



Steyer Ups Ante In Bidding War For Votes

Thomas Mitchell

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All of the candidates still seeking the Democratic presidential nomination have at one time or the other advocated doubling the federal minimum wage to \$15 an hour. Recently billionaire businessman Tom Steyer upped the ante in his vote buying scheme by calling for tripling the minimum wage to \$22 an hour.

As The Wall Street Journal editorialists point out, this is not a serious campaign ploy. It is the punchline of a Republican joke. “When liberals call for a nationwide \$15 minimum wage, conservatives often offer a half-serious rhetorical response: Why stop there?” the editorial recounts, adding that Steyer doesn’t get the joke.

At a campaign stop in South Carolina Steyer told his audience, “The fair number should be \$22 an hour. That should be the minimum wage in the United States of America: \$22. Think about what this country would be like if we had a \$22 minimum wage: completely different.”

Yes, think about the number of people who would be unemployed. The current federal minimum wage is \$7.25, though a number of states and cities have raised their minimum wages, with often counterproductive results. One study found the average low-wage worker in Seattle lost \$125 a month because the minimum wage was raised to \$15 an hour and hours were cut.

This past year the Congressional Budget Office (CBO) estimated that somewhere between 1.3 million and 3.7 million would lose their jobs if the minimum wage were raised to \$15 an hour. What would that number be at \$22? How many businesses would be bankrupted by such a wage hike?

A Cato Institute analysis in 2012 found that a 10 percent increase in the U.S. minimum wage raises food prices by up to 4 percent. Imagine what a 200 percent increase would do.

The problem is that study after study has found that raising the minimum wage does not lift more people out of poverty, but rather its net effect is to actually increase the portion of families that are poor and near-poor, according to an analysis of those studies by the Heritage Foundation. This is because a few will see higher income, others will have their work hours reduced and some will drop from minimum wage to zero wage due to layoffs and businesses closing their doors.

But all the Democratic candidates are on board for raising the minimum wage.

Former Vice President Joe Biden has called for \$15 an hour and indexing to the median hourly wage so low-wage workers keep up with middle-income workers.

Sen. Bernie Sanders said, “A job must lift workers out of poverty, not keep them in it,” calling \$7.25 a starvation wage.

Pete Buttigieg could also phase out the subminimum for tipped workers.

Warren also would index the minimum wage to median hourly wages.

Sen. Amy Klobuchar would start in her first 100 days in office by raising the minimum wage for federal contractors to \$15 an hour.

Mike Bloomberg would hike the minimum wage and index it to inflation.

They are all in the same choir. Just one is singing much more loudly than the others.

As Thomas Sowell points out in his book “Basic Economics,” “Making it illegal to pay less than a given amount does not make a worker’s productivity worth that amount — and, if it is not, that worker is unlikely to be employed. Yet minimum wage laws are almost always discussed politically in terms of the benefits they confer on workers receiving those wages. Unfortunately, the real minimum wage is always zero, regardless of the laws, and that is the wage that many workers receive in the wake of the creation or escalation of a government-mandated minimum wage, because they either lose their jobs or fail to find jobs when they enter the labor force.”

Nevada’s Democratic caucus is Saturday. It doesn’t look like Democratic voters have much choice on this issue.

Now that Nevada has election day voter registration, we wonder how many Republicans might switch over just to keep this bidding war alive. Not suggesting it, of course.