PROMOTING ETHICS IN PUBLIC LIFE
National Legal and Policy Center

The $15 an Hour Minimum Wage: A Bad Idea with a Union Label

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August 29, 2016

It began at the fringes. And almost at warp speed, the campaign for a $15 an hour federal minimum wage has taken center stage. The Democratic Party has made it part of its platform. Presidential candidate Hillary Clinton all but supports it. Her intraparty rival, Bernie Sanders, is sponsoring a bill to achieve it. Cities such as Los Angeles, Seattle and Washington, D.C., plus the states of California and New York, have passed laws to phase it in.   Heavily driven by organized labor, supporters insist that a $15 an hour minimum is way overdue. The current $7.25 an hour, they say, has not kept pace with the rising cost of living and thus has thrown many Americans into poverty. This claim is off-base. If fully realized, such legislation would leave a trail of unemployment and shuttered businesses. In some communities, in fact, this has begun to happen.

National Legal and Policy Center described at length the logic, motives and strategy of the $15 an hour minimum wage campaign in September 2013 and again in September 2014. Back then, the idea was in its germination stage. The Service Employees International Union (SEIU) gave vocal support, but other unions, much as they sought an increase, seemed reluctant to go so high all at once. The subsequent burst of support is a testament to the capacity of an artificially-created "bandwagon" to shape public opinion. And much of the public does view the idea favorably. According to a poll last year conducted by the National Employment Law Project, admittedly a less than unbiased source, about 60 percent of respondents supported a $15 an hour minimum wage. Street activists, with their raised-fist, phonetically-catchy slogan, "Fight for Fifteen" (#FightforFifteen), have gone all out to convince the American public that anything less than that would be an affront to moral justice. Rarely, if ever, do these enthusiasts weigh the consequences of such actions. And the consequences of doubling the current federally-mandated level would not be good for employers. Nor would they be good even for most of their intended beneficiaries, entry-level employees.

The Fight for Fifteen campaign is driven foremost by organized labor. Whether directly or indirectly, unions have been involved in every campaign to create a $15 an hour minimum wage. On the federal level, the AFL-CIO, whose 56 member unions represent 12.5 million workers, is calling upon Congress to pass legislation to that effect. The federation notes on its website that the minimum wage would be $18.42 an hour if productivity gains in the U.S. economy since 1968 were taken into account. In New Jersey, the state AFL-CIO chapter this year testified on behalf of a New Jersey Senate Labor Committee bill to phase in a $15 an hour minimum by 2021, an 80 percent increase over the current $8.38 an hour. The Senate passed the measure on June 23, setting up a showdown with Republican Governor Chris Christie. And on a local level, Raise Up Cleveland, an ad hoc group representing dozens of unions with roughly 100,000 unionized workers in the Cleveland metro area, passed a resolution this June to raise the minimum hourly wage for the city to $15. "The fight for the $15 an hour movement is happening in the streets and on picket lines, and it is happening in Congress, statehouses and city halls," said Raise Up Cleveland Executive Secretary Harriet Applegate. On that, she is right. This is an all-out national campaign.

The greatest impact of the unions is being felt in its alliances with "worker centers." These nonprofit storefront operations, though formally not unions, perform key functions of unions, including organizing and picketing, but without having to comply with the National Labor Relations Act. Many came about to serve the needs and interests of first-generation immigrants. Not only do unions work with worker centers, they often use them as fronts. There is a mutual advantage to such an arrangement. Worker centers get expertise in how to organize entry-level workers. Unions can realize boosts in membership, dues and bargaining power, especially in the fast food, home care, building maintenance and other service industries in which many immigrants of limited English-speaking ability work. The SEIU, for example, is the driving force behind a New York City-based coalition, Fast Food Forward, that launched the Fight for Fifteen movement on August 29, 2013 by leading walkouts and demonstrations at various restaurants. Fast Food Forward, as Union Corruption Update noted at the time, is virtually identical to New York Communities for Change, the reconstituted New York City chapter of the now-disbanded Association of Community Organizations for Reform Now, or ACORN. Meanwhile, the "HERE" (Hotel Employees and Restaurant Employees) portion of UNITE HERE is sponsoring its own worker center, Restaurant Opportunities Centers United, which in addition to lobbying lawmakers to raise the minimum wage to $15 an hour, helps federal and state agencies enforce minimum wage laws, files lawsuits to win wage settlements, and publishes an annual "ethical eating" guide. And the United Food and Commercial Workers is the prime backer of OUR Walmart, an employee-sponsored worker center which has organized strikes, pickets and customer disruptions at selected Walmart retail outlets across the nation.

