# LW Case Turns---Econ/Poverty

DO NOT STANDARDIZE HIGHLIGHTING – I DOUBLE HIGHLIGHTED SOME OF THE EVIDENCE

NOTES:

This was the file of generic case turns we read against new affs we didn’t have a case neg against. We would read a different set of turns depending on the specific conditions of the aff and what types of arguments the aff made in the AC to pre-empt turns.

## Top Level/Case Ks

### 1NC Plan Affs

#### 1. Specificity is irrelevant. The law of demand is universal and aff authors are political hacks. Robust research confirms a minimum will decrease employment.

Wilkinson 13 [(Will Wilkinson, Academic Coordinator of the Social Change Project and the Global Prosperity Initiative at The Mercatus Center at George Mason University, ran the Social Change Workshop for Graduate Students for The Institute for Humane Studies, research fellow at the Cato Institute) “The law of demand is a bummer” Economist Feb 27th 2013] AT

THE debate over the minimum wage, which, thanks to Barack Obama's state-of-the-union address, we appear to be having again, is a debate over the question of whether raising the price of something—low-skilled labour, in this case—will reduce demand for that thing. That is to say, it is a debate over the relevance of the law of demand, an enormously robust generalisation about human behaviour confirmed and re-confirmed each day by billions of individual decisions. Which is not to say that economic "laws" capture strict relations of physical necessity. Economics is not physics. Demand does not have to go down, by dint of creation's quiddity, when price goes up. Economics, like psychology, trucks in propositions that hold other things being equal. Steady or rising demand in the face of rising prices does not flout the law of the conservation of mass, or any such strict basic rule of the universe, but it does call for an explanation of the nature of the exception to the rule. What, exactly, is supposed not to be equal, such that in this case, applying the law of demand will mislead us about the expected effect of raising a price floor? There are conditions under which raising the minimum wage will increase demand, as well as economic efficiency. According to one story, monopsony conditions for low-wage labour, ie, imperfectly competitive labour-market conditions in which there is but a single buyer of low-wage labour (or a colluding band of buyers) that is able to set wages at a level workers have little choice but to accept. Good old Econ 101 shows that under such conditions, a bump in the minimum wage, within a certain range, can boost employment and enhance efficiency. So there's that. And such conditions no doubt exist in some sectors at some places at some times. One famous, and egregiously misused, study suggests that monopsony-like conditions applied to fast-food restaurants in Pennsylvania and New Jersey in the mid-1990s. But there is basically no reason whatsoever to think that such conditions apply generally, across all sector and regions of the American labour market. In the absence of special conditions, we have every reason to expect the law of demand to hold, such that raising the minimum wage will make it harder for inexperienced workers—workers whose output is worth less to employers than the mandated wage, and especially teenagers from low-income families looking to get a first footing in the labour market—to find work. And this is, in fact, what empirical studies tend to conclude. A comprehensive 2008 survey of the empirical literature from David Neumark, a professor of economics at the University of California, Irvine, and William Wascher, an economist for the Federal Reserve, found that, as one would expect, "[M]inimum wages reduce employment opportunities for less-skilled workers, especially those who are most directly affected by the minimum wage.” Again, it doesn't have to work this way. Employers can cut hours rather than hiring fewer workers. They can turn down the air-conditioner, strictly police the length of breaks, and otherwise reduce the cost of amenities previously enjoyed by employees. They can shift to off-the-books employees willing to work for less than the legally-mandated minimum. They can raise prices, passing on increased labour costs to consumers. It's conceivable that the only consequence would be that a larger share of profits gets distributed to low-wage workers. Conceivable and exceedingly unlikely. In reality, we probably get small adjustments along each of these dimensions. Of course, there is some newish empirical research contesting the disemployment effect of increases in the minimum wage, and then there is even newer research debunking it. I'm not about to offer a blow-by-blow of this tedious and technical debate for the same reason I'm not inclined to delve into the "debate" over the reality of global warming. The basic science is sound, and I don't think it is at this juncture especially fruitful to "teach the debate" when deliberating about policy. I suspect that the reason left-leaning academics and journalists are so ready to tout research shoot ing holes in the law of demand has more to do with politics than a dogged commitment to truth in economic science. Raising the minimum wage is a very popular policy. It's smart for the Democratic Party to get behind it. So Democratic opinion leaders will be inclined to provide intellectual cover, either by soft-pedaling the downside of the policy, or by selflessly making their minds available to believe whatever most benefits their party. Democratic journalists may find themselves eager to talk about the fascinating new research that contests the conventional wisdom about the effects of raising the minimum wage. None of this is especially surprising or scandalous, and it's naive to think public intellectual life in a closely-divided democracy will ever be much different. Still, it's a tonic to square up now and again to the way things work, and it's worth taking note when Democrats, who are in my opinion generally less prone than Republicans to baldly wishful and/or strategic cognition, behave like thoroughly political animals. Perhaps it's wishful on my part to think, as I do, that most economically literate observers really do understand that raising the minimum wage will screw up the prospects of a fair number of poor young workers. Those who favour raising the minimum wage anyway just think that, all things considered, that's a price we ought to be willing to pay. But they can't say that, just as second-amendment enthusiasts can't say that an occasional grim harvest of kindergartners is a price we ought to be willing to pay for the freedom to own guns. One of the most maddening things about political debate is that it's rhetorical suicide to accept tragic trade-offs. So one must deny that there are trade-offs. It's got to be all benefit, no cost. And that's why we find so few willing to step forward and say, yes, "minimum wages pose a tradeoff of higher wages for some against job losses for others", but let's raise the minimum wage anyway, because, in the final analysis, the benefit to those who enjoy higher wages will be greater than the cost suffered by those put out of work, and this distribution of burdens and benefits is not too unfair to stomach.

#### Outweighs:

#### The basic economic principle is such a strong prediction that the effect is virtually guaranteed

#### Their models make the same economic assumptions as this argument does – they can’t use their predictions to answer this

#### The impact outweighs – unemployment causes crime, worse health, and death; also permanently lowers wages and harms children, which turns their solvency

Nichols 13 [(Austin Nichols, Senior Research Associate in The Urban Institute's Income and Benefits Policy Center; Stephen Linder, Visiting Assistant Professor, University of Oregon, Research Associate, The Urban Institute, Graduate Research Assistant & Instructor, University of Michigan; ) “Consequences of Long-Term Unemployment” The Urban Institute July 2013] AT

Impacts on Physical and Mental Health Burgard, Brand, and House (2007) report large declines in self-reported health status following job loss, even after taking differences in characteristics of job losers into account. Losses are largest among those who lose jobs for reasons related to health, implying the causal impact of job loss is much smaller than the impact observed by comparing job losers to other workers. Furthermore, job losses for other reasons increase depressive symptoms but have little impact on other measures of health. There is little evidence of health deteriorating over the course of an unemployment spell (Salm 2009). In fact, Ruhm (2000, 2001, 2005, 2007) documents improvements in health as unemployed workers get more exercise, smoke and drink less, lose weight, and suffer less from jobrelated or commute-related health risks. Sullivan and von Wachter (2009) find that the mortality consequences of displacement are severe, with a 50 to 100 percent increase in death rates the year following displacement and 10 to 15 percent increases in death rates for the next 20 years. For a 40-year-old worker, that implies a decline in life expectancy of a year to a year and a half. Long-term joblessness results in higher mortality, but voluntary and involuntary separations seem to have similar impacts on mortality (Couch et al. 2013). The mechanism for these mortality increases is unclear but could be related to income loss, increases in risky health behavior (Browning and Heinesen 2012), and losses of health insurance coverage (Olson 1992). Although job loss increases the subsequent risk of death, the impacts of longer duration of unemployment on health or mortality are not clearly identified. Given that longer-duration unemployment is associated with higher mortality, but health does not seem to deteriorate during a spell, the observed correlations may be related to lower lifetime income (via both more forgone earnings and lower future wages earned by the long-term unemployed), and not through any direct impact on health. The link between income and health is also not clearly causal, however, and there is some evidence that it is increased labor force attachment that lowers mortality, not higher income (Snyder and Evans 2006). There is a long history of research showing that becoming unemployed has large negative effects on mental health, but that mental health does not deteriorate substantially with longer duration of unemployment. Whooley and colleagues (2002) found that depression strongly predicts future job and income losses, suggesting reverse causation is an important threat to such comparisons. Clark and Oswald (1994) found duration of unemployment is actually positively correlated with well-being, conditional on being unemployed. Winkelmann and Winkelmann (1998) found no evidence of satisfaction changing over the course of a spell of unemployment.11 On the other hand, Classen and Dunn (2012) estimated that higher rates of long-term unemployment increase suicide rates, although this may in part reflect general economic conditions. Browning and Heinesen (2012) used microlevel data from Denmark and found that job loss increases alcohol-related disease, mental illness, and suicide and suicide attempts, but these effects could be due to job loss itself, and unrelated to unemployment duration. Theoretically, links between declining employment prospects and declining mental health seem clear. As economic stress increases, the incidence of anxiety disorders should increase, and as individuals fall in the social hierarchy, serotonin-pathway disorders, including depression, should become more prevalent.12 Alternatively, as expectations fall, people may adjust to a new normal and take fuller advantage of leisure time, leading to improvements in measured mental health. On balance, the empirical evidence for the link between longer durations of unemployment and worse mental health is far from clear. Effects on Children and Families There are a large variety of negative effects of job loss observed in the families of workers, although the causal mechanism is not always well known. Kalil and De Leire (2002) found that the negative effects of job loss for children were limited to those associated with the loss of a father’s job. Similarly, Lindo (2011) documented a negative impact of paternal job loss on infant birth weight. Rege, Telle, and Votruba (2011) also showed that paternal job loss lowers children’s school performance, and the negative effect of paternal job loss is not mediated by income, a shift in maternal time toward employment, marital dissolution, or residential relocation. Stevens and Schaller (2011) showed that layoffs affect children’s grade retention, and Wightman (2012) documented a reduction in the probability that children finish high school after paternal job loss. Oreopoulos, Page, and Stevens (2008) traced the impact of job loss on children’s later earnings as adults. Katz (2010) pointed out that financial aid based on prior year income does not address the immediate needs of students whose parents are laid off, perhaps leading to losses of educational opportunity in the second generation. Loss of continuous health insurance coverage could also play a role in worse child outcomes, as Johnson and Schoeni (2011) show that health insurance can play a large role in intergenerational transmission of disadvantage. Job losses and long-term unemployment can affect children’s outcomes through increased family stress and reduced incomes. McLoyd and colleagues (1994) documented how financial stress from job loss affects the emotional well-being of mothers, producing increased cognitive distress and depressive symptoms in adolescent children and more negative assessments of maternal interaction. Children whose parents suffer longer unemployment and larger lifetime income losses can be expected to suffer greater detriment to their emotional well-being, and this may result in worse education and labor market outcomes in the children’s generation. Changes in family structure may be another mechanism by which the negative consequences of job losses are transmitted to the next generation. Del Bono, Weber, and Winter-Ebmer (2008) and Lindo (2010) showed that layoff affects fertility rates, and Lindner and Peters (2013) found negative effects of job loss of mothers and fathers on family stability, especially for married parents, which is one factor through which parental job loss may affect the well-being of children. Charles and Stephens (2004) documented an increase in divorce following layoffs but not plant closings or disability, suggesting that the higher divorce rate is more strongly related to the job loser’s productivity and other attributes rather than diminished financial prospects. Impact on Communities High rates of long-term unemployment can devastate local communities, as reduced lifetime income prospects induce a variety of behavioral changes, and alter social networks. Wilson (1987) building on Kain (1968), argued that a lack of available jobs close to where the disadvantaged unemployed workers live, or “spatial mismatch,” contributes to long durations of joblessness, in part because social networks become largely populated by other jobless workers. Persistent joblessness for men is then linked to breakdowns in traditional family arrangements, increased use of public assistance, and high crime. As long-term unemployment becomes more concentrated, the neighborhood becomes a source of persistent poverty. Even if long-term unemployment does not have important effects on job finding via social networks, it can induce behavioral changes that have important spillover effects on the community as a whole. In addition to engaging in riskier health behavior and reducing investments in housing and other capital stocks that benefit the community as a whole, the long-term unemployed may be induced to seek out work in the illegal sector. Although crime rates fell in many areas during the Great Recession, they seem to have fallen due to a long-term trend, and to have fallen less in places hit harder by job loss. 13 Rege, Telle, and Votruba (2012) document a 14 percentage point higher probability of arrest among workers affected by plant closings, but there are important dynamic and spillover effects as well. As Machin and Manning (1999) discuss: a cycle develops whereby involvement in crime reduces subsequent employment prospects which then raises the likelihood of participating in crime (see Thornberry and Christensen, 1984). In this vein Freeman (1992) and Grogger (1992) show some association between the persistence of joblessness and crime. Fagan and Freeman (1997) also review evidence that show important links between unemployment and crime…. It should be emphasized again that it is difficult to distinguish between heterogeneity and true duration dependence as the explanation for these correlations. Impacts on communities may be driven in part by increases in concentrated poverty due to long term unemployment. The evidence of higher impacts due to greater spatial concentration of poverty is mixed, however, as discussed by Turner, Nichols, and Comey (2012) in the context of the Moving to Opportunity experiment. Conclusions The extensive evidence on far-reaching negative consequences of job loss is clear: Loss of a job can lead to losses of income in the short run, permanently lower wages, and result in worse mental and physical health and higher mortality rates. Further, parental job loss hampers children’s educational progress and lowers their future earnings. The link between longer duration of unemployment and worse consequences is more tenuous. Lower wages and lifetime incomes are associated with longer periods of unemployment, but the reason for the decreasing earnings prospects is not clear. In domains where we might expect to see strong evidence, such as mental health outcomes, the evidence is murky at best. When there are patterns of declining well-being as unemployment extends longer, the extent to which declining well-being is due to increasing loss of lifetime income alone or to time out of work is not clear. The need to distinguish among competing explanations for the observed patterns is pressing, because different policy responses would be called for depending on which of the potential explanations is the dominant one. Further research should identify more clearly whether selection, declining reservation wages, human capital depreciation, or some form of employer discrimination seems to be the dominant explanation for reemployment wage declining with unemployment duration. We also need to explore whether other long-run negative impacts of job loss and unemployment duration are due to those same factors, or to loss of income or social position.

#### 2. Cuts in other benefits increase poverty

Fraser 14 [Charles Lammam. “The Economic Effects of Living Wage Laws.” Fraser Institute. January 2014] AJ

Minimum wage policies have other unintended consequences. Evidence shows that employers not only respond to a minimum wage floor by decreasing the number of jobs, but they also cut back on hours (Couch and Wittenburg, 2001), provide less on-the-job training and other non-wage benefits (Neumark and Wascher, 2001; Marks, 2011), and give employment priority to their most productive and experienced workers (Neumark and Wascher, 1995). There is also a growing body of evidence that shows minimum wage increases actually do little to help households in need. One recent study examined increases in the minimum wage across Canadian provinces from 1981 to 2004 and actually found that raising the minimum wage was associated with a four- to six-percent increase in the percentage of families living below Statistics Canada’s low income cut-off (LICO) line (see Sen et al., 2011). In a 2012 study by renowned Canadian minimum-wage researchers, Michele Campolieti, Morley Gunderson, and Byron Lee, the authors analyzed prov- incial data from 1997 to 2007 and found that raising the minimum wage had no statistically discernible impact on measures of relative poverty including LICO (Campolieti et al., 2012). One important reason for these findings is that the bulk of those working for minimum wage do not actually belong to low-income households. In a 2009 study, researchers used Statistics Canada data to profile minimum-wage earners in Ontario. They found that “over 80% of low-wage earners are not members of poor households” and that “over 75% of poor households do not have a member who is a low-wage earner” (Mascella et al., 2009: 373).19

#### 3. The aff increases prices – increasing demand boosts prices, and businesses increase prices to offset costs

Haskins 15 [(Justin, author, blogger, and the editor at The Heartland Institute, a leading free-market think tank) “Minimum wage mythology will hurt workers” Human Events Jan 16, 2015] AT

More than 3.1 million workers across the nation received a late Christmas gift on Jan. 1, when minimum wages were increased in 21 states. Although the mandated wage hike was welcomed by many workers, they will soon find that their new pay raise will cause more harm than help. It’s understandable why voters supported increasing the minimum wage. Living on $7.25 per hour—the federal requirement for minimum wages—is an exceptionally difficult endeavor, and it’s hard to imagine a family with children thriving with such little income, even if parents are working 40 hours per week or more. However, behind all of the compassionate slogans and well-intentioned protests rests a reality that sharply cuts through the many myths surrounding minimum wage increases: economics and common sense. Contrary to claims made by advocates of the mandated increases, raising wages by less than one dollar will do little to curb poverty. In Colorado, for instance, wages increased 23 cents to $8.23, but that only means full-time workers earning the minimum wage will see roughly $9.20 (before taxes) more per week than they currently receive now and about $478 more per year, assuming the worker works all 52 weeks. If current trends for inflation and the consumer price index continue at rates comparable to the past three years, those minimum wage increases will evaporate by the end of 2016—and this assumes the minimum wage hike will have no effect on prices in Colorado. Ultimately, minimum wage laws do little to help impoverished workers, and basic economics explains why. When any market sees an increase in dollars available, prices for common goods and services, such as gasoline and groceries, inevitably go up. The reason for this is simple: If consumers have more money to spend, businesses will charge more money in the hopes of earning a greater profit. For example, a small store in Colorado, where the state’s minimum wage increased 23 cents to $8.23, may employ 10 workers earning a minimum wage and working an average of 40 hours per week. With the passage of the new minimum wage, the store owner now has to pay his or her workers a total of $92 more per week than in 2014. The easiest way for a business owner to come up with the difference is to raise prices, which leads to increased costs for all consumers across the market.

#### Outweighs:

#### Scope – it nullifies aff solvency since price increases offset wage gains, but also affects other workers, not just low-wage workers, so it harms more people than it helps

#### People are forced to respond to high prices by cutting spending – this puts additional costs on businesses, which forces additional layoffs and supercharges all my other offense

### Unemployment Turn

#### Minimum wage increases unemployment – this is backed by consensus, and gets magnified over time – even if there’s no employment effect it still hurts the poor

ALEC 14 [(AMERICAN LEGISLATIVE EXCHANGE COUNCIL, membership association of state legislators) “Raising the Minimum Wage: The Effects on Employment, Businesses and Consumers” The State Factor March 14] AT

Businesses cannot afford to pay employees more than those employees produce on the aggregate. Employees who are paid the minimum wage earn that wage rate because they lack the productivity to command higher pay.6 Advocates of increasing the minimum wage rely on the idea that businesses are able but unwilling to pay higher wages to their employees. The hope is that these businesses will simply take a hit in their profits while employment and prices are negligibly affected. Unfortunately, most minimum wage earners work for small businesses, rather than large corporations.7 According to an analysis by the Employment Policies Institute, roughly half of the minimum wage workforce is employed at businesses with fewer than 100 employees, and 40 percent work at businesses with fewer than 50 employees.8 Small businesses face a very competitive market and often push profits as low as they can go to stay open. Minimum wage earners employed by large corporations would also be affected, because these corporations are under tremendous pressure from shareholders to keep costs low. Last year, the California chapter of the National Federation of Independent Business (NFIB) projected the potential negative effects of the state’s 2013 legislation that raises California’s minimum wage rate to $9 per hour in 2014 and again to $10 by 2016.9 It estimated the increase to the wage rate would shrink the California economy by $5.7 billion in the next 10 years and result in approximately 68,000 jobs being cut from the state. It further projected that 63 percent of the estimated 68,000 jobs lost would be from small businesses that could no longer afford to pay their employees.10 The bottom line is that someone must pay for the costs associated with an increased minimum wage. Often, because a business cannot pay these costs, they are paid for by the individuals the minimum wage is intended to help—low-skilled, undereducated individuals—as they lose out on job opportunities. Under the basic neoclassical competitive market model—used most frequently to study the effects of the minimum wage—increasing the price of a good or service decreases demand for that good or service.11 In the case of wage rates, if the government increases the price of labor by raising the minimum wage, employers will demand less of it. Although most economic research since the advent of the minimum wage has found that increases to the minimum wage reduce employment, the effect of minimum wage laws on employment levels continues to be one of the most studied questions in economics.12 Earlier research examining the minimum wage’s effects on employment used time-series data and variation in the national minimum wage. The results of this research show increases to the minimum wage tend to reduce employment levels. In the 1990s, however, economists began to use the variation in state minimum wage levels to determine the effect of minimum wage increases on employment. The results of the 1990s research were more controversial; some studies had similar results to earlier research, others found no effect or even significant positive effects on employment, and others showed even stronger negative effects of increasing the minimum wage.13 However, the main conclusion of more than seven decades of research is that minimum wage increases tend to reduce employment.14 One review by economists David Neumark and William Wascher shows that 63 percent of studies found relatively consistent evidence of negative employment effects on minimum wages.15 Further, 85 percent of what they deem the most reliable studies point to negative employment effects.16 A recent study by the Heritage Foundation concluded that the current proposal before Congress to raise the federal minimum wage from $7.25 to $10.10 per hour would likely eliminate an estimated 300,000 jobs per year and lower the national gross domestic product by an average of $40 billion per year.17 The negative effects on employment are likely to be more profound in the long run, as employers shift to labor-saving methods of production when labor costs rise.18 ATMs have replaced many bank tellers, cashiers have been swapped for self-serve checkouts at grocery and convenience stores, and gas jockeys have been eliminated in most areas where they are not legally mandated. In occupations where most work is repetitive, it is cost-effective for an employer to respond to higher labor costs by substituting technology for employees. This means occupations consisting of routine tasks—the jobs most likely to be held by less experienced and less educated individuals—are also the most likely to be replaced by technology as employers make investments to adapt to higher labor costs associated with an increased minimum wage. Even if employers do not decrease hiring, they will respond to higher labor costs by replacing the lowest-skilled individuals with more highly-skilled employees, which prices inexperienced workers out of the market. Further, the higher pay attracts more affluent individuals to enter the low-wage labor market, such as teenagers from well-off families or adults looking to provide a secondary income to their households. The increased labor supply makes it even more difficult to secure minimum wage jobs for those who most need them. According to testimony provided by James Sherk of the Heritage Foundation, after minimum wage levels increase, businesses employ more teenagers living in affluent zip codes and fewer teenagers from lower-income zip codes.19 Although increases to the minimum wage encourage more teenagers to attempt to join the workforce, mandated wage increases limit the number of job opportunities available to them at a time when teenage unemployment rates are already at a staggering 20 percent.20 For many young people looking for a job, the primary value that employment provides is on-the-job training, rather than the initial low pay. More than 60 percent of young employed earners are enrolled in school during non-summer months, and for 79 percent of them, it is a part-time job.21 Minimum wage jobs can often serve as a stepping stone to later career goals, so young earners are often more likely to need experience in basic job skills than a small wage increase. Increasing the minimum wage and removing job opportunities from teenagers and young adults could suppress their wage-earning abilities later in life when they are more likely to need their wages to support a family.22 The effects on employment are even more pronounced for minority youth. A 10 percent increase in the minimum wage decreases minority employment by 3.9 percent, with the majority of the burden falling on minority youth whose employment levels will decrease by 6.6 percent.23

#### Outweighs

#### A. Prefer consensus – it compares their evidence against other studies to ensure no biases in methodology – their evidence is an outlier and should be rejected

#### B. Low-skilled workers are the most vulnerable since they’re more likely to be poor and can’t be employed elsewhere – prioritize them since disemployment is totally devastating for their life prospects

#### C. Skills training outweighs – it results in a lifelong increase in wages which provides a bigger boost than a small wage increase at the bottom

#### D. The aff doesn’t solve poverty and employment outweighs – comprehensive impact assessment goes neg

ALEC 14 [(AMERICAN LEGISLATIVE EXCHANGE COUNCIL, membership association of state legislators) “Raising the Minimum Wage: The Effects on Employment, Businesses and Consumers” The State Factor March 14] AT

Proponents of minimum wage increases often justify their support for the policy with the belief that it will raise America’s least fortunate out of poverty. However, past minimum wage increases have not helped achieve this goal.28 Although helping the poor is a worthy pursuit for policymakers, if the goal is to help the poor, raising the minimum wage is an inefficiently targeted policy. Recent studies have shown that there is little to no relationship between increases in the minimum wage and reductions in poverty.29 These studies find that, although some lower-skilled workers living in poor families see their incomes rise when the minimum wage increases, others lose their jobs or have their hours substantially cut.30 Economists Joseph Sabia and Richard Burkhauser found that workers living in households below the poverty line received few of the benefits of past minimum wage increases. Even assuming that no minimum wage workers are laid off or have their hours reduced, they found only 10.5 percent of the benefits of a potential federal minimum wage increase would go to individuals living below the poverty line. More than 60 percent of the benefits would help families living at more than 200 percent of the poverty level.31 A recent Congressional Budget Office (CBO) report examining the proposed federal minimum wage increase to $10.10 by 2016 found that, although the proposal would move approximately 900,000 people above the poverty threshold (of the estimated 45 million currently below that threshold), just 19 percent of the increased earnings would go to families below the poverty line.32 The same report found that an increase to $10.10 would reduce total employment by approximately 500,000 workers.33 The problem plaguing America’s poor is not low wages, but rather a shortage of jobs.34 At a time when the nation’s workforce participation is only 62.8 percent, policymakers must avoid policies that destroy job opportunities.35 Increasing the minimum wage does nothing to help the unemployed poor. In fact, as discussed above, it hurts individuals looking for employment as it decreases available job opportunities. So, who is helped by an increase to the minimum wage? According to a 2012 report from the Bureau of Labor Statistics, although workers under age 25 represented only 20 percent of hourly wage earners, they made up just over half (50.6 percent) of all minimum wage earners.36 The average household income of these young minimum wage earners was $65,900.37 Among adults 25 and older earning the minimum wage, 75 percent live well above the poverty line of $22,350 for a family of four, with an average annual income of $42,500.38 This is possible because more than half of older minimum wage earners work part-time and many are not the sole earners in their households.39 In fact, 83.5 percent of employees whose wages would rise due to a minimum wage increase either live with parents or another relative, live alone, or are part of a dual-earner couple.40 Only 16.5 percent of individuals who would benefit from an increase to the minimum wage are sole earners in families with children.41 With national unemployment still hovering around 7 percent, national, state, and local demands for an increased minimum wage could not be more ill-timed.42 Increasing the minimum wage would make it more difficult for emerging businesses to expand payrolls and for existing businesses to maintain employees. Further, a higher wage rate would make it more difficult for individuals with less education and experience to find work. Raising the minimum wage favors those who already have jobs at the expense of the unemployed. Public policy would be more beneficial if it lowered barriers to entry for employment and increased economic opportunities. Raising the minimum wage may be a politically attractive policy option, but it is harmful to the very people policymakers intend it to help.

### UQ – Econ High Now

#### Econ rapidly growing now – real gains in wages non-unique every harm

Schoen 12-8-14(John W., economics reporter for CNBC, 12-18-14, “Economists see revved-up US economy next year”, http://www.cnbc.com/id/102244366#. ) **AJ Jr.**

In case you missed it, the U.S. economy is picking up speed.¶That's the view of a panel of business economists, whose latest growth forecast calls for a 3.1 percent advance in U.S. gross domestic product in 2015—up from a 2.2 percent expansion this year.¶And the improved job market will continue to push the jobless rate down to 5.4 percent by the end of next year, according to the latest forecast from the National Association for Business Economics (NABE).¶ The groups' upbeat outlook was bolstered Friday by the government's latest employment data, which showed a surge in employment in November, when nonfarm payrolls jumped by 321,000. The report also boosted the government's previous estimates for job gains in September and October.¶ Those numbers were reported after the panel of business economists—who advise large U.S. banks and corporations—were surveyed in mid-November. ¶ Despite the pickup in job growth and overall output, the panel expects inflation will remain tame next year, in part because of the recent slide in oil prices.¶ While the pace of the U.S. economy's growth is expected to pick up, the economists are less upbeat about the global economy.¶ Global growth is seen rising 3.4 percent next year, with China slowing to a 7 percent annual pace, Europe expanding by 1.2 percent and Japan eking out 1 percent gain in GDP.¶ More than half think the world's developed economies have hit a prolonged period of slower growth—or what they call "secular stagnation." Nearly half of those who think this is happening blame the ongoing debt overhang from the Great Recession. Another 20 percent cited tight government spending.¶ Other reasons cited were a slowdown in technological innovation (8 percent), demographic changes (8 percent), consumer retrenchment following the Great Recession (4 percent) and excess global production capacity (4 percent).¶ However, 30 percent don't believe growth in the developed world is in a prolonged slowdown.¶ The group has also pushed back its forecast for a rise in U.S. interest rates. Most believe the Federal Reserve will begin boosting rates sometime in the middle of next year, but nearly half now think that won't happen until the third quarter of 2015.¶ The NABE also expect rates to rise more slowly—with the federal funds rate hitting 0.75 percent by the end of 2015. That is slightly less than the 0.845 percent forecast in the previous survey in September. Additionally, it trimmed its forecast for yields on 10-year Treasury to 3.2 percent by the end of 2015, down from the 3.5 percent September forecast.¶ Among the group's other forecasts:¶ Inflation: (as measured by the GDP price index) is expected to inch up to a 1.7 percent annual gain from 1.6 percent this year.¶ Consumer spending: is expected to rebound from a 2.2 percent pace in 2014 to 2.7 percent next year. Car sales will hit 16.8 million units in 2015, up from 16 million this year.¶ Industrial production: will slow to 3.5 percent next year, after a 4 percent increase in 2014.¶ Housing: is expected to continue its slow recovery next year, with starts climbing from 920,000 units last year to 1 million units in 2014 (unchanged from September's survey results) and to 1.15 million units next year from 1 million this year. More than a quarter of panelists said the ongoing slowdown in household formation rate is holding back growth, while another quarter cited "excessively tight" mortgage lending standards as the most important cause.¶ U.S. budget: The group expects continued improvement in the federal deficit, which it sees shrinking to $460 billion next year from $483 billion in fiscal year 2014¶ Wages: Respondents also expect an improved labor market to produce real wage gains, with hourly compensation rising 2.6 percent next year after this year's 3 percent gain.¶ Profits: After-tax corporate profits growth is expected to remain strong, rising 6.7 percent next year after expanding by 3.8 percent this year. The group expects that to translate into stock market gains that will propel the S&P 500 index to 2,050 by the end of this year, and 2,167 by the end of 2015.¶ Trade: The group also expects exports to grow by 5.4 percent next year, up from 3.5 percent in 2014, with the dollar rising only slightly next year. Import growth is expected to accelerate by 4.4 percent in 2015, slower than the September forecast of 5.7 percent.

