

On the Minimum Wage II

If you support enforcing a minimum wage, ask yourself two questions: 1) why not triple or quadruple the current minimum wage?, and 2) why doesn't every wage rise when the minimum wage is raised? I do not believe these questions can be answered without acknowledging basic truths about economics, truths which necessarily reveal the absurdity in enforcing a minimum wage. For question 1), the economic truth about tripling or quadrupling the minimum wage is that this would result in both massive layoffs and firm bankruptcies as labor costs skyrocket. For question 2) every wage above the prescribed minimum is set as a result of the ever-changing effects of supply and demand on labor productivity and availability. These truths also indicate that enforcing a minimum wage pushes less productive labor out of the market altogether. Only charlatans or the ignorant can support such a thing. And that's today's two cents.