In short order, the Democratic Party, with its hardcore union base, has climbed aboard the Fight for Fifteen express. The party platform at this year's party convention in Philadelphia included an endorsement of a $15 an hour national minimum wage. Around that time, President Obama expressed support for the Washington, D.C. local government's passage of a bill to raise its minimum wage to $15 an hour: "I commend the District of Columbia, Mayor Muriel Bowser and the Council of the District of Columbia for raising the District's minimum wage." This was a quantum leap from his earlier appeals in 2013 and 2014 to raise the federal minimum wage, respectively, to $9 and $10 an hour, and his executive order in January 2015 that raised the rate to $10.10 an hour for employees covered by federal contract. Presidential nominee Hillary Clinton, who for the last few years has sought a rise to $12 an hour, announced during a campaign stop in New York this April that if $15 an hour minimum wage legislation was placed on her desk, she would sign it. In her convention acceptance speech, she declared: "If you believe the minimum wage should be a living wage – and no one working full time should have to raise their children in poverty – join us." Even Republican presidential nominee Donald Trump, though not endorsing a $15 an hour minimum wage, has backed away from his earlier opposition to a hike of any kind. This May, Trump said that he is "open to doing something" about the current $7.25 an hour minimum.

If there is one political figure who shifted this juggernaut into high gear, it is Senator Bernie Sanders, I-Vt. Sanders gave a Mrs. Clinton a good scare during primary season, in the process coaxing her ever further leftward. He already had established himself as the movement leader last year. On July 22, 2015, Sanders introduced legislation, the Pay Workers a Living Wage Act (S.1832), that would raise the federal minimum wage to $15 an hour over a four-year period. He defended his bill with evangelical fervor during a rally outside the U.S. Capitol: "It is a national disgrace that millions of full-time workers are living in poverty and millions more are forced to work two or three jobs just to pay their bills," he bellowed. "In the year 2015, a job must lift workers out of poverty, not keep them in it. The current federal minimum wage of $7.25 an hour is a starvation wage and must be raised to a living wage." In addition to more than doubling the general minimum wage, the measure also would raise the standard rate for restaurant and other tipped employees from the current $2.13 an hour to $3.15 an hour. A group of House members, including Rep. Keith Ellison (D-Minn.), Raul Grijalva (D-Ariz.) and Sheila Jackson-Lee (D-Tex.), introduced companion legislation that same day.

The roster of governments adopting the $15 an hour standard, meanwhile, has grown since the City of Seattle, preceded by nearby SeaTac, adopted it a couple of years ago. Greensboro, Los Angeles, Pittsburgh, Rochester, San Francisco, Syracuse and Washington, D.C., plus the smaller cities of Emeryville and Mountain View (both in California), Milwaukie (Oregon), Missoula (Montana) and San Marcos (Texas), each have enacted ordinances phasing in that rate. In some cases, such as Pittsburgh and Syracuse, the hike applies only to municipal employees; in others, like Los Angeles, Seattle and Washington, D.C., it applies to all employees. Los Angeles County also has approved a $15 an hour minimum wage. On a state level, New York and California, early this June, within hours of each other, passed $15 an hour minimum wage legislation set to take full effect, respectively, in 2021 and 2022. The rates for these states before passage were $9 and $10 an hour. Thus, roughly 60 million Americans, close to a fifth of the nation's population, currently live in jurisdictions where a $15 an hour minimum wage is being phased in. Throwing in pending legislative and ballot proposals, that total is likely to rise a good deal further. If instituted nationally, about one-third of all current U.S. wage and salary workers would benefit.

