

Should We Raise the Minimum Wage?

The federal minimum wage of \$7.25 an hour has remained the same since 2009. But local governments are allowed to set a higher rate, and 29 states and the District of Columbia have done so (see *map*), as well as numerous cities and counties. In April, Senate Democrats introduced a bill to gradually raise the federal minimum to \$15 an hour. But many Republicans, including President Trump, oppose an increase. Two senators face off on whether raising the federal minimum wage is a good idea.



Ringing up customers at a Publix supermarket in Ft. Myers, Florida

YES In the wealthiest country in the history of the world, a basic principle of American economic life should be that if you work 40 hours or more a week, you don't live in poverty. Sadly, that's not the case today.

While large corporations make record-breaking profits and top CEOs earn about 335 times more per hour than the average worker, millions of Americans are trying to survive on totally inadequate wages. The situation has become so absurd that there isn't a single state in America where a full-time minimum wage worker can afford to rent a one-bedroom apartment.

The current \$7.25-an-hour federal minimum wage is a starvation wage. It must be raised to a living wage. That's why I'm introducing legislation to raise it to \$15 an hour by 2024 and then automatically adjust it to keep up with the rising cost of living.

Since 1968, the minimum wage has lost more than 25 percent of its purchasing power. That's a major reason why more than 43 million Americans are living in poverty. Health-care costs, childcare costs, college costs, and housing costs are all going up. Wages are not. That's got to change.

A job must lift workers out of poverty, not keep them in it.

— SENATOR BERNIE SANDERS



By phasing in a pay raise for tens of millions of workers, we can improve living standards, lift millions of Americans out of poverty, and provide a much-needed boost to our economy. Our bill will raise the wages of 41 million workers, giving full-time workers an extra \$3,500 a year.

Today almost 70 percent of our gross domestic product (GDP) is dependent on consumer spending. When low-wage workers have more money in their pockets, they spend that money in grocery stores, restaurants, and other businesses. All of this new demand gives companies a reason to expand and hire more workers. This is a win-win-win situation for our economy.

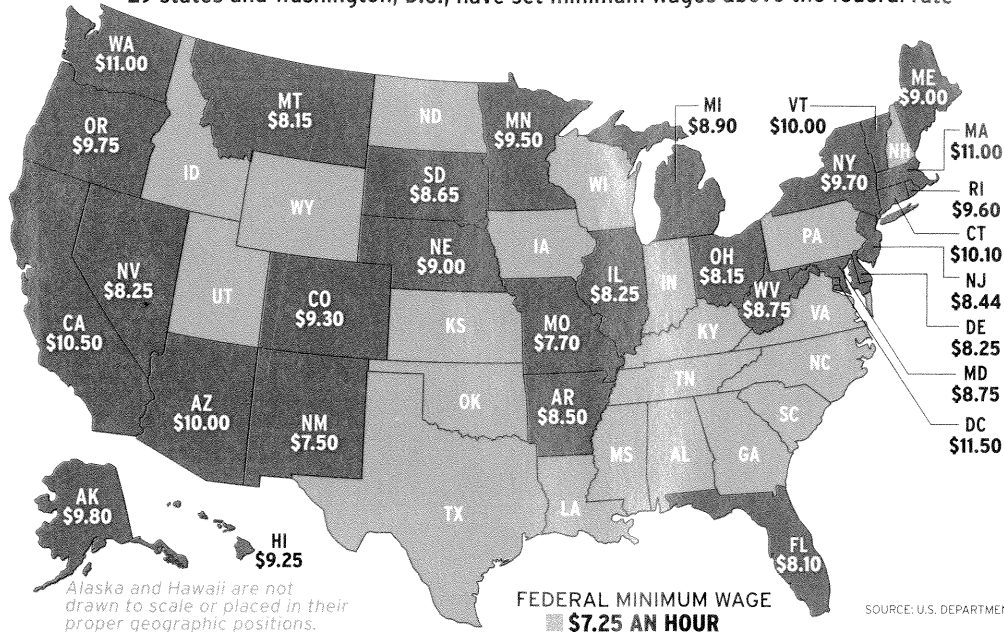
Poverty is reduced. New jobs are created. And we begin to reduce the enormous gap between the top 1 percent and everyone else.

The bottom line isn't complicated: A job must lift workers out of poverty, not keep them in it. To do that, we must raise the federal minimum wage to \$15 an hour. •

— SENATOR BERNIE SANDERS
Independent of Vermont

Bigger Paychecks

29 states and Washington, D.C., have set minimum wages above the federal rate



25¢/hour

AMOUNT of the first federal minimum wage, which was set in 1938 as part of the New Deal.

SOURCE: PEW RESEARCH CENTER

52%

PERCENTAGE of voters who favor raising the federal minimum wage from \$7.25 to \$15 an hour.

SOURCE: PEW RESEARCH CENTER

2.6 million

NUMBER of American workers in 2015 who were earning the federal minimum wage.

SOURCE: BUREAU OF LABOR STATISTICS

45%

PERCENTAGE of minimum wage workers who are 16 to 24 years old.

SOURCE: BUREAU OF LABOR STATISTICS

NO In 1970, when I was 15 years old, I got my first job, as a dishwasher in a Walgreen's grill. The job paid the restaurant minimum wage at the time of \$1.45 an hour. Like most people, I didn't start at the top of the ladder of opportunity; I started close to—if not at—the bottom.

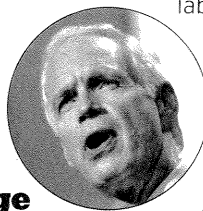
The job, and my performance, taught me and my employers a lot. It taught me the importance of having a good attitude, working hard, showing up on time, striving for efficiency, getting along with co-workers, and positively contributing to an organization. It taught me all work has value and helped incentivize me to obtain enough education to pursue opportunities I preferred.

Within my first year of working that minimum wage job, I was promoted three times. That job, and every job thereafter, helped me obtain better opportunities with better pay and benefits.

My experience isn't unique. In fact, it's generally how the world works. And that's why I don't think it's a good idea to mandate a dramatically higher federal minimum wage.

Some studies say that raising the minimum wage would lead to big job losses.

—SENATOR RON JOHNSON



Consider the economics: All things being equal, would consumers purchase more of the exact same sweater if it cost \$72.50 or \$150? The answer is obvious. When employers consider hiring people, they are making a decision to "buy" labor. Will employers purchase more labor if it's priced at \$7.25 or at \$15 per hour? Again, the answer is obvious.

That's why some studies project a minimum wage increase to \$10.10 per hour would cost the economy between 500,000 and 1 million jobs, and a boost to \$15 would cost 6 million jobs. Those workers who lose their jobs will instead earn \$0 per hour.

It's important to keep the minimum wage in perspective. In 2015, only

1.6 percent of American workers earned the minimum wage, and 45 percent of them were under the age of 25. Let's not destroy opportunities and deprive any individual of obtaining an entry-level position that represents the first rung on their personal ladder to success. •

—SENATOR RON JOHNSON
Republican of Wisconsin