

# **Higher Minimum Wage - Winners and Losers**



**Typical Workplace Entry Level Job**

## **LOOKING BEYOND THE "GOOD INTENTIONS"**

**Like most folks I want everyone willing to work to make as much money as possible.**

**I am always suspicious of Government efforts to "fix" perceived problems with "Feel Good" Legislation which is often just a way for Congress to "buy" votes.**

**If the Government mandates a \$15 an hour minimum wage, who are the Winners and the Losers?**

**While some workers who currently make less than that will get a boost in pay, other workers will lose jobs which will be replaced by automation or simply eliminated because the job they were doing is not viable at \$15 an hour.**

**A mandated \$15 an hour minimum wage would not allow me to accept less than \$15 an hour even if I want to. What about the freedom to work out a compensation plan with a prospective "employer" that is mutually acceptable? What about working for less than \$15 an hour to help a friend in a struggling "start-up" business? What about apprenticeships?**

**I believe that there is value in having entry level jobs where workers can learn the discipline and basics of creating value in the marketplace through their efforts while they develop skills and habits to increase their value to those who pay their wages. It is fair to say that many entry level employees are getting paid while getting an education in the "real" world of work - sort of "cheap" College.**

**If you require employers to pay wages that can't be compensated for in the price of the goods and services they are selling, those jobs will be eliminated by either automation or bankruptcy of the place of business. It is what it is.**

**Minimum wage jobs were never meant to be career jobs frozen at minimum wage which cannot adequately support a family. Think of them more as "training for better things" positions or supplemental jobs. Often these jobs are filled by students or others looking for extra spending money or to subsidize special purchases.**

**Question? If \$15 an hour is good, would \$25 an hour be even better? Why not \$50 an hour? Or \$100 an hour?**

**Whatever the hourly rate is the money to pay it has to come from somewhere. Some would say to take the higher wages out of the greedy employers profits. That may sound good till you realize that without profits the so-called "greedy" employers have no incentive to put up with the grief and headaches of being in business. At some point the cost of automation starts looking pretty attractive to those who are actually paying "salaries". Robots don't call in sick on critical days. They don't come in late to work because the dog hid the car keys, they don't ..... fill in the blank.**

**In my life I learned that if I wanted more income, I needed to make my efforts worth more to either my employer or my customer. Discipline, education, effort.**

**If enacted into law, a \$15 an hour minimum wage will benefit some number of current minimum wage employees who will see a boost in pay but the real beneficiary of a higher minimum wage is Government. A higher minimum wage means Government gets to skim more off the top of larger payments confiscated from both employees and the employers and funneled into the Social Security Ponzi Scheme.**

**There will also be losers due to the inflationary pressures from higher labor costs:**

- **Folks on fixed income (like the elderly and disabled).**
- **Those whose jobs would be eliminated (students, entry level workers etc.).**
- **Many who are currently in "apprenticeship" positions.**
- **Many employees for marginally profitable to non-profit businesses.**

**For more about Government and the Social Security Ponzi Scheme just type Ponzi Scheme into the Search window on the left side of the Home page and hit enter on your keyboard. It will take you to an article I wrote back in March of 2018 about what the thieves in Congress did with "your" Social Security "Trust Fund" dollars.**

**You can agree or disagree but I offer this as food for thought.**

**Bob Bandy**

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