Supporters couldn't be happier. And success has made them more determined than ever. "The Fight for $15 is more than a number," Secretary of Labor Thomas Perez recently declared. "This is a movement for fairness and voice." Service Employees President Mary Kay Henry is delighted to have him on her side: "The idea that the labor secretary thinks their fight is moral and just is a huge affirmation to them [movement leaders and low-wage workers]." At the June 4 signing ceremony of New York's $15 an hour law, Governor Andrew Cuomo announced: "This new economy is not a fair economy for the middle class and working families of this country. They feel that the American dream is slipping away." In California, Governor Jerry Brown announced at his signing ceremony in Los Angeles: "This is about economic justice. This is an important day. It's not the end of the struggle, but it's a very important step forward."

Gov. Brown's comment underscored the widespread conviction among supporters that a $15 an hour minimum wage is a first step. Those supporters include economists. Writing in the current (Summer 2016) issue of the progressive quarterly, *The American Prospect*, David Howell, professor of economics and public policy at the New School of Social Research, argued:

While a target like $15 can be a good political strategy, the process of raising the statutory wage floor to the highest level possible without causing intolerably large employment effects is to establish an annual rate of increase, either in percentage or absolute dollar terms. A commission, much like the UK's Low Pay Commission, would closely monitor the wage hikes for effects on the standard of living of working families (given prevailing means-tested benefits, which will need to be adjusted), business closures, and job opportunities.

From the perspective of supporters, then, a hike in the minimum wage to a "living" level is a perpetual work in progress. Howell is confident that any unemployment resulting from a $15 an hour minimum wage would be more than offset by improved employee morale and resulting improved job performance and less turnover. He is likewise confident that such a wage would result in less reliance upon anti-poverty programs, in the process saving taxpayers money.

Howell is not alone in his profession. Several weeks ago, a group of 208 economists put their names on an online petition indicating their support for phasing in a $15 per hour minimum wage by 2020. The petition read in part:

We, the undersigned professional economists, favor an increase in the federal minimum wage to $15 an hour as of 2020. The federal minimum wage is presently $7.25, and was most recently increased in 2009. We also support intermediate increases over the current federal minimum between now and 2020, such as a first-step raise to $10.50 an hour as of 2016…

We recognize that raising the federal minimum wage to $15 an hour as of 2020 would entail an increase that is significantly above the typical pattern with federal minimum wage increases. Nevertheless, through a well-designed four-year phase-in process, businesses will be able to absorb the cost increases through modest increases in prices and productivity as well as enabling low-wage workers to receive a slightly larger share of businesses' total revenues. On average, even fast-food restaurants, which employ a disproportionate share of minimum wage workers, are likely to see their overall business costs increase by only about 2.8 percent per year through a four-year phase-in to a $15 federal minimum wage by 2020. That means, for example, that McDonalds could cover fully half of the cost increase by raising the price of a Big Mac, on average, by 7 cents per year for four years – i.e., from $4.80 to $5.08. The remaining half of the adjustment could come through small productivity gains or a modestly more equal distribution of the increase in revenues generated by the U.S. economy's overall rate of economic growth.

The economy overall will benefit from the gains in equality tied to the minimum wage increase and related policy initiatives. Greater equality means working people have more spending power, which in turn supports greater overall demand in the economy. Greater equality also means less money is available to flow into the types of hyper-speculative financial practices that led to the 2008-09 Wall Street crash and subsequent Great Recession.

Fight for Fifteen advocates in Seattle, where the city council unanimously approved a bill in June 2014 to phase in a $15 minimum wage, provide the same facile assurances. “The sky is not falling,” said Jacob Vigdor, a professor of public policy at the University of Washington, “If it was really bad, a lot of people would have lost their jobs and every opening would get tons of applicants. That is not happening.” Vigdor and fellow researchers, analyzing state employment data during when the Seattle minimum wage stood at $11 an hour (compared to $9.32 an hour for the rest of the state) found that a higher wage did not have a significant effect on unemployment rates, employee hours worked or business failures. They also concluded that Seattle retail and gasoline prices were unaffected.

