

# What Donald Trump Doesn't Get About the Minimum Wage

By THE EDITORIAL BOARD JAN. 2, 2017

Victories have been steady and significant in the Fight for \$15, a nationwide movement for higher pay that began just over four years ago with walkouts by fast-food workers in New York City. In 2017, nearly 12 million workers will get raises as seven states and 18 cities and counties begin phasing in higher minimums approved in 2016. In all, 30 states have now set their minimums higher than the federal level of \$7.25 an hour.

Despite this growing movement, the federal minimum hasn't budged since 2009, and there has been little progress in some regions of the country, including the South. Now comes the election of Donald Trump, whose convoluted statements on raising the federal minimum boil down to "no" or "maybe a little bit."

If that's the attitude of the next administration, more states and localities could take matters into their own hands, which may suit Mr. Trump just fine. In the past, he has said raising the minimum should be left to states, an idea also advanced by Andrew Puzder, the fast-food executive Mr. Trump tapped for labor secretary. What they fail (or refuse) to see is that state and local raises, while laudable, are not a substitute for a federal raise.

The new state minimums — in Arizona, California, Colorado, Maine, New York, Oregon and Washington — call for incremental increases to \$12 to \$15 an hour. The new local minimums vary from \$10.10 an hour (in Wapello County, Iowa) to \$15 an hour in Washington, D.C., and many California cities. And \$15 an hour was approved last year for an estimated 53,000 public employees and government contractors in 11 localities in New Jersey, New York, North Carolina, Ohio, Texas and Wisconsin. Raises for such workers are often a first step to wider increases.

One problem with this state-by-state approach is that poverty is perpetuated in large areas, especially in the South, with its historical dislike of labor protections. Alabama, Louisiana, Mississippi, South Carolina and Tennessee do not even have state minimum wage laws; if not for the federal law, employers in those states would be able to pay whatever low amount they could get workers to accept. In Georgia, employers would have to pay only a state minimum of \$5.15 an hour. Regional disparities in minimum wages lead, in turn, to unhealthy imbalances in the collection and distribution of taxes. The federal government tends to collect more tax revenue from states with higher minimum wages and send more in federal aid to states with low minimum wages, a transfer that becomes increasingly lopsided without a single federal minimum wage.

Legislators in states with no or low minimum wages often say businesses cannot afford to pay more. The evidence says otherwise. Owners and executives of profitable companies in retail, fast food, poultry processing and other low-wage industries have grown richer while the workers have languished. Jobs in such fields pay poorly not for any intrinsic reason but because employers don't have to pay more in the absence of a higher federal minimum.

The failure to raise the federal minimum wage has made broad prosperity impossible. It has short-circuited the virtuous economic cycle in which better pay at the bottom creates more spending, which creates more and better jobs. The abysmally low federal minimum is unsound, economically and morally, and workers deserve better.

<https://www.nytimes.com/2017/01/02/opinion/what-donald-trump-doesnt-get-about-the-minimum-wage.html>

**Directions: Answer on a separate sheet of paper**

1. Summarize the basic arguments presented here.
2. How does this point of view fit into our “freedom v. order” and “freedom v. equality” ideas we discussed in class? Explain.

# Govt Should Not Set Minimum Wage

By Deroy Murdock

What should government do about wages? Butt out.

From minimum wages to living wages, liberal busybodies keep trying to decide how much Americans should be paid for their labor. They need to stop. Here's why.

First, fundamental freedom. As long as an employer and employee are happy with whatever wage is being paid and received, it's none of the government's damn business what that figure is. If Gomez wants to pay Wilcox \$5 per hour to paint his house, and Wilcox is happy to earn that amount, who is the government to step between them and stop their deal?

If Gomez is making Wilcox work at gunpoint, then call the police. Otherwise, leave them alone. Government's vaunted definition of social justice should not undermine two infinitely higher virtues: Mutual benefit and shared happiness.

Second, the minimum wage is self-contradictory. No wage is OK. But, somehow, a less-than-minimum wage is illegal. It is perfectly legal for Jackson to have an intern and pay her \$0 per hour. However, if he tells her, "I cannot afford to pay you the federal minimum wage of \$7.25 per hour. But I can afford to pay you \$6 per hour. What do you think?" The intern replies, "I would prefer \$6 to \$0. So, great." Well, that's illegal. How does that make any sense at all?

Third, liberals who clamor for a higher minimum wage cannot decide how high it should be. Obama wants to raise the federal minimum wage from \$7.25 to \$10.10. (What an odd number. Why not just \$10.00?) On Capitol Hill, 32 senators and 165 House members — all Democrats — want to hike the minimum wage to \$12 per hour. City councils in Los Angeles, San Francisco, and Seattle recently voted to raise the minimum wages in those localities to \$15 per hour.

If caring, compassionate, brilliant statisticians [people who believe the government should be involved in solving problems] — from the federal bureaucracy to the White House to Capitol Hill to the Golden Gate Bridge — cannot agree on what the proper minimum wage should be, why should any American have any confidence that anyone in government has any idea what any worker ought to receive for an hour of his labor? Indeed, is it possible — just possible — that a worker and his

employer might know better what that wage should be, rather than someone at City Hall or on Capitol Hill?

Fourth, many of those who holler for higher minimum wages are rampantly hypocritical. Among the 197 Democrats who co-sponsored a bill to create a \$12-per-hour federal minimum wage, 94 percent pay their congressional interns precisely \$0.00. If it's OK for these bleeding-heart employers in the public sector to pay their interns no money whatsoever, who are they to tell private sector employers what to pay their employees? Anyone on Capitol Hill who does not pay his interns at least the minimum wage has zero moral standing to lecture other people about what they should pay their employees.

Fifth, why stop at \$15 per hour? Who is to say that \$7.25 or \$10.10 or even \$15 is the correct minimum wage? Indeed, why not raise it to \$100 per hour? This policy would have enormous economic benefits: Assuming 52 weeks of labor at 40 hours each, every American would earn at least \$208,000 annually. With such huge paychecks, every American worker would occupy the top 1 percent or, at worst, the top 3 percent. Everyone earning \$208,000 would fall into the 33 percent tax bracket. This would generate roughly \$9 trillion in income-tax revenues annually. Americans could pay off the \$18.6 trillion national debt in just over two years!

Free-marketers should promote this modest proposal and let the Left slowly conclude that, at some point, artificially raising the price of labor will kill jobs for human beings, while creating new opportunities for robots.

Only an idea as wacky as a \$100-per-hour minimum wage can penetrate liberals' concrete skulls.

But then again, maybe not.

<http://www.newsmax.com/Murdock/minimum-wage/2015/11/12/id/701862/>

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