

## TODAY'S "SHORT TOPIC"

### LIVING WAGE?

FINE!

(But let's not  
be stupid!)



By Stephen L. Bakke  April 21, 2015

#### *Here's what provoked me:*

*A recent lengthy opinion was all about the need to mandate a "living wage" for all workers - in other words, increase the minimum wage. That article was followed by a letter to the editor which lobbied for a free market approach to wage levels. I, of course had to "weigh in."*

#### *Here's my response:*

#### **Living Wage? Fine! (But let's not be stupid!)**

John Tevlin's thoughtful article on 4-15 was followed by a letter from Scott Sayer on 4-20 - both about a "Living Wage." Tevlin was predictably sincere and in support of mandated employer provided "living wages." Sayer's more conservative offering suggested we should "let the market set the best wage." Before you "guffaw" either one, put on your "smart hat."

Success should be evaluated based on achievements, not just good intentions! Don't forget H.L. Menken's advice: "For every complex problem there is an answer that is clear, simple, and WRONG!"

The expressed goal of the Administration is to raise the economic well being of the poorest Americans. That's a goal I support! But my outright acceptance of a minimum wage increase would require ignoring many important facts, including:

- Increases tend to affect teenagers and secondary wage earners much more than the poor.
- In 2011, almost 37% of people working for minimum wage, or below, were teenagers living at home - average annual family income: \$104,000.
- Almost 79% of ALL minimum wage earners were NOT living in poverty - average annual family income: \$53,000.
- If workers are living in poverty, much of any increase might have to be "given back" because other benefits can be subject to a "means test."
- Poverty tends to be temporary. A high percentage (not all) move out of poverty in a relatively short time.

The goal is noble, but tinkering with the minimum wage doesn't really address the task at hand.