



Maximize wage, minimize logic

By Patrick An
October 13, 2014

Last Monday, the staff editorial “Maximizing the minimum wage” applauded the legislation enacted in this state for increasing the minimum wage gradually to \$10.10 per hour on the basis that the current rate cannot support the livelihood of a working family. Of course, the recent actions of our state are part of the larger national dialogue on increasing the minimum wage, in which keeping it at \$7.25 per hour is depicted as nothing short of promoting plutocratic oppression.

When distorted to this degree, it is difficult not to invite the visceral outrage of the masses; however, I am not convinced, on any logical basis, that increasing the minimum wage carries with it positive prospects for the future of our state and country. It seems the leftist supporters once again are trying to promote economic policies through the justification that doing things that feel right is right.

Despite the amount of sympathy already engendered toward increasing the minimum wage, a policy change could cause unwanted consequences. According to an estimate by the nonpartisan Congressional Budget Office in February, increasing the minimum wage to the proposed \$10.10 per hour will cost an estimated 500,000 jobs nationwide. Although shocking, this finding is not a novel one. A 2012 study done by the Cato Institute, a libertarian think tank, concluded that “the main finding of economic theory and empirical research over the past 70 years is that minimum wage increases tend to reduce employment.” In an analysis done by the American Action Network, all of the 19 states that increased their minimum wage above that of the federal rate in 2013 suffered a decrease in employment. Washington, which had the highest minimum wage at \$9.19 per hour, saw the largest increase in unemployment: 2.87 percentage points.

The image of minimum-wage workers being full-time working breadwinners is also grossly exaggerated, as exploiting the poor for sympathy is utilized regularly to further leftist agendas. In reality, according to data from the Bureau of Labor Statistics, only 1.1 percent of workers age 25 and older make the minimum wage, and only 0.8 percent of full-time workers make that much. In fact, about 49 percent of workers earning minimum wage or less are inexperienced workers aged 24 or under. According to the Cato Institute, 68.5 percent of Americans in poverty do not work, and “in the recent federal minimum wage increase from \$5.15 to \$7.25, only 15.8 percent

of the workers who were expected to gain from it lived in poor households. ... Wage increases between 2003 and 2007 had no effect on state poverty rates.”

Unfortunately, many activists and students of this university with whom I have spoken are quick to denounce the findings of these scientific studies by referring to them as “myths” and imprudently affirm that raising even a few families out of poverty is enough to justify the minimum wage increase and its consequences. I have no respect for people who will so illogically sacrifice the economic welfare of the nation to marginally benefit the few. If they really place so much value on raising families out of poverty no matter the cost, then they should have no concerns over analyzing the statistics.

As students of a research institution, we work to find solutions to benefit our world. This necessitates the courage to look past the needs of the few for the advancement of our society, the courage not to be mired by extrinsic pressures for acceptance and the courage to discard our visceral apprehensions for the search and promotion of truth — a courage I feel this university has lost to groupthink and liberal indoctrination. But eventually, the truth will prevail, as it always does; and with what is already available, raising the minimum wage is much too reckless for me to support, no matter how good it feels.