

Daily Journal

Scott Reeder: Minimum wage hike would kill jobs

Scott Reeder

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SPRINGFIELD — I walked into a Springfield McDonald's the other day and saw a long line standing in front of the teenage clerk taking orders, so, I ordered my breakfast on a touch screen.

Customers rather than employees can peck away at screens and send their orders directly to the kitchen.

I got my sandwich without standing in line, McDonald's saved money on labor and some unknown teenager probably is out of a job because technology provided a money-saving alternative.

According to stock market commentator Malcom Berko, the introduction of these touch screens will result in the elimination of four to six employees per location, reducing labor costs by \$110,000 per location.

Guess what? That number is conservative. With Illinois on the brink of raising the minimum wage to \$15 per hour, more firms will be seeking ways to trim their payrolls.

Some will embrace technological alternatives, such as touch screens or self-serve grocery kiosks, while others simply will re-evaluate their services and cut back.

That is unfortunate.

When low-skill, entry-level jobs are eliminated, valuable stepping-stones into the workforce disappear. This harms young people, new immigrants and others just entering the workforce.

Gov. J.B. Pritzker and lawmakers are well intentioned when they talk of helping people by raising the minimum wage.

But the road to economic perdition is paved with political good intentions.

Many years ago, I was a minimum wage worker making \$3.35 per 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.

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

Last week, when the Senate voted to ramp up the minimum wage to \$15 per hour by 2025, Pritzker said: “If you live in this state and put in a hard day’s work, you should be able to afford to put a roof over your head and food on the table.”

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 people trying to enter the workforce.

It’s important to remember when government increases costs for business, fewer jobs might be available. That means for some, the minimum wage becomes \$0.

Scott Reeder is a veteran statehouse journalist and a freelance reporter.