#### Global Growth now

**O’Neil 2-5** (Jim O’Neill, a former chairman of Goldman Sachs Asset Management, is Honorary Professor of Economics at Manchester University, a visiting research fellow at the economic think tank Bruegel, and a fellow of the University of Cambridge’s Center for Rising Powers. ,

The global economy: reasons to be cheerful, http://www.theguardian.com/business/2015/feb/05/the-global-economy-reasons-to-be-cheerful)

The conventional wisdom about the state of the world economy goes something like this: since the start of the 2007-2008 financial crisis, the developed world has struggled to recover, with only the United States able to adjust. Emerging countries have fared better, but they, too, have started to flounder lately. In a bleak economic climate, the argument goes, the only winners have been the wealthy, resulting in skyrocketing inequality. That scenario sounds entirely right – until, on closer examination, it turns out to be completely wrong. Start with economic growth. According to the International Monetary Fund, during the first decade of this century, annual global growth averaged 3.7%, compared to 3.3% in the 1980s and 1990s. In the last four years, growth has averaged 3.4%. This is far lower than what many had hoped; in 2010, I predicted that in the coming decade, the world could grow at a 4.1% annual rate. But 3.4% is hardly disastrous by historical standards. To be sure, all of the large, developed economies are growing more slowly than they did when their economic engines were roaring. But it is only the eurozone that has badly disappointed in recent years. I had assumed, when I made my projections in 2010, that the region’s poor demographics and weak productivity would prevent it from growing at more than 1.5% a year. Instead, it has managed only a meager 0.3%. For Japan, the US, and the United Kingdom, the prospects are brighter. It should be relatively straightforward for them to grow at an average rate that outpaces that of the last decade – a period that includes the peak of the financial crisis. In addition, the dramatic drop in the price of crude oil will serve as the equivalent of a large tax cut for consumers. Indeed, I am rather baffled by the IMF’s decision to downgrade its growth forecast for much of the world. If anything, with oil prices falling, an upward revision seems warranted. Another factor supporting a more positive outlook is the rebalancing that has occurred between the US and China, the world’s two largest economies. Each entered the financial crisis with huge current-account imbalances. The US was running a deficit of more than 6.5% of its GDP, and China had a surplus of close to 10% of its GDP. Today, the US deficit has fallen to about 2%, and the Chinese surplus is less than 3%. Given that their intertwined imbalances were key drivers of the financial crisis, this is a welcome development. It has recently become fashionable to disparage the economic performance of the large emerging countries, particularly China and the other BRIC economies (Brazil, Russia, and India). But it is hardly a surprise that these countries are no longer growing as fast as they once did. In 2010, I predicted that China’s annual growth would slow to 7.5%. It has since averaged 8%. India’s performance has been more discouraging, though growth has picked up since early 2014. The only real disappointments are Brazil and Russia, both of which have struggled (again, not surprisingly) with much lower commodity prices. Their lethargic performance, together with the eurozone’s, is the main reason why the world economy has not managed the 4.1% growth that optimists like me thought was feasible. The conventional wisdom on wealth and inequality is similarly mistaken. From 2000 to 2014, global GDP more than doubled, from $31.8tn to over $75tn. Over the same period, China’s nominal GDP soared from $1.2tn to more than $10tn – growing at more than four times the global rate. In 2000, the Bric economies’ combined size was about a quarter of US GDP. Today, they have nearly caught up, with a combined GDP of more than $16 trillion, just short of America’s $17.4 trillion. Indeed, since 2000, the Brics have been responsible for nearly a third of the rise in nominal global GDP. And other emerging countries have performed similarly well. Nigeria’s economy has grown 11-fold since 2000, and Indonesia’s has more than quintupled. Since 2008, these two developing giants have contributed more to global GDP growth than the EU has. Statistics like these utterly disprove the idea that global inequality is growing. Gaps in income and wealth may be shooting up within individual countries, but per capita income in developing countries is rising much faster than in the advanced economies. Indeed, that is why one of the key targets of the United Nations Millennium Development Goals – to halve the number of people living in absolute poverty – was achieved five years ahead of the deadline. None of this is meant to deny that we are living in challenging and uncertain times. But one thing is clear: economically, at least, the world is continuing to become a better place.

### ON CASE KS

### Agamben

#### The aff is characteristic of the biopolitical project – placing basic needs under the management of the state which constructs workers as mere living bodies

Simmons 9 [(Dana, University of California Riverside) “Wages and the Politics of Life in Postwar France” The Journal of Modern History 81 (September 2009)] AT

In mid-May 1950, the Subcommission on the Non-Dietary Part of the Budget Type held a particularly fractious sitting. Mr. Andre´ Baupaume of the CFTC union (Confe´de´ration franc¸aise des travailleurs chre´tiens) submitted that the standard “minimum dwelling” in France should include a sink with running water and a drain. “A long discussion opened,” the meeting records report. “The CGT [Confe´de´ration ge´ne´rale du travail], CGT-FO [CGT–Force ouvrie`re] and the CFTC consider that a source of running water inside the dwelling is indispensable”—part of a worker’s minimum vital. 1 Representatives from all the country’s major unions, despite wrenching conflicts in the political sphere, coalesced in unity around the water tap. Not the employers. “The CNPF [Conseil national du patronat franc¸ais] and the CGA [Confe´de´ration ge´ne´rale de l’agriculture] think that currently, the question of running water inside the dwelling can be considered only desirable. The majority of dwellings do not contain running water; a sink, in general, is located one to a floor.”2 Indeed, only 18 percent of rural homes boasted of running water in the early 1940s.3 Statistics gathered in the Seine region by tax authorities in 1939 and 1940 suggest that the ratio of apartments with bathrooms to those without was at least one to ten.4 How could one propose running water as a vital, minimal, indispensable good when most French people didn’t even have it! In the end the bosses were overruled by the scientific judgment of experts and hygienic reformers. Commissioners included one cubic meter of water per month, for urban residents only, in their model worker’s budget.5 Tap water thus became part of the national minimum vital. How did water, a substance fundamental to human life, become subject to political conflict, negotiation, and state regulation? Why did social actors— union representatives, employers, and officials—intervene so vigorously and precisely in the design of workers’ bathrooms and their water supply? What forces led the postwar welfare state to legislate exactly one square meter of liquid for each urban dweller? Human life and its essential sustenance were meted out and regulated as political objects. This episode was a literal case of biopolitics. Drinking water, and hence life itself, was subject to hygienic measurement. It was also an object of class conflict, of politics in an older sense of the word. This incident represented more than the scientific construction of the worker as a living body (as the accepted use of “biopolitics” might lead one to expect). The most basic human needs, to drink and eliminate waste, became flashpoints in a broader dispute over wages and welfare. This was a biopolitics instantiated by the welfare state and by competing interests within it. In a state-sponsored space of mediation, a wage commission, union leaders clashed with employers over the most basic consumer needs. I argue that standards of living, like the water measure, served not only a generalized biopower but also a very concrete and material set of class interests. Following Foucault, historians, anthropologists, and philosophers have explored the “power over life” that circulates in the interstices of law, medicine, and the humanistic disciplines. Most ascribe little explanatory value to class and economy for understanding biopower. Foucault pointedly restricted his otherwise massive project to “a noneconomic analysis of power.”6 This article, by contrast, places political economy at the center of what Giorgio Agamben describes as the problem of “bare life.”

#### That causes violence – the use of state action is inevitably violent

Weiss 9 [(Andrew, Associate Editor of Punctum Books, The University of Western Ontario, Centre for the Study of Theory and Criticism, Graduate Student) “MATTERS OF LIFE AND DEATH THROUGH AGAMBEN: FROM BARE LIFE TO FORMS-OF-LIFE”] AT

Agamben explains that the ancient Greeks had two words for “life”—bios and zoē. Zoē is thought to be held in common between all living things. Humans, plants, animals, and gods all have zoē; it is “the simple fact of living.”1 In addition, each living being that has zoē also has its own bios or particular way of living; for humans, this is often described as a political, social, thoughtful life, but in every case bios is “a qualified life, a particular way of life.”2 This qualified or political dimension is what allows the possibility “of the good and the evil and the just and the unjust.”3 Agamben maintains that this separation between bios and zoē has formed the basis of politics and political power from the pre-historical imagination through to the present day, and that while perhaps intuitive, this separation hides far-reaching and insidious possibilities— namely, the possibility of being reduced to zoē, which Agamben calls bare life. Through reduction to bare life, one can no longer consider the importance of how life is lived; the possibility of the just and the unjust are excluded. Any such relation to life is limited to a spectrum of management of a population which ranges from protection to violence, but which does not allow an assessment of the former as just or the latter as unjust. We shall later see that our modern politics in particular is limited to such a spectrum, and it takes very little imagination to see the insidious possibilities of violence without recourse to justice and the political protections that accompany such recourse. If we are to set out on a path towards a nuanced understanding of the separation of zoē and bios, and towards the possibility of circumventing the reduction to zoē—assuming such circumvention is possible—then we must be careful about orienting our inquiry. We must orient ourselves by setting out with at least three things in view. First, we must step back to include a broader picture, understanding the way life is manipulated once separated into bios and zoē. Second, we must understand that life and death are political concepts, determined by a political body which crosses over into and is inseparable from issues of life, death, and medicine. Third, with these steps in view, we must examine limit cases which can begin to show the untenability of separating bios and zoē, which will at the same time show us the inseparability of whole forms-of-life. And it is this showing that must become central to our future efforts. But first it is necessary to become clear on the urgency of the problems surrounding zoē or bare life and its attendant dangers. The dangers of separating a person into social, political, good life on the one hand and bare life on the other are severe because of the possibility of reduction to bare life as bios and zoē enter into a “zone of irreducible indistinction.”4 Once someone is reduced to bare life, they are excluded from and no longer protected by the political order, which is of the dimension of bios, the good life, the just and the unjust. As such, they are exposed to the threat of death, imprisonment in concentration camps, and any such unimaginable horrors, all without the possibility of politically sanctioned response. It is not possible to protect from violence one who has been reduced to bare life or zoē, for to do so would contradict the reduction by qualifying one as bios—in this case, as considerable in terms of the good life and of the just and the unjust. But closer examination of the reduction to bare life reveals that one is not totally excluded from the political order in this way, and in a sense one is excluded by means of an inclusion; this unprotected person is included in the political order insofar as the law specifies that it excludes and no longer applies to them. Agamben’s example of the homo sacer lives in precisely this way: in ancient Roman law, homo sacer is the title given to a person who is banished from society and may be freely killed by anyone. Through this law, the homo sacer is thus included in the political order by means of exclusion from all other laws, and is thereby reduced to bare life. While Agamben tells us that this was once the state of exception “situated at the margins of the political order”, it is a state of affairs that “gradually begins to coincide with the political realm”;5 this is because zoē, initially conceived as separate from the political realm, has been brought into the realm of the political in order to be politically managed. Indeed, Agamben argues that “politics in our age [has] been entirely transformed into biopolitics,”6 and any consideration of the ‘good life’ or social and political life has been collapsed into a political management of bare life, which has been brought into the political order in spite of its purported exclusion. Biopolitics is precisely the political management of bare life —life merely insofar as it lives, without regard to socio-political or good life, or to the just or unjust. Biopolitical management takes as its object a population—which is to say a group of living beings merely insofar as they are bare life or zoē—with regards to statistical aspects like the health, rates of birth and death, and life expectancy, of that population, with no reference to individuals as individuals.7 Crucially, this affirmation of the idea of bare life in biopolitics carries with it a particularly terrifying dimension. This dimension is not the possibility of transforming a democracy into a totalitarian state, but rather it is that the same affirmation of bare life which subtends modern democracy also subtends the horrors of totalitarianism.8 Biopolitics may appear innocuous and even beneficial in certain cases, as it does allow the possibility of things like vaccination, which aims to protect the life of a population. In democratic regimes, acceptance of the idea of “bare life” leads to the primacy of the “private” sphere over the “public”, and of “individual liberties over collective obligations.”9 But at the same time, the very same concept of “bare life” is the most central determinant for political and sovereign rule under totalitarian regimes,10 whereby decisions are made concerning who can live and who must die. So, while allowing a government to operate on the basis of an idea of “bare life” does not necessarily and in every case lead to the horrors of the camp, this in every case remains a possibility because the camp is founded on the very same basis. It goes without saying that this possibility is one which is manifestly unacceptable and ought to be avoided. But if modern politics is biopolitics—the management of life—we must turn our attention to how life and death are determined in the first place, and to do so we must understand the precise sense in which life and death are political concepts for Agamben.

### Cap

#### Mass consciousness is high now but the aff causes it to be co-opted

Moore 15 [(Ty Moore, 15 Now Organizing Director) “UNITING FIGHT FOR $15 WITH FERGUSON FURY” Jan 3, 2015] AT

Unfortunately, the union leaders’ ties to the Democratic Party at the national and local level – where Democratic mayors oversee racist police policies in most major cities – undermine their ability to win the trust of youthful protesters. These same Democratic Party leaders have played a generally conservative role in the fight for $15. They sometimes offer solidarity in words to fast food workers protesting McDonalds, but fail to champion $15 where they have the power to act at the city, state, and federal level. During the Ferguson protests especially, the Governor and other Democratic Party politicians who intervened did so mainly to quell the protests, either through supporting police repression or demanding protesters clear the streets to restore “peace.” So it is understandable that many youthful #BlackLivesMatter protesters are afraid that partnering with politicians and union leaders risks co-optation. Some will remember that during the Occupy movement in 2011, SEIU’s president Mary Kay Henry orchestrated a joint national day of action with Occupy Wall Street leaders, only to use the event to offer SEIU’s high profile early endorsement of Obama, calling him the “President of the 99%” to the outrage of most Occupy activists. There is mass popular anger at income inequality, racism, sexism, environmental destruction, and the corporate corruption of both major political parties. Polls show half of all young people have a negative view of capitalism, and anti-capitalist consciousness is highest in Black communities. The same youthful, combative, and radical mood expressed in the Occupy Wall Street protests of 2011 are present today in the #BlackLivesMatter movement, with the crucial difference that today’s movement is bringing a more oppressed, working class section of youth to the forefront. However, like Occupy before, the new movement against police racism will quickly face tough decisions. Endless protests and highway takeovers, if not connected to a clearly understood strategy to win tangible victories, will eventually exhaust the movement. A section of activists will be co-opted into the well funded non-profits and Democratic Party aligned efforts pushing for small-scale reforms. Limiting our demands to band-aid reforms like police cameras or slowing the flow of military weaponry to local police, while positive, won’t be enough to inspire the kind of mass movement needed. There is a burning desire to see fundamental changes. Yet many liberal leaders make the mistake of limiting demands to what they believe the current system, the current government, can “realistically” deliver. This so-called “realistic” approach fails in two ways. It fails because, as Malcolm X famously explained, “you can’t have capitalism without racism,” which means there is no way to meet the expectations of the movement for fundamental change without challenging the whole rotten system.

#### The 1AC is a palliative that prevents capitalist revolution

Eagleton 11 [TERRY EAGLETON (prominent British literary theorist, critic and public intellectual. He is currently Distinguished Professor of English Literature at Lancaster University, Professor of Cultural Theory at the National University of Ireland and Distinguished Visiting Professor of English Literature at The University of Notre Dame). “Why Marx Was Right.” 2011 by Yale University. New Haven & London] AJ

He is talking, then, about what free men and women are bound to do under certain circumstances. But this is surely a contradiction, since freedom means that there is nothing that you are bound to do. You are not bound to devour a succulent pork chop if your guts are being wrenched by agonizing hunger pains. As a devout Muslim, you might prefer to die. If there is only one course of action I can pos- sibly take, and if it is impossible for me not to take it, then in that situation I am not free. Capitalism may be teetering on the verge of ruin, but it may not be socialism that replaces it. It may be fascism, or barbarism. Perhaps the working class will be too enfeebled and demoralized by the crumbling of the system to act constructively. In an uncharacteristically gloomy moment, Marx reflects that the class struggle may result in the ‘‘common ruination’’ of the contending classes. Or—a possibility that he could not fully anticipate—the system might fend off political insurrection by reform. Social democracy is one bulwark between itself and disaster. In this way, the surplus reaped from developed productive forces can be used to buy off revolution, which does not fit at all neatly into Marx’s historical scheme. He seems to have believed that capitalist prosperity can only be temporary; that the system will eventually founder; and that the working class will then inevitably rise up and take it over. But this, for one thing, passes over the many ways (much more sophisticated in our own day than in Marx’s) in which even a capitalism in crisis can continue to secure the consent of its citizens. Marx did not have Fox News and the Daily Mail to reckon with.

#### The impact is extinction

Ahmed 3/16 [Nafeez Ahmed (executive director of the Institute for Policy Research & Development). “Nasa-funded study: industrial civilisation headed for 'irreversible collapse'?” The Guardian. Published 3/14, Updated 3/16/14] AJ

A new study partly-sponsored by Nasa's Goddard Space Flight Center has highlighted the prospect that global industrial civilisation could collapse in coming decades due to unsustainable resource exploitation and increasingly unequal wealth distribution. Noting that warnings of 'collapse' are often seen to be fringe or controversial, the study attempts to make sense of compelling historical data showing that "the process of rise-and-collapse is actually a recurrent cycle found throughout history." Cases of severe civilisational disruption due to "precipitous collapse - often lasting centuries - have been quite common." The independent research project is based on a new cross-disciplinary 'Human And Nature DYnamical' (HANDY) model, led by applied mathematician Safa Motesharrei of the US National Science Foundation-supported National Socio-Environmental Synthesis Center, in association with a team of natural and social scientists. The HANDY model was created using a minor Nasa grant, but the study based on it was conducted independently. The study based on the HANDY model has been accepted for publication in the peer-reviewed Elsevier journal, Ecological Economics. It finds that according to the historical record even advanced, complex civilisations are susceptible to collapse, raising questions about the sustainability of modern civilisation: "The fall of the Roman Empire, and the equally (if not more) advanced Han, Mauryan, and Gupta Empires, as well as so many advanced Mesopotamian Empires, are all testimony to the fact that advanced, sophisticated, complex, and creative civilizations can be both fragile and impermanent." By investigating the human-nature dynamics of these past cases of collapse, the project identifies the most salient interrelated factors which explain civilisational decline, and which may help determine the risk of collapse today: namely, Population, Climate, Water, Agriculture, and Energy. These factors can lead to collapse when they converge to generate two crucial social features: "the stretching of resources due to the strain placed on the ecological carrying capacity"; and "the economic stratification of society into Elites [rich] and Masses (or "Commoners") [poor]" These social phenomena have played "a central role in the character or in the process of the collapse," in all such cases over "the last five thousand years." Currently, high levels of economic stratification are linked directly to overconsumption of resources, with "Elites" based largely in industrialised countries responsible for both: "... accumulated surplus is not evenly distributed throughout society, but rather has been controlled by an elite. The mass of the population, while producing the wealth, is only allocated a small portion of it by elites, usually at or just above subsistence levels." The study challenges those who argue that technology will resolve these challenges by increasing efficiency: "Technological change can raise the efficiency of resource use, but it also tends to raise both per capita resource consumption and the scale of resource extraction, so that, absent policy effects, the increases in consumption often compensate for the increased efficiency of resource use." Productivity increases in agriculture and industry over the last two centuries has come from "increased (rather than decreased) resource throughput," despite dramatic efficiency gains over the same period. Modelling a range of different scenarios, Motesharrei and his colleagues conclude that under conditions "closely reflecting the reality of the world today... we find that collapse is difficult to avoid." In the first of these scenarios, civilisation: ".... appears to be on a sustainable path for quite a long time, but even using an optimal depletion rate and starting with a very small number of Elites, the Elites eventually consume too much, resulting in a famine among Commoners that eventually causes the collapse of society. It is important to note that this Type-L collapse is due to an inequality-induced famine that causes a loss of workers, rather than a collapse of Nature." Another scenario focuses on the role of continued resource exploitation, finding that "with a larger depletion rate, the decline of the Commoners occurs faster, while the Elites are still thriving, but eventually the Commoners collapse completely, followed by the Elites." In both scenarios, Elite wealth monopolies mean that they are buffered from the most "detrimental effects of the environmental collapse until much later than the Commoners", allowing them to "continue 'business as usual' despite the impending catastrophe." The same mechanism, they argue, could explain how "historical collapses were allowed to occur by elites who appear to be oblivious to the catastrophic trajectory (most clearly apparent in the Roman and Mayan cases)." Applying this lesson to our contemporary predicament, the study warns that: "While some members of society might raise the alarm that the system is moving towards an impending collapse and therefore advocate structural changes to society in order to avoid it, Elites and their supporters, who opposed making these changes, could point to the long sustainable trajectory 'so far' in support of doing nothing."

### Baudrillard

#### The aff’s liberation is a lie – consumer capitalism simulates liberation to enforce social control, making the system more destructive – politics does nothing

Pawlett 10 [(William Pawlett, senior lecturer in media, communications and cultural studies at University of Wolverhampton) “The Baudrillard Dictionary” under “Code” Edinburgh University Press, 2010] AT

The concept of the code (le code, la grille) is an important term in Baudrillard’s early work. It is used in two related senses: firstly, to understand and critique consumer capitalism, suggesting that it is a system of control that functions by conferring illusory ‘freedoms’; and secondly, to deconstruct modern critical theories – particularly Marxism, feminism and psychoanalysis. Such theories, Baudrillard argues, cannot challenge the capitalist system because they are structured, at a fundamental level, by the code; their arguments are easily assimilated because they do not question the system’s ‘logics of value’ – the interlocking network of use values, economic exchange values and sign exchange values that constitute the code (CPS, 123). The code can be challenged, Baudrillard asserts, only by symbolic exchange, by the ‘counter-gift’ of anti-value (SED, 40). The notion of ‘the code’ is notably absent from Baudrillard’s later work; DNA ‘code’ is discussed at length (TE, 120) but the concept of the code seems to have been rejected because it remained within the orbit of modern critical theory. Nevertheless, many of the themes discussed through the concept of the code reappear in Baudrillard’s later arguments concerning ‘integral reality’. Baudrillard’s notion of the code suggests that we, as consumers, live within a far more complete form of social control than anything conceived under the rubric of ideological analysis. The code is a system of ‘manipulation’, ‘neutralisation’ and assimilation which ‘aims towards absolute social control’ (UD, 98). Though this is never achieved, the code constitutes ‘the fundamental, decisive form of social control – more so even than acquies- cence to ideological norms’ (CPS, 68). This is because the code operates, fundamentally, at a preconscious level. For Baudrillard, ‘the code itself is nothing other than a genetic, generative cell’ (SED, 58). The term code is used interchangeably with ‘the structural law of value’, that is as a feature of the third order of simulacra dominated by simulation (SED, 50). The code then is the grid or ‘generative core’ from which social signification is produced or simulated. The medium of the code is the abstracted sign; torn from symbolic relations, drained of all ambivalence and intensity, the sign becomes a ‘dead’ unit of information. The code can assimilate any meaning, idea, emotion or critical gesture by reproducing it as an abstract sign or code position within an ever-expanding field of options and pos- sibilities. All signs are, at the fundamental level of the medium, equivalent or commutable; abstract signs enable a ‘universal equivalence’ through the ‘de-sign-ating’ of everything as a term within the code. Marginal or￼simulatory differences are injected into the code, feeding consumption and sustaining the illusions of choice and diversity. It is a mistake to think of the notion of the code as exclusively semiotic. As simulation becomes prevalent, conceptual oppositions are simplified into binary code, zeros and ones are no longer meaningful oppositions but, for Baudrillard, merely tactical modulations. The code absorbs the first and second orders of simulacra (in which signs work referentially and dialectically) with a system of signs that refer only to preconceived simula- tion models. With the third order ‘the code’s signals . . . become illegible’, units or ‘bits’ of information replace signification (SED, 57). Indeed, the code is ‘the end of signification’; social control by ideology, characteristic of the second order, is supplemented by ‘social control by means of predic- tion, simulation, programmed anticipation and indeterminate mutation, all governed . . . by the code’ (SED, 60). For example, any radical potential of Marxist, feminist or ‘green’ politics is defused by the code; they are designated as coded ‘lifestyle’ positions, feeding consumption and so presenting no fundamental challenge to the system. The code maintains a system of social relations through the ‘obligatory registration of individuals on the scale of status’ (CPS, 68) and functions covertly ‘to better prime the aspiration toward the higher level’ (CPS, 60) enforcing the competitive individualism of the system of consumption. The code simulates choice, difference and liberation, pacifying the deep divisions in consumer society by allowing the privileged term of binary oppositions to switch tactically or ‘float’, for example by simulating equality between terms (male/female, black/white, adult/child), so containing critical opposition. The code is ‘indifferent’ and ‘aleatory’; it controls through tolerance, solicitation and incorporation. The code encompasses far more than consumption; it includes the construction of knowledge and information through the conversion of thought into coded information flows. With the advent of DNA and genetic sciences, the code, according to Baudrillard, absorbs life itself, eliminating it as symbolic form and reproducing it as code (SED). The notion of DNA, Baudrillard suggests, was made possible by modernity as it is a social system dedicated to control. By providing a virtual map or code of life the concept of DNA reduces life to a copy or clone, destroy- ing its ‘destiny’ and enabling the elimination of certain ‘undesirable’ traits such as ‘criminality’ before a person is born (LP, 29). For Baudrillard the code, in all its forms, must be defied: [Y]ou can’t fight the code with political economy, nor with ‘revolution’ . . . can we fight DNA? . . . perhaps death and death alone, the reversibility of death, belongs to a higher order than the code. Only symbolic disorder can bring about an interruption in the code. (SED, 3–4) For Baudrillard only suicidal death, hurled against the system as ‘counter- gift’ and so countering the simulatory gifts of liberation conferred by the consumer society, can defy the code. This argument is further explored in Baudrillard’s work on the 9/11 attacks (ST). The term code largely disappears from Baudrillard’s writings after Symbolic Exchange and Death (1993a [1976]). Is the code still operational in the ‘fourth order’, the ‘fractal stage’ of ‘haphazard proliferation’ (TE)? Baudrillard is clear that the previous phases continue to function alongside the fourth order, indeed they function even better. The concept of the code might be dead but it functions more effectively than ever, expand- ing, becoming virtual, producing ‘integral reality’: the complete and final replacement for the world as symbolic form.

#### This makes every impact inevitable

Smith 10 [(Richard G. Smith, Associate Professor of Geography at Swansea university) “The Baudrillard Dictionary” under “Code” Edinburgh University Press, 2010] AT

According to Baudrillard, a ‘perverse’ logic (SC, 97) drives consumer societies. A logic that fuels, not just the use and abuse of drugs, but also the growth of other phenomena: terrorism, violence, depression, fascism and so forth. These phenomena are all, says Baudrillard, the product or outcome of ‘an excess of organization, regulation and rationalization within a system’ (SC, 97). In other words, those societies which are defined and ‘saturated’ by their system of consumption tend to suffer from an excess of systemic rationalisation (logic and rationality, surveillance and control), which perversely leads to the emergence – for no apparent reason – of ‘internal pathologies’, ‘strange dysfunctions’, ‘unforeseeable, incurable accidents’, ‘anomalies’ (SC, 97), which disrupt the system’s capacity for totality, perfection and reality invention. It is the logic of an excessive system to fuel the growth of anomalies, which along with AIDS and cancer are pathologies in that they have not come from elsewhere, from ‘outside’ or from afar, but are rather a product of the ‘over-protection’ of the body – be it social or individual. The system’s overcapacity to protect, normalise and integrate is evidenced everywhere: natural immunity is replaced by systems of artificial immunity – ‘hygienic, chemical, medical, social and psychological pros- thetics’ (SC, 98) – in the name of science and progress.

