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## \$15 MINIMUM WAGE WOULD BRING MIXED FORTUNES FOR U.S. WORKERS

*House plan would give 17 million Americans raises, cost 1.3 million their jobs, nonpartisan government report finds*

By Eric Morath  
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WASHINGTON – Increasing the national minimum wage to \$15 an hour would deliver a raise for millions of U.S. workers but could also cost 1.3 million Americans their jobs, according to a government forecast that complicates congressional Democrats' push to more than double the federal pay floor.

If the federal minimum wage were raised to \$15 an hour in 2025, as House Democrats have proposed, a significant number of Americans would likely lose their jobs, a study released Monday by the nonpartisan Congressional Budget Office found.

But the study also estimates that in an average week in 2025 – the year after the House measure would take full effect – a \$15-an-hour minimum wage would boost the pay of 17 million workers who would otherwise earn less than \$15 per hour. It could also raise the pay of 10 million workers who otherwise would earn slightly more than \$15 an hour. Raising the federal minimum to \$15 would lift 1.3 million Americans out of poverty, the CBO said.

The agency prepared the report on the effects of lifting the wage from \$7.25 an hour ahead of next week's expected House vote on a bill that would gradually lift the pay floor to \$15 an hour by 2024.

"If you look at the whole report, there's no question there are significant benefits for a massive number of people that far outweigh whatever the cost might be," said Rep. Bobby Scott (D., Va.), chairman of the House labor committee and one of the bill's top supporters.

But Republicans were quick to pounce on the job-loss figures.

"This report confirms what we already knew," Rep. Steve Womack (R., Ark.) said in a statement. "American workers and families will lose their jobs if this bill is enacted."

The study's estimate of 1.3 million jobs lost is the median figure in a range from zero to 3.7 million eliminated jobs. That broad range reflects uncertainty about how wages could otherwise change over the next five years absent any policy shifts, and how employers might respond to the proposed federal increase.

"Many studies have found little or no effect of minimum wages on employment, but many others have found substantial reductions in employment," the study said.

The job-loss finding appears to be higher than Mr. Scott anticipated. He said on a conference call with reporters that the median estimate of studies he reviewed was zero jobs lost, and he pointed to recent studies finding job gains in some cases after minimum wages increased in local areas.

A majority of voters support raising the federal minimum wage, polls show. A Hill-HarrisX poll in January found that 55 percent of registered voters said they backed a \$15 minimum wage. Twenty-seven percent said it should be raised but to a lower amount.

While the House bill cleared committee in March, it languished as some Democrats from the South and Midwest pushed a rival bill that would set a tiered minimum wage tied to the cost of living in an area. But left-leaning lawmakers continued to push for a vote on a \$15 wage, a longtime goal of progressive activists. The GOP-controlled Senate isn't likely to consider the legislation.

Mr. Scott said he still expects the bill to come up for a vote next week and expressed optimism that it would pass. The measure gained support recently after two leaders of the moderate Blue Dog Coalition, Reps. Stephanie Murphy (D., Fla.) and Tom O'Halleran (D., Ariz.), proposed an amendment asking the Government Accountability Office to perform a study two years into the bill's five-year phase-in assessing its impact on the economy.

Lawmakers could then decide, based on those findings, whether to proceed with the next phase of increases. Leaders of the Congressional Progressive Caucus have supported the two-year checkup plan.

The federal minimum wage was last increased a decade ago, in July 2009. But most states don't follow that law. Twenty-nine states and many cities have moved to raise their pay floors above the federal level. New York and California are among six states, along with the District of Columbia, that have passed legislation to set a \$15 minimum wage in the coming years.

Many of the states that follow the federal rate are low-cost areas where the impact on jobs could be more pronounced. Because the median national wage last year was \$18.58, according to the Labor Department, any impact on employment would more likely occur in states like Alabama, where half of workers earned \$16.22 an hour or less.

Republicans don't appear eager to raise the minimum wage, making it unlikely any federal increase would be enacted until at least after the 2020 elections. Labor Secretary Alexander Acosta hasn't backed increasing the federal pay floor, and said earlier this year that a \$15 minimum wage would cost the country jobs.

While campaigning for office, President Trump took various positions, at one point supporting a \$10 an hour minimum wage, but he hasn't been vocal about the policy recently. The White House didn't respond to a request for comment.

Economists are split on the likely effects of an increase.

A majority of economists surveyed by The Wall Street Journal in April said employers would cut payrolls if the federal minimum were raised to between \$10.01 and \$13.00 an hour. One-third said job losses would occur at any level above the current rate.

Still, the economists who favor a higher minimum wage recommended an average level of \$10.83 an hour, significantly higher than the current one. Just under a third of survey respondents said there shouldn't be a minimum wage at all.

Academic research on the topic is mixed. In one frequently cited study by the University of Massachusetts at Amherst, economists found that 138 state-level minimum-wage increases between 1979 and 2016 didn't affect the overall number of low-wage jobs.

But another closely watched study by University of Washington economists found raising Seattle's minimum wage to \$13 an hour in 2016 increased pay in low-wage jobs by 3 percent, but reduced the hours worked in those jobs by 6 percent to 7 percent. Total employment for such jobs decreased.

The CBO study also considered the impact of smaller wage increases.

It found that lifting the federal minimum to \$12 an hour in 2025 would result in 300,000 fewer Americans with jobs and increase pay for five million workers who would otherwise earn less than the threshold. Lifting the federal minimum to \$10 an hour would have little effect on employment and increase wages for 1.5 million Americans who would otherwise make less than the minimum, the study found.

*Sarah Chaney and Andrew Duehren contributed to this article.*