
Reasons why Minimum Wage Should be Raised

The current minimum wage is \$7.25, which equals two gallons of milk, one fast food meal or two gallons of gas. Can you imagine yourself working 12-hours a day and only having enough money to pay for rent and put food on the table for your family? With working all those long hours, you can barely afford to pay your utility bills and after that you don't have enough money or time for luxuries like clothing or vacation. You have no savings as matter of fact, you are in a huge debt and you are living paycheck to paycheck. This is the story of millions of American worker, who are employed on minimum wage. The shocking part about this story is that million of Americans would be saved from this poverty life, if the American government raises the minimum wage. This would not only help the workers, but also the economy because raising the minimum wage would put extra money in the pocket of minimum wage worker and extra spending would help restore consumer spending.

Almost 8 million Americans work full time and still fall below the poverty line. Some argue that raising the minimum wage will only benefit the workers who may not need it. This argument is flawed, according to The Economic Policy Institute's analysis, which shows that "most of the low wage workers live in low-wage households, and 84% of the workers in low-wage jobs are at least 20 years old." (LA Times, Stern and Camden). In my point of view, anyone that shows up to work regularly and puts in quality hours should be paid enough to keep him or her out of poverty. I also think that raising the minimum wage is a matter of human dignity because imagine after a long day of work you clock in knowing that despite you working hard long hours, you can't feed your family, cover their needs and pay your living cost without government support. What kind of message does this sends to a person about the dignity of their work and pride of taking personal responsibility for your family?

Also, some critics also argue that raising the minimum wage would increase unemployment enormously, because business will cut employees to keep the cost low. This has been proven false by a analyses done by the Congressional Budget, which states " the potential employment and unemployment impacts of raising the Federal minimum wage rate ... are difficult to predict, but are likely to be small" (Congressional Digest, 12). Congressional Budget office also found that the gains of raising minimum wage ought weigh the costs. They found that raising the minimum wage to \$10.10 would rise cut the people living in poverty by 900,000 and would raise average income for families up to three times the poverty line (Chat, 1).

Business would also benefit from increasing the minimum wage. According to a study done by Institute of Industrial Relations University of California, Berkeley, it discovered that annual turnover among security screeners plunged from 95% to 19% when their hourly wages were

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increased from \$6.45 to \$10 per hour. Not only did turnover improve, but also 35% of employers reported improvements in work performance and customer service improved by 45% (Reich, Hall, Jacobs, 42). This isn't just good for business, but also great for the economy. Raising the minimum wage will reduce unemployment rate due to employees remaining at their job and not going on government unemployment benefits.

Likewise, the other reason minimum wage should be raised is because of the living wage. According to Pennsylvania State University, a living wage is 'the hourly rate that an individual must earn to support their family, if they are the single provider and are working full-time (2080 hours per year).' Clearly, if the minimum wage cannot be met to the standard of a living wage, then people will be unable to support their families, an especially worst for those with children. For example, according to Pennsylvania State University's Living Wage Calculator, the living wage in Los Angeles is \$11.99 per hour and the minimum wage is \$8 per hour. That means that workers are making \$4 less than they actually need to support themselves and their children. This is really alarming, because an employee working on minimum wage will not have enough money to pay their bill or even buy food. If they are college students, they might not have enough money for tuition or books. It's really demotivating for workers, just realizing that your hard work is not even enough to provide a decent living for your family.

On the other hand, the critics make an argument that small business can't afford or favor raising minimum wage. According to a survey done by Central Valley Business Times, 500 small business owners whose firms have 100 or fewer employees, the majority agrees that raising the minimum wage support increasing the minimum wage. The increase acutely benefits the small business because consumer spending goes up, which increases the demand for small businesses goods and services. The extra money for labor business pay will end up back to them, while improving the economy and small business. Also, increase in demand for good and services means business will need more workers to meet that demand and this will also reduce unemployment.

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