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113th KZGN News Talking Points Editorial
By: Tom Wiknich

What are the effects of raising the minimum wage?

First, a couple comments from the last editorial titled: Should a private company have a voting seat on the new GSA?

Al Bo offered this: Should any specific private company have a seat GSA - no. But the GSA does need some type of representation from the private well owners in this valley. Ridgecrest, IWVWD, the Inyokern CSD and the county governments all have their own interests to protect, but none of them represent the interest of private well owners or well co-ops. About 30% of the people in this valley are either on private wells of co-op wells.

Paul Van offered this comment: The private well owners could have an association... But their interest should not be treated any better or worse than a private water district...

Then Al Bo offered these statistics I hadn’t seen before: Here's the thing. The Indian Well Valley has approximately 850 wells: 34 wells owned by 5 major producers:

•Navy
•Indian Wells Valley Water District
•Searles Valley Minerals
•Meadowbrook Dairy
•Inyokern Community Services District

Other well owners:

•670 individual domestic wells
120 residential cooperative wells

That’s a lot of wells and potential for well owners to get together to ask for voting control of the GSA.

Now on to today’s topic: What are the effects of raising the minimum wage? I read in news publication almost weekly of cities or states taking up the issue of raising the minimum wages. Now with the presidential campaigns, it is once again a big topic. Of course, the Democrats continue to support raising the minimum wage, and Republicans generally are against it. The support and opposition is really based on two separate theories. Supporters want to supposedly help lift the lowest wage earners out of poverty by giving them more money to live on. In concept, that sounds great, but the math does not support that. Opponents are not in favor of that because of the impact it does on the cost of the products we purchase.

What’s the math behind the issue? It’s really very simple. First, supporters seem to think that businesses will just raise the wages and take the raise out of their profits. Well, news flash to all those that think that. Businesses will not take a raise in wages out of their profits. They will raise the cost to the purchaser of whatever they sell. If a fast food worker gets a raise in minimum wage, the restaurant has two options. First, lay people off to reduce cost, or raise the price of the product they sell. For all these people that live at the minimum wages level, the cost of everything they buy will now go up, to pay for that increase in minimum wage. I never hear any supporter address that reality. The business is not going to eat an increase in cost. We, the purchasing population, will pay for it in higher costs. This is a vicious cycle, otherwise known as inflation.

Liberals want to raise wages. Wages go up. Then the cost to purchase the products goes up. Then, they need another raise in minimum wages to again try and increase their purchasing power. This does not work. What is the solution? Raises in wages have to be economy or skill driven. By this, I mean that if demand allows a product to be sold at a price that supports a higher than minimum wage, then the workers gets paid a higher wage.

Also, as people improve their education and skill levels to help them qualify for the higher paying jobs, their purchasing power goes up, as does their standard of living. For an individual to improve their standard of living, they have to do it. The government cannot force business to do it. Business will just pass any forced increase in cost, onto us.

Of course, to Bernie Sanders and other liberals, he thinks all businesses can afford to pay for it. He’s going to increase their taxes to pay for it. Again, this adds to the vicious cycle. If the government raises taxes on business, they will not eat those new costs. They will pass them onto us. We will pay it, not them. Changes in a person’s living standard have to be accomplished by the old adage. Hard work, and education provides for a good living. It also allows a worker to improve his standard of living over the years. A government hand out only provides for a stagnant living condition. Government handouts were only meant to be a temporary help to someone between jobs, not a lifestyle.

There’s not enough money in the country to pay for all the proposed Democrat hand out programs. There just isn’t. Raising the minimum wage only increases the cost to purchase products. Here’s the simple chain of events. If you raise the wages of farm workers in the field, the farmer raises the cost to the distributor. Then the distributor has to pay higher price for the product. When the distributor also has to pay minimum wages, he raises the cost to the grocery store. When the grocery store raises the minimum wage to their employees, the cost is passed on to us when we purchase groceries. Do you see the math?

A raise in the minimum wages affects the price we pay for a head of lettuce at least three times before we actually purchase that head of lettuce. Think about it.

If a raise in minimum wage affects what we pay for a head of lettuce at least three times, what about other products we buy?

A raise in minimum wage is not the answer to lifting someone out of poverty. Government handouts will never lift someone out of poverty. It only enslaves a person to stay dependent on the government to just barely survive. A government forced raise in wages, will never work. As side note: I definitely support that all people should be paid the same for the same job, regradless of sex or any other protected considerations. However, there also has to be a pay scale system that allows people to work their way up the ladder of wages as well. A pay scale system encourages workers to strive to do better in order to get a raise. It is possible, especially in union environments, that a male worker working on a manufacturing line, doing the same job as another on the same line might be at a different pay level based on seniority. There also has to be an allowance for merit increases where one person could wind up being paid more than another person doing the same job, but not as well. Equal pay for equal work is not that simple. The lowest level wages were never to be life style sustainability wages. They were entry level wages to allow a person to start a job to allow a company to bring in someone with little or no experience. A person to get more training on the job. To do, good work and then get raises. To work their way up the ladder. Eventually gaining a lifestyle supporting wage. A good employee and the company are partners in the success of any business. Wages have to be economy and education driven. The more an employee has to offer an employer, they higher their wage will be.

In conclusion, the belief that raising a minimum wage will raise someone out of poverty is a fallacy. The only thing that will raise a person out of poverty is hard work and/or education qualifying a person to get a higher paying job.

I’m Tom Wiknich, and that’s what I think. I’d like to know what you think. If you have any comments about this editorial, or would like to discuss or recommend a topic, I’d like to hear from you. Please email them to info@kzgn.net.