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QuickPoint! – Critiquing Minimum Wage Laws Is About Protecting the Working Man (or Woman)

By Lydia White

A team of researchers from the University of Washington produced [a study](#), published by the [National Bureau of Economic Research](#), that measures the effects of Seattle’s minimum wage requirement of \$13 per hour.

The study* found that the city’s mandates resulted in 3% higher hourly wages, but 9% fewer hours worked. As a result, the average low-wage employee lost around \$125 per month. For low-income households especially, an annual loss of \$1,500 is significant.

Jacob Vigdor, one of the study’s authors and a professor at UW, said, “Traditionally, a high proportion of workers in the low-wage market are not experienced at all: teens with their first jobs, immigrants with their first jobs here.”

Low-skilled, low-paying jobs provide the opportunity to acquire knowledge and experience, setting up workers for their next, potentially higher-paying jobs. The least skilled are further disadvantaged when artificially high price floors are implemented. Employers instead search for only the most qualified candidates, leaving more teens jobless, as [Cascade Policy Institute’s study on the effects of the minimum wage on youth](#) reported last December.

When economists warn against the costs associated with the minimum wage, it’s not to protect greedy capitalists; it’s to protect the worker from being priced out of the market.

For the benefit of all Oregonians, political leaders should learn from our northern neighbors and repeal the state’s onerous three-tiered minimum wage law.

*The study used a “relatively conservative” \$19 per hour low-wage threshold to account for the spillover effect of “miscoding jobs lost when they have really been promoted to higher wage levels....”

Lydia White is a Research Associate at Cascade Policy Institute, Oregon’s free market public policy research organization.

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