The authors should have waited a while. For one thing, the $15 per hour rate has yet to take effect even for large businesses (at least 500 employees), let alone small ones, which have an extra four-year reprieve. And for another, the Seattle experience *already* has provided evidence of a rough ride ahead for a $15 an hour minimum wage, especially for restaurants. Here’s how a blogger for *Forbes*, Tim Worstall, explained things in March 2015:

Since the legislation was announced last summer, The Seattle Times and Eater have reported extensively on restaurant owners’ many concerns about how to compensate for the extra funds that will now be required for labor: They may need to raise menu prices, source poorer ingredients, reduce operating hours, reduce their labor and/or more.

The Washington Restaurant Association’s [Anthony] Anton puts it this way: “It’s not a political problem; it’s a math problem.

A first-hand account quoted in the article was less than optimistic:

As the implementation date for Seattle’s strict $15 per hour minimum wage law approaches, the city is experiencing a rising trend in restaurant closures. The tough new law goes into effect April 1st. The closings have occurred across the city, from Grub in the upscale Queen Anne neighborhood, to Little Uncle in gritty Pioneer Square, to the Boat Street Café on Western Avenue near the waterfront.

The shut-downs have idled dozens of low-wage workers, the very people advocates say the wage law is supposed to help. Instead of delivering the promised “living wage” of $15 an hour, economic realities created by the new law have dropped the hourly wage for these workers to zero.

Advocates of a high minimum wage said businesses would simply pay the mandated wage out of profits, raising earnings for workers. Restaurants operate on thin margins, though, with average profits of 4% or less, and the business is highly competitive.

It won’t be until 2021 when Seattle small businesses will have to pay a $15 an hour minimum wage. Given the job losses already, one dreads to imagine what it will be a decade from now. None of this should be shocking to anyone save for the activists who pushed for the law, most of all, Seattle City Councilwoman Kshama Sawant. The economists who signed the above-quoted manifesto might want to rethink their assumptions.

Proponents of the Seattle law counter that unemployment actually has fallen since enactment. A letter to *Forbes*, published in March of this year, went like this: "Between January and December 2104, while Seatac's business owners (and their customers) were absorbing the cost of paying minimum wage employees $15, unemployment decreased 17.46%, falling from 6.3% to 5.2%. It turns out that you CAN increase the minimum wage (even in large increments) and increase overall employment at the same time." Such an assertion fails to isolate cause and effect. There are any number of explanations for Seattle's healthy economy *that have nothing to do with a minimum wage hike*. For one thing, the Seattle employment situation, like that of anywhere else, is a reflection of regional and national employment. A rising tide, as the expression goes, lifts all boats. For another, Seattle has an educated, mobile and well-paid work force, many of whom make well in excess of $15 an hour or its salary equivalent. Some of the nation's largest, innovative and profitable employers – think Amazon, Boeing and Microsoft – are headquartered or have a major presence in the Seattle area. Worstall explained the false causality:

No one at all has ever doubted that it is possible to increase employment and the minimum wage at the same time. The impact of the general economy is usually going to be larger than the impact of the minimum wage. The impact of that general economy could mean that employment rises, stays the same or falls, whatever happens to the minimum wage. But that's not the interesting thing we'd like to know. Which is, what is the effect of raising the minimum wage on unemployment? Freed from the impacts of everything else happening in the economy? And there the standard answer is that it will raise unemployment and no, no one has managed to come up with a convincing case against this standard wisdom.

The University of Washington study has the same problem. The authors, after comparing the situation of workers making less than $11 an hour in Seattle with that of workers elsewhere in Washington State (where the minimum wage is $9.32 an hour), concluded that the employment rate of low-wage workers in Seattle increased by 2.6 percentage points over the study period. That was somewhat less than the 3.8 percentage points in a hypothetical, "synthetic" Seattle economy. The finding prompted the authors to conclude: "(T)he Minimum Wage Ordinance modestly held back Seattle's employment of low-wage workers relative to the level we could have expected." Yet these are preliminary results in a state with a highly functional economy. As a Cato Institute paper noted in July: "Evaluations simply looking at the total number of low-wage jobs in Seattle before and after the increase took effect would have observed a substantial increase in the total number of jobs, and may have erroneously concluded that there were no adverse employment effects of the minimum wage increase."

