

# \$15 MIN WAGE IS A JOB KILLER

*Would hurt teens, less-experienced workers*

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**BY MIKE HRUBY**

After a decade of tepid job growth, it's tempting to keep increasing the commonwealth's minimum wage. Even though the wage just rose to \$11 on Jan. 1, activists now want to push it to \$15.

Everybody likes a raise, but the Congressional Budget Office estimates that a \$15 minimum wage would cost 500,000 jobs nationwide while slightly raising the pay of one million workers. Given Massachusetts' 2.28 percent share of national employment, this means the commonwealth would lose around 11,417 jobs, a headline-worthy layoff. For a state that has arduously reduced the number of unemployed individuals by 16,458

over 10 years, Fight for \$15 would forfeit two-thirds of that progress.

The higher costs would disproportionately impact the small businesses that employ 79 percent of the state's workers and for whom elected officials regularly profess undying love. When taxes and mandated expenses like break time and paid sick leave are included, a \$15 per hour wage costs employers \$19.50 or more. Many retailers will face minimum Sunday employment costs of \$29.25 per hour, due to employment taxes, fringe benefits and mandatory overtime. These businesses will lay off workers, cut hours, and resort to automation.

Those let go would disproportionately be the very people we

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should be helping to enter our highly competitive knowledge economy: less-experienced workers, like moms returning to work, teenagers, the poor, and minorities. Without work experience, many in these groups are left without a path to higher income. Those more than 11,000 lost Massachusetts jobs will rob inexperienced workers of their opportunity to gain skills they urgently need.

Teenagers will take the hardest hit. Last year, just 26 percent of the commonwealth's 16- to 19-year-olds were employed, roughly half of those interested in employment. According to Andrew Sum of Northeastern University's Center for Labor Market Studies, teen employment is in a "Great Depression" in Massachusetts. A proven solution is to follow the federal example of a lower 90-day teen training wage.

The growing number of "retired" persons who need to work to pay their bills — currently more than 300,000 in Massachusetts — creates the job equivalent of musical chairs, and teens with limited skills and no experience would be the ones left standing when the music stops.

Unions would be the major beneficiaries of a minimum wage hike. With national membership declining, blue state union leaders are gambling on a higher minimum wage to boost

wages and increase dues revenue. The critical link is collective bargaining contracts that tie pay levels to the minimum wage.

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Anyone wishing to help working people should encourage the Legislature to deflate health insurance mandates, reduce high state corporate taxes and work on lowering sky-high gas and electric costs. Each of those cuts into what companies can pay workers and each creates an incentive to mechanize and automate. Computer software pays neither income taxes nor union dues.

A \$15 minimum wage sounds appealing, but seen through the lens of job growth, it hurts our commonwealth's most valuable asset: the ready employability of our people.

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