

Fight for 15% More Low-Skilled Jobs

As you've probably heard, activists around the country have been fighting to raise the minimum wage to \$15 an hour. While they focus on legal minimum wages, activists also welcome private employers' decision to voluntarily raise hourly pay to \$15. When you read about desperate American poverty, however, the activists really seem like they're barking up the wrong tree. Most notably, Kathryn Edin and H. Luke Shaefer's *\$2.00 a Day: Living on Almost Nothing in America* shows that the truly poor have great trouble finding and keeping even the lowest-skilled jobs in the formal sector. Question: If employers hesitate to hire the ultra-poor for \$7.25 an hour, why on Earth would they hire them for \$15?

"No one can live on \$7.25 an hour," you say? Well, it sure beats living on \$2.00 a day. And when Edin and Shaefer's subjects fail to find a job, that's precisely what they have to do:

[W]orkers at the very bottom continued to experience double-digit unemployment through 2012, well after the recession was officially over. For low-level positions, there are often many more applicants than there are jobs. Companies such as Walmart might have hundreds of applications to choose from, and it is not uncommon for many of these applicants to have some post-high school education, making it that much harder for a young woman of color with a GED and little previous work experience to make the cut.

How do these companies wade through so many applications? How would you do it?

What should an evidence-based poverty activist do? Well, the main problem is *lack* of jobs rather than *low-paid* jobs. So why not actually focus on the main problem?

Edin and Shaefer strongly endorse job subsidies and extra public sector employment. While such programs have notorious flaws, at least they create job opportunities rather than destroying them. (Sadly, despite the preceding quote, Edin and Shaefer also enthusiastically endorse an even higher minimum wage, even though its hard to deny that the ultra-poor would greatly benefit from the opportunity to work for half or even a quarter of the current floor).

But there's an even simpler remedy available - a remedy that requires *no* change in government policy whatever. Namely: Instead of pressuring companies to raise wages, activists should instead pressure them to hire more low-skilled workers. Why not abandon the "Fight for \$15" in favor of the "Fight for 15% More Low-Skilled Jobs"? If activists can pressure Amazon into raising wages, why can't they pressure Amazon into expanding the bottom rung of the ladder of opportunity?