

WILLIAMSPORT SUN-GAZETTE

Good news for working Americans in some states

By: Mike Maneval - January 2, 2013

While the "fiscal cliff" deal and the failure of the U.S. House to pass a relief bill for survivors of Hurricane Sandy may have crowded it out of national media attention, there is good news for some working Americans. On New Year's Day, 10 states saw the minimum wage increase, most due to the minimum wage being indexed to inflation. The three states now where the minimum wage are the highest, according to the Pew Center on the States, are Washington state, with a \$9.19 an hour minimum wage; Oregon, where it is \$8.95 an hour; and Vermont, where it is \$8.60 an hour.

These steps to protect the value of the hard work of many Americans may anger some economic conservatives who claim that minimum wage laws create unemployment - conservatives such as writer Thomas Sowell, who argued in November that one of the "few benefits" of inflation is that it "can in effect repeal minimum-wage laws," and the leaders of the Cato Institute, which claims "minimum wages usually end up harming workers and the broader economy." The website of the U.S. Chamber of Commerce also says the organization opposes increases in federal or state minimum wages.

While it is true that Oregon, with an unemployment rate of 8.4 percent, and Rhode Island, with an unemployment rate of 10.4 percent and where the minimum wage saw the largest increase, are either in the top 10 for highest unemployment rates or just outside of that quintile, Vermont is tied for seventh-lowest unemployment rate in the country, with a joblessness rate of 5.2 percent. Other states increasing their minimum wage include Ohio and Arizona, both tied with Pennsylvania with 7.8 percent joblessness rates, and Montana and Missouri, with lower rates at 5.8 and 6.7 percent, respectively, according to the Bureau of Labor Statistics.

And while it hasn't taken recent action on its minimum wage, the state with the lowest unemployment rate - North Dakota - has a minimum wage 50 cents higher than the federal minimum wage, as do Nebraska, South Dakota, and Iowa, with the second-, third-, and fourth-lowest joblessness rates, respectively. Wyoming is the only state in the top 10 for lowest unemployment rates that fails to offer a minimum wage higher than the federal standard.

But perhaps the best refutation of the opposition to minimum wages came from Santa Fe, N.M., Mayor David Coss in October, when the city felt pressure to disconnect inflation indexing from its \$10.29 an hour minimum wage, a practice in which the city

has engaged for 10 years. "The Chamber of Commerce has never stopped saying 'The sky is going to fall,' and yet we have an unemployment rate right now of 5 percent, which is the lowest of any large city in the state," Coss told the Albuquerque Journal. Indeed, higher minimum wage laws can not be the culprit in persistent joblessness when cities and states that embrace higher minimum wages employ a larger share of their populations than many cities and states that don't.