### Race

#### Government actions, including a minimum wage, are designed as racist policies to eugenically cleanse labor markets of “low-wage races,” making upward mobility and prosperity impossible. Even without the explicit eugenic intent today, minimum wage laws cannot escape their racist history and price out minority workers. Their racist history outweighs uncertain economic effects

Tucker 15 [Jeffrey, Distinguished Fellow at the Foundation for Economic Education, 2015, “The Eugenics Plot Behind the Minimum Wage,” http://fee.org/freeman/detail/the-eugenics-plot-of-the-minimum-wage/AKG]

In his “Letter from Birmingham Jail,” Martin Luther King Jr. identifies the government as the enemy of the rights and dignity of blacks. He was locked up for marching without a permit. King cites the injustices of the police and courts in particular. And he inspired a movement to raise public consciousness against state brutality, especially as it involved fire hoses, billy clubs, and jail cells. Less obvious, however, had been the role of a more covert means of subjugation — forms of state coercion deeply embedded in the law and history of the United States. And they were offered as policies grounded in science and the scientific management of society. Consider the minimum wage. How much does racism have to do with it? Far more than most people realize. A careful look at its history shows that the minimum wage was originally conceived as part of a eugenics strategy — an attempt to engineer a master race through public policy designed to cleanse the citizenry of undesirables. To that end, the state would have to bring about the isolation, sterilization, and extermination of nonprivileged populations. The eugenics movement — almost universally supported by the scholarly and popular press in the first decades of the 20th century — came about as a reaction to the dramatic demographic changes of the latter part of the 19th century. Incomes rose and lifetimes had expanded like never before in history. Such gains applied to all races and classes. Infant mortality collapsed. All of this was due to a massive expansion of markets, technology, and trade, and it changed the world. It meant a dramatic expansion of population among all groups. The great unwashed masses were living longer and reproducing faster. This trend worried the white ruling class in most European countries and in the United States. As John Carey documented in Intellectuals and the Masses (1992), all the founders of modern literary culture — from H.G. Wells to T.S. Elliot — loathed the new prosperity and variously spoke out on behalf of extermination and racial cleansing to put an end to newly emerging demographic trends. As Wells summed up, “The extravagant swarm of new births was the essential disaster of the nineteenth century.” The eugenics movement, as an application of the principle of the “planned society,” was deeply hostile to free markets. As The New Republic summarized in a 1916 editorial: Imbecility breeds imbecility as certainly as white hens breed white chickens; and under laissez-faire imbecility is given full chance to breed, and does so in fact at a rate far superior to that of able stocks. To counter the trends unleashed by capitalism, states and the national government began to implement policies designed to support “superior” races and classes and discourage procreation of the “inferior” ones. As explained by Edwin Black’s 2003 book, War Against the Weak: Eugenics and America’s Campaign to Create a Master Race, the goal as regards women and children was exclusionist, but as regards nonwhites, it was essentially exterminationist. The chosen means were not firing squads and gas chambers but the more peaceful and subtle methods of sterilization, exclusion from jobs, and coercive segregation. It was during this period and for this reason that we saw the first trial runs of the minimum wage in Massachusetts in 1912. The new law pertained only to women and children as a measure to disemploy them and other “social dependents” from the labor force. Even though the measure was small and not well enforced, it did indeed reduce employment among the targeted groups. To understand why this wasn’t seen as a failure, take a look at the first modern discussions of the minimum wage appearing in the academic literature. Most of these writings would have been completely forgotten but for a seminal 2005 article in the Journal of Economic Perspectives by Thomas C. Leonard. Leonard documents an alarming series of academic articles and books appearing between the 1890s and the 1920s that were remarkably explicit about a variety of legislative attempts to squeeze people out of the work force. These articles were not written by marginal figures or radicals but by the leaders of the profession, the authors of the great textbooks, and the opinion leaders who shaped public policy. “Progressive economists, like their neoclassical critics,” Leonard explains, “believed that binding minimum wages would cause job losses. However, the progressive economists also believed that the job loss induced by minimum wages was a social benefit, as it performed the eugenic service ridding the labor force of the ‘unemployable.’” At least the eugenicists, for all their pseudo-scientific blathering, were not naïve about the effects of wage floors. These days, you can count on media talking heads and countless politicians to proclaim how wonderful the minimum wage is for the poor. Wage floors will improve the standard of living, they say. But back in 1912, they knew better — minimum wages exclude workers — and they favored them precisely because such wage floors drive people out of the job market. People without jobs cannot prosper and are thereby discouraged from reproducing. Minimum wages were designed specifically to purify the demographic landscape of racial inferiors and to keep women at the margins of society. The famed Fabian socialist Sidney Webb was as blunt as anyone in his 1912 article “The Economic Theory of the Minimum Wage”: Legal Minimum Wage positively increases the productivity of the nation’s industry, by ensuring that the surplus of unemployed workmen shall be exclusively the least efficient workmen; or, to put it in another way, by ensuring that all the situations shall be filled by the most efficient operatives who are available. The intellectual history shows that the whole purpose of the minimum wage was to create unemployment among people who the elites did not believe were worthy of holding jobs. And it gets worse. Webb wrote: What would be the result of a Legal Minimum Wage on the employer’s persistent desire to use boy labor, girl labor, married women’s labor, the labor of old men, of the feeble-minded, of the decrepit and broken-down invalids and all the other alternatives to the engagement of competent male adult workers at a full Standard Rate? … To put it shortly, all such labor is parasitic on other classes of the community, and is at present employed in this way only because it is parasitic. Further, Webb avers: “The unemployable, to put it bluntly, do not and cannot under any circumstances earn their keep. What we have to do with them is to see that as few as possible of them are produced.” Though Webb was writing about the experience in the United Kingdom, and his focus was on keeping the lower classes from flourishing, his views were not unusual. The same thinking was alive in the US context, but race, not class, became the decisive factor. Henry Rogers Seager of Columbia University, and later president of the American Economic Association, laid it all out in “The Theory of the Minimum Wage” as published in the American Labor Legislation Review in 1913: “The operation of the minimum wage requirement would merely extend the definition of defectives to embrace all individuals, who even after having received special training, remain incapable of adequate self-support.” Further, he wrote, “If we are to maintain a race that is to be made of up of capable, efficient and independent individuals and family groups we must courageously cut off lines of heredity that have been proved to be undesirable by isolation or sterilization.” Isolation and sterilization of less desirable population groups are a form of slow-motion extermination. The minimum wage was part of that agenda. That was its purpose and intent. The opinion makers of 100 years ago were not shy about saying so. The policy was an important piece of weaponry in their eugenic war against nonelite population groups. Princeton University’s Royal Meeker was Woodrow Wilson’s commissioner of labor. “It is much better to enact a minimum-wage law even if it deprives these unfortunates of work,” Meeker argued in 1910. “Better that the state should support the inefficient wholly and prevent the multiplication of the breed than subsidize incompetence and unthrift, enabling them to bring forth more of their kind.” Frank Taussig, who was otherwise a good economist, asked in his bestselling textbook Principles of Economics (1911): “How to deal with the unemployable?” They “should simply be stamped out,” he stated. We have not reached the stage where we can proceed to chloroform them once and for all; but at least they can be segregated, shut up in refuges and asylums, and prevented from propagating their kind.… What are the possibilities of employing at the prescribed wages all the healthy able-bodied who apply? The persons affected by such legislation would be those in the lowest economic and social group. The wages at which they can find employment depend on the prices at which their product will sell in the market; or in the technical language of modern economics, on the marginal utility of their services. All those whose additional product would so depress prices that the minimum could no longer be paid by employers would have to go without employment. It might be practicable to prevent employers from paying any one less than the minimum; though the power of law must be very strong indeed, and very rigidly exercised, in order to prevent the making of bargains which are welcome to both bargainers. These are but a small sample and pertain only to this one policy. Eugenics influenced other areas of American policy, too, especially racial segregation. Obviously you can’t have the races socializing and partying together if the goal is to gradually exterminate one and boost the population of the other. This goal was a driving force behind such policies as regulations on dance clubs, for example. It was also a motivation behind the proliferation of marriage licenses, designed to keep the unfit from marrying and reproducing. But the minimum wage is in a special category because, these days, its effects are so little understood. One hundred years ago, legislating a price floor on wages was a policy deliberately conceived to impoverish the lower classes and the undesirables, and thereby to disincentivize their reproduction. A polite gulag. As time went on, the blood lust of the eugenics movement died down, but the persistence of its minimum wage policies did not. A national minimum wage passed in 1931 with the Davis-Bacon Act. It required that firms receiving federal contracts pay prevailing wages, which meant union wages, a principle that later became a national minimum wage. Speeches in support of the law were explicit about the fear that black workers were undercutting the demands of white-only unions. The minimum wage was a fix: it made it impossible to work for less. The sordid history of the minimum wage law is harrowing in its intent but, at least, realistic about what wage floors actually do. They stop upward mobility. Eugenics as an idea eventually lost favor after World War II, when it came to be associated with the Third Reich. But the labor policies to which it gave rise did not go away. They came to be promoted not as a method of exclusion and extermination but rather, however implausibly, as a positive effort to benefit the poor. Whatever the intentions, the effects are still the same. On that the eugenicists were right. The eugenics movement, however evil its motive, understood an economic truth: the minimum wage excludes people from the job market. It takes away from marginal populations their most important power in the job market: the power to work for less. It cartelizes the labor market by allowing higher-wage groups access while excluding lower-wage groups. King wrote of the cruelty of government in his day. That cruelty extends far back in time, and is crystallized by a wage policy that effectively makes productivity and upward mobility illegal. If we want to reject eugenic policies and the racial malice behind them, we should also repudiate the minimum wage and embrace the universal right to bargain.

#### Reject instances of racism – it’s an independent impact and outweighs the case

Albert Memmi, Professor Emeritus of Sociology @ U of Paris, Naiteire, Racism, Translated by Steve Martinot, p. 163-165 2000

The struggle against racism will be long, difficult, without intermission, without remission, probably never achieved. Yet, for this very reason, it is a struggle to be undertaken without surcease and without concessions. One cannot be indulgent toward racism; one must not even let the monster in the house, especially not in a mask. To give it merely a foothold means to augment the bestial part in us and in other people, which is to diminish what is human. To accept the racist universe to the slightest degree is to endorse fear, injustice, and violence. It is to accept the persistence of the dark history in which we still largely live. it is to agree that the outsider will always be a possible victim (and which man is not himself an outsider relative to someone else?. Racism illustrates, in sum, the inevitable negativity of the condition of the dominated that is, it illuminates in a certain sense the entire human condition. The anti-racist struggle, difficult though it is, and always in question, is nevertheless one of the prologues to the ultimate passage from animosity to humanity. In that sense, we cannot fail to rise to the racist challenge. However, it remains true that one’s moral conduit only emerges from a choice: one has to want it. It is a choice among other choices, and always debatable in its foundations and its consequences. Let us say, broadly speaking, that the choice to conduct oneself morally is the condition for the establishment of a human order, for which racism is the very negation. This is almost a redundancy. One cannot found a moral order, let alone a legislative order, on racism, because racism signifies the exclusion of the other, and his or her subjection to violence and domination. From an ethical point of view, if one can deploy a little religious language, racism is ‘the truly capital sin. It is not an accident that almost all of humanity’s spiritual traditions counsels respect for the weak, for orphans, widows, or strangers. It is not just a question of theoretical morality and disinterested commandments. Such unanimity in the safeguarding of the other suggests the real utility of such sentiments. All things considered, we have an interest in banishing injustice, because injustice engenders violence and death. Of course, this is debatable. There are those who think that if one is strong enough, the assault on and oppression of others is permissible. Bur no one is ever sure of remaining the strongest. One day, perhaps, the roles will be reversed. All unjust society contains within itself the seeds of its own death. It is probably smarter to treat others with respect so that they treat you with respect. “Recall.” says the Bible, “that you were once a stranger in Egypt,” which means both that you ought to respect the stranger because you were a stranger yourself and that you risk becoming one again someday. It is an ethical and a practical appeal—indeed, it is a contract, however implicit it might be. In short, the refusal of racism is the condition for all theoretical and practical morality because, in the end, the ethical choice commands the political choice, a just society must be a society accepted by all. If this contractual principle is not accepted, then only conflict, violence, and destruction will be our lot. If it is accepted, we can hope someday to live in peace. True, it is a wager, but the stakes are irresistible.

### Gender

#### A minimum wage is historically sexist; even if it’s officially neutral or even explicitly aimed at benefitting women, it will still exclude women

Simmons 9 [(Dana, University of California Riverside) “Wages and the Politics of Life in Postwar France” The Journal of Modern History 81 (September 2009)] AT

Was this unmarried worker a woman or a man? Before the war, standards of living were exclusively masculine. Economists, scientists, and administrators effaced women from their measures of basic needs. In contradiction to the patent reality of widespread women’s work, male wages alone were considered essential for subsistence and reproduction. Women’s work and consumption, by contrast, were considered supplemental, superfluous, and even excessive.52 Women’s and children’s needs, when accounted for, appeared as percentages of men’s requirements: most commonly, two-thirds for women and one-half for their offspring.53 Indeed, women’s needs disappeared as a political object precisely at the moment when debate over needs and wages entered the public realm.54 The apparent universality of needs measures was belied by considerations of gender. The first minimum wage laws in the early twentieth century covered only women workers, in an attempt to reduce cut-rate competition. Women, as supplemental workers, were seen as a threat to the male wage scale.55 Vichy’s 1941 Labor Charter, in contrast, guaranteed a minimum salary only to men. Resistance leaders in London chose to include both men and women when planning for the postwar society. Planners called for a uniform, ungendered minimum wage, in recognition of “women’s dignity” and to prevent “competition from cheap labor”: “The essential needs of each individual depend on common factors like local conditions, social milieu, and the real cost of products. . . . On the basis of . . . the equality of needs, the minimum wage should be uniform.”56 Following the lead of Resistance planners, the Fourth Republic eliminated gender from its wage laws. The SMIG did not distinguish between male and female wage earners. A decree in 1950 confirmed that the SMIG applied to “workers of both sexes . . . at least 18 years of age.”57 Postwar law created a new category of worker: not family, man, or woman, but a “human person.” The apparent universality of this moniker, however, quickly disappeared from view. As the “human person” took on concrete professional and regional characteristics, it once again essentially excluded women from consideration. Despite its broad mandate, the Bacon commission consisted only of men and consulted with a single female expert.58 In addition, unions and family associations objected on principle to universal standards. The United Nations Food and Agriculture Organization, for example, designed a global caloric measure; the League of Nations also had defined a universal caloric minimum in 1936 for a sedentary individual. The 1947 commission decided that it could not countenance such abstraction. Universal standards, commissioners argued, risked mischaracterizing the real needs of French workers. By the time it had finished, it had defined its “human person” with surprising specificity: “The case [we have] chosen is that of an unmarried light worker [elsewhere called a broom-sweeper], [who is] housed in an unfurnished apartment in Paris, and who cooks and cleans.”59 The SMIG commission formally ratified the definition of minimum vital contained in the public functionary law, including its reference to the basic needs of a generic “human person.”60 As negotiations proceeded and numbers were crunched, however, this abstract unit again disappeared. CGT delegate Roger Pascre deemed that the reference to “social needs” in the meaning of minimum vital “implies the notion of work”; that is, social identity as a worker was embedded in the very definition of the minimum vital. 61 In a subcommission, the participants felt free to embroider. At first, they directed the dietary part of their model budget to an “ordinary manual laborer [manoeuvre ordinaire], meaning a broom-sweeper, a worker who is not physically fatigued.”62 At some later point in the commission’s work the human broom-sweeper became an even more particular figure: an unskilled metalworker residing in the Paris region.63

## Specific Impacts

### Gender---Defense

#### Living wage doesn’t solve the wage gap

Stone 5 [Stone, Pamela and Arielle Kuperberg. 2005. "Anti-Discrimination vs.Anti-Poverty: An Analysis of Pay Equity and Living Wage Reforms." Journal of Women, Politics and Policy, 27(3/4): 23- 39.] AT

The results from these simulations show that both pay equity and living wage adjustments achieve their policy goals: Pay equity raises the salaries of jobs held by women and minorities and closes the earnings gap; living wage results in a decrease in the number of workers below the poverty line. While implementation of a living wage policy has virtually no impact on discrimination or the wage gap, a pay equity policy results in a dramatic decline in poverty, albeit not the complete eradication seen under living wage. Our results suggest that, for this workforce, in which minorities are concentrated in low-paying jobs whose starting salaries are depressed by sex and race discrimination, poverty is primarily the result of discrimination, especially on the basis of race, and to the extent that one remedies discrimination, one remedies poverty. Pay equity is thus a more comprehensive policy in that it achieves both anti-discrimination and anti-poverty goals–fairness and “justness” while living wage meets only the “justness” criterion. The choice between them, however, is based on more than potential outcomes. Pay equity is more far-reaching in its scope and hence far more costly to implement. In implementation, it is also potentially more divisive than living wage because it threatens established wage hierarchies. Because sex and race segregation of occupations and jobs is pervasive, pay equity also has the potential to pit workers in one occupation against others, a tension that can manifest itself along racial and gender lines, e.g., white male workers against female and minority workers. Living wage brings up the bottom, but essentially maintains existing hierarchies. Its advocates have often managed to build successful coalitions among lowincome workers that cross gender and race lines by focusing on economic disadvantage and sidestepping questions of workers’ gender and/or race-ethnicity, questions that are harder to ignore with pay equity. Living wage reform addresses the needs of the “deserving poor”– working poor who are trying to achieve economic self-sufficiency–while respecting the basic wage-setting processes of tradition and the market, processes that are challenged as discriminatory by pay equity. Pay equity is predicated on a relatively subtle form of discrimination (equal pay for comparable rather than equal work) that remains contested in the courts and by employers. Moreover, despite mounting evidence to the contrary (and evidence presented in our analyses), pay equity is often associated with white, middle-class feminism and other groups, especially black women, remain wary of it (Holleran and Schwartz 1988). Because it is implemented only on jobs that are extremely segregated, it also fails to address the salaries of low-paying jobs that are sex- and race-integrated, while living wage, which is essentially sexand color blind in the mechanics of its implementation, brings up the salaries of jobs at the very bottom irrespective of the composition of their workforce.

### Gender---Employment Key

#### Unemployment disproportionately and permanently harms women and women of color more – the size of the impact outweighs small wage gains

Tucker 11 [(Jasmine, a Public Policy Fellow at National Women’s Law Center, in Family Economic Security department and Education and Employment department) “Unemployment Picture Worsens, Especially For Women of Color” National Women’s Law Center May 06, 2011] AT

Today's jobs data show that while the economy keeps adding jobs, unemployment rates increased for everyone, particularly for women of color, and women continue to suffer from disproportionately small job gains in the recovery. Although the economy added 244,000 jobs last month, overall unemployment increased for just about everyone in April. The rate among men and women rose from 8.6 percent to 8.8 percent and 7.7 percent to 7.9 percent, respectively. Unemployment also increased among women of color last month. In fact, unemployment among African-American women rose by almost an entire percentage point, from 12.5 percent in March to 13.4 percent in April. Unemployment among African-American men also rose, although to a much lesser degree, from 16.8 percent in March to 17.0 percent in April. The rate among Hispanic women also increased from 11.0 percent in March to 11.4 percent in April, while unemployment among Hispanic men declined from 11.1 percent in March to 10.3 percent in April. Our analysis shows that women are still suffering from an inequitable recovery. Since the official start of the recovery in July 2009, all of the new job growth has gone to men while women actually lost jobs. Female workers suffered 30 percent of the job loss over the recession, but they haven’t regained 3 out of 10 jobs added to the economy in the recovery. In fact, while men have gained 937,000 jobs since the start of the recovery (July 2009 – present), women have actually lost 102,000 jobs. And while the men's unemployment rate has fallen an entire percentage points since the start of the recovery to 8.8 percent in April, women’s unemployment has increased from 7.7 percent to 7.9 percent in April.

#### Also circumvents their employment answers – even if there’s no net unemployment, that’s because male employment offsets the decline in female employment – it still hurts women more

### Immigrants/Small Biz DA

#### The plan increases startup costs – that prevents social mobility for immigrants

Chan 13 [(Shannon, associate opinions editor) “How a $15 minimum wage would devastate immigrant businesses” Seattle Times Oct 30] AT

Raising the minimum wage to this level would be devastating to immigrant-owned small businesses. On Nov. 5, SeaTac will consider whether to raise the minimum wage to $15 an hour for some airport and hospitality workers with Proposition 1. Efforts are under way to raise the same issue in Seattle. Mayor Mike McGinn, who is running for re-election, has already made it an issue in a zoning permit spat with Whole Foods in Seattle. In fact, he would like to raise it even higher in Seattle. His challenger, state Sen. Ed Murray, has also indicated support for the $15 level. (Read both sides of the debate in Tuesday’s Pro/Con on Prop. 1. Our editorial board recommends a no vote on Proposition 1 in an editorial.) And while the current ballot issue only affects SeaTac, the next stop for the minimum-wage campaign is Seattle. Supporters of the $15 campaign say it would help low-income people and families working in these jobs. That presumes poor people are a monolithic group, all of whom want to work those jobs for the rest of their lives. Many people who now make a minimum wage, including many immigrants, dream of something bigger. Many want to own their own business, whether it’s a restaurant, a grocery store or Google (Google co-founder Sergey Brin is an immigrant.) And raising the minimum-wage dims their chances of ever running a business such as a convenience store or a restaurant. What determines whether entrepreneurs can start businesses, and expand, is the minimum wage. A higher minimum wage would sound the death knell to entrepreneurs. It would drive them out of SeaTac, Seattle and into the suburbs. In SeaTac, a higher minimum wage in the hospitality industry would have a disproportionate negative impact on immigrants. South Asian Americans dominate the motel industry, as a 2012 Voice of America story shows. The major hotel chains in SeaTac would budget and cut costs to absorb the higher labor costs. But immigrants who own one or two motels would not be able to do this and still turn a profit. The Asian American Hotel Owners Association and the Korean American Hotel Owners Association oppose Proposition 1. If Seattle considers raising the minimum wage, consider the mom-and-pop restaurants in the Chinatown International District operating on wafer-thin margins. Consider the many Korean-owned convenience stores throughout Seattle. The city has already pushed some businesses off the edge with the sick-leave policy, and the ban on plastic bags and plastic food containers. My parents immigrated to the U.S. from Hong Kong in 1975 with two suitcases. My father, who did not graduate from high school, was a serial entrepreneur who started business after business. Some failed, some succeeded. He managed to bootstrap his way to a middle-class life for our family. He would not have been able to start those businesses had he been required to pay his workers $15 an hour. Some immigrants, incidentally, got their first jobs in the U.S. at my father’s companies and built middle-class lives for themselves. He now owns apartment buildings in Phoenix, Ariz., which provide affordable housing. Many of his renters are Latino immigrants. This is just one story in a country rich with examples of immigrants starting businesses that helped other immigrants. The argument that raising the minimum wage would have no negative effect on employment does not hold water. David Neumark, an economist at the University of California, Irvine, has done extensive research on raising the minimum wage and how research fails to show that increasing the minimum wage has a negative impact on employment. (He has done other more recent papers that aren’t publicly accessible, but here is a research paper that is publicly available from 2007.) Stagnant wages, persistent high unemployment rates and a low standard of living are a result of the failure of lawmakers and voters to create and support policies to stimulate the economy. It’s a symptom of the high cost of housing and transportation in the region. If regional leaders and voters want to raise the living standards for all, this is where they should focus their efforts: Create a dead-simple, friction-free environment for people to start businesses.

## Defense/Other answers

### Regs Fail

#### No solvency – regulatory mechanisms fail

Benassi 11 [Benassi, Chiara (PhD student in Employment Relations and Organisational Behaviour, London School of Economics). The implementation of minimum wage: Challenges and creative solutions. No. 12. Global Labour University Working Paper, 2011] AJ

A review of academic literature reveals the same gap in the research: the minimum wage issue is widely debated as a matter of policy, but its implementation is often left out. Some authors deal with the question of legitimacy of minimum wage from a philosophical and legal perspective, discussing the minimum wage in reference to the ideal of social justice and of civil rights in different societies (Levin-Waldman 2009; Gaski 2004). The majority of the debate over minimum wage however mainly focuses on its macroeconomic effects. The effect of minimum wage on employment at the national level, as well as its application to specific groups (e.g. youth) or the informal sector represent some of the most controversial matters. Adopting different theoretical approaches, some authors support the negative correlation between employment and minimum wage, while others find no correlation or even positive effects of minimum wage.1 Parallel and equally controversial debates have been conducted on the impact of minimum wage on prices2 as well as on income distribution3. Despite the aforementioned ongoing controversies, discussions about effective minimum wage implementation must also take shape. The research on this issue is still at a very early stage despite the practical relevance of this aspect; however, there are some studies conducted in developing and industrialized countries that report that the presence of legal provisions for minimum wage does not guarantee that it will actually protect the workforce (i.a. Jones 1997; Strobl and Walsch 2001; BIS 2010a). These findings suggest that minimum wage needs further implementation mechanisms besides the traditional legislative top-down approach in order to serve as useful regulation tool.

### A2 Productivity Boost ---Link Turn

#### Actually, minimum wage increases reduce worker productivity – Chile proves

Álvarez 11 [Roberto Álvarez, Rodrigo Fuentes, “Labor Market Regulations and Productivity: Evidence from Chilean Manufacturing Plants,” Instituto de Economia, 2011] AZ

\*\*TFP = total factor productivity

We address the quantitative importance of minimum wages regulations for TFP using the basic results obtained in Table 4. Note that in those regressions we are capturing the differential effect of minimum wages on industries differing in exposure to these regulations. Thus for an industry in the 25th percentile of relative minimum wage increase (341 Paper), the cumulative reduction in TFP was 5.3% for the period 1998-2005, but for an industry in the 75th percentile of relative minimum wage increase (381 Metal Products), the cumulative reduction in TFP was 10.2%, over the same period. Finally, we show our estimations using average productivity. This estimation allows to have an idea of the quantitative importance of the changes in minimum wages and also to deal with sample selection problems in our previous regressions. As shown, the only robust variable that explains TFP at the aggregate level (besides its own lag) is the ratio of minimum wage to the median (or the first quartile). All the other explanatory variables have a non-statistically significant coefficient. Then, our results at industry-level tend to be consistent with plant-level data. It seems that minimum wages increases have tended to reduce productivity in Chilean plants and that this effect is robust to alternative specifications.

### A2 Productivity Boost ---Defense

#### No productivity increase – if it were true there would be no need for a minimum wage

Davies 14 [(Antony Davies is a Mercatus Center–affiliated senior scholar at George Mason University and associate professor of economics at Duquesne University. He also is a member of the Research Program on Forecasting at George Washington University. He specializes in econometrics, public policy, and economic psychology) “Does the Minimum Wage Increase Worker Productivity” Mercatus Center Jul 28, 2014] AT

The Department of Labor (DOL) recently proposed a regulation establishing a higher minimum wage for federal contractors. The stated goal of the proposed rule is to increase efficiency and lower costs in work performed by federal contractors. In its justification for the rule, the DOL cites numerous studies to support its claim that higher wages are associated with higher levels of worker productivity, but the agency gets the causality reversed, among other errors of interpretation. Workers who are more productive command higher wages because employers compete for these valuable workers by offering them higher wages; higher productivity causes a higher wage. Raising the minimum wage makes workers more expensive. It does not necessarily make workers more productive. This chart shows the relationship between the relative minimum wage (the minimum wage as a fraction of the average hourly wage) and unemployment rates for workers with different educational attainments. Historically, as the relative minimum wage has risen, unemployment among college-educated workers has not changed, unemployment among high-school-educated workers has risen slightly, unemployment among workers without high school diplomas has increased moderately, and unemployment among young workers without high school diplomas has increased dramatically. While employers make hiring decisions on the basis of more than education, it tends to be highly correlated with many of the factors employers consider, including intelligence, experience, training, and work ethic. Ultimately, all of these factors are themselves proxies for the single factor that concerns the employer: productivity. If it were true that a higher wage increased productivity and the value of the increased productivity exceeded the cost of the increased wage, we would observe federal contractors voluntarily raising wage rates. The absence of such an increase in wages for the lowest-paid workers suggests that raising the minimum wage is unlikely to secure the gains in efficiency or productivity presented as justification for this rule.

#### Even if there is an increase - reductions in working hours outweigh increases in productivity because workers are forced to work faster, creating inferior product

Swain 13 [Kristin Swain (professional writer since 2008. Her experience includes finance, travel, marketing and television, Bachelor of Arts in communication from Georgia State University., “How Does Minimum Wage Affect Production?” Demand Media, Chron, 5/12/13] AZ

An increase in federal or state minimum wage is a double-edged sword for employers and employees. The government periodically reviews the wage, though does not always increase it. If the government raises minimum wage, employers are legally bound to comply. This increase creates higher production costs for employers and increases job competition among unskilled and inexperienced employees with little to no education. Employers may offset the cost of this increase by reducing benefits to employees or lowering the number of work hours, yet requiring employees to maintain a high rate of production. Increasing production within a tighter than normal timeline strains production lines; the result can be an inferior product.

### A2 Job Security

#### Living wage doesn’t solve job security—weak unionization and “employment at will” crush solvency

Schmitt 09 [John Schmitt, Senior Economist at the Center for Economic and Policy Research, “Inequality as Policy: The United States Since 1979,” Center for Economic and Policy Research, October 2009] AZ

Wages for large swaths of workers, particularly for non-college-educated workers who make up about three-fourths of the U.S. workforce, have trailed far behind growth in productivity over the last thirty years,9 and, for many groups of workers, wages have actually stagnated or even fallen in inflation-adjusted terms.10 While raising wages for workers at the middle and bottom is important, increasing wages will not be enough. Restoring real wage growth to the two or even three percent per-year rates experienced during the first thirty years of the postwar period would certainly help. But the main problems that U.S. workers face cannot be solved simply with faster real wage growth. In my experience, European workers, even European economists familiar with the U.S. economic system, have trouble appreciating just how unprotected U.S. workers are; and it is not just workers in the low-wage labor market that are unprotected11 – even relatively well-off U.S. professionals work in a legal and social environment that almost no worker in western Europe would have to tolerate. One key issue is job security. In the United States, with rare exceptions, workers are what our legal code refers to as “at-will employees” – that is, employees work at the will of the employer, with no legal claim to their job or to severance pay in the case of layoff.12 To be clear, in the overwhelming majority of cases, U.S. employers can fire a worker without reason or advanced notice and without any legal obligation to provide severance pay. The major exceptions to this arrangement are the 13 percent of the workforce that is unionized and a small share of high-end workers such as company officers who negotiate individual contracts with their employers. One remnant of the civil rights and women’s movement is that employers cannot fire workers for reasons of race, ethnicity, gender, religion, or certain other characteristics; but an employer can fire a worker without notice for almost any other reason: for arriving late to work, for refusing to work overtime, for arguing with the boss about a schedule change, or essentially any reason, reasonable or not, that does not involve discrimination. The “employment at will” doctrine creates a profound structural imbalance of power between the overwhelmingly non-unionized workforce and their employers, and is a central cause of the problems facing the low-wage workers featured in Roger Weisberg’s superb documentary film “Waging a Living.” When workers do lose their jobs, the social safety net has many holes. Historically, only about 40 percent of unemployed workers receive unemployment insurance benefits and these are stingy by international standards.13 The large majority of U.S. workers also depend on their job (or their spouse’s job) for health insurance. With the typical employer-provided health insurance plan costing about $5,000 per year for individual coverage and about $13,000 per year for family coverage,14 higher wages alone will not go far in providing quality health insurance, particularly for lower- and middle-income workers.