The effects of planned minimum wage hikes are being in California as well. Shortly after the City of Los Angeles raised its minimum wage last year to $15 an hour, American Apparel eliminated 500 clothing manufacturing jobs in the city and announced plans to relocate those jobs elsewhere in the state. This June, following passage of the California state hike to that level, the company began examining the possibility of moving production outside the state altogether. California Composites, a Santa Fe Springs (Los Angeles County)-based commercial airplane parts manufacturer, is planning to close shop and move to Fort Worth, Texas. Company President Fred Donnelly sees no other way out. "This is the last thing I want to do, but I don't see that I have a choice," he said, citing the statewide minimum wage hike, excessive regulation and a "dysfunctional" worker's compensation system as primary reasons. Other California manufacturers, he says, may be heading elsewhere as well: "I've talked to some of our suppliers and other people in the business – in particular, owners that are in small manufacturing – and they're thinking about it."

The case against the $15 minimum wage is based on more than just anecdotal evidence. Structured studies have concluded that a rapid hike in the minimum wage, even to levels well under $15 an hour, would trigger employment losses. In February 2014, the Congressional Budget Office published its analysis of a pair of proposals to hike the federal minimum, one to $9 an hour and the other to $10.10 an hour. In the first instance, the CBO estimated, about 100,000 jobs would be lost; in the second, 500,000 would be lost. In a separate study employing the CBO methodology, William Even (Miami of Ohio) and David Macpherson (Trinity University in San Antonio) estimated that a $12 national minimum wage would lead to the loss of 770,000 jobs. And these are consequences of rates set well under $15 an hour! Common sense, if nothing else, ought to lead to a conclusion that the net job loss under a $15 an hour national minimum wage would run into the millions.

The Heritage Foundation has released research this summer indicating just that. Heritage labor policy analyst James Sherk published a paper concluding that if Congress passed Senator Bernie Sanders' $15 an hour minimum wage legislation next year, the outcome would be a loss of seven million full-time equivalent (FTE) jobs four years later. Working with a Current Population Survey/National Bureau of Economic Research data base, he projected:

(I)f Congress raised starting wages to $15, employers would reduce employment of affected workers by approximately 19 percent. That represents about 6.9 million fewer FTE jobs in the U.S. by 2021. These job losses come on top of jobs lost by state-level minimum-wage increases. The Pay Workers a Living Wage Act would prevent seven million workers from getting paid anything.

In his analysis, Sherk noted that employers on average would have to hike affected workers' wages by 27.4 percent, and more likely than not, would have to offer additional compensation to workers who make just above the newly-created minimum. He also took into account the fact that employer expenses go beyond wages. They include FICA payroll taxes (i.e., Social Security and Medicare Part A), unemployment taxes, workmen's compensation contributions and a wide range of benefits. In the case of health care, employers with 50 or more employees who decline to offer a health plan would be forced under the Affordable Care Act ("Obamacare") to pay a per-employee penalty from after-tax revenues. Currently, the figure is $2,160 per worker, a level set to rise to $2,886 by 2021. From the employer's standpoint, Sanders' minimum wage proposal would cost on average $18.61 an hour per worker. Sherk followed up this report with another one a few weeks later that provided a state-by-state breakdown of the proportion of the work force directly affected and the change in full-time equivalent jobs. Texas, in particular, would fare poorly in each instance.

