

Should America raise the minimum wage? Experts see pluses and minuses

By Los Angeles Times, adapted by Newsela staff on 06.24.15

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Gina Schaefer (left), owner of seven ACE hardware stores in Washington, D.C., and Maryland, speaks with Corey Halmon, an employee at the Logan Hardware store for two years, on May 27, 2015. Schaefer is an advocate for raising the minimum wage. Her employees make at least \$10.50 an hour to start, well above the existing federal rate. Amy Davis/
Baltimore Sun/TNS

The minimum wage is the least amount of money that a boss must pay a worker by law. The amount is different in every state. For example, the minimum wage in New York is \$8.75 a hour but in Michigan it is \$8.10. No state can pay less that \$7.25 an hour, which is the law for the whole U.S. Now some states want to raise their minimum wage to \$15 an hour. How will this affect wealth and the number of jobs in America?

Some government officials and experts think a \$15 minimum wage is a good idea. It will help to narrow the gap between the rich and the poor. They think the higher wage will help poor people. They also say it will give people more money to spend at shops, which could

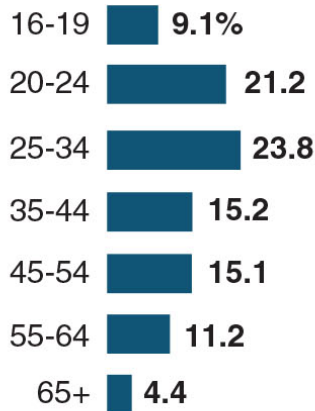
help businesses. However, business owners are not happy. They warn that businesses cannot pay higher wages. A higher wage may lead to millions of workers being let go from their jobs.

No One Knows For Sure

Who makes less than \$15 an hour?

Number of hourly paid workers earning less than \$15 an hour in 2014: 44.4 million

By age

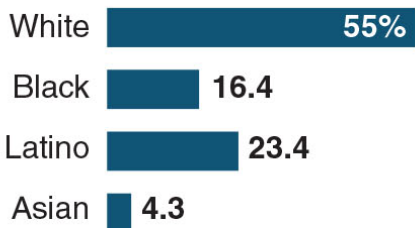


No one knows for sure what effects the raise may have.

By gender



By race and ethnicity*



**Percentage breakdown does not add up to 100% — a small percentage of workers' ethnicities was unknown.*

Source: Current population survey (BLS)
Graphic: Los Angeles Times, Tribune News Service

It may not be as bad or as good as each side claims.

The push for a higher minimum wage has become stronger over the past few years. Seattle, San Francisco and Los Angeles plan to raise wages to \$15 an hour over the next few years.

Chicago, Oakland, California, and Washington, D.C., have raised the minimum wage, but not as much. At least a dozen other cities and states may soon follow them.

Wages have not gone up for years and workers have been unhappy. In the last 25 years some companies and people at the top have made large amounts of money. Everyone else, however, has gained very little.

Higher minimum wages would help to make things a little more equal. Many poor Americans would see their lives improve.

A Raise For Many Workers

More than half of workers in the U.S. get paid by the hour. Other workers get paid an a set amount each week, month or year. Government figures show that three out of five hourly workers make less than \$15 an hour. That's about 44 million people. If the minimum went up to \$15, those workers would see their pay go up.

Some people think most hourly workers are teenagers and people in their early twenties. In fact, that's not the case. More than 8.4 million people between ages 25 and 54 earn less than \$10 an hour today. About 6 out of 10 of these workers are women, many with children.

Millions of workers would have more money to spend if wages go up. They could, however, also face higher prices. Shops, restaurants, and other businesses that hire low-wage workers would have to start paying them more. Businesses might raise prices to make up for having to pay workers more.

Some Workers May Lose Jobs

Oakland's minimum wage jumped from \$9 an hour to \$12.25 in March. As a result, many stores added a dime or a quarter to different items.

Many low-paid workers could lose their jobs as bosses cut back to deal with the higher wages.

A government group that provides information to Congress did a study last year. It found that a half-million jobs would be lost if the minimum wage went up to \$10.10 an hour. At \$15 an hour, millions of jobs could be lost.

Imagining A \$15-Per-Hour World

"Fifteen dollars still scares me," says Harry Holzer. He is a professor at Georgetown University.

Some companies may fail because they won't be able to pay their workers more.

Yet other businesses will do just fine. They may even grow. They could even sell more after weaker businesses go out of business and shoppers spend more money.

No one really knows how higher wages will change things. As the push for higher minimum wages spreads, however, workers and businesses are already beginning to imagine life in a \$15-an-hour world.

Quiz

- 1 Choose the word from the following sentences that BEST explains what "minimum" means.

The minimum wage is the least amount of money that a boss must pay a worker by law. The amount is different in every state. For example, the minimum wage in New York is \$8.75 a hour but in Michigan it is \$8.10. No state can pay less that \$7.25 an hour, which is the law for the whole U.S.

- (A) least
- (B) money
- (C) pay
- (D) amount

- 2 Which of the following words would change the meaning of the sentence if it replaced "narrow" in the sentence below?

"Some government officials and experts think a \$15 minimum wage is a good idea. It will help to narrow the gap between the rich and the poor. They think the higher wage will help poor people.

- (A) reduce
- (B) lessen
- (C) connect
- (D) lower

- 3 Based on the graphic, which of the following is true about Asian males over 65?

- (A) They are very unlikely to support a minimum wage increase.
- (B) They are very likely to be hourly paid workers.
- (C) They are not very likely to make less than \$15 an hour.
- (D) They are very likely to make less than \$15 an hour.

- 4 How does the graphic "Who makes less than \$15 an hour?" help develop the article?
- (A) It explains why younger workers tend to make less money than older workers.
 - (B) It explains how many workers in the U.S. receive hourly wages.
 - (C) It explains how different groups of people might be affected by a minimum wage increase.
 - (D) It explains why men tend to make less money than women.