

1 Million Floridians Who Voted for Trump Also Voted for Minimum Wage Increase

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While a traditionally red state, Florida passed a minimum wage increase ballot initiative which is exactly what a COVID economy does not need.

On November 3, Floridians voted on a proposed constitutional amendment that would enact a \$15 minimum wage. A "yes" vote supported the initiative to increase the state's minimum wage incrementally, ultimately reaching \$15 per hour in September 2026. A "no" opposed the incremental increase thus keeping the existing minimum wage of \$8.56 per hour as of 2020. According to the *Miami Herald*, as of November 3, 64.48 percent of Florida's active registered voters had already cast mail-in or early votes. After election day, the number of votes for Donald Trump and Joe Biden combined was 10,965,776. Despite the president winning the majority of votes in Florida, 6,391,753 (60.82 percent of voting Floridians) residents of the Sunshine State voted "yes" on Florida Amendment 2.

Last year, 21 states passed measures to increase their minimum wage and the coronavirus pandemic and accompanying financial struggles many low-wage workers have been experiencing creates the perfect storm for Democratic lawmakers to push the agenda on minimum wage hikes. This is showcased by the unpredicted success of Florida Amendment 2, in a traditionally red state with Republican Gov. Ron DeSantis publicly opposing the minimum wage hike, two Republican Senators, and a majority Republican state legislature. With Donald Trump securing more than half of the state's votes, approximately one million Florida voters cast their vote for the incumbent president while also voting, "yes" on Florida Amendment 2.

Minimum wage hikes have always been a favorite in the Democratic playbook thus, seeing voters who would vote for a Republican candidate also voting for the minimum wage hike is initially confusing. However, a recent <u>Pew Research Center study</u> poll shows that 67 percent of Americans support raising the minimum wage to \$15 an hour. Much of this shift is attributable to the COVID-19 pandemic. Low-wage workers were heaviest hit by the pandemic-related recession. <u>According to WalletHub</u>, Florida experienced a whopping 1,880.72 percent change in unemployment claims since the start of the COVID-19 crisis in comparison to last year.

As coronavirus has highlighted the issues of poverty and food insecurity across the nation, minimum wage hikes are not the way to mitigate this problem. Upon first glance, it may seem as

if raising the minimum wage would be the first step in solving the damage brought by the pandemic. However, a deeper look will tell us otherwise. A recent study by the Congressional Budget Office, titled "The Effects on Employment and Family Income of Increasing the Federal Minimum Wage," examines how increasing the federal minimum wage to \$10, \$12, or \$15 per hour by 20025 would affect employment and family outcome.

According to the Congressional Budget Office study, the obvious outcome will occur, millions of workers would see their wages rise. The \$15 per week minimum wage option would boost the wages of 17 million workers who would earn less than \$15 per hour. The \$12 option would increase wages for 5 million workers who would earn less than \$12 per hour, and the \$10 option would raise wages for 1.5 million workers who would earn less than \$10 per hour. However, each option has its ominous figures as well. If a \$15 per week minimum wage option were to occur, 1.3 million workers would become jobless. If a \$12 per week minimum wage were to occur, 3 million workers would become jobless. However, the \$10 per hour option would have little effect on employment.

Overall, it is clear that while minimum wage hikes may aid some individuals and families, it will also increase unemployment in a time when no state can afford any increase in unemployment claims.

Minimum wage hikes have a myriad of harmful unintended consequences to all businesses, especially small businesses, the backbone of the American economy. Minimum wage increases in Florida will force businesses to reallocate their costs to cover the increase in employees' wages ultimately forcing them to alter spending elsewhere to offset their increased costs of business. More times than not, this results in reduced hiring, a reduction in work hours, and increasing prices for consumers. This is often the difference between staying open and bankruptcy for small businesses that already have marginal profits.

A 2007 study from economists at the University of California-Irvine and the Federal Reserve Board examined the body of work on the subject and found 85 percent of the studies they considered credible demonstrate minimum wage laws cause job losses for less-skilled employees.

<u>Furthermore</u>, a 2010 study done by economists at Cornell University and American <u>University</u> found no reduction in poverty in the 28 states that raised their minimum wage laws from 2003 to 2007.

While attempts to create a minimum standard of living and protecting Florida's workers in a pandemic-world is laudable, the overall economic effects of passing this constitutional amendment will do more harm than good in a time when the Sunshine State does not need any more economic hardships.

The flowing documents provide more information about minimum wage laws.

Busting 5 Myths about the Minimum Wage

http://blog.heritage.org/2013/03/05/busting-5-myths-about-the-minimum-wage/

James Sherk of The Heritage Foundation debunks five myths about minimum wage hikes, often used by proponents of minimum wage laws: "A higher minimum wage would help some workers, but few of them are poor. The larger effect is hurting the ability of potential workers living in poverty to get their foot in the door of employment. A minimum wage hike might help politicians win plaudits from the press, but it wouldn't reduce poverty rates."

Unintended Consequences of Raising the Minimum Wage

http://mercatus.org/publication/unintended-consequences-raising-minimum-wage

Antony Davies of the Mercatus Center examines arguments for and against minimum-wage increases and presents new results comparing employment for workers with differing educational attainments.

The Negative Effects of Minimum Wage Laws

https://www.heartland.org/publications-resources/publications/the-negative-effects-of-minimum-wage-laws

Mark Wilson of the Cato Institute reviews the economic models used to understand minimum wage laws and examines available empirical evidence. Wilson describes how most of the academic evidence shows minimum wage laws have negative effects, and he discusses why some studies produced seemingly positive results.

The Effects on Employment and Family Income of Increasing the Federal Minimum Wage

https://www.cbo.gov/system/files/2019-07/CBO-55410-MinimumWage2019.pdf

The Congressional Budget Office examines how increasing the federal minimum wage to \$10, \$12, or \$15 per hour by 2025 would affect employment and family income across the nation. This shows that while minimum wage increases will provide some level of raised wages for some individuals, it will also lead to many workers across the nation losing their jobs.

Two-thirds of American favor raising the federal minimum wage to \$15 an hour

https://www.pewresearch.org/fact-tank/2019/07/30/two-thirds-of-americans-favor-raising-federal-minimum-wage-to-15-an-hour/

The Pew Research Center conducted a survey in the spring of 2020 regarding the public approval of raising the federal minimum wage to \$15 an hour. This shows the overwhelming trend of many across the nation believing that minimum wage increases are a viable way to pull Americans out of poverty.