### Turnover Good [Lane]

#### Turnover is key to labor market flexibility and is good for workers

Lane 98 [(Julia, Associate Professor of Economics American University) “The Low-Wage Labor Market: Challenges and Opportunities for Economic Self-Sufficiency The Role of Job Turnover in the Low-Wage Labor Market”] AT

Turnover is job change — workers changing firms and firms shedding and hiring workers. Turnover is sometimes seen as an indicator of the dynamism of the economy, since without turnover, labor cannot get reallocated from less-productive to more-productive uses. Indeed, voluntary job change usually results in gains to the worker. Involuntary job loss also imposes costs on workers, however, particularly on low-wage workers who are least likely to be able to bear the cost of being without work.

Continues:

The job reallocation part of turnover is a result of job creation and destruction across firms and industries. This is clearly part of the market reallocation process — indeed, job creation and destruction rates have been used by the Organization for Economic Cooperation and Development (OECD) as an index of the flexibility of the labor market.

#### That also exacerbates unemployment

Verdugo 12 [(Lorenzo Bernal-Verdugo and Davide Furceri, University of Chicago, Department of Economics and Bank of Mexico; and Dominique Guillaume, IMF) “Labor Market Flexibility and Unemployment: New Empirical Evidence of Static and Dynamic Effects” 2012 International Monetary Fund] AT

This paper contributes to the empirical literature on the effect of labor market institutions in three respects. First, while almost of all these studies have mostly focused on a subset of OECD industrial countries, our paper uses a broad sample of data of 97 countries over the period 1980-2008. Second, given the inherently complex nature of labor market regulation and the evidence that improvement in labor market efficiency are likely to require reforms in more than one area of the labor mark, the paper mainly focuses on a composite indicator of labor market flexibility. Third, the paper analyzes the dynamic effect of labor market institutions on unemployment outcomes, controlling also for possible endogeneity and reverse causality from unemployment to labor market institutions. The effect of labor market flexibility on unemployment outcomes is assessed in two steps. First, we estimate a static model specification to test for the hypothesis that labor market regulations have a first order effect on unemployment outcomes. Second, we estimate a dynamic model specification to test whether labor market flexibility affects the change in unemployment over time. Our findings indicate that, after controlling for other macroeconomic and demographic variables, increases in the flexibility of labor market regulations and institutions have a statistically significant negative impact both on the level and the change of unemployment outcomes (i.e., total, youth, and long-term unemployment). Among the different labor market flexibility indicators analyzed, hiring and firing regulations and hiring costs are found to have the strongest effect. Overall the results of the paper suggest that policies that enhance labor market flexibility should reduce unemployment.

### Turnover Good [Lewis]

#### High turnover key to the economy – working efficiency and financial incentive

Lewis 13 [Michael Lewis, financial contributor, “5 Reasons High Turnover Can Be Good for Your Small Business,” New Talent Times, 7/15/2013] AZ

2. Avoid Complacency The fruit of failure is sowed in the seeds of success—there's a human tendency to think that what we did yesterday is good enough to get by today. Complacency is the enemy of every organization, fostering an environment of group-think and an aversion to risk-taking. As Edwin Land, inventor of the Polaroid Camera, said, "It's not that we need new ideas, but we need to stop having old ideas." In hindsight, Land’s company would have been well-advised to seek out engineers such as Steven Sasson, who invented the digital camera two years after his graduation from Rensselaer Polytechnic Institute in 1973. Land's company, Polaroid Corporation, failed to recognize the new direction photography was headed in and instead focused upon an expensive and obsolete technology for movie cameras. As a result, the company was forced to file for bankruptcy in 2001 and is now merely an administrative shell. 3. Create Incentive The growth of bureaucracy is an ever-present danger in any organization. It replaces innovation and initiative with stagnant hierarchies, defensive managers and formalized rules and procedures, all of which are intended to protect the status quo. A program of systematic renewal that stimulates regular turnover through promotions and terminations ("up or out") in all areas, particularly management levels, ensures an environment of constant opportunity and motivation for remaining employees. All organizations, even those lauded for their enlightened personnel policies, such as Apple andThe Container Store, evaluate individual employee performance in order to identify those worthy of promotion and salary increases and those in need improvement. Using a ranking system with a performance appraisal component adds rigor to the process by forcing reluctant managers to address performance issues. HR professionals should be advocates for such forced rankings and ensure that the system created is fair, properly implemented in order to reinforce cultural change and includes remedial programs to allow poor performers to improve before termination. 4. Broaden Perspective Western Union, which was founded in 1851 and was one of the 11 stocks in the original Dow Jones Average, dominated its competitors in the late 19th century. Despite this, its management, heady with success, was unable to foresee the potential impact of the telephone. An internal memo from 1876 reads: "This 'telephone' has too many shortcomings to be seriously considered as a means of communication. This device is inherently of no value to us." The terms "groupthink" or "doublethink," which is the tendency of members of a group to reach consensus to avoid conflict, was first proposed in George Orwell's novel "1984," and subsequently detailed by organizational analyst William Whyte, Jr. Psychologist Irving Janis theorized that the more amiable the sense of group identity, the greater the tendency of a organization to resist outside ideas and censor ideas that conflict with the apparent group opinion. New employees can bring fresh perspectives, new experiences leading to innovation and breakthrough ideas because they are neither wedded to the old ideas nor to the "way we do things" attitude of established, successful businesses. HR professionals should promote a culture that encourages employees to take risks and gives them the freedom to take creative leaps without fear or judgment. For example, Josh Linkner, bestselling author on corporate creativity and innovation, frequently cites a software company in Boston that gives each team member two "corporate get-out-of-jail-free" cards each year to foster risk-taking. Extended Stay America, a hotel company with more than 76,000 rooms nationwide, distributes similar cards to its 9,000 employees. The cards allow the holders to experiment and take risks without suffering the repercussions for mistakes associated with them. In fact, at annual reviews, managers question employees if the cards haven’t been used. Another well-known company with a similar forward-thinking approach is Netflix. Renowned for its creativity and productive culture, the company is driven by a simple management philosophy: Give people freedom, hold them responsible and replace the ones who can't or won't perform in that environment. "The only way to get high talent density is to get rid of the people who are out of their depth or coasting," says Adrian Cockcroft, Netflix’s director of cloud architecture.

#### Outweighs:

#### Globalization – new competitors mean turnover key to ensure competitiveness

Lewis 13 [Michael Lewis, financial contributor, “5 Reasons High Turnover Can Be Good for Your Small Business,” New Talent Times, 7/15/2013] AZ

According to Australian American media mogul Rupert Murdoch, “The world is changing very fast. Big will not beat small anymore. It will be the fast beating the slow." The advantage will therefore flow to those companies that can recognize industry-changing events, project consequences for their companies and quickly adapt to the new environment. Companies with static employment will invariably fall prey to the Peter Principle: a proposition describing an organization where a significant number of employees have been promoted to a level beyond their abilities and are unable to compete effectively with more dynamic, "hungrier" competitors. Encouraging turnover for employees who are happy with the status quo, least willing to take appropriate risks, or unable to learn from their mistakes will energize your workforce and give you an edge on the competition.

#### Turnover empirically expands competitiveness

Lewis 13 [Michael Lewis, financial contributor, “5 Reasons High Turnover Can Be Good for Your Small Business,” New Talent Times, 7/15/2013] AZ

The pace of technology brings new opportunities, challenges, and demands upon a workforce. Some companies have effectively implemented a culture where employees continually improve or leave. Jack Welch, former CEO of General Electric, implemented a policy of annually evaluating staff in order to "purge" and replace the bottom 10 percent of performers. While critics deem the policy as cruel, proponents argue that it is essential to effectively compete in a modern world. Whatever your conclusion, one thing is certain: GE has long been recognized for its industry and innovation leadership. According to Thomas F. O'Boyle, author of At Any Cost: Jack Welch, General Electric, and the Pursuit of Profit, Welch, during his tenure at GE, produced more money for shareholders than any other CEO, with the exception of Bill Gates at Microsoft. And according to Dick Grote, president of Grote Consulting and author of Forced Ranking: Making Performance Management Work, 60 percent of Fortune 500 companies engage in some form of forced or stacked ranking, including Microsoft, Dell, Accenture and Deloitte. The process, managed by HR Departments, requires that managers rank their employees according to one of three categories: Top 20 percent. These people are the "A" players—potential stars-in-the-making who will lead the company in the next generation. They typically receive the largest raises and stock options and the most extensive training. Middle 70 percent. The "B" players, these employees make up the bulk of an organization's staff. They’re the “steady eddies” who perform their jobs, do what is expected of them and don't rock the boat. They typically receive smaller bonuses tied to tenure, and the bulk of management’s time is usually directed here, encouraging good employees to become great. Bottom 10 percent. These employees contribute the least to the organization, even if they meet company expectations. They’re either given training in order to improve, encouraged to resign, or fired. Grote believes that classifying employees in this manner is "a very good thing for any organization with 10 employees or more," as it makes it easy to identify and retain the top performers.

### ---Defense

#### Turnover isn’t innately bad – they don’t have a terminal impact

Sullivan 9 [John Sullivan, internationally known HR thought-leader from the Silicon Valley, #8 among the top 25 online influencers in Talent Management, Chief Talent Officer of Agilent Technologies, CEO of the Business Development Center, “Not All Employee Turnover Is Bad — Celebrate “Losing the Losers,” Ere.net, 4/6/2009] AZ

The purpose of this article is to open your mind about the silliness of measuring only aggregate turnover. I can think of no better indication of a so-called expert’s lack of true understanding of employee turnover than when I read an article or a book on retention and the author invariably expounds on the need to keep everyone. The idea of keeping everyone is just plain silly. The fact is that there are many factors that can transform “ordinary turnover” into either positive or negative turnover. As a result, a few firms are beginning to classify their turnover as either “regrettable” or desirable turnover. Whether turnover is good or bad depends primarily on the business impact caused by the departure of the employee. Business impact can be classified under eight categories: Performance – The employee’s performance level. Position – The business impact of their position. Business unit – Whether their business unit is mission-critical. Skills – The criticality of the employee’s skill set to the business. Replacement – How easy they are to replace with an equivalent internal or external candidate. ROI – Their productivity compared to their costs as an employee. Where they go – Where they do go after they leave the firm (to a competitor?). Reasons for leaving – Were the reasons for leaving realistically preventable? What Does Zero Turnover Mean? It would be a mistake to assume that any firm that has low or “zero” turnover is a well-managed firm. Low turnover rates could, in fact, be caused by a number of factors including a lack of employment opportunities within the region, financial constraints that prevent employees from moving (upside down mortgage), a bad firm image (Enron or AIG) that keeps recruiters away, or a high concentration of older workers reluctant to change jobs later in their career. Another much more common reason for low turnover (that few firms actually want to consider) is the fact that your employees may be in low demand because they are perceived as being poorly skilled and undesirable. True recruiters are always trying to steal away the best employees, even during tough economic times. If no one steals (or even tries to steal) your employees, it might mean they aren’t worth stealing. Classifying Employee Departures into Desirable, Neutral, and Undesirable When you develop retention goals, it’s critical that you define them such that the business impact of turnover is taken into consideration. Below you’ll find a long list of different types of turnover to demonstrate how complex the issue of turnover can actually be. Once you understand the complexity, the next step is to revise your goals, metrics, and exit classification system to ensure that you accurately classify future turnover. The following sections contain a comprehensive listing of each of factors that can be used to categorize turnover into desirable, neutral, or undesirable.

### High Now

#### Multiple factors point to a rapid rise in the US economy come 2015

Schoen 12-8-14(John W., economics reporter for CNBC, 12-18-14, “Economists see revved-up US economy next year”, http://www.cnbc.com/id/102244366#. ) **AJ Jr.**

In case you missed it, the U.S. economy is picking up speed.¶That's the view of a panel of business economists, whose latest growth forecast calls for a 3.1 percent advance in U.S. gross domestic product in 2015—up from a 2.2 percent expansion this year.¶And the improved job market will continue to push the jobless rate down to 5.4 percent by the end of next year, according to the latest forecast from the National Association for Business Economics (NABE).¶ The groups' upbeat outlook was bolstered Friday by the government's latest employment data, which showed a surge in employment in November, when nonfarm payrolls jumped by 321,000. The report also boosted the government's previous estimates for job gains in September and October.¶ Those numbers were reported after the panel of business economists—who advise large U.S. banks and corporations—were surveyed in mid-November. ¶ Despite the pickup in job growth and overall output, the panel expects inflation will remain tame next year, in part because of the recent slide in oil prices.¶ While the pace of the U.S. economy's growth is expected to pick up, the economists are less upbeat about the global economy.¶ Global growth is seen rising 3.4 percent next year, with China slowing to a 7 percent annual pace, Europe expanding by 1.2 percent and Japan eking out 1 percent gain in GDP.¶ More than half think the world's developed economies have hit a prolonged period of slower growth—or what they call "secular stagnation." Nearly half of those who think this is happening blame the ongoing debt overhang from the Great Recession. Another 20 percent cited tight government spending.¶ Other reasons cited were a slowdown in technological innovation (8 percent), demographic changes (8 percent), consumer retrenchment following the Great Recession (4 percent) and excess global production capacity (4 percent).¶ However, 30 percent don't believe growth in the developed world is in a prolonged slowdown.¶ The group has also pushed back its forecast for a rise in U.S. interest rates. Most believe the Federal Reserve will begin boosting rates sometime in the middle of next year, but nearly half now think that won't happen until the third quarter of 2015.¶ The NABE also expect rates to rise more slowly—with the federal funds rate hitting 0.75 percent by the end of 2015. That is slightly less than the 0.845 percent forecast in the previous survey in September. Additionally, it trimmed its forecast for yields on 10-year Treasury to 3.2 percent by the end of 2015, down from the 3.5 percent September forecast.¶ Among the group's other forecasts:¶ Inflation: (as measured by the GDP price index) is expected to inch up to a 1.7 percent annual gain from 1.6 percent this year.¶ Consumer spending: is expected to rebound from a 2.2 percent pace in 2014 to 2.7 percent next year. Car sales will hit 16.8 million units in 2015, up from 16 million this year.¶ Industrial production: will slow to 3.5 percent next year, after a 4 percent increase in 2014.¶ Housing: is expected to continue its slow recovery next year, with starts climbing from 920,000 units last year to 1 million units in 2014 (unchanged from September's survey results) and to 1.15 million units next year from 1 million this year. More than a quarter of panelists said the ongoing slowdown in household formation rate is holding back growth, while another quarter cited "excessively tight" mortgage lending standards as the most important cause.¶ U.S. budget: The group expects continued improvement in the federal deficit, which it sees shrinking to $460 billion next year from $483 billion in fiscal year 2014¶ Wages: Respondents also expect an improved labor market to produce real wage gains, with hourly compensation rising 2.6 percent next year after this year's 3 percent gain.¶ Profits: After-tax corporate profits growth is expected to remain strong, rising 6.7 percent next year after expanding by 3.8 percent this year. The group expects that to translate into stock market gains that will propel the S&P 500 index to 2,050 by the end of this year, and 2,167 by the end of 2015.¶ Trade: The group also expects exports to grow by 5.4 percent next year, up from 3.5 percent in 2014, with the dollar rising only slightly next year. Import growth is expected to accelerate by 4.4 percent in 2015, slower than the September forecast of 5.7 percent.

## Unemployment

### Plan Affs

#### Specificity is irrelevant. The law of demand is universal and aff authors are political hacks. Robust research confirms a minimum will decrease employment.

Wilkinson 13 [(Will Wilkinson, Academic Coordinator of the Social Change Project and the Global Prosperity Initiative at The Mercatus Center at George Mason University, ran the Social Change Workshop for Graduate Students for The Institute for Humane Studies, research fellow at the Cato Institute) “The law of demand is a bummer” Economist Feb 27th 2013] AT

THE debate over the minimum wage, which, thanks to Barack Obama's state-of-the-union address, we appear to be having again, is a debate over the question of whether raising the price of something—low-skilled labour, in this case—will reduce demand for that thing. That is to say, it is a debate over the relevance of the law of demand, an enormously robust generalisation about human behaviour confirmed and re-confirmed each day by billions of individual decisions. Which is not to say that economic "laws" capture strict relations of physical necessity. Economics is not physics. Demand does not have to go down, by dint of creation's quiddity, when price goes up. Economics, like psychology, trucks in propositions that hold other things being equal. Steady or rising demand in the face of rising prices does not flout the law of the conservation of mass, or any such strict basic rule of the universe, but it does call for an explanation of the nature of the exception to the rule. What, exactly, is supposed not to be equal, such that in this case, applying the law of demand will mislead us about the expected effect of raising a price floor? There are conditions under which raising the minimum wage will increase demand, as well as economic efficiency. According to one story, monopsony conditions for low-wage labour, ie, imperfectly competitive labour-market conditions in which there is but a single buyer of low-wage labour (or a colluding band of buyers) that is able to set wages at a level workers have little choice but to accept. Good old Econ 101 shows that under such conditions, a bump in the minimum wage, within a certain range, can boost employment and enhance efficiency. So there's that. And such conditions no doubt exist in some sectors at some places at some times. One famous, and egregiously misused, study suggests that monopsony-like conditions applied to fast-food restaurants in Pennsylvania and New Jersey in the mid-1990s. But there is basically no reason whatsoever to think that such conditions apply generally, across all sector and regions of the American labour market. In the absence of special conditions, we have every reason to expect the law of demand to hold, such that raising the minimum wage will make it harder for inexperienced workers—workers whose output is worth less to employers than the mandated wage, and especially teenagers from low-income families looking to get a first footing in the labour market—to find work. And this is, in fact, what empirical studies tend to conclude. A comprehensive 2008 survey of the empirical literature from David Neumark, a professor of economics at the University of California, Irvine, and William Wascher, an economist for the Federal Reserve, found that, as one would expect, "[M]inimum wages reduce employment opportunities for less-skilled workers, especially those who are most directly affected by the minimum wage.” Again, it doesn't have to work this way. Employers can cut hours rather than hiring fewer workers. They can turn down the air-conditioner, strictly police the length of breaks, and otherwise reduce the cost of amenities previously enjoyed by employees. They can shift to off-the-books employees willing to work for less than the legally-mandated minimum. They can raise prices, passing on increased labour costs to consumers. It's conceivable that the only consequence would be that a larger share of profits gets distributed to low-wage workers. Conceivable and exceedingly unlikely. In reality, we probably get small adjustments along each of these dimensions. Of course, there is some newish empirical research contesting the disemployment effect of increases in the minimum wage, and then there is even newer research debunking it. I'm not about to offer a blow-by-blow of this tedious and technical debate for the same reason I'm not inclined to delve into the "debate" over the reality of global warming. The basic science is sound, and I don't think it is at this juncture especially fruitful to "teach the debate" when deliberating about policy. I suspect that the reason left-leaning academics and journalists are so ready to tout research shoot ing holes in the law of demand has more to do with politics than a dogged commitment to truth in economic science. Raising the minimum wage is a very popular policy. It's smart for the Democratic Party to get behind it. So Democratic opinion leaders will be inclined to provide intellectual cover, either by soft-pedaling the downside of the policy, or by selflessly making their minds available to believe whatever most benefits their party. Democratic journalists may find themselves eager to talk about the fascinating new research that contests the conventional wisdom about the effects of raising the minimum wage. None of this is especially surprising or scandalous, and it's naive to think public intellectual life in a closely-divided democracy will ever be much different. Still, it's a tonic to square up now and again to the way things work, and it's worth taking note when Democrats, who are in my opinion generally less prone than Republicans to baldly wishful and/or strategic cognition, behave like thoroughly political animals. Perhaps it's wishful on my part to think, as I do, that most economically literate observers really do understand that raising the minimum wage will screw up the prospects of a fair number of poor young workers. Those who favour raising the minimum wage anyway just think that, all things considered, that's a price we ought to be willing to pay. But they can't say that, just as second-amendment enthusiasts can't say that an occasional grim harvest of kindergartners is a price we ought to be willing to pay for the freedom to own guns. One of the most maddening things about political debate is that it's rhetorical suicide to accept tragic trade-offs. So one must deny that there are trade-offs. It's got to be all benefit, no cost. And that's why we find so few willing to step forward and say, yes, "minimum wages pose a tradeoff of higher wages for some against job losses for others", but let's raise the minimum wage anyway, because, in the final analysis, the benefit to those who enjoy higher wages will be greater than the cost suffered by those put out of work, and this distribution of burdens and benefits is not too unfair to stomach.

### TL US Affs [ALEC]

#### Minimum wage increases unemployment – this is backed by consensus, and gets magnified over time – even if there’s no employment effect it still hurts the poor

ALEC 14 [(AMERICAN LEGISLATIVE EXCHANGE COUNCIL, membership association of state legislators) “Raising the Minimum Wage: The Effects on Employment, Businesses and Consumers” The State Factor March 14] AT

Businesses cannot afford to pay employees more than those employees produce on the aggregate. Employees who are paid the minimum wage earn that wage rate because they lack the productivity to command higher pay.6 Advocates of increasing the minimum wage rely on the idea that businesses are able but unwilling to pay higher wages to their employees. The hope is that these businesses will simply take a hit in their profits while employment and prices are negligibly affected. Unfortunately, most minimum wage earners work for small businesses, rather than large corporations.7 According to an analysis by the Employment Policies Institute, roughly half of the minimum wage workforce is employed at businesses with fewer than 100 employees, and 40 percent work at businesses with fewer than 50 employees.8 Small businesses face a very competitive market and often push profits as low as they can go to stay open. Minimum wage earners employed by large corporations would also be affected, because these corporations are under tremendous pressure from shareholders to keep costs low. Last year, the California chapter of the National Federation of Independent Business (NFIB) projected the potential negative effects of the state’s 2013 legislation that raises California’s minimum wage rate to $9 per hour in 2014 and again to $10 by 2016.9 It estimated the increase to the wage rate would shrink the California economy by $5.7 billion in the next 10 years and result in approximately 68,000 jobs being cut from the state. It further projected that 63 percent of the estimated 68,000 jobs lost would be from small businesses that could no longer afford to pay their employees.10 The bottom line is that someone must pay for the costs associated with an increased minimum wage. Often, because a business cannot pay these costs, they are paid for by the individuals the minimum wage is intended to help—low-skilled, undereducated individuals—as they lose out on job opportunities. Under the basic neoclassical competitive market model—used most frequently to study the effects of the minimum wage—increasing the price of a good or service decreases demand for that good or service.11 In the case of wage rates, if the government increases the price of labor by raising the minimum wage, employers will demand less of it. Although most economic research since the advent of the minimum wage has found that increases to the minimum wage reduce employment, the effect of minimum wage laws on employment levels continues to be one of the most studied questions in economics.12 Earlier research examining the minimum wage’s effects on employment used time-series data and variation in the national minimum wage. The results of this research show increases to the minimum wage tend to reduce employment levels. In the 1990s, however, economists began to use the variation in state minimum wage levels to determine the effect of minimum wage increases on employment. The results of the 1990s research were more controversial; some studies had similar results to earlier research, others found no effect or even significant positive effects on employment, and others showed even stronger negative effects of increasing the minimum wage.13 However, the main conclusion of more than seven decades of research is that minimum wage increases tend to reduce employment.14 One review by economists David Neumark and William Wascher shows that 63 percent of studies found relatively consistent evidence of negative employment effects on minimum wages.15 Further, 85 percent of what they deem the most reliable studies point to negative employment effects.16 A recent study by the Heritage Foundation concluded that the current proposal before Congress to raise the federal minimum wage from $7.25 to $10.10 per hour would likely eliminate an estimated 300,000 jobs per year and lower the national gross domestic product by an average of $40 billion per year.17 The negative effects on employment are likely to be more profound in the long run, as employers shift to labor-saving methods of production when labor costs rise.18 ATMs have replaced many bank tellers, cashiers have been swapped for self-serve checkouts at grocery and convenience stores, and gas jockeys have been eliminated in most areas where they are not legally mandated. In occupations where most work is repetitive, it is cost-effective for an employer to respond to higher labor costs by substituting technology for employees. This means occupations consisting of routine tasks—the jobs most likely to be held by less experienced and less educated individuals—are also the most likely to be replaced by technology as employers make investments to adapt to higher labor costs associated with an increased minimum wage. Even if employers do not decrease hiring, they will respond to higher labor costs by replacing the lowest-skilled individuals with more highly-skilled employees, which prices inexperienced workers out of the market. Further, the higher pay attracts more affluent individuals to enter the low-wage labor market, such as teenagers from well-off families or adults looking to provide a secondary income to their households. The increased labor supply makes it even more difficult to secure minimum wage jobs for those who most need them. According to testimony provided by James Sherk of the Heritage Foundation, after minimum wage levels increase, businesses employ more teenagers living in affluent zip codes and fewer teenagers from lower-income zip codes.19 Although increases to the minimum wage encourage more teenagers to attempt to join the workforce, mandated wage increases limit the number of job opportunities available to them at a time when teenage unemployment rates are already at a staggering 20 percent.20 For many young people looking for a job, the primary value that employment provides is on-the-job training, rather than the initial low pay. More than 60 percent of young employed earners are enrolled in school during non-summer months, and for 79 percent of them, it is a part-time job.21 Minimum wage jobs can often serve as a stepping stone to later career goals, so young earners are often more likely to need experience in basic job skills than a small wage increase. Increasing the minimum wage and removing job opportunities from teenagers and young adults could suppress their wage-earning abilities later in life when they are more likely to need their wages to support a family.22 The effects on employment are even more pronounced for minority youth. A 10 percent increase in the minimum wage decreases minority employment by 3.9 percent, with the majority of the burden falling on minority youth whose employment levels will decrease by 6.6 percent.23

#### Outweighs

#### A. Prefer consensus – it compares their evidence against other studies to ensure no biases in methodology – their evidence is an outlier and should be rejected

#### B. Low-skilled workers are the most vulnerable since they’re more likely to be poor and can’t be employed elsewhere – prioritize them since disemployment is totally devastating for their life prospects

#### C. Skills training outweighs – it results in a lifelong increase in wages which provides a bigger boost than a small wage increase at the bottom

#### D. The aff doesn’t solve poverty and employment outweighs – comprehensive impact assessment goes neg

ALEC 14 [(AMERICAN LEGISLATIVE EXCHANGE COUNCIL, membership association of state legislators) “Raising the Minimum Wage: The Effects on Employment, Businesses and Consumers” The State Factor March 14] AT

Proponents of minimum wage increases often justify their support for the policy with the belief that it will raise America’s least fortunate out of poverty. However, past minimum wage increases have not helped achieve this goal.28 Although helping the poor is a worthy pursuit for policymakers, if the goal is to help the poor, raising the minimum wage is an inefficiently targeted policy. Recent studies have shown that there is little to no relationship between increases in the minimum wage and reductions in poverty.29 These studies find that, although some lower-skilled workers living in poor families see their incomes rise when the minimum wage increases, others lose their jobs or have their hours substantially cut.30 Economists Joseph Sabia and Richard Burkhauser found that workers living in households below the poverty line received few of the benefits of past minimum wage increases. Even assuming that no minimum wage workers are laid off or have their hours reduced, they found only 10.5 percent of the benefits of a potential federal minimum wage increase would go to individuals living below the poverty line. More than 60 percent of the benefits would help families living at more than 200 percent of the poverty level.31 A recent Congressional Budget Office (CBO) report examining the proposed federal minimum wage increase to $10.10 by 2016 found that, although the proposal would move approximately 900,000 people above the poverty threshold (of the estimated 45 million currently below that threshold), just 19 percent of the increased earnings would go to families below the poverty line.32 The same report found that an increase to $10.10 would reduce total employment by approximately 500,000 workers.33 The problem plaguing America’s poor is not low wages, but rather a shortage of jobs.34 At a time when the nation’s workforce participation is only 62.8 percent, policymakers must avoid policies that destroy job opportunities.35 Increasing the minimum wage does nothing to help the unemployed poor. In fact, as discussed above, it hurts individuals looking for employment as it decreases available job opportunities. So, who is helped by an increase to the minimum wage? According to a 2012 report from the Bureau of Labor Statistics, although workers under age 25 represented only 20 percent of hourly wage earners, they made up just over half (50.6 percent) of all minimum wage earners.36 The average household income of these young minimum wage earners was $65,900.37 Among adults 25 and older earning the minimum wage, 75 percent live well above the poverty line of $22,350 for a family of four, with an average annual income of $42,500.38 This is possible because more than half of older minimum wage earners work part-time and many are not the sole earners in their households.39 In fact, 83.5 percent of employees whose wages would rise due to a minimum wage increase either live with parents or another relative, live alone, or are part of a dual-earner couple.40 Only 16.5 percent of individuals who would benefit from an increase to the minimum wage are sole earners in families with children.41 With national unemployment still hovering around 7 percent, national, state, and local demands for an increased minimum wage could not be more ill-timed.42 Increasing the minimum wage would make it more difficult for emerging businesses to expand payrolls and for existing businesses to maintain employees. Further, a higher wage rate would make it more difficult for individuals with less education and experience to find work. Raising the minimum wage favors those who already have jobs at the expense of the unemployed. Public policy would be more beneficial if it lowered barriers to entry for employment and increased economic opportunities. Raising the minimum wage may be a politically attractive policy option, but it is harmful to the very people policymakers intend it to help.

