

January 4, 2017

Word Count 214

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Please contact:

Cascade Policy Institute
4850 SW Scholls Ferry Rd.
Suite 103
Portland, Oregon 97225

Phone: (503) 242-0900
Fax: (503) 242-3822

www.cascadepolicy.org
info@cascadepolicy.org

4850 SW Scholls Ferry Road
Suite 103
Portland, Oregon 97225

t: 503.242.0900
f: 503.242.3822
info@cascadepolicy.org
www.cascadepolicy.org

QuickPoint! – Bad Consequences of Public Policies Aren’t Really “Unintended,” Just “Unacknowledged”

By Steve Buckstein

Decades of research and experience tell us that raising the government-imposed minimum wage results in fewer younger and lower-skilled individuals being hired, and in some of them losing jobs they previously held at lower wages.*

Decades of research and experience also tell us that requiring landlords to charge lower rent than market conditions dictate results in fewer housing units being built, making housing shortages worse and raising housing costs in areas not subject to rent controls.**

During last year’s minimum wage debate in Oregon, pointing out the negative consequences was not enough to stop the legislature from imposing significant wage increases. Likewise, this year the legislature may allow local jurisdictions to impose rent controls even though opponents will surely point out the negative consequences of this policy also.

It now seems obvious what is happening. Supporters of minimum wage increases and rent control aren’t blind to their negative consequences; they simply refuse to acknowledge them because the political benefits outweigh the real costs imposed on those forced to endure them.

The harm done by minimum wage increases and rent control is so obvious that we should probably stop saying that their negative consequences are “unintended.” Rather, we should say that their negative consequences are “unacknowledged” because their supporters refuse to admit that they exist.

Steve Buckstein is Founder and Senior Policy Analyst at Cascade Policy Institute, Oregon’s free market public policy research organization.