



Comment on the Commentary of the Day

by

Donald J. Boudreaux

Chairman, Department of Economics

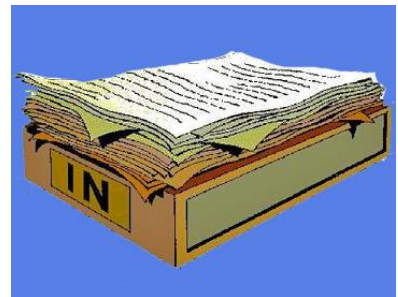
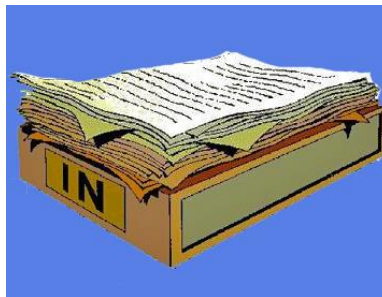
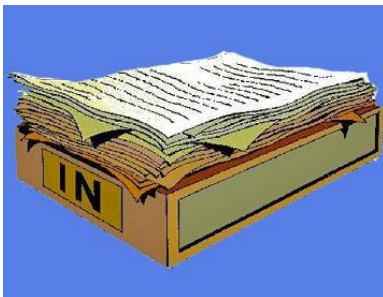
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Disclaimer: The following "Letters to the Editor" were sent to the respective publications on the dates indicated. Some were printed, but many were not. The original articles that are being commented on may or may not be available on the internet, and if they are, they may require registration or subscription to access. Some of the articles being commented on are syndicated, therefore, they may also have appeared in other publications.

21 January 2015

Pres. Barack Obama

Dear Mr. Obama:

In last-night's State of the Union address you said "And to everyone in this Congress who still refuses to raise the minimum wage, I say this: If you truly believe you could work full-time and support a family on less than \$15,000 a year, go try it. If not, vote to give millions of the hardest-working people in America a raise."

The premise of your plea is mistaken: raises aren't given by votes, by you, or by Congress: they're given only by employers. And employers must fund these higher payments out of the revenues they earn by competing successfully in markets. Employers, therefore, can afford to raise their workers' pay only if their workers become more productive - an outcome that is not achieved by a legislature waving its wand over workers' paychecks.

You are, however, correct in one sense. Because the policy you propose would price many workers out of jobs, that policy would indeed change these workers' incomes: it would drop them to \$0. So I say this: If you truly believe you could be unemployed full-time and support a family on \$0 a year, go try it. If not, vote to give millions of the hardest-working people in America opportunities to work that they are now denied. Abolish the minimum wage.

Sincerely,

Donald J. Boudreaux

Professor of Economics

and

Martha and Nelson Getchell Chair for the Study of Free Market Capitalism at the

Mercatus Center

George Mason University

Fairfax, VA 22030

24 January 2015

Editor, *Wall Street Journal*
1211 6th Ave.
New York, NY 10036

Dear Editor:

In his superb article "'Secular Stagnation' and the Cheap Burger" (Jan. 24), Holman Jenkins quotes *New Yorker* columnist John Cassidy's curious defense of minimum-wage legislation - namely, Cassidy's observation that the negative impact of such legislation is "usually confined to teenagers and unskilled workers."

Well duh. Is Cassidy unaware that the core of the case *against* the minimum wage is precisely that it prices out of jobs many teenagers and other unskilled workers? *Of course* the minimum wage negatively affects only workers so unskilled that they cannot produce enough value to justify their being employed at wages as high as the government-mandated minimum. No opponent of the minimum wage has ever argued otherwise.

Mr. Cassidy's defense of the minimum wage on this ground makes no more sense than would have a defense, one hundred years ago, of Jim Crow legislation on the ground that the negative impact of Jim Crow is usually confined to ex-slaves and other blacks.

Sincerely,
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27 January 2015

Editor, *Washington Post*
1150 15th St., NW
Washington, DC 20071

Dear Editor:

Judith Barrett's case for nationalized child care is full of flaws, not the least of which is her claim that "Mr. Reagan's policies marked the beginning of the economy that required both partners in a couple to have to go to work - it was no longer optional"

(Letters, Jan. 27).

In fact, the percentage of women in the U.S. workforce increased steadily throughout all of the 20th century, starting at around 18 percent in 1901 and rising to around 47 percent one-hundred years later. And the steepest rise in workforce participation by women occurred, not in the 1980s, but between the years 1936 and 1950. Indeed, if there is any detectable change during the 1980s in the rate of women entering the workforce it is that that rate *fell* slightly starting around 1985 and then fell even further in the mid-1990s.*

In short, there's no evidence that Reagan-era changes in the U.S. economy compelled more women to enter the workforce.

Sincerely,
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* <http://cafehaye.com/wp-content/uploads/2015/01/Screen-Shot-2015-01-11-at-4.36.24-PM.png>

1 February 2015

Editor, *Chicago Tribune*

Dear Editor:

Although your reporter seems unaware of the fact, your report "Weak hiring rate persists for teens" (Feb. 1) offers strong and direct evidence for three of the worst consequences that economists have long warned result from minimum-wage legislation. To wit -

- persistently low employment rates for teenagers generally (at 16 percent, the employment rate for all teens in Chicago is lower than the overall employment rate in Chicago);

- even lower employment rates for minority teenagers (while 30 percent of white Chicago teens are employed, paying jobs are held by only 21 percent of Chicago's Hispanic teens, and only by a paltry 10.5 percent of Chicago's black teens) - meaning that the teens who are lucky enough to get and to keep jobs at the minimum wage come disproportionately from more affluent families while the teens who suffer unemployment

because of the minimum wage come disproportionately from the poorest and most disadvantaged families;

- teens and other low-skilled workers with little or no job experience are displaced from jobs by more experienced (and, hence, less risky to hire) low-skilled workers - workers such as retirees who are reentering the workforce and, to use your reporter's wording, "snatching entry level jobs that were once reserved for teenagers";

These consequences of minimum-wage legislation are tragic - a reality that renders inexcusable your reporter's failure even to mention the minimum wage as a possible culprit in the economic disenfranchisement of inner-city black kids.

Sincerely,

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