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Question: Should the current minimum wage increase?

The history of America has come a long way from facing issues such as segregation to our right of choosing government via the Declaration of Independence. Some of these war's we are effected from afar but one major controversial war at hand is minimum wage. Many Americans have discussed their views on this topic and my opinion may differ, one of the major reasons being poverty and housing becoming more expensive. Many neighborhoods are being gentrified in which many people that have migrated here for better living are now being forced to migrate once again out of their neighborhoods. The major concern is will raising the \$15 minimum wage help the general public or will it impact both our businesses and workforce?

Jerold Waltman, Allan McBride, and Nicole Camhout: "*Minimum Wage Increase and the Business Failure Rate*" (*Journal of Economic Issues*) Vol. XXXII (March 1998)

Jerold Waltman, Allan MacBride and Nicole Camhout uncover the business failure rates through the analysis of charts and graphs for the timeframe of 1949 – 1983. The charts show that the businesses have failed drastically when minimum wage was increased in 1980's. Many businesses such as Pathmark had filed bankruptcy. In my opinion, based on the input of the authors the business failing also puts employees at risk of their job which some may say some income is better than no income. Jerold Waltman states "The logic is simple and straightforward.

Since business firms are presumably employing resources at maximum efficiency, rising labor costs must be absorbed somewhere”. A major reflection point was revenue in the journal and the major dilemma at the time was revenue lagged behind the pay rate in which caused many companies to cut employees in which the reduction of the workforce also increases unemployment rates globally which leads to more people dependent on the government. Another dilemma at hand was increasing product prices to cover employee cost which in competing industries Jerold Waltman states “One alternative is price increases; but some industries will encounter an inelastic demand for their products, and consumers will spend elsewhere”. Furthermore, the rising of wages had left some businesses stuck in the middle as a reduction of employees meant the less number of customers being served and to replace employees with technology, Waltman states “it required capital investment which was unaffordable by the majority”. Therefore, the journal set an informative tone as much of it was analysis based through graphs and charts and unbiased approach, it was clear to me that this article was credible to have a clear picture of how businesses are impacted by an increase of the minimum wage. “Increased minimum wage hurts teens, business. *Washington Times* [Washington, DC], 14 May 2010, PB02. *Opposing Viewpoints in Context*.

Going Forward, business impact is clear and its adverse effect directly impacts our teen population. In the news article statistics from a research study done at Ball State University show that 310,000 teens lost jobs in 2010 due the increase in minimum wage. Many teens do not have the luxury to pursue an education post high school studies therefore resort to minimum wage jobs. Furthermore, college students who have to work part time are included in this fraction as many of these businesses may reduce employee’s and keep those who are willing to work the mandated 40-hour work week. This forces many teens to take up the job at the fraction of the

cost, as Michael Saltsman states in the news article “teens accumulate about one fifth of hourly paid workers, made up half of those who get minimum wage or less”. In the article the author sets an unbiased tone and does not take up a side on the either the business or workforce which led for me to believe this is a credible source. The points illustrated throughout the article are valid scenarios in which teens still face a decade later from the original published date of the article. The war of minimum wage has many views and factors that come to play which may need a broader thought and mutual impact between the business and workforce.

“Should the minimum wage be raised? *YouTube*, uploaded by Valuetainment, 18 Aug. 2015, www.youtube.com/watch?v=Mohzpt_HhME.

In a press conference in California in August of 2015 the host discusses the challenges of raising the minimum wage. In one of the previous articles annotated, companies did not have the capital investment to invest in technology at the given time period to replace employees. In 2015, many companies have adopted the self-checkout kiosks in their stores to avoid paying cashier salaries. One interesting aspect in the video host states holding up his iPhone “We were all trained to use kiosks before they came out, this is the most complicated kiosk of all”. Businesses have saw the impact of minimum wage increasing which led them to investing in technology that will help them remove themselves from the issue at hand. Another key point in the video the host expresses the importance of learning a skill and becoming an expert at it which in my opinion the stick can be on both ends of the table. Some may not have the time to learn a particular skill as there only motive is to have food on the table for their families and need to meet the basic necessities for their family. It was clear to me that these large businesses had a solid outline and have exerted their effort in a solution for their betterment instead of the general public. The host

set an unbiased tone as he highlighted the impact on the workforce and businesses. Since the approach of the conversation was not one-sided this gave me a clear view of his credibility.

Going Forward, the journal entry, news article and video have tackled many problems American's face when it comes down to minimum wage. These sources have helped me look at the problem from both ends of the table. In the earlier time period, Waltman stated in the journal "it required capital investment which was unaffordable by the majority" but in my opinion as the years progressed businesses have started to invest in technology as they knew this dilemma would arise. Although, I still believe that the minimum wage should be increased state wise, the various components within these sources helped me realize the factors that play a huge role. Many economists may argue that raising the minimum wage would not be a good idea and others believe that this issue should be handled at the government level. In my opinion, the level of balance of technology may have to exist in order to address such a problem and it may be important for economists to factor this in. We would need to acknowledge that in order for the economy to flow, money should be cycled through one organization to a person rather than one organization to another organization for a service. Money should be at the very lower grain for a successful society. In order for any solution, it is important to grasp the attention of such economists whom think the battle is over and have them aboard to understand holistic views.

Finally, after extensively researching through various views on minimum wage, I have come to the conclusion raising the minimum wage would mostly effect the general public in recent times. Many companies have revolved towards technological advances reducing business impact when cutting employees from the workforce. These stores have hired the general public for free as we are now trained to use self-checkout stations at big chain stores. Many economists may say that the war of minimum wage, is not a war to be fought. In my opinion, people that

believe in the minimum wage increase should continue to fight for this balance in our system because at the end of the day people are impoverished as new high tech corporations move into our neighborhoods. Through these artifacts I have deepened my understanding and with surprise I have found out how much technology has impacted everyone's lives directly and indirectly. In reality, the importance of this topic effects 'We the People' and it is the job of America to stand up and value those who created the foundation are accounted for whom which are known as the general public.