
Minimum Wages in the United States

All through the United States and among various countries in the world, the discussion of minimum wages has been a subject of debate as some argue that they're not aiding our economy towards improvement, but rather affects it negatively as according to the sources, minimum wages increase unemployment. Nonetheless, there are other that counterattack that the implementation of minimum wages is a way of improving or economy in the long term. A minimum wage is the minimum salary per hour that person can earn in a job in order to survive or be considered above the poverty line.

In support of minimum wages, and the increasing of it, Dwight Lee presents in the second page of the article *The Minimum Wage Can Harm Workers by Reducing Unemployment* that "The most complete analysis of that possibility has been done by Wessels (1980a. 1980b). Who has shown that (1) the unemployment effect of a minimum wage increase will generally be less than the standard analysis predicts, and (2) the increase can harm even those workers who remain employed." These arguments present the facts that are mostly talked about in relation to minimum wages, and that is the argument that if minimum wages are increased, then workers will be even more expensive for small businesses. This however will not lead to unemployment according to Lee, but it "reduces employment and harms all affected workers, even those who remain employed at the higher wage. But nothing in the analysis so far suggests that increasing the minimum wage can reduce unemployment." (Lee, Dwight pg. 5) Nonetheless, Dwight also further counter argues that "As the minimum wage increases, more firms can be expected to begin eliminating fringe benefits, with further increases in unemployment being moderated, and eventually reversed with a reduction in unemployment." (Lee, Dwight pg. 8)

Another argument that Dwight Lee provides in page six of the article is that diverse companies pay for small expenses like medical insurance for their workers, which reduces the monthly expenses of basic needs for these workers. This could lead to the presumption that if these expenses are subtracted from their monthly bill, then the minimum wage earned would actually be enough to survive above the poverty line.

In support of the minimum wage in the United States, the AFL-CIO on H.R. 37744 was created. This is "a bill to amend the Fair Labor Standards Act, to increase the minimum wage and to provide for an automatic mechanism in the law to ensure that the minimum wage be maintained at 60 per cent of average hourly earnings in manufacturing." (Biemiller, Andrew pg. 1) This bill provided stability for workers, and prevented injustice or discrimination towards workers by the time that paychecks were signed. The goal of this bill was to improve our economy by decreasing poverty rates. Andrew Biemiller also assesses on the direct idea of increasing the

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minimum wage. He supports it by claiming that “this immediate increase in the federal minimum wage is essential to bring low-wage workers and their families above the federal government’s poverty level.” (Biemiller, Andrew pg. 2)

Nonetheless, in the con side of the argument about the increase and overall idea of minimum wages, Jack Carlson presents his opinion by arguing that “increase wages for some at the expense if unemployment for others.” (Carlson, Jack pg. 2) This argument goes back to the previous argument made by Dwight Lee, where he explains how by increasing minimum wages, small businesses will not be able to afford all of their workers. However, unlike Lee, Carlson argues that this will lead to unemployment as most of these unaffordable capable workers will then be fired and inflation will increase, and cause unfair reduction in competition. Furthermore, Carlson continues his argument by stating that “common sense indicates that increases in wages above those paid in the market economy will result in less employment for those affected [...] in two ways: First, it furthers discourages potential workers from searching from jobs, as formally measured by a lower participation in the labor force. [...] Second, it increases the number of workers searching for but unable to find jobs as measured by the unemployment rate.” (Carlson, Jack pg. 2)

The argument of whether minimum wages actually improve our economy and are actually a necessity presents valid arguments on both the pro and con sides, and could be consider a controversial argument as many individuals can bring arguments from different perspectives. Different realities can be taken into account when considering minimum wages, as for some workers the increase in them would not be beneficial, while for others this would be life changing. The economy is what supports our society, and how our employees benefit from it define its success, and like Churchill once said: “Success is not final, failure is not fatal: it is the courage to continue that counts.”

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