Employment impacts aside, living wage enthusiasts justify an extreme minimum wage hike as an act of fiscal prudence. By forcing employers to pay a "living wage," millions of working Americans would be lifted out of poverty and hence no longer would need cash welfare, food stamps, Medicaid and other forms of public assistance. Taxpayers in turn would realize a huge savings. Researchers at the Washington, D.C.-based Economic Policy Institute (EPI), a leftleaning think tank partially funded by organized labor, recently concluded, "Raising the minimum wage to $10.10 would reduce government expenditures on current income-support programs by $7.6 billion per year – and possibly more, given the conservative nature of this estimate." Sen. Sanders cited this statistic in a tweet he sent to followers on May 4 following his victory in the Indiana Democratic primary. EPI researchers subsequently ran their model for a $12 an hour minimum wage, concluding that an annual $17 billion savings would result. What would the impact of raising the minimum to $15 an hour? Lead investigator David Cooper put it this way: "I don't think we know definitively whether $15 would be different because it is larger than the increases that have been rigorously studied. If you think $15 would have some sizable negative effect on employment or hours, it's going to moderate those savings (on government assistance programs). We have no way to know how much."

Such projections, however, rest on the assumption that hiking the minimum wage would not decrease employment, either by eliminating jobs outright or reducing the number of working hours per week. The studies cited earlier suggest this assumption is naïve at best. And a loss of employment-related income would increase usage of public assistance. Tara Sinclair, an economist at George Washington University, noted: "A larger hike is more likely to cause a decrease in employment opportunities, and that could result in an increase in the demand for government support rather than a decrease." Texas A&M economist Jonathan Meer likewise has expressed skepticism. "These estimates are predicated on the notion that the minimum wage is a simple transfer from employers to employees, with no negative effects on employment," he notes. "The higher the minimum wage goes, the worse of an assumption that is."

There is ample evidence that aggressively raising the minimum wage would have at best a small positive effect on the working poor and, more likely, a large negative effect. In a 2007 peer-reviewed article, economists Richard Burkhauser (Cornell) and Joseph Sabia (San Diego State University), after examining Census data for the period 1979-2003, concluded that minimum wage increases produced no significant reductions in poverty. The authors did a follow-up study on the consequences of instituting a $9.50 an hour federal minimum wage, once again finding a weak association between higher wages and less poverty. In another study, Sabia and University of Georgia economist Robert Nielsen used an alternate data base for measuring poverty, the Survey of Income and Program Participation. The authors found no evidence that raising the minimum wages alleviates material hardship. And economists David Neumark (University of California-Irvine) and William Wascher (Federal Reserve Board), using Current Population Survey data, discovered that a minimum wage hike redistributed income among the poor rather than raised it. Some low-income workers who kept their jobs did move out of poverty, but many others lost their jobs. In these and other studies, there were two dominant reasons for the lack of expected improvement: 1) employees were let go or had their work hours reduced; and 2) few among the beneficiaries lived in low-income households.

Supporters of a $15 an hour minimum wage often respond to such research by citing research by the Center on Wage and Employment Dynamics, a project of the University of California, Berkeley's Institute for Research on Labor and Employment (IRLE). Led by Professor Michael Reich, the center has conducted studies of the effects of four such proposals in California cities (Los Angeles, Oakland, San Diego and San Francisco) and one in New York State. The New York study, released this March, concluded that a hike in the state minimum hourly wage from $9 to $15 would increase earnings for 3.16 million workers, or 36.6 percent of the work force. Annual pay for those getting raises would rise by 23.4 percent. By contrast, payroll cost increases will be a mere 3.2 percent for for-profit employers. Even this modest rise, the authors say, will be mitigated by employee turnover reductions, automation and increases in productivity. Prices would rise by a tiny 0.14 percent annually during the phase-in period, an increase well below the 2 percent rate of inflation. And employment would gain by 3,200 jobs by mid-2021. It looks almost too good to be true. And it probably is.

The conclusion that ramping up the minimum wage to $15 an hour will boost employment, as *Forbes*' Worstall argues, rests on the shaky assumption that low-income people, given their higher propensity to spend than people with higher incomes, will do just that with their newfound income. This, in turn, will trigger local and regional economic multiplier effects. This, however, is not a sound assumption. He writes:

(W)e're not inventing new money to pay these higher wages…So what we need to know is what is the marginal propensity to spend/save, and then apply that to the total amount of money being moved before we can see what the effect on demand is. They (the authors) do list that propensity for different income groups but they don't seem to apply it to this increase in wages. And that's something which must be done. A reasonable and rough estimate is that with a national savings rate of 5% or so, as the U.S. currently has, with poorer people saving nothing, the rather fewer richer people are going to be saving 15% or so of their incomes (and of course that gets greater up into the 0.1% and so on but 15% is a reasonable guesstimate for us to use).

