

# A \$15 MINIMUM WAGE WILL HARM SMALL BUSINESSES & LOW-INCOME WORKERS

## Raising the minimum wage to \$15 will kill jobs during the current economic recovery

- CBO projects that raising the minimum wage to \$15 would result in a loss of [1.3 million](#) to [1.4 million](#) jobs and, potentially, as many as [3.7 million jobs](#).
- Democrats like to note that CBO [projects](#) that raising the minimum wage to \$15 per hour would lift 900,000 people out of poverty.
- But this ignores the fact that the booming economy that existed pre-COVID had provided considerable gains to lower-income workers.
- As researchers have [noted](#), “[p]rior to the pandemic income was rising faster for workers on the lower end of the distribution than others, inequality had not increased by any Census measure, and poverty went down by 0.5 percentage points between 2017 and 2018.”
- These workers don’t need a minimum wage hike, they need the economy to return to pre-pandemic levels.

## Low-wage workers, especially in industries hard-hit by COVID, will be hurt the most

- CBO [projects](#) the workers hit hardest by job losses from a minimum wage hike will be those in industries with high concentrations of low-wage workers, such as the restaurant, hospitality, and live event industries.
- Wall Street Journal columnist Jason Riley recently noted:
  - “Low-income minorities stand to lose the most from lifting the wage floor because they are overrepresented among less-skilled and less-experienced workers. Labor economists William Even and David Macpherson’s study of the impact of state minimum-wage mandates in 2007-09 found that they cost younger blacks more jobs than the Great Recession did.”
- These industries have already suffered considerable economic harm due to government imposed COVID-business shutdown orders.
- CBO’s findings are not outliers. Recent National Bureau of Economic Research analysis of minimum wage studies [found](#): “In its totality, this body of evidence and conclusions points strongly toward negative effects of minimum wages on employment of less-skilled workers.”

## Raising the minimum wage will increase inflation and reduce consumer purchasing power

- CBO [projects](#) that raising the minimum wage will increase inflation, which will reduce the purchasing power of consumers, especially low-income workers.
- As CBO [notes](#), “[h]igher wages would increase the cost to employers of producing goods and services. Employers would pass some of those increased costs on to consumers in the form of higher prices.”