### ---XT ALEC

#### Extend ALEC – it proves a disemployment effect – the majority of credible studies proves a minimum wage will increase unemployment

#### [A POINT] Prefer consensus – it compares their evidence against other studies to ensure no biases in methodology – their evidence is an outlier and should be rejected

#### Consensus is the best form of evidence comparison – authors are professionals and spend their lifetime on the subject – the evidence comparison and standards for good evidence they use are much more accurate than evidence comparison by high schoolers

#### This effect is amplified over time as businesses replace employees with technology – this means the employment DA outweighs on strength of link as well as size of impact

#### [B POINT] This outweighs – low-skilled workers who do repetitive tasks are the easiest to replace with machines – they are the most vulnerable and any negative impact hurts them much more than the wage gains from the aff

#### There’s also a replacement effect – higher wages attract well-off individuals to start working, who then replace poorer individuals with less skills – even if there’s no net unemployment, jobs are removed from those who need them the most

#### Extend that unemployment outweighs – jobs are key to building skills that result in higher wages in all future jobs which reduces poverty and turns the aff solvency

#### [C POINT] That outweighs life-long effect outweighs the small and temporary increase of the aff

#### Finally, comprehensive impact calc goes neg – a minimum wage doesn’t significantly target poverty which means the aff’s terminal impact is small at best – the biggest problem facing the poor is unemployment which only the turn accesses

BLUE STUFF

#### Their “no unemployment” answers assume businesses will just take a reduction in profits – however, most employers are small businesses who are competitive and can’t cut profits – and even large corporations face pressure from stockholders to maximize efficiency

#### This effect is particularly amplified for minorities – discrimination means they’re most likely to be targeted for unemployment

#### Reject instances of racism – it’s an independent impact and outweighs the case

Memmi 2k Albert Memmi, Professor Emeritus of Sociology @ U of Paris, Naiteire, Racism, Translated by Steve Martinot, p. 163-165 2000

The struggle against racism will be long, difficult, without intermission, without remission, probably never achieved. Yet, for this very reason, it is a struggle to be undertaken without surcease and without concessions. One cannot be indulgent toward racism; one must not even let the monster in the house, especially not in a mask. To give it merely a foothold means to augment the bestial part in us and in other people, which is to diminish what is human. To accept the racist universe to the slightest degree is to endorse fear, injustice, and violence. It is to accept the persistence of the dark history in which we still largely live. it is to agree that the outsider will always be a possible victim (and which man is not himself an outsider relative to someone else?. Racism illustrates, in sum, the inevitable negativity of the condition of the dominated that is, it illuminates in a certain sense the entire human condition. The anti-racist struggle, difficult though it is, and always in question, is nevertheless one of the prologues to the ultimate passage from animosity to humanity. In that sense, we cannot fail to rise to the racist challenge. However, it remains true that one’s moral conduit only emerges from a choice: one has to want it. It is a choice among other choices, and always debatable in its foundations and its consequences. Let us say, broadly speaking, that the choice to conduct oneself morally is the condition for the establishment of a human order, for which racism is the very negation. This is almost a redundancy. One cannot found a moral order, let alone a legislative order, on racism, because racism signifies the exclusion of the other, and his or her subjection to violence and domination. From an ethical point of view, if one can deploy a little religious language, racism is ‘the truly capital sin. It is not an accident that almost all of humanity’s spiritual traditions counsels respect for the weak, for orphans, widows, or strangers. It is not just a question of theoretical morality and disinterested commandments. Such unanimity in the safeguarding of the other suggests the real utility of such sentiments. All things considered, we have an interest in banishing injustice, because injustice engenders violence and death. Of course, this is debatable. There are those who think that if one is strong enough, the assault on and oppression of others is permissible. Bur no one is ever sure of remaining the strongest. One day, perhaps, the roles will be reversed. All unjust society contains within itself the seeds of its own death. It is probably smarter to treat others with respect so that they treat you with respect. “Recall.” says the Bible, “that you were once a stranger in Egypt,” which means both that you ought to respect the stranger because you were a stranger yourself and that you risk becoming one again someday. It is an ethical and a practical appeal—indeed, it is a contract, however implicit it might be. In short, the refusal of racism is the condition for all theoretical and practical morality because, in the end, the ethical choice commands the political choice, a just society must be a society accepted by all. If this contractual principle is not accepted, then only conflict, violence, and destruction will be our lot. If it is accepted, we can hope someday to live in peace. True, it is a wager, but the stakes are irresistible.

### Meer and West

#### Higher minimum wage reduces net job growth.

Meer and West 13 Jonathan Meer and Jeremy West (Texas A&M University). “Effects of the Minimum Wage on Employment Dynamics.” December 2013. http://econweb.tamu.edu/jmeer/Meer\_West\_Minimum\_Wage.pdf

We examine how a wage floor impacts employment by directly assessing employment dynamics. In a worker search and matching model (e.g. Acemoglu, 2001; Flinn, 2011), a minimum wage has two opposing effects on employment: it reduces demand for new workers by raising the marginal cost of an employee, while inducing additional search effortfrom unemployed workers, potentially improving the employee-employer match quality. The theory shapes our understanding of how a minimum wage affects employment, but the equilibrium result is an empirical question. We provide both theoretical and empirical reasons to believe that an effect of the minimum wage should be most pronounced on net job growth. In addition, we conduct a simulation showing that the common practice of including state-specific time trends will attenuate the measured effects of the minimum wage on employment if the true effect is in fact on the rate of job growth. We examine the effects in three separate data sets and find that the results are similar both qualitatively and quantitatively: the minimum wage reduces net job growth. The results for job creation show that, in equilibrium, any supply-side effects on search (and the potential increase in the quality of employer-employee matches) do not overcome the negative demand-side effects of higher labor costs. The lack of strong effects on job destruction is in line with the literature on the fixed costs of labor and firing aversion. More importantly, we find that on net the minimum wage meaningfully affects employment via a reduction in the rate of long run job growth.

#### Prefer my evidence-it’s the only study that focuses on net job growth instead of employment levels which is the best way to account for empirics.

Meer and West 13 Jonathan Meer and Jeremy West (Texas A&M University). “Effects of the Minimum Wage on Employment Dynamics.” December 2013. http://econweb.tamu.edu/jmeer/Meer\_West\_Minimum\_Wage.pdf

To date, nearly all studies of the minimum wage and employment have focused on how a legal wage floor affects the employment ***level***, either for the entire labor force or a specific employee subgroup (e.g. teenagers or food service workers). We argue that, in a Diamond (1981)-type worker search and matching framework, an effect of the minimum wage should be more apparent in employment ***dynamics*** –that is, in the actual creationof new jobs by expanding establishments and the destruction of existing jobsby contracting establishments. Diamond argues that transitions to a new employment steady state may be slow, such that it may take some time for any effect of the policy to be visible in the employment level. In addition to this theoretical foundation, there are several empirical reasons for why effects of the minimum wage should be detected more clearly in job growth than in employment levels. A critical factor is that, unlike many treatments studied in the program evaluation literature, the identifying variation consists of relatively small and temporary changes in a state’s real minimum wage, which are soon dissipated by inflation and increases by other states; we confirm this empirically in Section 2.2. As a result, there is often insufficient time for even sizable effects on the rate of job growth to be reflected in the level of employment.

#### Reconciles theoretical and empirical warrants – proves unemployment effect. State specific studies are wrong

Meer and West 15 [Jonathan Meer (Professor of Economics at Texas A&M University and NBER), Jeremy West (Massachusetts Institute of Technology), “Effects of the Minimum Wage on Employment Dynamics,” Texas A&M Press] AZ

Our findings are consistent across all three data sets, indicating that employment declines significantly in response to increases in the minimum wage over the span of several years. Finally, we find that the effect on job growth is concentrated in lower-wage industries, among younger workers, and among those with lower levels of education. Much of the existing literature focuses on these groups, though it is important to note that the minimum wage could affect other industries or elsewhere in the age and education distributions (e.g. Neumark et al., 2004). If the minimum wage is to be evaluated alongside alternative policy instruments for increasing the standard of living of low-income households, a more conclusive understanding of its effects is necessary. The primary implication of our study is that the minimum wage does affect employment through a particular mechanism. This is important for normative analysis in theoretical models (e.g. Lee and Saez, 2012) and for policymakers weighing the tradeoffs between the increased wage for minimum wage earners and the potential reduction in hiring and employment. Moreover, we reconcile the tension between the expected theoretical effect of the minimum wage and the estimated null effect found by some researchers. We show that because minimum wages reduce employment levels through dynamic effects on employment growth, research designs incorporating state-specific time trends are prone to erroneously estimated null effects on employment. In contrast, the minimum wage significantly reduces job growth, at least in the context that we are able to analyze

### Unemployment + Targeting Effect

#### Strong unemployment effect, particularly for worst off and unskilled workers

Boeri 08 [Tito Boeri (Italian economist, currently professor of economics at Bocconi University, Milan ) and Jan van Ours (Professor of Labor Economics, Tilburg University). “The Economics of Imperfect Labor Markets.” Princeton University Press, 2008] AJ

Moreover, a substantial portion of minimum wage earners may not be poor because other family members have earnings. Thus the minimum wage may have a low target efficiency, helping many workers in nonpoor families and providing only limited earnings support to the truly needy. Because economic theory does not offer unambiguous results about the effects of the minimum wage on poverty, it is always important to examine this issue empirically. Applied studies typically look at the distributional impact of the minimum wage by analyzing wage distributions in a neighborhood of the mini- mum wage level. If crowding-out effects are important, then we should observe a spike in the wage distribution close to the legally imposed minimum. If there is no spike or the spike lies to the right of the minimum, the data indicate that the minimum wage has little effective “bite.” Most studies (including Card and Krueger 1994; see figure 2.5 in box 2.2) actually found a spike in the wage distribution corresponding to the minimum wage. There is also less ambiguity in the empirical literature on the employment effects of minimum wages when the focus is on teenage and unskilled workers: in this case the evidence of disemployment effects is particularly strong. Concerning the effect of the min- imum wage specifically on poverty, the study of Addison and Blackburn (1999) suggests that the increases in the minimum wage that occurred in the United States in the 1990s contributed to reducing the poverty rate among youth aged 24 and under and workers over 24, but only among school dropouts. Finally, Flinn (2002) found positive effects on welfare of young Americans for the 1997 minimum wage increase (from $4.75 to $5.15), but no evidence of a positive effect on welfare of the minimum wage increase that occurred in 1996 (from $4.25 to $4.75), which seems not to have exerted significant spillovers on the wage distribution.

#### Prefer –

#### Proves that even if data show an overall increase in welfare, there is a targeting disad since the wage benefits high-wage workers instead of the unskilled

#### The evidence cites literature consensus by two labor economics professors – prefer evidence comparison made by scholars to that of high-school students

#### Prefer theoretical and empirical warrants in conjunction – all economic models estimate unemployment effects due to a shift away from market equilibrium, so when there’s ambiguity or disagreement on one level use the other as a tiebreaker

### Meta-Study [Neumark Wascher]

#### Living wage causes massive job loss – prefer meta analyses

Wascher 07 [David Neumark (University of California, Irvine,) and William Wascher (Federal Reserve Board). “Minimum Wages and Employment. ” Institute for the Study of Labor Discussion Paper No. 2570. January 2007] AJ

We review the burgeoning literature on the employment effects of minimum wages – in the United States and other countries – that was spurred by the new minimum wage research beginning in the early 1990s. Our review indicates that there is a wide range of existing estimates and, accordingly, a lack of consensus about the overall effects on low-wage employment of an increase in the minimum wage. However, the oft-stated assertion that recent research fails to support the traditional view that the minimum wage reduces the employment of low-wage workers is clearly incorrect. A sizable majority of the studies surveyed in this monograph give a relatively consistent (although not always statistically significant) indication of negative employment effects of minimum wages. In addition, among the papers we view as providing the most credible evidence, almost all point to negative employment effects, both for the United States as well as for many other countries. Two other important conclusions emerge from our review. First, we see very few – if any – studies that provide convincing evidence of positive employment effects of minimum wages, especially from those studies that focus on the broader groups (rather than a narrow industry) for which the competitive model predicts disemployment effects. Second, the studies that focus on the least-skilled groups provide relatively overwhelming evidence of stronger disemployment effects for these groups.

#### Outweighs:

#### Proves international consensus which verifies that the causal mechanisms behind the job loss are true in all market conditions – this means effects will be enduring and can’t solve

#### It likely underestimates the effect since the higher the wage and the more credible the study, the worse the impact

#### Analysis of best studies proves job loss.

Berman 11 Rick Berman (Washington DC based lawyer, PR executive, and former lobbyist). “A Consensus In Favor Of Wage Mandates?” Employment Policies Institute. January 6th, 2011. http://www.epionline.org/oped/o198/

The Economic Policy Institute is not alone in this strategy: The liberal Center for American Progress just released a report on “living wage” laws, and one of its authors has a bachelor’s degree in philosophy and was previously co-director of a living wage advocacy group. On the flip side, a comprehensive survey of two decades of minimum wage research by Drs. David Neumark and William Wascher (of the University of California, Irvine, and the Federal Reserve Board, respectively) found that 85% of the best studies on the impact of government-ordered wage hikes pointed to employment losses following an increase in the minimum wage. Unlike those described above, Neumark and Wascher have no partisan axe to grind in the minimum wage fight, and they’re pushing no agendas. Rather, they are respected labor economists chronicling economic research on the minimum wage — the overwhelming majority of which shows a higher minimum wage reduces employment. The Joint Economic Committee during President Clinton’s tenure came to the same conclusion. Even the very first secretary of labor under Franklin Delano Roosevelt noted that job losses were connected to the minimum wage. You can believe decades of consensus. Or you can choose to believe the 665 “experts” who say that the minimum wage has no impact on employment. As the White Queen said to Alice, “Why, sometimes I’ve believed as many as six impossible things before breakfast.”

### IMPACTS

### Broad Impact

#### The impact outweighs – unemployment causes crime, worse health, and death; also permanently lowers wages and harms children, which turns their solvency

Nichols 13 [(Austin Nichols, Senior Research Associate in The Urban Institute's Income and Benefits Policy Center; Stephen Linder, Visiting Assistant Professor, University of Oregon, Research Associate, The Urban Institute, Graduate Research Assistant & Instructor, University of Michigan; ) “Consequences of Long-Term Unemployment” The Urban Institute July 2013] AT

Impacts on Physical and Mental Health Burgard, Brand, and House (2007) report large declines in self-reported health status following job loss, even after taking differences in characteristics of job losers into account. Losses are largest among those who lose jobs for reasons related to health, implying the causal impact of job loss is much smaller than the impact observed by comparing job losers to other workers. Furthermore, job losses for other reasons increase depressive symptoms but have little impact on other measures of health. There is little evidence of health deteriorating over the course of an unemployment spell (Salm 2009). In fact, Ruhm (2000, 2001, 2005, 2007) documents improvements in health as unemployed workers get more exercise, smoke and drink less, lose weight, and suffer less from jobrelated or commute-related health risks. Sullivan and von Wachter (2009) find that the mortality consequences of displacement are severe, with a 50 to 100 percent increase in death rates the year following displacement and 10 to 15 percent increases in death rates for the next 20 years. For a 40-year-old worker, that implies a decline in life expectancy of a year to a year and a half. Long-term joblessness results in higher mortality, but voluntary and involuntary separations seem to have similar impacts on mortality (Couch et al. 2013). The mechanism for these mortality increases is unclear but could be related to income loss, increases in risky health behavior (Browning and Heinesen 2012), and losses of health insurance coverage (Olson 1992). Although job loss increases the subsequent risk of death, the impacts of longer duration of unemployment on health or mortality are not clearly identified. Given that longer-duration unemployment is associated with higher mortality, but health does not seem to deteriorate during a spell, the observed correlations may be related to lower lifetime income (via both more forgone earnings and lower future wages earned by the long-term unemployed), and not through any direct impact on health. The link between income and health is also not clearly causal, however, and there is some evidence that it is increased labor force attachment that lowers mortality, not higher income (Snyder and Evans 2006). There is a long history of research showing that becoming unemployed has large negative effects on mental health, but that mental health does not deteriorate substantially with longer duration of unemployment. Whooley and colleagues (2002) found that depression strongly predicts future job and income losses, suggesting reverse causation is an important threat to such comparisons. Clark and Oswald (1994) found duration of unemployment is actually positively correlated with well-being, conditional on being unemployed. Winkelmann and Winkelmann (1998) found no evidence of satisfaction changing over the course of a spell of unemployment.11 On the other hand, Classen and Dunn (2012) estimated that higher rates of long-term unemployment increase suicide rates, although this may in part reflect general economic conditions. Browning and Heinesen (2012) used microlevel data from Denmark and found that job loss increases alcohol-related disease, mental illness, and suicide and suicide attempts, but these effects could be due to job loss itself, and unrelated to unemployment duration. Theoretically, links between declining employment prospects and declining mental health seem clear. As economic stress increases, the incidence of anxiety disorders should increase, and as individuals fall in the social hierarchy, serotonin-pathway disorders, including depression, should become more prevalent.12 Alternatively, as expectations fall, people may adjust to a new normal and take fuller advantage of leisure time, leading to improvements in measured mental health. On balance, the empirical evidence for the link between longer durations of unemployment and worse mental health is far from clear. Effects on Children and Families There are a large variety of negative effects of job loss observed in the families of workers, although the causal mechanism is not always well known. Kalil and De Leire (2002) found that the negative effects of job loss for children were limited to those associated with the loss of a father’s job. Similarly, Lindo (2011) documented a negative impact of paternal job loss on infant birth weight. Rege, Telle, and Votruba (2011) also showed that paternal job loss lowers children’s school performance, and the negative effect of paternal job loss is not mediated by income, a shift in maternal time toward employment, marital dissolution, or residential relocation. Stevens and Schaller (2011) showed that layoffs affect children’s grade retention, and Wightman (2012) documented a reduction in the probability that children finish high school after paternal job loss. Oreopoulos, Page, and Stevens (2008) traced the impact of job loss on children’s later earnings as adults. Katz (2010) pointed out that financial aid based on prior year income does not address the immediate needs of students whose parents are laid off, perhaps leading to losses of educational opportunity in the second generation. Loss of continuous health insurance coverage could also play a role in worse child outcomes, as Johnson and Schoeni (2011) show that health insurance can play a large role in intergenerational transmission of disadvantage. Job losses and long-term unemployment can affect children’s outcomes through increased family stress and reduced incomes. McLoyd and colleagues (1994) documented how financial stress from job loss affects the emotional well-being of mothers, producing increased cognitive distress and depressive symptoms in adolescent children and more negative assessments of maternal interaction. Children whose parents suffer longer unemployment and larger lifetime income losses can be expected to suffer greater detriment to their emotional well-being, and this may result in worse education and labor market outcomes in the children’s generation. Changes in family structure may be another mechanism by which the negative consequences of job losses are transmitted to the next generation. Del Bono, Weber, and Winter-Ebmer (2008) and Lindo (2010) showed that layoff affects fertility rates, and Lindner and Peters (2013) found negative effects of job loss of mothers and fathers on family stability, especially for married parents, which is one factor through which parental job loss may affect the well-being of children. Charles and Stephens (2004) documented an increase in divorce following layoffs but not plant closings or disability, suggesting that the higher divorce rate is more strongly related to the job loser’s productivity and other attributes rather than diminished financial prospects. Impact on Communities High rates of long-term unemployment can devastate local communities, as reduced lifetime income prospects induce a variety of behavioral changes, and alter social networks. Wilson (1987) building on Kain (1968), argued that a lack of available jobs close to where the disadvantaged unemployed workers live, or “spatial mismatch,” contributes to long durations of joblessness, in part because social networks become largely populated by other jobless workers. Persistent joblessness for men is then linked to breakdowns in traditional family arrangements, increased use of public assistance, and high crime. As long-term unemployment becomes more concentrated, the neighborhood becomes a source of persistent poverty. Even if long-term unemployment does not have important effects on job finding via social networks, it can induce behavioral changes that have important spillover effects on the community as a whole. In addition to engaging in riskier health behavior and reducing investments in housing and other capital stocks that benefit the community as a whole, the long-term unemployed may be induced to seek out work in the illegal sector. Although crime rates fell in many areas during the Great Recession, they seem to have fallen due to a long-term trend, and to have fallen less in places hit harder by job loss. 13 Rege, Telle, and Votruba (2012) document a 14 percentage point higher probability of arrest among workers affected by plant closings, but there are important dynamic and spillover effects as well. As Machin and Manning (1999) discuss: a cycle develops whereby involvement in crime reduces subsequent employment prospects which then raises the likelihood of participating in crime (see Thornberry and Christensen, 1984). In this vein Freeman (1992) and Grogger (1992) show some association between the persistence of joblessness and crime. Fagan and Freeman (1997) also review evidence that show important links between unemployment and crime…. It should be emphasized again that it is difficult to distinguish between heterogeneity and true duration dependence as the explanation for these correlations. Impacts on communities may be driven in part by increases in concentrated poverty due to long term unemployment. The evidence of higher impacts due to greater spatial concentration of poverty is mixed, however, as discussed by Turner, Nichols, and Comey (2012) in the context of the Moving to Opportunity experiment. Conclusions The extensive evidence on far-reaching negative consequences of job loss is clear: Loss of a job can lead to losses of income in the short run, permanently lower wages, and result in worse mental and physical health and higher mortality rates. Further, parental job loss hampers children’s educational progress and lowers their future earnings. The link between longer duration of unemployment and worse consequences is more tenuous. Lower wages and lifetime incomes are associated with longer periods of unemployment, but the reason for the decreasing earnings prospects is not clear. In domains where we might expect to see strong evidence, such as mental health outcomes, the evidence is murky at best. When there are patterns of declining well-being as unemployment extends longer, the extent to which declining well-being is due to increasing loss of lifetime income alone or to time out of work is not clear. The need to distinguish among competing explanations for the observed patterns is pressing, because different policy responses would be called for depending on which of the potential explanations is the dominant one. Further research should identify more clearly whether selection, declining reservation wages, human capital depreciation, or some form of employer discrimination seems to be the dominant explanation for reemployment wage declining with unemployment duration. We also need to explore whether other long-run negative impacts of job loss and unemployment duration are due to those same factors, or to loss of income or social position.

### Developing Countries Impact

#### Unemployment is key to poverty reduction

UN 8 United Nations “Poverty and Employment” Poverty: Social Policy and Development Division April 19th 2008 http://undesadspd.org/Poverty/PovertyandEmployment.aspx

Unemployment and underemployment lies at the core of poverty. For the poor, labour is often the only asset they can use to improve their well-being. Hence the creation of productive employment opportunities is essential for achieving poverty reduction and sustainable economic and social development. It is crucial to provide decent jobs that both secure income and empowerment for the poor, especially women and younger people. Rapid economic growth can potentially bring a high rate of expansion of productive and remunerative employment, which can lead to a reduction in poverty. Nevertheless, the contribution of the growth process to poverty reduction does not depend only on the rate of economic growth, but also on the ability of the poor to respond to the increasing demand for labour in the more productive categories of employment. Given the importance of employment for poverty reduction, job-creation should occupy a central place in national poverty reduction strategies. Many employment strategies are often related to agricultural and rural development and include using labour-intensive agricultural technologies; developing small and medium-size enterprises, and promoting micro projects in rural areas. Many strategies promote self-employment, non-farm employment in rural areas, targeted employment interventions, microfinance and credit as means of employment generation, skill formation and training.

### Crime

#### The best study proves unemployment causes crime but income inequality does not – the disads link to crime but the aff doesn’t

Doyle 99 [(et al, Joanne M. Doyle, James Madison University Associate Professor of Economics Program; Ehsan Ahmed professor and the head of the Economics Department in the College of Business at James Madison University; and Robert N. Horn, Professor of Economics at James Madison University) “The Effects of Labor Markets and Income Inequality on Crime: Evidence from Panel Data” Southern Economic Journal Vol. 65, No. 4 (Apr., 1999), pp. 717-738] AT

We estimate a model of property crime using a panel data set of the U.S. over the years 1984-1993. We focus on property crime under the assumption that property crime is more likely motivated by ﬁnancial gain and thus the beneﬁts and costs of property crime are more likely to be captured with economic variables than are the beneﬁts and costs of violent crime. For the purpose of comparison, we also present results from estimating the model for violent crime. The use of aggregate data, whether at the country, state, city, or police jurisdiction level, has been criticized since the model at hand is one of individual behavior. In spite of this criticism, such data have nevertheless been used in circumstances where individual data are not available. Given our focus on labor markets, income distribution, and demographics, we believe that aggregate data are well suited for our study since we can use a rich set of variables such as average market wages, sector-speciﬁc wages, unemployment rates, and income inequality measures. Furthermore, variables such as income inequality are not readily available at aggregation levels lower than the state level. Using panel data instead of a simple time series or cross-section allows us to control for unobserved heterogeneity across states, which greatly reduces the likelihood of an omitted variable bias. We ﬁnd econometric evidence that partly supports Freeman’s arguments. In particular, we ﬁnd, not surprisingly, that the proportion of young males in the population has a signiﬁcant positive effect on property crime yet a signiﬁcant negative effect on violent crime. More importantly, we ﬁnd strong evidence that favorable labor market conditions have signiﬁcant negative effects on both property crime and violent crime. We measure labor market conditions using an expected wage that takes into account wages, unemployment compensation, and the unemployment rate. We further analyze labor market conditions by replacing the expected wage with a vector of sector-speciﬁc average wages. We ﬁnd that property crime is most responsive to wages in low-skilled sectors. Surprisingly, we ﬁnd that, contrary to popular belief, income inequality has no independent effect on crime rates.

#### And we control their internal link – models that measure the effect of inequality on crime lack a causal link – inequality is just a proxy for employment but only I access that impact

Doyle 99 [(et al, Joanne M. Doyle, James Madison University Associate Professor of Economics Program; Ehsan Ahmed professor and the head of the Economics Department in the College of Business at James Madison University; and Robert N. Horn, Professor of Economics at James Madison University) “The Effects of Labor Markets and Income Inequality on Crime: Evidence from Panel Data” Southern Economic Journal Vol. 65, No. 4 (Apr., 1999), pp. 717-738] AT

Freeman (1996) argues for the inclusion of income inequality measures in empirical models of crime. ln fact, conventional wisdom maintains a positive relationship between income in- equality and crime. However, a causal link is not well documented. Several authors have used income inequality measures in their statistical models, but they differ according to whether inequality captures costs or beneﬁts to crime. Ehrlich (1996) uses an income distribution variable to capture the opportunity costs of crime and ﬁnds it to be statistically signiﬁcant The argument is that higher inequality results in more people at the bottom end of the income distribution, and these individuals will be more prone to crime because the cost in terms of legal income forgone is quite low. However, this argument does not establish a causal link between income inequality and crime per se but instead uses inequality as a proxy for the opportunity cost of crime, which we believe does have a causal link. Still other authors have used income differ- entials to measure the beneﬁts to crime. For example, Mathur (1978) uses the Gini coefﬁcient for this purpose and ﬁnds its effect on crime to be ambiguous.

#### [A2 Drug Abuse Impact] We subsume this impact – minimum wage increases drug abuse as well

Beauchamp and Chan 13 [(Andrew, Assistant Professor in Department of Economics at Boston College; and Stacey, PhD in Economics, Research Assistant in Economics) “The Minimum Wage and Crime” Under review as of August 23, 2013] JZ

Did raising the minimum wage increase[s] crime in the United States over the past 15 years? The evidence we present suggests the answer is yes. Further, our results indicate that this increase in crime occurs across the board, with increases in theft, drug sale, and violent crime. Among the employed these increases may occur due to a decrease in labor income from reduced work. Our results highlight the importance of providing employment opportunities for young, unskilled- youth given the evidence for a relationship between licit and illicit work. They also point to the dangers both to the individual and to society from policies that restrict the already limited employment options of this group. Our results indicate that crime will increase by 1.9 percentage points among 14-30 year-olds as the minimum wage increases, with effects being even larger among teenagers. With an average overall crime rate at 12.1%, this is a substantial increase. The social costs to raising the minimum wage may not appear in net employment or unemployment changes, but nonetheless appear non-trivial.

### ---Crime I/L Weighing

#### The fact that crime has a net increase as a result of minimum wage laws prove the unemployment from minimum wage laws outweigh the effect of higher wages

Beauchamp and Chan 13 [(Andrew, Assistant Professor in Department of Economics at Boston College; and Stacey, PhD in Economics, Research Assistant in Economics) “The Minimum Wage and Crime” Under review as of August 23, 2013] AT

Does crime respond to changes in the minimum wage? A growing body of empirical evidence indicates that increases in the minimum wage have a displacement effect on low-skilled workers. Economic reasoning provides the possibility that dis-employment may cause youth to substitute from legal work to crime. However, there is also the countervailing effect of a higher wage raising the opportunity cost of crime for those who remain employed. We use the National Longitudinal Survey of Youth 1997 cohort to measure the effect of increases in the minimum wage on self-reported criminal activity and examine employment-crime substitution. Exploiting changes in state and federal minimum wage laws from 1997 to 2010, we find that workers who are affected by a change in the minimum wage are more likely to commit crime, become idle, and lose employment. Further, there is an increase of property theft among both unemployed and employed individuals, suggesting that reduced employment effects dominate any wage effects. These findings have implications for policy regarding both the low-wage labor market and efforts to deter criminal activity.

