

Business

Ex-McDonald's CEO says raising the minimum wage will help robots take jobs



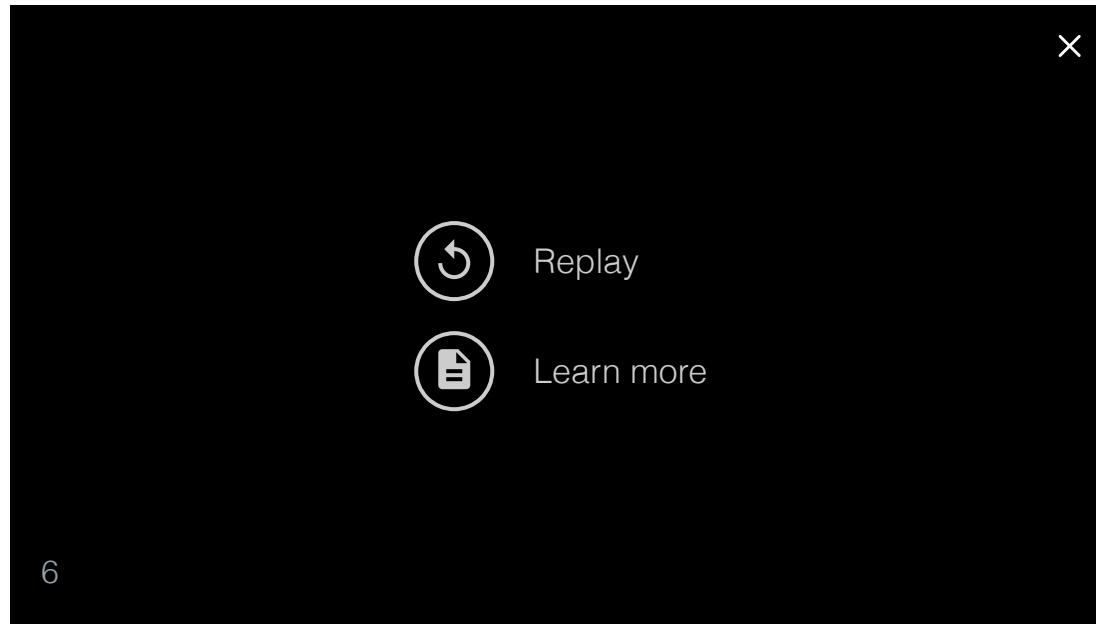
By **Matt McFarland**

The Washington Post

A former [McDonald's](#) chief executive has warned that raising the minimum wage will spur unemployment as companies will instead employ robots that work for less.

"I guarantee you if a \$15 minimum wage goes across the country you're going to see a job loss like you can't believe," said Edward Rensi in an appearance on Fox Business Network Tuesday. "It's cheaper to buy a \$35,000 robotic arm than it is to hire an employee who's inefficient making \$15 an hour bagging French fries."

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The minimum wage has been a hot topic this spring, with some states and employers deciding to up their minimum wage to \$15 an hour in the coming years. California will raise its minimum wage to \$15 an hour by 2022. New York City will get to \$15 an hour within three years. Pennsylvania's largest employer, the University of Pittsburgh Medical Center, will up its minimum wage to \$15 an hour by 2021.

Rensi referred to discussion of raising the minimum wage as "nonsense," and something that would destroy America's middle class. Rensi said he'd recently attended the National Restaurant Show and saw first hand a range of robotic devices that are making their way into the restaurant industry.

Rensi, who was McDonald's CEO from 1991 to 1997, isn't the only fast food executive to be concerned about the consequences of raising wages. Wendy's is currently testing self-service kiosks in a few of its restaurants and exploring broader uses of technology to mitigate rising labor costs.

Instead of a federal minimum wage, Rensi says states should set the figure based on cost of living in their region. He warned that a higher minimum wage would damage the economy and leave more citizens dependent on government support.

"We've got unemployment in the black community which is staggering. Young black men over 50 percent unemployment, and we're talking about a \$15 minimum wage?" said Rensi, who most recently served as CEO of the restaurant company Famous Dave's. "It's nonsense, these are entry-level jobs."

Last year, Rensi told The Washington Post that when he started working at McDonald's in 1966 there were 70 or 80 people working in the store, a number that has been cut in half today.

As computers have grown exponentially more powerful, companies have been able to automate more tasks, diminishing the need for human employees. Robotics and artificial intelligence are hot areas in the technology sector, and the World Economic Forum estimated earlier this year that their rise would cause a net loss of 5.1 million jobs over the next five years.

Some experts are so concerned about looming unemployment that they are calling for a basic income, a regular stipend to be paid to citizens who are likely to lose their jobs and cannot be retrained. Several European countries are planning experiments to test the impact of a basic income.

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