Thus the impact on demand is not the $14 billion of extra wages they've assumed. Instead it's 15% of that: the 15% that the rich would have saved, not spent, but which the poor will now spend. That lowers that estimate of jobs created by the higher minimum wage caused increased demand to 12,000 or so. Against that we've still got this paper's estimates of job losses due to higher prices, automation and so on, leaving us with a net position of about 65,000 losses in total.

Defenders of the New York and other IRLE studies no doubt have answers to this. But it is of more than passing importance that opposition to a $15 an hour "living" minimum wage isn't limited to the Right. A number of liberal economists prominent in the area of employment policy are having severe bouts of skepticism. Brookings Institution economist Gary Burtless admits: "It's very hard to believe that a minimum wage hike to $15 would produce the same adverse impact on employment as a hike to just $10.10." Harry Holzer, chief economist for the Department of Labor under President Clinton and currently also affiliated with Brookings, said of a $15 an hour minimum wage: "Such increases are extremely risky. In job markets where young or less-educated workers already have difficulty finding jobs and gaining important work experience, such mandates will likely make it much harder." And Princeton economist Alan Krueger, who during November 2011-August 2013 chaired President Obama's Council of Economic Advisers, also had some choice words. "A $15 per hour national minimum wage would put us in uncharted waters, and risk undesirable and unintended consequences…[T]he push for a nationwide $15 national minimum wage strikes me as a risk not worth taking."

Liberal or otherwise, a sizable portion of the economics profession also has misgivings about a $15 an hour minimum wage. Early last fall, researchers at the University of New Hampshire conducted a nationwide survey of economists on behalf of the Washington, D.C.-based

Employment Policies Institute. Of the 166 respondents, 83 percent and 52 percent, respectively, believed that a $15 per hour minimum would adversely affect youth and adult employment. Fully 76 percent believed it would diminish the number of available jobs. And 67 percent said it would make it harder for small businesses to operate. This survey should be seen as a counterweight to the online petition supported by 208 economists whose roster, upon inspection, is heavily weighted toward specific institutions. Fully 23 of the signers are affiliated with the University of Massachusetts-Amherst; five are with the University of Massachusetts-Boston; and six are with the University of Missouri-Kansas City. Does the phrase "peer pressure" come to mind?

The $15 national minimum wage, only a few years ago considered beyond the pale of serious consideration, has captured the public imagination. And as the roster of cities, counties and states adopting it continues to grow, the pressure for corresponding federal legislation likewise will grow. Hillary Clinton might still hold a preference for a $12 minimum, but it is a virtual guarantee that, if elected president, she will push for $15. Her base, especially organized labor, would demand nothing less. The $15 an hour figure itself is arbitrary. A leading Service Employees organizer, Kendall Fells, admits that his union invented the number during discussions with disaffected workers. He explains the SEIU methodology this way: "$10 was too low and $20 was too high, so we landed at $15." The SEIU reportedly spent $20 million on this campaign in 2015 and roughly $70 million since 2012.

Supporters of more than doubling the federal minimum wage to $15 an hour typically invoke lofty principles such as "justice," "decency" and "fairness" in framing their appeal. In pursuing their mission, they rarely consider that good intentions can lead to counterproductive outcomes. Instead, they assume that their opponents are possessed of malevolence. They should check their resentments at the door. Those who oppose a radical hike in the minimum wage are not saying that workers should be paid less than what they are worth. What they *are* saying is that the definition of "worth" is subjective; i.e., it varies from person to person. And employers who perceive their workers to be underpaid have a ready-made option to remedy the situation: Given them a raise. Unfortunately, labor unions and their allies prefer to narrow the range of options. If not by intent, then by consequence, the result may be more than a few employers pushed to the brink of insolvency.