

SHOULD THE FEDS RAISE THE MINIMUM WAGE?

## Minimum wage debate: What supporters, opponents say about effects of raising the minimum wage



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Polls conducted by New York and national pollsters usually show strong public support for raising the minimum wage. A Pew Research Center survey released in January **found 73 percent of respondents back increasing the federal minimum wage from \$7.25 to \$10.10 an hour.**

So, with that kind of support, why hasn't Congress acted and bumped the national minimum wage up nearly \$3 an hour?

Well, it's complicated.

President Barack Obama and most congressional Democrats believe a minimum wage hike is needed, while Republicans oppose such an increase. Senate Democrats recently attempted to pass legislation that would raise the federal minimum wage to \$10.10 an hour, but the **bill was blocked by the Senate GOP.**

In New York, the minimum wage debate is at a different tier. That's because the state is phasing in an increase that will take the state's minimum wage up to \$9 an hour by the end of 2015.

But there are advocates who say the state's minimum wage increase should be phased in faster or bumped up more than the \$9 an hour agreed to by Gov. Andrew Cuomo and state legislators.

Michael Kink, executive director of the Strong Economy for All Coalition, sees the push for a higher minimum wage, whether it's in the Empire State or nationally, as part of a "hardcore economic reality."

"Right now, the New York economy is only growing low-wage jobs. It's the only category of employment where we're seeing actual growth. It's the only place we're seeing a net gain in jobs is low wage employment," he said. "There are literally hundreds of thousands of New Yorkers who are working full-time, but still living in poverty."

Kink attributed the rise in the number of low-wage jobs to the growth of certain types of

businesses, namely big box retail stores. And while New York took steps to raise the minimum wage for these workers, he believes the effort came up short.

"We raised the minimum wage last year, but it was a pretty frustrating and ultimately a less than completely effective process," he said. "We got up to \$9 an hour, but not until another year from now. We did not get to the wage levels we need to get families out of poverty."

But E.J. McMahon, president of the Empire Center for Public Policy, shares a different position.

The Empire Center has released reports questioning the effectiveness of raising the minimum wage. McMahon said while supporters point to Walmart and other large corporations when advocating for a higher minimum wage, they ignore the effects such an increase would have on smaller businesses.

"They always want you to picture Walmart and some filthy billionaire in Arkansas who's making a bigger profit because you're paying the minimum wage," he said. "A, they're not paying the minimum wage. B, even if you pass a law that puts their floor higher, you're thinking about Walmart. How about the guy with the pizza shop on the corner? How about the guy with the gas station?"

McMahon also challenged the assertion made by backers of the minimum wage hike who say it would help the economy. Kink, while making his case in favor of a higher rate, said raising the minimum wage would help boost profits and increase customers for businesses.

But McMahon contends the money has to come from somewhere and in the case of upping the minimum wage, it would mean more costs for businesses.

"To claim that it will actually make the economy better, try to think through that. It's going to make the economy better how, by inventing money?" he said.

While economists, think tanks and other experts debate whether raising the minimum wage is necessary, federal and state representatives will have the final say.

U.S. Sen. Kirsten Gillibrand, D-N.Y., believes a minimum wage hike is needed. She said there are minimum wage earners, a large number of which are women, who live below the poverty line and would benefit if there's an increase.

"This is a country that has always believed that we reward work, and if you work hard in life, you can make it to the middle class," Gillibrand said. "That's just not true for minimum wage earners today."

Gillibrand supports the bill proposed by Senate Democrats that would raise the federal minimum wage to \$10.10 an hour. Such an increase, she said, would help lift more families out of poverty and put more money back into the economy.

But state Assembly Minority Leader Brian Kolb, R-Canandaigua, doesn't buy the argument that a minimum wage hike would raise people out of poverty.

"You're supposed to be compensated fairly in the free market based on your work ethic, skills, experience and what you actually bring to the job. That's how you're supposed to be paid," he

said. "We have other programs that try to help lift people out of poverty. ... It's not like, as a society, that we're ignoring those that are on the lower end of the income scale."

Kolb said the minimum wage never intended to be a living wage, but rather a starting wage for entry level workers.

"That was the point," he said. "Now, I think the same principle applies today."

Kolb also said he's concerned about the impact a minimum wage hike would have on businesses, particularly companies in upstate New York. Gillibrand, however, touted the support of small businesses when making the case for boosting the minimum wage.

"We've actually seen a poll of small businesses and the vast majority of small businesses actually support raising the minimum wage," she said. "Because most small businesses really benefit from people having more income in their pockets so they spend more money."

"I think it's such a farce to say that raising the minimum wage will hurt businesses. I think it will help businesses."

With Congress unable to reach an agreement on a minimum wage increase, states are taking the issue into their own hands.

According to the National Conference of State Legislatures, [five states and the District of Columbia enacted minimum wage hikes this year](#). As of Jan. 1, 21 states and the District of Columbia have minimum wage rates higher than the federal level.

More states could be added to that list by the end of 2014. The NCSL said 34 states are considering bills this year that would increase the minimum wage.