### US Economy – O/W

#### Unemployment has the strongest internal link to the economy – this will outweigh their turns

Lazzaro 12 [(Joseph, U.S. Editor of IB Times, Managing Editor of financial news web sites Wall Street Europe and Wall Street Italia, Economics Editor for AOL’s Daily Finance) “Five Social Conditions That Could Collapse The U.S. Economic System” International Business Times March 30 2012] AT

Globalization -- basically, free markets, international trade, and the transfer of jobs to lower-labor-cost production centers -- is a system that has made almost all U.S-based multinational corporations (MNCs) massively profitable and successful. U.S. corporations are sitting on $2 trillion in cash -- in cash alone(!) -- but globalization and the enormous structural changes accompanying it has also led to four of the five problems that, if not addressed, could undermine the U.S. economic system itself. Below is a summary of each condition, from least to most capable, of triggering a collapse of the U.S. economic system: 5) Poverty / Increase In No-Stake Citizens. Poverty, a large and generations-long underclass, massive income disparity between the Caucasian and nonwhite population groups, inadequate job training, and a band-aid social-welfare state, have created a social condition in which roughly 40 percent of the electorate currently has no stake in the U.S. economic system, corporate capitalism. For these citizens, the work environment is a place that exploits them and abuses them -- treats them as mere production beings, even as it undervalues their labor, and society is a place that marginalizes them. They have been alienated by corporate capitalism. For them, corporate capitalism is not a blessing, it's the curse. As such, they would have no qualms with seeing the downfall of corporate capitalism -- and its supporting institutions -- and its replacement by an economic system that treats them with dignity, that pays them a living wage, and whose means of production serve the societal interest, not the interests of the uber-rich and upper-income groups. For many in this group, that economic system is democratic socialism. Further, if the enormous social problems listed above increase and an educated, organized interest group/coalition marshals these citizens into an effective, potent political force, they could put unprecedented pressure on U.S. institutions, including massive social unrest. A period of social chaos (or worse) could ensue, bringing the U.S. economy to a virtual standstill, including disruption of the energy supply and food delivery. New York University Economics Professor Nouriel Dr. Doom Roubini, who accurately predicted the bursting of the housing bubble and financial crisis four years ago, said last August that unless public officials invest in a new, smarter social safety net to restore a balance between the free market and public goods, the kind of social unrest seen in the Arab world, Greece, and the United Kingdom would hit other advanced economies and emerging markets. Is the Occupy Wall Street protest movement seeking economic and fiscal reform the start of this social unrest? 4) Aging Population. The baby boom generation, born between 1946 and 1964, the largest demographic group in the United States, is starting to retire, and, historically, as adults age, they buy fewer consumer goods and more health-care services. This will have a double-dose contraction impact on the U.S. economy, regardless of whether the U.S. health-care reform law mandating universal coverage is struck down or upheld by the U.S. Supreme Court. Consumer spending, which accounts for about two-thirds of U.S. gross domestic product, will struggle to grow as the boomers continue to retire, weighing on GDP growth. At the same time, entitlement spending -- especially for Medicare -- will take up a larger portion of federal spending -- diverting resources that could be used for other public goods and needs: child education, infrastructure rebuilding/development, and research and technology. The net result would be a U.S. economy that both grows too slowly to provide enough jobs and one that doesn't have enough federal revenue to meet social safety net needs. Further the U.S. Health Care Reform Act will slow Medicare spending growth, but it probably will not eliminate it. Further, faced with a smaller pie, pressures could build to divvy-up the pie better, including efforts aimed at: 1) achieving federal ownership of natural resources (oil, natural gas, electric); 2) creating a revenue-sharing arrangement between multinational corporations and society; and 3) achieving democratic, public stewardship of the economy -- an economy whose major decisions are determined by the people, democratically, not by corporate boards of directors. 3) Outsourcing. Globalization has substantially increased outsourcing. If emerging markets, and in particular, China and India, continue to trigger the transfer of jobs out of higher labor-cost production centers such as the United States, the U.S. could see unacceptably high levels of unemployment linger for even longer than current projections of 7 percent unemployment through at least 2014. Also, if outsourcing continues at its current pace, job growth could remain inadequate. 2) Frugal Consumers. With wages and median incomes stagnant in many job segments, Americans have adopted a new stance (for them): dramatically cutting discretionary and needless spending and increasing saving. The trend is so cross-cutting that it's led to a downsizing in the retail and restaurant sectors. To gauge the extent of the frugal consumer trend, visit a local shopping plaza and/or indoor shopping mall. Note the store vacancies. To be sure, a savings rate at or near 5-7 percent per year is a good thing for a nation in terms of capital formation. The problem is, if it rises above that level and too many people save too much for decades, it will act as a brake on GDP growth. Moreover, so far during the financial crisis era, it looks like the frugal consumer trend is a long-term decision by Americans to consume less, not a short-term fad. Another frugal consumer trend downside is that the U.S. economy is predicated on consumers spending a lot: Such a pronounced, long-term frugality trend would, again, weigh on job growth, increasing social support costs, and accompanying social/economic problems. 1) Wage Stagnation / Unemployment. Of all the factors, or threats to corporate capitalism -- the U.S.'s economic system -- this is the greatest. Simply, the whole point of the U.S. economic system is: 1) profits and 2) jobs. It's the reason Americans tolerate its harshness -- the reason Americans work so hard, don't have a national law guaranteeing six-weeks of paid vacation like their brothers and sisters in France, the reason you don't have an adequate public pension system like Germany, or other social supports for health care and education found in social-welfare-system-adequate Western Europe. However, if you take either profits or jobs away, the U.S. economic system, corporate capitalism, experiences stress. Take them both away, and a systemic crisis occurs. No one knows how the American system of corporate capitalism will respond this time to a crisis -- an era of unprecedented wealth, material abundance, opulence, conspicuous consumption and technological advance, amid enormous income inequality, poverty and dislocation -- if the unemployment rate doesn't return to normal, low-joblessness levels. At The Sign-Post Up Ahead ... Poverty. An increase in no-stake citizens. An aging population. Outsourcing. Frugal consumers. Wage stagnation. Unemployment. Each, to varying degrees, poses a threat to the U.S. economic system. The good news is ... one solution can address all of these problems/threats: massive job growth -- which is why public officials and corporate CEOs need to find ways -- both public and private -- to keep job growth -- which has averaged about 200,000 new jobs per month over the past three months -- trending higher, to 300,000 new jobs per month. In short, to avert a crisis the U.S. needs to create a job for every person seeking work.

### CRAPPY

### Consensus [Wilson]

#### Minimum wage laws cause rampant unemployment and collapses the economy – this disproportionately affects the worst off – every credible study goes neg

Wilson 12 [(Mark, Principal at Applied Economic Strategies, 25 years of economic policy experience, Deputy Assistant Secretary for Employment Standards Administration at the U.S. Department of Labor, Research Fellow at The Heritage Foundation specializing in workplace policy and tax issues) “The Negative Effects of Minimum Wage Laws” Policy Analysis, No. 701 June 21, 2012] AT

Despite the use of different models to understand the effects of minimum wages, all economists agree that businesses will make changes to adapt to the higher labor costs after a minimum wage increase. Empirical research seeks to determine what changes to variables such as employment and prices firms will make, and how large those changes will be. The higher costs will be passed on to someone in the long run; the only question is who. The important thing for policymakers to remember is that a decision to increase the minimum wage is not cost-free; someone has to pay for it. The main finding of economic theory and empirical research over the past 70 years is that minimum wage increases tend to reduce employment. The higher the minimum wage relative to competitive-market wage levels, the greater the employment loss that occurs. While minimum wages ostensibly aim to improve the economic well-being of the working poor, the disemployment effects of a minimum wages have been found to fall disproportionately on the least skilled and on the most disadvantaged individuals, including the disabled, youth, lower-skilled workers, immigrants, and ethnic minorities.16 Based on his studies, Nobel laureate economist Milton Friedman observed: “The real tragedy of minimum wage laws is that they are supported by well-meaning groups who want to reduce poverty. But the people who are hurt most by higher minimums are the most poverty stricken.”17 In a generally competitive labor market, employers bid for the most productive workers and the resulting wage distribution reflects the productivity of those workers. If the government imposes a minimum wage on the labor market, those workers whose productivity falls below the minimum wage will find few, if any, employment opportunities. The basic theory of competitive labor markets predicts that a minimum wage imposed above the market wage rate will reduce employment.18 Evidence of employment loss has been found since the earliest implementation of the minimum wage. The U.S. Department of Labor’s own assessment of the first 25-cent minimum wage in 1938 found that it resulted in job losses for 30,000 to 50,000 workers, or 7 The greatest adverse impact will generally occur in the poorer and lower-wage regions. In those regions, businesses have to take more dramatic steps to adjust to the higher costs. 10 to 13 percent of the 300,000 covered workers who previously earned below the new wage floor.19 It is important to note that the limited industries and occupations covered by the 1938 FLSA accounted for only about 20 percent of the 30 million private sector, nonfarm, nonsupervisory, production workers employed in 1938. And of the roughly 6 million workers potentially covered by the law, only about 5 percent earned an hourly rate below the new minimum.20 Following passage of the federal minimum wage in 1938, economists began to accumulate statistical evidence on the effects. Much of the research has indicated that increases in the minimum wage have adverse effects on the employment opportunities of low-skilled workers.21 And across the country, the greatest adverse impact will generally occur in the poorer and lower-wage regions. In those regions, more workers and businesses are affected by the mandated wage, and businesses have to take more dramatic steps to adjust to the higher costs. As an example, with the original 1938 imposition of the minimum wage, the lower-income U.S. territory of Puerto Rico was severely affected. An estimated 120,000 workers in Puerto Rico lost their jobs within the first year of implementation of the new 25-cent minimum wage, and the island’s unemployment rate soared to nearly 50 percent.22 Similar damaging effects were observed on American Samoa from minimum wage increases imposed between 2007 and 2009. Indeed, the effects were so pronounced on the island’s economy that President Obama signed into law a bill postponing the minimum wage increases scheduled for 2010 and 2011.23 Concern over the scheduled 2012 increase of $.50 compelled Governor Togiola Tulafono to testify before Congress: “We are watching our economy burn down. We know what to do to stop it. We need to bring the aggressive wage costs decreed by the Federal Government under control. . . . Our job market is being torched. Our businesses are being depressed. Our hope for growth has been driven away.”24 In 1977 ongoing debate about the minimum wage prompted Congress to create a Minimum Wage Study Commission to “help it resolve the many controversial issues that have surrounded the federal minimum wage and overtime requirement since their origin in the Fair Labor Standards Act of 1938.”25 The commission published its report in May 1981, calling it “the most exhaustive inquiry ever undertaken into the issues surrounding the Act since its inception.”26 The landmark report included a wide variety of studies by a virtual ‘‘who’s who’’ of labor economists working in the United States at the time.27 A review of the economic literature amassed by the Commission by Charles Brown, Curtis Gilroy, and Andrew Kohen found that the “time-series studies typically find that a 10 percent increase in the minimum wage reduces teenage employment by one to three percent.”28 This range subsequently came to be thought of as the consensus view of economists on the employment effects of the minimum wage. It is important to note that different academic studies on the minimum wage may examine different regions, industries, or types of workers. In each case, different effects may predominate. A federal minimum wage increase will impose a different impact on the fast-food restaurant industry than the defense contractor industry, and a different effect on lower-cost Alabama than higher-cost Manhattan. This is why scholarly reviews of many academic studies are important. In 2006 David Neumark and William Wascher published a comprehensive review of more than 100 minimum wage studies published since the 1990s.29 They found a wider range of estimates of the effects of the minimum wage on employment than the 1982 review by Brown, Gilroy, and Kohen. The 2006 review found that “although the wide range of estimates is striking, the oft-stated assertion that the new minimum wage research fails to support the traditional view that the minimum wage reduces the employment of low-wage workers is clearly incorrect. Indeed . . . the preponderance of the evidence points to disemployment effects.”38 Some employers will replace their lowest-skilled workers with somewhat higherskilled workers in response to increases in the minimum wage. Nearly two-thirds of the studies reviewed by Neumark and Wascher found a relatively consistent indication of negative employment effects of minimum wages, while only eight gave a relatively consistent indication of positive employment effects. Moreover, 85 percent of the most credible studies point to negative employment effects, and the studies that focused on the least-skilled groups most likely to be adversely affected by minimum wages, the evidence for disemployment effects were especially strong. In contrast, there are very few, if any, studies that provide convincing evidence of positive employment effects of minimum wages. These few studies often use a monopsony model to explain these positive effects. But as noted, most economists think such positive effects are special cases and not generally applicable because few low-wage employers are big enough to face an upward-sloping labor supply curve as the monopsony model assumes

#### Outweighs---

#### This evidence indicates there is a huge consensus that goes neg – every credible study has found minimum wage laws increased unemployment – *Consensus is the strongest indicator of good evidence* – high schoolers can’t do as good evidence comparison in 45 minutes than professional scholars do in years – you should default to the evidence comparison done by the scholars, which is characterized by consensus since scholars can choose sides – this is meta-level comparison about what kinds of evidence comparison to prefer

#### there’s empirical evidence that goes both ways but the basic economic principles go neg since higher labor costs means less labor – if empirics defy the laws of economics it’s an indicator your empirics are wrong since those laws have governed economic behavior since the start of history and they are assumed by all economic models

### XT Wilson

#### Extend Wilson 12 – minimum wage laws increase the cost of unskilled labor which puts pressure on businesses – that causes businesses to collapse or to offset the costs by hiring less, causing massive unemployment disproportionately among the poor. This is verified by basic economic theory and every credible study in the past 70 years. There are two effects – the worst-off are denied employment opportunities, and the economy collapses, verified by the effect of a minimum wage raise in the American Samoa.

## Other Offense

### Hours Cut

#### **Minimum wage hikes reduce workers’ hours – cross-country analysis**

Steward and Swaffield 6 [“The other margin: do minimum wages cause working hours adjustments for low-wage workers?”, Mark B. Stewart (Emeritus Professor of Economics at the University of Warwick), Joanna K. Swaffield (University of York), Warwick Economic Research Papers, February 2006] AZ

The Low Pay Commission found in the evidence that it received that “a frequently reported response to the minimum wage was a unilateral reduction of workers’ hours by the employer” (LPC, 2000, page 105). Similarly the Low Pay Unit observed that “reducing hours appears to be the most common tactic adopted by employers wishing to avoid paying the minimum wage” (New Review, Low Pay Unit, 1999). In comparison, Connolly and Gregory (2002) using the New Earnings Survey and the British Household Panel Survey found no evidence of working hours reduction for female workers directly affected by the introduction of the minimum wage. Although research in this area is relatively limited, the time-series literature suggests “hours per week fall when minimum wages increase, so the effect on hours worked is more pronounced that the effect on bodies employed” (Brown, 1999, page 2156). The potential impact on hours is also important to the wider minimum wage debate. Michl (2000) suggests that one possible explanation for the differences between the results of Card and Krueger (1994, 2000) on the one hand and Neumark and Wascher (2000) on the other in their analyses of the impact of the New Jersey 1992 minimum wage increase on the fast-food industry may lie in their different treatment of hours worked per employee. Neumark and Wascher use total payroll hours as their dependent variable, and so would capture any hours adjustments. Card and Krueger use the number of workers as their dependent variable and so would not. Although the debate between the two sides focused largely on the quality of the data used, Card and Krueger (2000) note in their conclusions, despite their reservations about the data used by Neumark and Wascher, that “an alternative interpretation … is that the New Jersey minimum-wage increase did not reduce total employment, but it did slightly reduce the average number of hours worked per employee” (page 1419). The point above is reinforced by Couch and Wittenburg (2001), whose analysis of state-level monthly data on teenage working hours leads them to argue that the elasticity of (teen) labour demand with respect to the minimum wage based on employment data understates the minimum wage impact on labour demand relative to those based on working hours – by roughly 10-30%.

### Benefits Cut

#### Cuts in other benefits increase poverty

Fraser 14 [Charles Lammam. “The Economic Effects of Living Wage Laws.” Fraser Institute. January 2014] AJ

Minimum wage policies have other unintended consequences. Evidence shows that employers not only respond to a minimum wage floor by decreasing the number of jobs, but they also cut back on hours (Couch and Wittenburg, 2001), provide less on-the-job training and other non-wage benefits (Neumark and Wascher, 2001; Marks, 2011), and give employment priority to their most productive and experienced workers (Neumark and Wascher, 1995). There is also a growing body of evidence that shows minimum wage increases actually do little to help households in need. One recent study examined increases in the minimum wage across Canadian provinces from 1981 to 2004 and actually found that raising the minimum wage was associated with a four- to six-percent increase in the percentage of families living below Statistics Canada’s low income cut-off (LICO) line (see Sen et al., 2011). In a 2012 study by renowned Canadian minimum-wage researchers, Michele Campolieti, Morley Gunderson, and Byron Lee, the authors analyzed prov- incial data from 1997 to 2007 and found that raising the minimum wage had no statistically discernible impact on measures of relative poverty including LICO (Campolieti et al., 2012). One important reason for these findings is that the bulk of those working for minimum wage do not actually belong to low-income households. In a 2009 study, researchers used Statistics Canada data to profile minimum-wage earners in Ontario. They found that “over 80% of low-wage earners are not members of poor households” and that “over 75% of poor households do not have a member who is a low-wage earner” (Mascella et al., 2009: 373).19

#### They’re in a *double bind* – employers need to absorb the cost in SOME way, if their evidence denies an increase in unemployment, then the only explanation is that employers cut other benefits

#### In-work benefits boost wellbeing in the long term and work incentives – education and family life

Blundell et al 11 [Richard Blundell (University College London and Institute for Fiscal Studies), Monica Costa Dias, Costas Meghir, and Jonathan Shaw, “The long-term effects of in-work benefits in a life-cycle model for policy evaluation,” The Institute for Fiscal Studies Department of Economics, UCL, Feb 2011] AZ

In-work benefits have gradually gained attention over the last 20 years. They have been introduced in a number of countries, including the US, Canada, the UK and France, with increasing resources being allocated to such schemes over time. At their core, in-work benefits are a means of transferring income towards low income families conditional on working. The schemes are generally designed as a subsidy to working, frequently dependent on family composition, particularly the presence of children. Commonly, the objective is to alleviate poverty whilst simultaneously mitigating some of the adverse effects other benefits have on the incentives to work. In-work benefits target unskilled workers and families with children. These two groups are expected to face a comparatively high level of unemployment, with unemployment insurance and redistributive instruments making up for the lack of earnings. Parents of young children are particularly at risk of experiencing substantial costs of working: they may be entitled to especially generous benefits if on low income, may face high fixed costs of working in the form of childcare costs and may value highly their off-work time. They may also face very high marginal tax rates while working due to rapid phasing-out of substantial benefits (taper rates). If combined with high elasticities of labour supply, the high taper rates may lead to substantial changes in how much the individuals are willing to work and, in the limit, on whether they want to participate in the labour market at all. Some empirical and theoretical studies have contributed to our understanding of the impacts of in-work benefits. Most of the attention has been on how they affect work incentives and labour supply. In a seminal paper, Saez (2002) showed that the optimal design of in-work benefits depends on how responsive individuals are at the intensive (hours of work) and extensive (whether to work) margins. Hotz and Scholz (2003) review the literature on the effects of the Earned Income Tax Credit, the main US transfer scheme to the (working) poor. Card and Robins (2005) assess the effects of the Canadian Self Sufficiency Project using experimental data, again on employment outcomes. For the UK, Blundell and Hoynes (2004), Brewer et al. (2006) and Francesconi and van der Klauuw (2007) assess the employment effects of the Working Families’ Tax Credit reform of 1999. Most studies find positive employment effects of in-work benefits. Some more recent studies in a special issue of the Economic Journal have looked at outcomes outside the labour market. Grogger and Karoly (2009) review the experimental evidence in North America and study the effects of in-work benefits on marriage, divorce and fertility. Francesconi, Rainer and van der Klauuw (2009) study the effects on a similar set of variables of welfare reforms in the UK. Gregg, Harkness and Smith (2009) focus on lone parents and mental and health well-being of mothers as well as children outcomes, again for the UK. In this paper we aim to contribute to the understanding of the effects of welfare systems as a whole and in-work benefits in particular. In line with the latest literature, we acknowledge that the generosity of in-work benefits may affect life-cycle decisions other than employment. In particular, the value of education may be affected by a contemporaneous increase in the value of the outside option (being employed), the additional insurance mechanism that in-work benefits may represent, and the dynamic consequences of working and gaining experience on future employment and earnings. We also realise that dynamic links may be of great importance in welfare evaluation. Responses in anticipation of being (directly) affected by a policy in the future may accentuate its effects. For example, education decisions may be responsive to expected changes in returns induced by alterations to the policy environment. The insurance component of these schemes may also be substantial. It may partially protect against bad income shocks, possibly encouraging individuals to remain in work for longer and boosting labour market attachment.

### Indexation Bad Turn

#### Indexing to inflation makes minimum wage policy unpredictable, which kills business at a vulnerable time – *this BOLSTERS the link to my other offense since businesses avoid risk by cutting jobs*

Lewis 14 [(scott, editor in chief of Voice of San Diego) “New Minimum Wage’s Tie to Inflation Is Inflating the Opposition” JUNE 24, 2014] AT

With Gloria’s modified proposal, beginning in 2019, the city’s minimum wage would adjust each year as much as the Consumer Price Index changes. This may be the hardest part of the new minimum wage for some businesses to stomach. They would not know until August what the minimum wage would be for the following year. A guide for what this might be like can be found in the Living Wage Ordinance for city contractors. Any contractor performing work for the city must pay the living wage, which this year is $14.17 an hour for employees who do not get health care benefits. Here’s how that living wage has changed over the years, with fluctuations from 1 percent to 3.9 percent. livwagechange But Gloria wants to tie the minimum wage for everyone else to a slightly different measure of inflation. The living wage for city contractors is tied to the Consumer Price Index for All Urban Consumers, or CPI-U in San Diego. For the minimum wage proposal, however, Gloria wants tie it to the Consumer Price Index for Urban Wage Earners and Clerical Workers, or CPI-W, and its average of all cities, not just San Diego. Gloria’s spokewoman, Katie Keach, said this decision was made in consultation with the Center on Policy Initiatives, or CPI. (Yes, CPI is deciding what CPI to use.) She said CPI-W would more accurately reflect the market conditions minimum wage workers deal with and that using the full national measure offered more flexibility for the city in deciding what time of the year to force businesses to adjust. Here’s a comparison of what the last few years of CPI-U inflation looks like next to CPI-W inflation, which the city would use for determining the minimum wage adjustments. cpiuw2 The concern from business leaders is about predictability. They wouldn’t know each year what they have to pay. Yet Gloria said he’s doing this precisely to help businesses with predictability. His theory is that if you’re going to have a minimum wage, you should probably figure out a way to adjust it over time rather than wait for progressive majorities to make dramatic upward adjustments. “If you have to amortize years or a decade’s worth of wages overnight because suddenly we have the political will to do a minimum wage increase, that’s harmful for businesses,” Gloria said at a recent press conference. He appeared with Harry Schwartz, the owner of Downtown Ace Hardware, who said he was now OK with the proposal because it will be manageable for business. Not all agree. In a letter to Gloria, the California Restaurant Association’s Chris Duggan wrote that indexing would be “disastrous” for the city. “By tying increases in the minimum wage to a single economic factor (inflation) and ignoring other factors such as the strength of the job market, indexing will inevitably result in increases in the minimum wage at times when the local economy is ill suited to absorb new cost pressures,” Duggan wrote. Arturo Kassel, CEO of the restaurant group Whisknladle Hospitality, said he supports minimum wage increases if they could count the tips many servers already get. But indexing it to inflation is adding to an array of concerns. “I’m very young into my career but if you talk to some of the local seasoned operators, they’ll tell you they’ve never seen a perfect storm of events like what are affecting our industry now. The costs of goods are going through the roof. SDG&E raised their rates 19 percent. There’s the Affordable Care Act coming into full effect and now the state and city minimum wages. It’s frightening,” he said.

### Prices Rise [S]

#### Robust evidence confirms the minimum wage is passed on to consumers through higher prices, which outweighs

ALEC 14 [(AMERICAN LEGISLATIVE EXCHANGE COUNCIL, membership association of state legislators) “Raising the Minimum Wage: The Effects on Employment, Businesses and Consumers” The State Factor March 14] AT

However, negative employment effects are not the only consequence of raising the minimum wage. Employers often cannot fully absorb the costs of an increased mandated wage rate by cutting their workforce because they need that labor to successfully run their businesses. Employers are forced to turn to other methods to protect their bottom line and stay in business. The costs of a minimum wage hike are often passed on to consumers in what economist Daniel Aaronson calls “price pass-through.” In a study of prices in the restaurant and fast food industry—an industry that heavily employs and serves low-wage earners—Aaronson, French and MacDonald found an increase in the minimum wage also increases the prices of food items.24 Using data from the Consumer Price Index (CPI) from 1995 to 1997, the economists examined 7,500 food items (usually a complete meal) from 1,000 different establishments in 88 different geographic areas. They found the increase in menu prices affected limited service restaurants the hardest. These are restaurants where most diners pay at the counter and take their food home with them. These restaurants are also more likely to employ low-wage workers and thus more likely to have their business costs rise as a result of a minimum wage increase. The study found that in these instances, almost 100 percent of the increase in labor costs is passed on to consumers in the form of higher prices.25 These results are consistent with most of the economic literature on the subject. Sara Lemos of the Institute for the Study of Labor (IZA) looked at more than 20 papers on the subject and found that most studies predicted a 10 percent increase in the minimum wage would result in a 4 percent increase in food prices and a 0.4 percent increase in prices overall.26 Unfortunately, the businesses hit hardest by an increase to the minimum wage are not only the types of places where low-income people are employed, but also businesses frequented by low-income consumers. Food prices are of particular importance to people living near or below the poverty line as they tend to spend a greater percentage of their family budget on food. The low-wage employees who experience an increase to their wages due to a minimum wage increase will have the benefit of higher wages largely offset by higher prices. Additionally, non-minimum wage earners will face higher prices without the corresponding increase in wages. Thus, they will likely cut back spending to compensate. These cutbacks in spending may also result in substitutions toward cheaper, lower quality goods. Daniel Aaronson and Eric French predicted a $25 billion drop in spending from those earning above minimum wage if the minimum wage was increased from $7.25 to $9.00 per hour.27 It is worth noting that overall they expect spending to rise in the short run (due to increased spending from minimum wage earners), but they also expect GDP to remain constant in the long run.

#### Outweighs:

#### The strength and consensus of studies means it has high probability – defense to the aff proves it outweighs

#### It nullifies aff solvency but also affects other workers as well so it harms more people than it helps

#### Reduced spending puts additional costs on businesses, which forces additional layoffs and supercharges all my other offense

### Prices Rise [L]

#### The aff increases prices – increasing demand boosts prices, and businesses increase prices to offset costs

Haskins 15 [(Justin, author, blogger, and the editor at The Heartland Institute, a leading free-market think tank) “Minimum wage mythology will hurt workers” Human Events Jan 16, 2015] AT

More than 3.1 million workers across the nation received a late Christmas gift on Jan. 1, when minimum wages were increased in 21 states. Although the mandated wage hike was welcomed by many workers, they will soon find that their new pay raise will cause more harm than help. It’s understandable why voters supported increasing the minimum wage. Living on $7.25 per hour—the federal requirement for minimum wages—is an exceptionally difficult endeavor, and it’s hard to imagine a family with children thriving with such little income, even if parents are working 40 hours per week or more. However, behind all of the compassionate slogans and well-intentioned protests rests a reality that sharply cuts through the many myths surrounding minimum wage increases: economics and common sense. Contrary to claims made by advocates of the mandated increases, raising wages by less than one dollar will do little to curb poverty. In Colorado, for instance, wages increased 23 cents to $8.23, but that only means full-time workers earning the minimum wage will see roughly $9.20 (before taxes) more per week than they currently receive now and about $478 more per year, assuming the worker works all 52 weeks. If current trends for inflation and the consumer price index continue at rates comparable to the past three years, those minimum wage increases will evaporate by the end of 2016—and this assumes the minimum wage hike will have no effect on prices in Colorado. Ultimately, minimum wage laws do little to help impoverished workers, and basic economics explains why. When any market sees an increase in dollars available, prices for common goods and services, such as gasoline and groceries, inevitably go up. The reason for this is simple: If consumers have more money to spend, businesses will charge more money in the hopes of earning a greater profit. For example, a small store in Colorado, where the state’s minimum wage increased 23 cents to $8.23, may employ 10 workers earning a minimum wage and working an average of 40 hours per week. With the passage of the new minimum wage, the store owner now has to pay his or her workers a total of $92 more per week than in 2014. The easiest way for a business owner to come up with the difference is to raise prices, which leads to increased costs for all consumers across the market.

