough threat to such workers, raising the minimum wage will accelerate the loss of these and other jobs.

Most workers earning the minimum wage are either under 25 or working part time, a 2012 study conducted by the Cato Institute found.

This runs contrary to the narrative of outgoing Gov. Pat Quinn and others supporting a higher minimum wage.

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

He will get no argument from me on that. But the Cato Institute study found what you would suspect is the case — fewer than 5 percent of those earning the 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.