#### Robust evidence confirms this and it outweighs

ALEC 14 [(AMERICAN LEGISLATIVE EXCHANGE COUNCIL, membership association of state legislators) “Raising the Minimum Wage: The Effects on Employment, Businesses and Consumers” The State Factor March 14] AT

Using data from the Consumer Price Index (CPI) from 1995 to 1997, the economists examined 7,500 food items (usually a complete meal) from 1,000 different establishments in 88 different geographic areas. They found the increase in menu prices affected limited service restaurants the hardest. These are restaurants where most diners pay at the counter and take their food home with them. These restaurants are also more likely to employ low-wage workers and thus more likely to have their business costs rise as a result of a minimum wage increase. The study found that in these instances, almost 100 percent of the increase in labor costs is passed on to consumers in the form of higher prices.25 These results are consistent with most of the economic literature on the subject. Sara Lemos of the Institute for the Study of Labor (IZA) looked at more than 20 papers on the subject and found that most studies predicted a 10 percent increase in the minimum wage would result in a 4 percent increase in food prices and a 0.4 percent increase in prices overall.26 Unfortunately, the businesses hit hardest by an increase to the minimum wage are not only the types of places where low-income people are employed, but also businesses frequented by low-income consumers. Food prices are of particular importance to people living near or below the poverty line as they tend to spend a greater percentage of their family budget on food. The low-wage employees who experience an increase to their wages due to a minimum wage increase will have the benefit of higher wages largely offset by higher prices. Additionally, non-minimum wage earners will face higher prices without the corresponding increase in wages. Thus, they will likely cut back spending to compensate. These cutbacks in spending may also result in substitutions toward cheaper, lower quality goods. Daniel Aaronson and Eric French predicted a $25 billion drop in spending from those earning above minimum wage if the minimum wage was increased from $7.25 to $9.00 per hour.27 It is worth noting that overall they expect spending to rise in the short run (due to increased spending from minimum wage earners), but they also expect GDP to remain constant in the long run.

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#### Reduced spending puts additional costs on businesses, which forces additional layoffs and supercharges all my other offense

### A2 Squo Poverty Rising/Try or Die

#### 1. This misunderstands the problem – a low minimum wage is the only reason the poor have a chance at social mobility in the first place since unskilled workers can gain skills to slowly gain higher-paying jobs – but that assumes low-skilled jobs exist in the first place, which a minimum wage increase will crush.

#### 2. It’s not just people in poverty getting out – it’s people struggling to stay out of poverty – minimum wage jobs are held primarily by the young

Wilson 12 [(Mark, Principal at Applied Economic Strategies, 25 years of economic policy experience, Deputy Assistant Secretary for Employment Standards Administration at the U.S. Department of Labor, Research Fellow at The Heritage Foundation specializing in workplace policy and tax issues) “The Negative Effects of Minimum Wage Laws” Policy Analysis, No. 701 June 21, 2012] AT

Only 20.8 percent of all minimum wage workers are family heads or spouses working full time, 30.8 percent were children, and 32.2 percent are young Americans enrolled in school.13 The popular belief that minimum wage workers are poor adults (25 years old or older), working full time and trying to raise a family is largely untrue. Just 4.7 percent match that description.14 Indeed, many minimum wage workers live in families with incomes well above the poverty level.

#### That means the size of the wage isn’t important, but the existence of job opportunities is – without these low-skilled jobs, young people have no shot at working higher-paying jobs that will keep them out of poverty when they are providing for a family in the future – the minimum wage in the next generation into poverty and the status quo keeps them out

## A2 Ordinances

### Solvency

#### No cross application of the ordinances definition – this evidence proves that whether the living wage is implemented in a small number of cities or nationally, the effects are roughly comparable, just at a greater or lesser scale

#### Both economic theory and evidence prove an employment decline – my evidence is specific to city ordinances

Neumark 12 [Neumark, David, Matthew Thompson, and Leslie Koyle. "The effects of living wage laws on low-wage workers and low-income families: What do we know now?." IZA Journal of Labor Policy 1.1 (2012): 1-34] AJ

While raising wages of low-wage workers via living wages may seem a natural way to fight poverty, there are two reasons why such mandates may not help to achieve this goal, aside from the fact that they do not cover many workers. First, economic theory predicts that be- cause a mandated wage increase operates essentially as a tax on the use of lower-skilled labor, living wages may discourage the use of such labor. Thus, whatever wage gains accrue to workers who retain their jobs must be offset against potential employment (or hours) declines for other workers. The question of whether living wage laws reduce employment of covered workers is probably the central question that has been contested in the research literature.4

#### Continues:

Neumark 12 [Neumark, David, Matthew Thompson, and Leslie Koyle. "The effects of living wage laws on low-wage workers and low-income families: What do we know now?." IZA Journal of Labor Policy 1.1 (2012): 1-34] AJ

The employment effects are estimated using the same basic empirical framework. Be- cause employment is a discrete outcome, the models estimated are linear probability models. Also, given that wages are not observed for the non-employed, wages are imputed for everyone, and the parallel to focusing on low-wage workers in the wage analysis is to focus on low-skill (i.e., low predicted wage) workers in the employment analysis. For living wages generally, the estimated employment effect on those in the bottom decile of the predicted wage distribution is negative and significant at the 5% level at a lag of 12 months, paralleling where the wage results were detected. The esti- mated coefficient of −0.053 implies that a 100% (or one log unit) increase in the living wage reduces employment by 5.3 percentage points. Given an employment rate of 43.4% in the lowest decile of the imputed wage distribution in the data used in this re- gression, this represents a 12% employment reduction, or an elasticity of −0.12.10 When separate effects are estimated for business assistance and contractor-only living wage laws, both estimates are negative, but there is a significant employment effect only for business assistance living wage laws, with an elasticity of −0.17, and a much smaller (and insignificant) estimate for contractor-only laws.11,12

#### Outweighs---

#### Prefer the combination of empirical and analytical warrants since empirical disagreement means we should default to economic models, and the lack of either one means evidence is not reproducible

#### It uses the best data – longitudinal studies, direct comparison between cities with and without living wage, and population level data

Neumark 12 [Neumark, David, Matthew Thompson, and Leslie Koyle. "The effects of living wage laws on low-wage workers and low-income families: What do we know now?." IZA Journal of Labor Policy 1.1 (2012): 1-34] AJ

After the passage of some time following enactment of the first living wage laws, and some of the earliest simulation studies of living wages, Neumark and Adams (2003a, 2003b) provided the first estimates of the effects of living wages on workers and families, based on longitudinal comparisons between cities where the mandates were and were not intro- duced. These studies are explained in some detail, to set the stage for the discussion of criticism of the data and methods they used, and for the updated analysis that follows. The Neumark and Adams studies covered the inception of living wage laws in the mid-1990s through 2002, using Current Population Survey (CPS) data from the monthly Outgoing Rotation Group (MORG) files, which capture individual wages and employment, and the March Annual Social and Economic Supplement (ASEC) files, which capture family income. The analysis was done at the level of Metropolitan Statis- tical Areas (MSAs) or Primary Metropolitan Statistical Areas (PMSAs), based on where CPS respondents reside. (The CPS does not tell us where people work.) MSAs/PMSAs include areas surrounding the major cities whose living wage laws are studied; but MSA residents who live in suburbs tend to work in the central city, where jobs are con- centrated (Cervero, 2002).

#### Turn – wage increases increase poverty

Schweitzer 05 [Neumark, David, Mark Schweitzer, and William Wascher. "The Effects of Minimum Wages on the Distribution of Family Incomes A Nonparametric Analysis." Journal of Human Resources 40.4 (2005): 867-894] AJ

In this paper, we attempt to address a central question regarding the wisdom of the minimum wage as social policy: Do minimum-wage increases raise the incomes of families at the lower end of the income distribution? Although modest dis- employment effects of minimum wages have often been interpreted as implying that minimum wages are likely to achieve this goal, there is little basis for this conclusion in the absence of direct evidence on the effects of the minimum wage on family incomes. The evidence we present comes from nonparametric difference-in-differ- ence estimates of the effects of minimum wages on the income-to-needs distribution and on the distribution of changes in income-to-needs. Our results offer no empirical support for the hypothesis that minimum-wage increases reduce the proportions of poor and low-income families. The evidence on both family income distributions and changes in incomes experienced by families indicates that minimum wages raise the incomes of some poor families, but that the net effect of higher minimum wages is, if anything, to increase the proportions of families that are poor and near-poor. Thus, it would appear that reductions in poverty or near-poverty should not be counted among the potential benefits of minimum wages. Returning to Gramlich's question posed in the Introduction, our findings sug- gests that the efficiency and equity effects of minimum wages point in the same neg- ative direction.

#### Prefer my evidence – several statistical checks to ensure causality. Aff studies are flawed

Schweitzer 05 [Neumark, David, Mark Schweitzer, and William Wascher. "The Effects of Minimum Wages on the Distribution of Family Incomes A Nonparametric Analysis." Journal of Human Resources 40.4 (2005): 867-894] AJ

As in any empirical study that attempts to estimate the causal effect of a policy change, it is important to establish that the estimates represent the real effects of the policy change rather than a spurious relationship. A natural first question to ask is whether there are enough observations on affected families to believe that we can identify the effects of minimum wages. To address this question, the first row of Table 3 reports the share of families that resided in a state-year pair in which the minimum wage increased and that had a worker with a wage less than (or equal to) 110 percent of the minimum wage prior to the increase. This share is quite high among low-income families (between 0.1 and 0.2), although naturallyit declines at higher points in the income dis- tribution. Nevertheless, given the large sample sizes, it would appear that there are plenty of affected observations in each cell of the income-to-needs distribution to reli- ably identify the minimum-wage effects we estimate. For example, referring to the sample sizes in the bottom row, there are 1,343 such observations below poverty, 2,228 poor or near-poor,and 2,432 between 1.5 and 3 times the poverty line. Next, we do a number of analyses to assess whether the relationships reported thus far might be spurious. First, we checked for minimum-wage effects in parts of the income-to-needs distribution where there should be no effects. As can be seen in Figure 1, the estimated changes in the density from three to five times the poverty line are small and, as depicted by the confidence intervals, not statistically significant. Furthermore,although not reported in Table 2, the estimated minimum-wage effects on the density defined over the 3-5 range (as well as over the 3-4 and 4-5 ranges indi- vidually) are always small and statistically insignificant. The fact that we do not find an effect of the minimum wage on the incomes of higher-income families suggests that the changes in the income-to-needs distribution that we find for lower-income families can be attributedto increases in minimum wages.15 As anothercheck on the validity of our estimates, we investigated whether states with larger minimum-wage increases experienced bigger changes in their income-to-needs distributions.Although the "treatment"in our initial analysis is based simply on whether a minimum-wage increase occurred,Table 1 shows that some minimum-wage increases were quite small (for example, 10 cents in Minnesota in 1990) and that others were rel- atively large (for example, 80 cents in New Jersey in 1992). Our non parametric procedure is not designed to take explicit account of continuous variation in the size of the minimum-wage increase. However, we can provide a rough approximation of the importanceof the size of a minimum-wage increase by dividing the sample of state-year observations with minimum-wage increases into those with small increases (less than the median increase of 45 cents) and those with larger increases (greater than or equal to 45 cents), and then recomputing our estimates for these two treatmentsamples, rela- tive to the sample of state-year observations with no minimum-wage increases.16 As would be expected if we are capturing real effects of minimum wages, the esti- mated effects are stronger in the subsample with larger minimum-wage increases. For example, when we restrict the treatment group to those observations with above- median changes in the minimum wage, the estimated effect of minimum-wage increases is to raise the proportion of families in poverty by 0.0120, well above the estimated effect for the entire sample (0.0083) shown in the first row of Table 2. Correspondingly, when we use only the subsample of observations with below- median minimum-wage increases for the treatment group, this estimate falls to -0.0006. Similar patterns are evident for the estimated changes in the proportion poor or near-poor;the estimate in Table 2 is 0.0130, compared with 0.0157 for large min- imum-wage increases, and 0.0076 for small minimum-wage increases. We get the same qualitative (although less sharp) finding for the changes in the proportion between 1.5 and 3 times the poverty line, with estimated effects of -0.0120 for the full sample (Table 2), -0.0121 for the subsample of large minimum-wage increases, and -0.0105 for the subsample of small minimum-wage increases. As a third check on our results, we looked for evidence of spurious "lead" effects of minimum-wage changes on the income-to-needs distribution.In particular,a poten- tial problem with any difference-in-difference estimator is that a different trend in the treatment group than in the control group can lead to a spurious inference about the treatment effect. In our case, if the difference-in-difference procedure generates results indicating that future minimum-wage increases lead to changes in the income- to-needs density, we might conclude that the estimates we reported in Figure 1 are confounding unspecified differential changes over time in the treatment and control groups with the true effects of minimum-wage increases. The results using one-year leads are displayed in Figure 3, and reveal no "effect" of future minimum-wage increases on the income-to-needs density.17 Finally, because our method is something of a "blackbox," the credibility of our find- ing that minimum wages lead to increases in the proportionof poor or near-poor fami- lies would be strengthenedby evidence indicating that low-wage workers suffer income declines when minimum wages increase. In this regard,evidence reported in Neumark, Schweitzer, and Wascher (2004b) shows that the adverse employment, hours, and income effects of minimum wages do indeed fall on workers earning near the minimum.

## US specific

### Solvency Defense

#### Aff doesn’t solve poverty

Dorfman 14 [(Jeff, professor of economics at The University of Georgia and consultant on economic issues to a variety of corporations and local governments) “Almost Everything You Have Been Told About The Minimum Wage Is False” Forbes 1/30] AT

The Democrats, their union supporters, and liberals in general are making a hard and concerted push for an increase in the minimum wage. President Obama mentioned the subject prominently in his State of the Union address on Tuesday night and even promised to take executive action to increase the minimum wage federal contractors must pay their workers starting in 2015. While Republicans and small business owners are sure to resist this push, it is important that everyone on both sides debates the issue with the correct facts. Much of what you hear about the minimum wage is completely untrue. First, people should acknowledge that this rather heated policy discussion is over a very small group of people. According to the Bureau of Labor Statistics there are about 3.6 million workers at or below the minimum wage (you can be below legally under certain conditions). That is 2.5 percent of all workers and 1.5 percent of the population of potential workers. Within that small group, 31 percent are teenagers and 55 percent are 25 years old or younger. That leaves only about 1.1 percent of all workers over 25 and 0.8 percent of all Americans over 25 earning the minimum wage. Within that tiny group, most of these workers are not poor and are not trying to support a family on only their earnings. In fact, according to a recent study, 63 percent of workers who earn less than $9.50 per hour (well over the minimum wage of $7.25) are the second or third earner in their family and 43 percent of these workers live in households that earn over $50,000 per year. Thus, minimum wage earners are not a uniformly poor and struggling group; many are teenagers from middle class families and many more are sharing the burden of providing for their families, not carrying the load all by themselves. This group of workers is also shrinking. In 1980, 15 percent of hourly workers earned the minimum wage. Today that share is down to only 4.7 percent. Further, almost two-thirds of today’s minimum wage workers are in the service industry and nearly half work in food service. Because this is where the minimum wage workers are, that is what we will focus on for the rest of this column. Having established that the number of minimum wage workers is small and shrinking, that most minimum wage workers are not poor, and that most of them are young and working their way up the ladder rather than supporting a family, I want to bust one more myth about the minimum wage: the relationship over time between the minimum wage and labor productivity. This one is particularly obnoxious because those selling this myth almost surely know that they are advocating for their preferred policy on the basis of a lie. Liberals have been trumpeting a study claiming that if the minimum wage had risen in tandem with worker productivity, the minimum wage would be nearly $22 per hour. Senator Elizabeth Warren (D-MA) has gone to great lengths to push this statistic into the policy debate. Liberals want you to believe that the minimum wage should have risen at the same rate as worker productivity to ensure that workers continue to take home the same share of the value of the output they produce. However, the statistic they quote is meaningless because it is not measuring the relevant concept. Labor productivity may have risen faster than the minimum wage over the last twenty or thirty years, but the study getting all the press uses the productivity gains of all workers to calculate a hypothetical increase in the minimum wage. What is needed is a measure of the productivity gains of minimum wage workers. Unfortunately, the government does not produce such a number. Luckily for the discussion at hand, the BLS does track labor productivity of food service workers. Because food service workers represent 44 percent of all minimum wage earners, this series is a pretty fair proxy for the productivity gains of minimum wage workers. The BLS data show that in 2011 labor productivity gains in the food service industry were nonexistent (that is, equal to 0 percent). In 2012, it was slightly worse; labor productivity in the food service sector dropped by 0.1 percent. In limited service restaurants, where minimum wage workers are likely to be concentrated, labor productivity fell by 2 percent in 2012 while business owners saw their unit labor costs rise by 2.8 percent. Over the past few years, these workers, as a group, not only have not earned a raise, but they are getting paid more for doing less. Taking a longer view, from 1987 to 2012 the same BLS data show that worker productivity in the food service sector rose by an average of 0.6 percent per year. In limited service restaurants, the gains were slightly lower, only averaging 0.5 percent per year. Meanwhile, unit labor costs have risen by an average of 3.6 percent. Over this period the minimum wage has risen from $3.35 to $7.25 per hour which is an average annual increase of 3.1 percent. In other words, at least in food service, the minimum wage has risen at a rate five or six times as fast as justified by the gains in worker productivity. These numbers reveal not just the selective statistics employed by the proponents of raising the minimum wage, but also that the debate has little to do with helping the poor. Instead, this is really a debate about income redistribution. Raising the minimum wage is actually just an attempt by liberals to punish a subset of business owners by redistributing a share of their supposed wealth to their employees. It is just another attempt at class warfare. Unfortunately, in many cases (including restaurants), the minimum wage increase results in price increases paid by the customers; customers who may be no richer than the workers whose pay increase they are being forced to fund. Comparing apples to apples, the facts change completely. If software engineers and mechanized manufacturing produce large gains in labor productivity that does not mean that minimum wage workers also became more productive. Focusing on the dominant minimum wage industry—food service—shows us the real story. In fact, the minimum wage has been pushed up much faster than any productivity gains by these workers. If society believes in creating a minimum standard of living, the way to implement it is through mechanisms like the earned income tax credit, not the minimum wage. The myth that minimum wage workers are being treated unfairly is exposed by a look at the correct data on labor productivity. In a truthful debate we see that the minimum wage has been generous to workers receiving it when compared to the changes in the value of their output.

### Jobs K2 Pay Increases

#### Low minimum wage is key to solving poverty – it ensures low-skilled jobs that are crucial stepping stones out of poverty

Kersey 4 [(Paul, Bradley Visiting Fellow in Labor Policy at the Heritage Foundation) “The Economic Effects of the Minimum Wage” Testimony of Paul Kersey Bradley Visiting Fellow Before the House of Representatives; Small Business Committee; Subcommittee on Workforce, Empowerment, and Government Programs Regarding The Economic Effects of the Minimum Wage, May 3, 2004 – Accessed at Heritage] AT

In other words, the typical beneficiary of a minimum wage increase will not be a poor father or mother scrambling to keep a family fed, clothed, and housed. The recipients of the pay raises demanded under this proposal are at least as likely, if not more likely, to already be solid members of the middle class. For those low-wage earners who are members of poor families, we should not overstate the effects that an increase in the minimum wage will have. Our review of the Census data indicates that fewer than one-quarter of those affected by the proposed new minimum wage work full-time. There is no reason to believe that this percentage is higher for poor families. In fact, last year Heritage scholars Robert Rector and Rea Hederman looked at the average hours of work performed by adults in poor families, and found that a little more than one quarter, 27.8 percent, reported 2,000 hours or more. Two thousand hours would be equivalent to one parent working full-time year-round. Nearly as many families, 27.4 percent, reported no work at all. Median hours worked by adults in families with children were lower than 1,000 per year, or less than 20 hours a week.[2] Consequently, the value of a minimum wage increase for poor families is limited by the low amount of hours that parents in poor families actually tend to work. Increasing working hours would have a far greater benefit for these families, both immediately and in the long term than increasing the minimum wage. Although the minimum wage increase currently proposed may raise family income by as much as 30 percent in the short term, Rector and Hederman showed that increasing work hours to the equivalent of having one adult working full time nearly doubles the average income of these families, even after accounting for lost government benefits and increased taxes. Over the longer term, minimum-wage or near-minimum wage work can serve as a springboard to better jobs. Unskilled workers may gain new skills, or gain a record of reliability, that allows them to move on to better-paying positions. Low-wage earners frequently see their wages rise quickly: Researchers at two universities, Florida State and Miami of Ohio, found that full-time workers hired at the minimum wage received a median pay increase of 13 percent within their first year, which shows that low-wage employees are able to work through minimum wage jobs into better ones.[3] The schedule of increases currently under consideration, first to $5.90 then $6.65 an hour a year later, is not all that much greater than the pay raises that occur naturally. Simply finding full-time work, including jobs at or near the minimum wage, provides the poor with the means to escape poverty. Research by the Employment Policy Institute shows 47 percent of families living below the poverty line in 1997 managed to make it over the poverty line in 1998. The authors of that study concluded that "earnings from minimum wage work and the Earned Income Tax Credit both significantly reduced the number of working poor in the 1990s."[4] Artificially raising wages will cut off this difficult but direct path to greater prosperity for many poor families, and will delay the entry of other workers, including youth, into paid work by needlessly increasing the cost of unskilled labor. Employers will not be able to afford to hire as many unskilled workers, and will respond by cutting back services or replacing workers with machinery. Labor economists refer to the "elasticity" of demand for labor to describe the ratio of jobs gained or lost when wages change. Estimates of this "elasticity" vary, but the average estimate by labor economists is that for a 10 percent increase in the minimum wage, employment among those affected drops by 5 percent.[5] If the minimum wage is increased from $5.15 to $6.65 per hour, demand for unskilled labor could drop by as much as 15 percent in jobs that earn the minimum wage, resulting in the loss of hundreds of thousands of jobs and making it more difficult for poor families to take this escape route out of poverty.

### ---XT Kersey

#### Extend Kersey 4 – the minimum wage forces businesses to compensate for higher labor costs by cutting out low-skilled jobs – these aren’t dead-end jobs, they’re crucial stepping stones out of poverty and removing these jobs locks them in a permanent status of poverty.

### Employment O/W

#### 1. This evidence comes first – it denies the assumption by their evidence that poor families rely on minimum-wage jobs

Wilson 12 [(Mark, Principal at Applied Economic Strategies, 25 years of economic policy experience, Deputy Assistant Secretary for Employment Standards Administration at the U.S. Department of Labor, Research Fellow at The Heritage Foundation specializing in workplace policy and tax issues) “The Negative Effects of Minimum Wage Laws” Policy Analysis, No. 701 June 21, 2012] AT

Only 20.8 percent of all minimum wage workers are family heads or spouses working full time, 30.8 percent were children, and 32.2 percent are young Americans enrolled in school.13 The popular belief that minimum wage workers are poor adults (25 years old or older), working full time and trying to raise a family is largely untrue. Just 4.7 percent match that description.14 Indeed, many minimum wage workers live in families with incomes well above the poverty level.

#### This means the existence of the job opportunity, not the actual wage, is important for young people to gain jobs and stay out of poverty, so my impact outweighs

#### 2. Minimum wages poverty reduction effect is minimal since wages don’t impact poverty, but it forces businesses to charge more for products and lay off workers disproportionately harming the poor – this means the harms outweigh the benefits

Wilson 12 [(Mark, Principal at Applied Economic Strategies, 25 years of economic policy experience, Deputy Assistant Secretary for Employment Standards Administration at the U.S. Department of Labor, Research Fellow at The Heritage Foundation specializing in workplace policy and tax issues) “The Negative Effects of Minimum Wage Laws” Policy Analysis, No. 701 June 21, 2012] AT

Proposals increase the minimum wage can be politically popular because they are viewed as being a way of helping the poor. However, evidence from a large number of academic studies suggests that minimum wage increases don’t reduce poverty levels. Some of the reasons include Many poor Americans (63.5%) do not work, and thus aren’t earning wages.41 Even among the working poor, the relationship between earning a low hourly wage rate and living in poverty is weak and has become weaker over time. That is because most workers who gain from a minimum wage increase live in nonpoor families and most of the working poor already have wages above the required minimums.42 While an increase in the minimum wage will lift some families out of poverty, other low-skilled workers may lose their jobs, which reduces their income and drops their families into poverty.43 If a minimum wage is partly or fully passed through to consumers in the form of higher prices, it will hurt the poor because they disproportionately suffer from price inflation.44 Relatively few poor households would benefit from a minimum wage increase even if there were no negative employment or other affects. In the recent federal minimum wage increase from $5.15 to $7.25, only 15.8 percent of the workers who were expected to gain from it lived in poor households.45 In the current proposal to raise it to $9.50, only 11.3 percent of the workers who would gain live in poor households.46 And of those who would gain, 63 percent are second or third earners living in households with incomes twice the poverty line. Since 1995, eight studies have examined the income and poverty effects of minimum wage increases, and all but one have found that past minimum wage hikes had no effect on poverty.47 One recent academic study found that both state and federal minimum wage increases between 2003 and 2007 had no effect on state poverty rates.48 These studies generally find that some low-skilled workers Harvard University’s Greg Mankiw notes, “The minimum wage has its greatest impact on the market for teenage labor.” living in poor families who remain employed do see their incomes rise. However, other lowskilled workers lose their jobs or have their work hours substantially reduced, which causes income losses and increased poverty. On net, some studies find that the families of low-skilled workers and less-educated single mothers are no better off and may be made worse off by minimum wage hikes.49 The upshot is that there is no free lunch to this sort of top-down mandated attempt at reducing poverty.

### Targeting Effect

#### Most of the minimum wage fails to target poor families

Matthews 13 [Dylan Matthews, Washington Post, February 12, 2013, http://www.washingtonpost.com/blogs/wonkblog/wp/2013/02/13/four-things-to-know-about-obamas-minimum-wage-increase/]

Forget the economic debate about whether the minimum wage destroys jobs. Does raising it improve the plight of the worst off, at a reasonable price?

A lot depends on your definitions, but economist Adam Ozimek makes a smart point. According to a 2007 study by the CBO, an increase in the minimum wage to $7.25, like that eventually passed that year, would increase wages by $11 billion, of which $1.6 billion went to poor families.

#### Employment DA outweighs – EITC means minimum wage workers aren’t in poverty

Haskins 15 [(Justin, author, blogger, and the editor at The Heartland Institute, a leading free-market think tank) “Minimum wage mythology will hurt workers” Human Events Jan 16, 2015] AT

Many business owners, however, are already charging what they believe to be the highest prices possible to stay competitive, which means owners must either take a profit loss themselves or reduce employee hours. Myriad businesses are even compelled to lay workers off. Minimum wage proponents argue that such sacrifices may be necessary in order to keep an entire class of workers who can’t survive on a minimum wage from falling into poverty, but this myth fails to consider the many taxpayer-subsidized benefits minimum wage earners already receive. At the federal level alone, full-time minimum wage workers with any number of children are eligible for both the Earned Income Tax Credit (EITC)—$496 in 2014—and the Child Tax Credit (CTC), which combined with the federal minimum wage of $7.25 equals or exceeds the poverty level for all conceivable family combinations. This effectively means that no one working full-time on a minimum wage in the United States is actually in poverty according to the federal government, and the taxpayer aid they receive dwarfs the minute benefits minimum wage workers gain from increased pay. Although voters’ desire to increase the minimum wage was based on an altruistic hope that the government mandate would lift thousands of Americans out of poverty, the reality is that no full-time minimum wage workers are in poverty by the federal government’s own standards, and even if they were, artificially raising the minimum wage will do little to improve their lives.

### A2 Welfare Good

#### Outweighs welfare---

#### A) Financial constraints – resource assistance programs can’t be given in large enough amounts to actually solve poverty, but employment gives people a path out of poverty

Mitchell 11 [(Bill, Professor in Economics and Director of the Centre of Full Employment and Equity at the Charles Darwin University) “The best way to eradicate poverty is to create jobs” Billy Blog Nov 21] AT

It is clear that when we are dealing with the “highly marginalized ultra poor” who live “hand-to-mouth on meager wages from manual labor or by stretching subsistence farming income for months between harvests … it is extremely difficult to use loans for anything other than meeting their most basic food and healthcare needs”. Similarly, the responses from the various international efforts (such as the GAP-Ford Foundation Graduation Program) still consider that “micro-entrepreneurship” is the solution. These models consider the ultra-poor have to first undertake a lengthy (supported) rehabilitation prior to engaging in work proper and skill development. Analysts claim that the problem is one of scale – there are simply too many people in need of support and governments cannot afford to provide the required level of real resource assistance (food, clothing, shelter etc) while the ultra-poor are being rehabilitated and prepared for training and “productive” employment. Programs such as the The Sorenson/Unitus Ultra Poor Initiative attempt to truncate the transition for poverty to workforce by reducing the time involved in “rehabilitation”. They argue: … that if the ultra poor are given an opportunity to start earning a stable income from the program’s outset, they are willing and able to pay for food, healthcare, and other services … launching its program with job-skills training and the resources to start a new activity, it could reduce the cost of its ultra-poor program by as much as 80%. This dramatic reduction greatly improves the prospects for scale … It is clearly important that people break their dependency on welfare by gaining employment and therefore gaining access to stable incomes which allows them to risk manage their own lives. But while fast-tracking the individuals into paid-work will reduce the nominal outlays that government might make in the “rehabilitation” phase these hybrid approaches still miss the point. The problem is one of scale. There are too many people in need for these “market-based” efforts to succeed when aggregate demand is deficient. Once again it is the problem of looking at an issue from a microeconomic lens and thinking that what might “work” at the individual level will translate to a macroeconomic solution.

#### B) Incentives – the aff’s welfare reforms create a backwards system of incentives in which the poor lose money for becoming self-sufficient – creating jobs, not handouts, is the best way to solve poverty

DTG 12\* [(Discover the Networks, describes the networks and agendas of the political Left. Cites several authors: (Heritage Foundation scholar Michael Franc in “Keep That Pay Raise, I Can’t Afford It” National Review Aug 2012) (Rep. Geoff Davis R-Kentucky and Rep. Gwen Moore D-Wisconsin) “HOW THE WELFARE STATE HAS DEVASTATED AFRICAN AMERICANS” \*No date, 2012 is last date cited] AT

Just as welfare policies discourage marriage and the formation of stable families, they also discourage the development of a healthy work ethic. As Heritage Foundation scholar Michael Franc noted in 2012: “[T]he necessity of phasing out [welfare] benefits as incomes rise brings a serious moral hazard. In many cases, economists have calculated, welfare recipients who enter the work force or receive pay raises lose a dollar or more of benefits for each additional dollar they earn. The system makes fools of those who work hard.” In testimony on Capitol Hill, Rep. Geoff Davis (R-Kentucky) concurred that although federal welfare programs “are designed to alleviate poverty while promoting work,” collectively they have “an unintended side effect of discouraging harder work and higher earnings.” “The more benefits the government provides,” he said, “the stronger the disincentive to work.” Yet another Capitol Hill witness, Rep. Gwen Moore (D-Wisconsin)—herself a former welfare recipient—acknowledged in her oral testimony: “I once had a job and begged my supervisor not to give me a 50-cents-an-hour raise lest I lose Title 20 day care.” The same work disincentive came into play when Moore contemplated the health coverage she was receiving through Medicaid. “I would want to work if in fact I didn’t risk losing Medicaid,” she said.

#### Root cause – the best way to tackle poverty is by reducing regulations – they’re only counter-productive and are the root cause of poverty

Daley 13 [(Janet, spent nearly twenty years in academic life before becoming a political commentator) “Does the Left really want to end poverty?” The Telegraph Jan 3] AT

The poverty lobby – as opposed to those who actually want to put an end to poverty – uses the "poor" as a political weapon in its ideological war against the market economy. That argument, which many of us have made over the years, is forcefully reiterated in an excellent post by Philip Booth of the IEA. As Professor Booth points out, the official campaigning groups which make use of the poor as fodder for their anti-capitalist rhetoric never seem to address the critical issue of the cost of living in their accounts of relative poverty, even though excessive charges for home energy, child care and housing (which are heavily inflated by taxation and government regulation) are among the chief drivers of household hardship. Where, he says, is the argument for less regulation and more market competition which would really help poorer households by bringing down their costs? Nowhere in the prospectus of the poverty groupies do these get a mention. The campaigners prefer to preserve the poor as a permanent moral affront with which to castigate our callous capitalist society, instead of contributing to a useful discussion on the factors that are keeping people poor. In spite of the fact that being in work has been shown repeatedly to be the best (and most permanent) antidote to poverty, the public relations arms of the Child Poverty Action Group and the Rowntree Trust (among many others) have been notably disinclined to support the government's welfare reform programme even though it is designed precisely to free the poor from the benefits trap. Nor can I recall them campaigning for tax cuts on the low paid: instead of allowing people to keep more of their earnings which would relieve their hardship and give them more independence, they clamour for the continuation of tax credits which subsidise (and perpetuate) low wages, and foster dependence on the state. The statistical evidence of the past twenty years has become overwhelming: that getting a job is by far the best route out of poverty, that benefit dependency tends to turn temporary hardship into permanent poverty, and that free markets can deliver mass prosperity more effectively than any other form of economic system. It is time for the debate to move on. The old fashioned socialist dogma – that only the state can "lift people out of poverty" – is not just wrong. It is pernicious.

### American Samoa Proves

#### American Samoa proves the net result of a minimum wage is negative

Howell 14 [(Kellan, journalist) “How a Democrat-controlled Congress crippled an island paradise.” The Washington Times. April 1st, 2014] AT

The minimum wage hike that Congress imposed on two U.S. territories in 2007 has harmed their economies, according to a government audit released this week that shows more money for workers is more than canceled out by inflation and job losses. The economic fallout has been so severe that the governors of both islands are urging lawmakers in Washington, who are considering a nationwide minimum wage hike, to forgo further increases in their territories. Congress acted seven years ago in the wake of the Jack Abramoff lobbying scandal, which cast an unfavorable light on working conditions in the Commonwealth of the Northern Mariana Islands. Under political pressure, Democrats also included American Samoa in the wage hike, which was designed to gradually raise the territories’ rates until they reached parity with the states. Three years later, with both territories’ economies flailing, Congress halted the hikes for American Samoa and delayed them for the Northern Mariana Islands. According to a Government Accountability Office report this week, the economic situation remains bleak for Samoans and is only slightly better for the Mariana Islands. Mr. Abramoff, who lobbied against increasing the minimum wage in the Northern Marianas, told The Washington Times on Tuesday that the GAO audit bears out his predictions. “Our main argument was that, if they did this to the CNMI, the economy would tank. This is exactly what happened. We successfully held them off for 10 years, but when my career ended, and the Democrats assumed control of Congress, they socked it to the CNMI and the results are as disastrous as we predicted,” he said. Senate Democrats are preparing to debate a broader national minimum wage increase from $7.25 an hour to $10.10, despite a Congressional Budget Office report that said such a hike could cost 500,000 jobs by 2017. A key Republican lawmaker said the GAO report should be a wake-up call. “This GAO report should be required reading for the Obama administration,” said Rep. John Fleming, a Louisiana Republican who chairs an influential subcommittee on the House Natural Resources Committee. “It describes businesses that cannot absorb the costs of another minimum wage increase, and workers who fear that another increase will lead to higher prices and lost jobs.” In 2007, Congress enacted legislation to increase the minimum wages incrementally in American Samoa and the Northern Mariana Islands until they matched the federal minimum wage, now $7.27 per hour. According to the GAO, the auditing arm of Congress, both territories experienced significant economic downturns from 2007 to 2009, including a complete exodus of the garment industry in the Northern Mariana Islands where the minimum wage increased five times since 2007. The current minimum wage there is $5.55 per hour. From 2006 to 2012, the gross domestic product in the Northern Mariana Islands plummeted by 36 percent and the employment rate fell by 45 percent. Average earnings increased by 29 percent, but local prices rose by 31 percent. The wage increases have left the islands’ economies dependent on tourism from Russia and China. Economic conditions are even worse in American Samoa. Since 2007, the minimum wage in American Samoa has increased three times across 18 individual work sectors, ranging from $4.18 to $5.59 per hour. The GAO reported that average earnings in American Samoa rose by 27 percent, but local prices increased by 34 percent. The employment rate in American Samoa declined by 11 percent from 2007 to 2012, and average inflation-adjusted earnings fell by 5 percent. In the tuna canning industry alone, the employment rate fell by 58 percent from 2007 to 2013. The wage increases prompted the closure of the Chicken of the Sea tuna cannery in American Samoa, the only cannery on the island competing with StarKist. The tuna canning industry is the largest source of private-sector employment on the island. Both territories are scheduled for more wage increases. A 50-cent rise is scheduled for Sept. 30 in the Northern Mariana Islands, and further wage hikes are set for Sept. 30, 2015, in American Samoa. Additional increases are scheduled every three years. Governors in the island territories are protesting further wage increases. The governor of the Northern Mariana Islands has said he supports postponement of the minimum wage increase. In American Samoa, the governor has said he would “pursue changes in U.S. Law to allow American Samoa to take control of its minimum wage.” Mr. Abramoff, who served 43 months in prison for his conviction in a corruption and ethics case, said he fears that continued wage increases as scheduled would further damage the economies of both islands. “[Congress] should roll back the increase they put in place. The discussion should not be about increasing further, but taking away this horrible policy,” he said. “It is astounding that they would even consider continuing to raise this rate.” The GAO report raises concerns about the economic effects of minimum wage increases in the United States. Some research indicates that a wage hike in the U.S. would have similar effects to those in the island territories. According to a study conducted by the American Action Forum, a $1-per-hour wage increase would lead to an unemployment rate increase of 1.48 percent and a 0.18 percent decrease in net job growth. The study found that high minimum wages in 19 states could lead to a surge in unemployment by 747,700 workers and a reduction of 83,300 jobs. “Raising the minimum wage is a bad idea because it harms job growth and it hurts the ability to hire workers, and that impact will differ depending on the local work markets,” said Douglas Holtz-Eakin, president of the American Action Forum. “What we will see most likely is a big impact on retail trade and people working behind commerce and in restaurants. Places where low-skilled workers who dominate the minimum wage debate tend to be hired.”

### Retail Turn

#### Living wage causes mass unemployment, especially for low-skilled employees

Sabia 06 [Joseph J. Sabia - University of Georgia. “The Effect of Minimum Wage Increases on Retail and Small Business Employment.” Economic Policies Institute, May 2006] AJ

A recent study by the Fiscal Policy Institute (FPI) claims that increases in the minimum wage at the state level have had no adverse employment effects. Specifically, the FPI report concludes that states that raised their wage floor above the federal level did not experience declines in small business employment, and, in fact, actually experienced an increase in retail employment. While the FPI study has been frequently cited by supporters of increases in the minimum wage, the study is based on faulty statistical methods, and its results provide an inaccurate picture of the effect of state-level minimum wage increases. This paper, by Dr. Joseph Sabia of the University of Georgia, presents a more careful and methodologically rigorous analysis of state-level minimum wage increases. His results confirm the consensus economic opinion that increases in the minimum wage decrease employment, particularly for low-skilled and entry-level employees. Employment Results Using government data from January 1979 to December 2004, the effect of minimum wage increases on retail and small business employment is estimated. Specifically, a 10 percent increase in the minimum wage is associated with a 0.9 to 1.1 percent decline in retail employment and a 0.8 to 1.2 percent reduction in small business employment. These employment effects grow even larger for the low-skilled employees most affected by minimum wage increases. A 10 percent increase in the minimum wage is associated with a 2.7 to 4.3 percent decline in teen employment in the retail sector, a 5 percent decline in average retail hours worked by all teenagers, and a 2.8 percent decline in retail hours worked by teenagers who remain employed in retail jobs. These results increase in magnitude when focusing on the effect on small businesses. A 10 percent increase in the minimum wage is associated with a 4.6 to 9.0 percent decline in teenage employment in small businesses and a 4.8 to 8.8 percent reduction in hours worked by teens in the retail sector. Methodological Concerns in the Fiscal Policy Institute Report The results in this report are all statistically significant. In both the small business and retail industry analyses conducted by FPI, however, no explicit tests for statistically significant differences in employment were presented. This is only one of the important differences between this study and the FPI report. Another is that while the FPI report chiefly examines employment changes over only two time periods (1998 and 2001), this study examines the effect of state minimum wage increases on employment across a significantly longer time period (1979-2004). Even more troubling, the FPI analysis does not control for any changes in state-level socioeconomic or demographic characteristics that could affect both minimum wage hikes and changes in employment. For example, states may choose to raise their minimum wages when they anticipate strong economic growth in sectors that employ a large share of minimum-wage workers. If this is true, then estimates of the impact of the minimum wage on employment will be biased toward zero. Put another way, the FPI study does not hold “all else equal” in estimating the effect of the minimum wage. By controlling for economic and demographic changes that may be associated with both the implementation of minimum wage increases and changes in teenage employment, this study is able to more credibly isolate the effect of minimum wage increases. Conclusion These findings provide consistent evidence that minimum wage increases result in a significant decline in retail and small business employment. This finding is robust across several model specifications. Furthermore, these findings refute many of the claims raised in the FPI study so often cited in favor of minimum wage increases at the state and federal levels. The differences between these studies are likely a result of the more careful and appropriate methodological methods utilized in this study. Taken together with other recent work, the results of this study suggest that low-skilled employees will find themselves unable to escape adverse labor market consequences resulting from minimum wage increases. Instead of passing these politically popular but destructive mandates, policymakers should consider other programs to help the working poor such as the Earned Income Tax Credit. The EITC is a far more effective policy tool to reduce poverty among poor families. Moreover, the EITC has the advantage of avoiding the adverse employment effects described in this study.

#### Prefer –

#### The evidence is specific to retail markets, which accounts for their different labor composition and employment practices

#### Empirics outweigh – the study isn’t just predictive, it studies actual wage increases in the retail sector. This outweighs since the actual implementation of a policy depends on numerous factors that studies can’t account for

#### The study is over 25 years, so it captures the long-term effects that other studies can’t

## Ev Comparison/Indicts

### A2 Meta Studies

#### Reject meta-studies bad – they’re susceptible to manipulation and bias

Stegenga 11 [“Is meta-analysis the platinum standard of evidence?” Studies in History and Philosophy of Biological and Biomedical Sciences] AT

Epidemiologists have recently noted that multiple meta-analyses on the same hypotheses, performed by different analysts, can reach contradictory conclusions. For example, there have been numerous inconsistent studies on the beneﬁts and harms of a newer synthetic dialysis membrane versus an older cellulose membrane for patients with acute renal failure: one recent meta-analysis of these studies found greater survival of such patients using the newer synthetic membrane compared with those using the older cellulose membranes (Subramanian, Venkataraman, & Kellum, 2002), while another meta-analysis reached the opposite conclusion (Jaber et al., 2002). Here is another example. Two meta-analyses published in the same issue of the British Medical Journal came to contradictory conclusions regarding whether or not an association exists between the use of selective serotonin reuptake inhibitors (SSRI, a common class of antidepressant) and suicide attempts. In the meta-analysis reported by Gunnell, Saperia, and Ashby (2005), there was no association between SSRI use and suicide attempts, and only a weak association between SSRI use and risk of self harm. In contrast, in the meta-analysis reported by Fergusson et al. (2005), there was a relatively strong association between SSRI use and suicide attempts. Similarly, contradictory conclusions have been reached from meta-analyses on the beneﬁts of acupuncture and homeopathy, mammography for women under ﬁfty, and the use of antibiotics to treat otitis (see e.g. Linde & Willich, 2003). There is good reason to think that differential outcomes between contradictory meta-analyses are associated with the analysts’ professional or ﬁnancial afﬁliations. Several meta-analyses have recently been published which amalgamate evidence testing if formaldehyde exposure causes leukemia. Bachand, Mundt, Mundt, and Montgomery (2010) and Collins and Lineker (2004) conclude that formaldehyde exposure does not cause leukemia. In contrast, Bosetti, McLaughlin, Tarone, Pira, and La Vecchia (2008) found a modest elevation of risk of developing leukemia in professionals who work with formaldehyde, such as pathologists and embalmers. Zhang, Steinmaus, Eastmond, Xin, and Smith (2009) found an even higher risk of developing leukemia among professionals who work with formaldehyde. The meta-analyses which concluded that formaldehyde exposure is not associated with leukemia were performed by employees of private consulting companies. 7 In contrast, the authors of the two meta-analyses that found some evidence for a causal link between formaldehyde exposure and leukemia worked in academic and government institutions. 8 Lest readers think this is a crude ad hominem anecdote regarding an isolated example, consider the following similar cases. Barnes and Bero (1998) performed a quantitative assessment of multiple meta-analyses which reached contradictory conclusions regarding the same hypothesis, and found a correlation between the outcomes of the meta-analyses and the analysts’ relationships to industry. They analyzed 106 review papers on the health effects of passive smoking: thirty-nine of these reviews concluded that passive smoking is not harmful to health, and the remaining 67 concluded that there is at least some adverse health effect associated with passive smoking. Of the variables investigated, the only signiﬁcant difference between the analyses that showed adverse health effects versus those that did not was the analysts’ relationship to the tobacco industry: analysts who had received funding from the tobacco industry were 88 times more likely to conclude that passive smoking has no adverse health effects compared with analysts who had not received tobacco funding.

### Prefer Panel Data

#### Only panel data is accurate – 6 warrants – better inference, controls selection bias, solves missing variables and aggregate data, and solves measurement errors

Hsiao 6 [(Cheng, Department of Economics University of Southern California) “Panel Data Analysis – Advantages and Challenges” May 2006 IEPR WORKING PAPER 06.49] AT

Panel data, by blending the inter-individual differences and intra-individual dynamics have several advantages over cross-sectional or time-series data: (i) More accurate inference of model parameters. Panel data usually contain more degrees of freedom and more sample variability than cross-sectional data which may be viewed as a panel with T = 1, or time series data which is a panel with N = 1, hence improving the efficiency of econometric estimates (e.g. Hsiao, Mountain and Ho-Illman (1995). (ii) Greater capacity for capturing the complexity of human behavior than a single cross-section or time series data. These include: (ii.a) Constructing and testing more complicated behavioral hypotheses. For instance, consider the example of Ben-Porath (1973) that a cross-sectional sample of married women was found to have an average yearly labor-force participation rate of 50 percent. These could be the outcome of random draws from a homogeneous population or could be draws from heterogeneous populations in which 50% were from the population who always work and 50% never work. If the sample was from the former, each woman would be expected to spend half of her married life in the labor force and half out of the labor force. The job turnover rate would be expected to be frequent and 3 the average job duration would be about two years. If the sample was from the latter, there is no turnover. The current information about a woman’s work status is a perfect predictor of her future work status. A cross-sectional data is not able to distinguish between these two possibilities, but panel data can because the sequential observations for a number of women contain information about their labor participation in different subintervals of their life cycle. Another example is the evaluation of the effectiveness of social programs (e.g. Heckman, Ichimura, Smith and Toda (1998), Hsiao, Shen, Wang and Wang (2005), Rosenbaum and Rubin (1985). Evaluating the effectiveness of certain programs using cross-sectional sample typically suffers from the fact that those receiving treatment are different from those without. In other words, one does not simultaneously observe what happens to an individual when she receives the treatment or when she does not. An individual is observed as either receiving treatment or not receiving treatment. Using the difference between the treatment group and control group could suffer from two sources of biases, selection bias due to differences in observable factors between the treatment and control groups and selection bias due to endogeneity of participation in treatment. For instance, Northern Territory (NT) in Australia decriminalized possession of small amount of marijuana in 1996. Evaluating the effects of decriminalization on marijuana smoking behavior by comparing the differences between NT and other states that were still non-decriminalized could suffer from either or both sorts of bias. If panel data over this time period are available, it would allow the possibility of observing the before- and affect-effects on individuals of decriminalization as well as providing the possibility of isolating the effects of treatment from other factors affecting the outcome. 4 (ii.b) Controlling the impact of omitted variables. It is frequently argued that the real reason one finds (or does not find) certain effects is due to ignoring the effects of certain variables in one’s model specification which are correlated with the included explanatory variables. Panel data contain information on both the intertemporal dynamics and the individuality of the entities may allow one to control the effects of missing or unobserved variables. For instance, MaCurdy’s (1981) life-cycle labor supply model under certainty implies that because the logarithm of a worker’s hours worked is a linear function of the logarithm of her wage rate and the logarithm of worker’s marginal utility of initial wealth, leaving out the logarithm of the worker’s marginal utility of initial wealth from the regression of hours worked on wage rate because it is unobserved can lead to seriously biased inference on the wage elasticity on hours worked since initial wealth is likely to be correlated with wage rate. However, since a worker’s marginal utility of initial wealth stays constant over time, if time series observations of an individual are available, one can take the difference of a worker’s labor supply equation over time to eliminate the effect of marginal utility of initial wealth on hours worked. The rate of change of an individual’s hours worked now depends only on the rate of change of her wage rate. It no longer depends on her marginal utility of initial wealth. (ii.c) Uncovering dynamic relationships. “Economic behavior is inherently dynamic so that most econometrically interesting relationship are explicitly or implicitly dynamic”. (Nerlove (2002)). However, the estimation of time-adjustment pattern using time series data often has to rely on arbitrary prior restrictions such as Koyck or Almon dis- tributed lag models because time series observations of current and lagged variables are likely to be highly collinear (e.g. Griliches (1967)). With panel 5 data, we can rely on the inter-individual differences to reduce the collinearity between current and lag variables to estimate unrestricted time-adjustment patterns (e.g. Pakes and Griliches (1984)). (ii.d) Generating more accurate predictions for individual outcomes by pooling the data rather than generating predictions of individual outcomes using the data on the individual in question. If individual behaviors are similar conditional on certain variables, panel data provide the possibility of learning an individual’s behavior by observing the behavior of others. Thus, it is possible to obtain a more accurate description of an individual’s behavior by supplementing observations of the individual in question with data on other individuals (e.g. Hsiao, Appelbe and Dineen (1993), Hsiao, Chan, Mountain and Tsui (1989)). (ii.e) Providing micro foundations for aggregate data analysis. Aggregate data analysis often invokes the “representative agent” assumption. However, if micro units are heterogeneous, not only can the time series properties of aggregate data be very different from those of disaggregate data (e.g., Granger (1990); Lewbel (1992); Pesaran (2003)), but policy evaluation based on aggregate data may be grossly misleading. Furthermore, the prediction of aggregate outcomes using aggregate data can be less accurate than the prediction based on micro-equations (e.g., Hsiao, Shen and Fujiki (2005)). Panel data containing time series observations for a number of individuals is ideal for investigating the “homogeneity” versus “heterogeneity” issue. (iii) Simplifying computation and statistical inference. Panel data involve at least two dimensions, a cross-sectional dimension and a time series dimension. Under normal circumstances one would expect that the 6 computation of panel data estimator or inference would be more complicated than cross-sectional or time series data. However, in certain cases, the availability of panel data actually simplifies computation and inference. For instance: (iii.a) Analysis of nonstationary time series. When time series data are not stationary, the large sample approximation of the distributions of the least-squares or maximum likelihood estimators are no longer normally distributed, (e.g. Anderson (1959), Dickey and Fuller (1979,81), Phillips and Durlauf (1986)). But if panel data are available, and observations among cross-sectional units are independent, then one can invoke the central limit theorem across cross-sectional units to show that the limiting distributions of many estimators remain asymptotically normal (e.g. Binder, Hsiao and Pesaran (2005), Levin, Lin and Chu (2002), Im, Pesaran and Shin (2004), Phillips and Moon (1999)). (iii.b) Measurement errors. Measurement errors can lead to under-identification of an econometric model (e.g. Aigner, Hsiao, Kapteyn and Wansbeek (1985)). The availability of multiple observations for a given individual or at a given time may allow a researcher to make different transformations to induce different and deducible changes in the estimators, hence to identify an otherwise unidentified model (e.g. Biorn (1992), Griliches and Hausman (1986), Wansbeek and Koning (1989)). (iii.c) Dynamic Tobit models. When a variable is truncated or censored, the actual realized value is unobserved. If an outcome variable depends on previous realized value and the previous realized value are unobserved, one has to take integration over the truncated range to obtain the likelihood of observ- ables. In a dynamic framework with multiple missing values, the multiple 7 integration is computationally unfeasible. With panel data, the problem can be simplified by only focusing on the subsample in which previous realized values are observed (e.g. Arellano, Bover, and Labeager (1999)).

### Prefer Matching Studies

#### Prefer matching studies to fixed-effects studies—removes selection bias

Kuehn 14 [(Daniel, doctoral student in American University’s Department of Economics with field specializations in labor economics and gender economics. Before coming to American University he was a research associate at the Urban Institute’s Center on Labor, Human Services, and Population. He has a master’s degree in public policy, specializing in labor market policy, from George Washington University) “The Importance of Study Design in the Minimum-Wage Debate” EPI September 4, 2014] AT

The alternative to a matching approach is to run a model using state-level or individual-level panel data (i.e., data collected over time) on employment levels to estimate how employment changes after states enact a higher minimum wage. These models have a number of valuable features, most notably their ability to control for idiosyncratic differences between states or individuals that do not change over time. These stable differences are called “fixed effects,” and the models are therefore referred to as fixed-effects models. Regardless of whether fixed-effect models use state or individual-level data, they rely on variations in the minimum wage among states to determine the effect of the policy. Notably absent from the fixed-effects models is any matching of comparison cases to treatment cases. While Dube, Lester, and Reich (2010) used counties immediately across a state border as comparison cases, the fixed-effects models implicitly treat every state not experiencing a minimum-wage increase as a coequal comparison case to every state that does have a minimum-wage increase. This potentially introduces “selection bias” into the results. Minimum-wage laws are not imposed under experimental conditions. This means that states that “select into” higher minimum wages by enacting increases may be systematically different from states that do not. Fixed-effects models can handle this problem if the researcher has data on the factors that are associated with the differential adoption of minimum-wage laws or if these factors do not change over time (in that case, the inclusion of fixed effects controls for the nonrandomness that is introduced due to the lack of a true experiment). However, if factors correlated with the adoption of minimum-wage laws vary over time and across states, fixed-effects models will produce biased estimates of the effect of the minimum wage. This sort of bias is very plausible in practice. Many states in the South and Central United States are experiencing rapid population and economic growth. In contrast, communities in the Midwest and Northeast are already densely populated and in many cases undergoing a structural transition associated with the decline of manufacturing. None of these changes are the result of the minimum-wage policy, but all are correlated with the minimum wage, which tends to be lower in the South and Central United States and higher in the Midwest and Northeast. Other trends specific to states or counties rather than regions are also conceivable. Some of these trends may be controlled for in certain studies, but fixed-effects models are not structured to capture the more comprehensive set of state-specific trends that matching studies can account for. State-specific time trends that are not accounted for will move a fixed-effects model further away from results that would have been estimated by a randomized experiment.

### A2 Fairris Study

#### 1. Fairris study flawed

Davies 14 (Anthony, Associate Professor of Economics at Duquesne University, Establishing a Minimum Wage for Contractors Docket ID: WHD-2014-0001, http://mercatus.org/sites/default/files/Davies-minimum-wage-PIC.pdf, 2014)

The proposed rule states that worker turnover will decline with an increased wage: A higher minimum wage is also associated with reduced worker turnover (Reich, Hall, and Jacobs 2003; Fairris, Runstein, Briones, and Goodheart 2005; Dube, Lester, and Reich 2013; Brochu and Green 2013).9 Reich et al. find that a higher minimum wage is associated with reduced turnover. However, they look only at workers at the San Francisco airport. These findings are not generalizable to the population of workers at large.10 Fairris et al. find that absenteeism decreased following passage of a living wage ordinance. But the authors sample only Los Angeles workers. Even then, 64 percent of the data set consisted of airport workers—virtually all of whom were interviewed shortly after 9/11. Any generalization of results based on this survey is highly suspect.11

#### 2. It says: “Our findings do not address who bears the costs of the living wage” – this means they didn’t account for negative factors at all

#### 3. It didn’t cover many industries

Fairris et al 05 (Department of Economics, UC Riverside and David Runsten North American Integration and Development Center, UCLA Carolina Briones and Los Angeles Alliance for a New Economy and Jessica Goodheart Los Angeles Alliance for a New Economy, “Examining The Evidence The Impact of the Los Angeles Living Wage Ordinance on Workers and Businesses”, UCLA, 2005)

The following section presents data on firm characteristics and employment. The distribution among industry groups varies for firms and jobs, as shown in Table 2.3. Airline service, security, and parking firms make up less than 10 percent of all affected firms. However, because the number of affected jobs tends to be larger for these firms, over half of all directly affected jobs are in these industries. Since our employer survey in 2002, the most significant change in the composition of living wage jobs has been the federalization of 1,200 security screeners. Therefore, we present data for directly affected jobs as they were at the time of our survey (including screeners), and current data, which excludes screeners. Before federalization, airline services jobs represented nearly a third of all directly affected jobs, while today they make up less than 20 percent.

#### Own methodology proves

Fairris et al 05. (Department of Economics, UC Riverside and David Runsten North American Integration and Development Center, UCLA Carolina Briones and Los Angeles Alliance for a New Economy and Jessica Goodheart Los Angeles Alliance for a New Economy, “Examining The Evidence The Impact of the Los Angeles Living Wage Ordinance on Workers and Businesses”, UCLA, 2005)

We developed a database that stratified the priority one firms into the following groups: • Airlines • Airline services, including security screening, baggage handling, and skycaps • Janitorial • Outdoors work,î including landscape maintenance, brush clearance, tree trimming • Retail and food service • Security and parking • Social services • Transit • Miscellaneous, including golf courses, amusements, citation processing, etc.

#### 4. Los Angeles is a small sample size

Luce 12 [Luce, Stephanie. "Living wage policies and campaigns: Lessons from the United States." International Journal of Labour Research 4.1 (2012): 11-26] AJ

Studies also suggest the limited coverage of the ordinances. Los Angeles has one of the broader ordinances, which covers about 10,000 workers (Fairris, 2005). The L.A. metropolitan area has a labour force of approximately 6.5 million. About 27 per cent of all US workers earn hourly wages below the poverty line. If the proportion is similar in Los Angeles (and there is reason to believe the proportion is higher, given its higher than average poverty rate), there are almost 1.8 million workers earning poverty wages. The living wage ordinance covers only a small fraction.

#### 5. Fairris uses a matching method

Fairris et al 05 [David, Department of Economics, UC Riverside and David Runsten North American Integration and Development Center, UCLA Carolina Briones and Los Angeles Alliance for a New Economy and Jessica Goodheart Los Angeles Alliance for a New Economy, “Examining The Evidence The Impact of the Los Angeles Living Wage Ordinance on Workers and Businesses”, UCLA, 2005] AZ

This study is the first to combine a random sample survey of affected firms and workers, a control group analysis of low-wage employers, and a matched firm and worker dataset.

#### Matching method substantially increases either variance or selection bias

King et al 11 [Gary King (Professor at the Institute for Quantitative Social Science), Richard Nielsen, Carter Coberley, James E. Pope, Aaron Wellsk, “Comparative Effectiveness of Matching Methods for Causal Inference,” 12/09/2011] AZ

To evaluate a matching method, we confront the same bias-variance trade-off as exists with most statistical methods. However, two issues can prevent one from optimizing on this scale directly. First, matching can be used to define the quantity of interest, FSATT, in which case a particular point on the bias-variance frontier is not known but instead merely becomes possible to achieve. Whether any level of bias or variance is actually achieved depends on the particular analytic method chosen to apply to the matched data. Second, best practice in matching involves avoiding selection bias by intentionally ignoring the outcome variable while matching (Rubin, 2008b), the consequence of which is that we give up the ability to control either bias or variance directly. Thus, instead of bias, we focus on reducing the closely related quantity, imbalance, the difference between the multivariate empirical densities of the treated and control units (for the specific mathematical relationship between the two, see Imai, King and Stuart, 2008). Similarly, the variance of the causal effect estimator can be reduced when heterogeneous observations are pruned by matching, but a too small matched sample size can inflate the variance. Thus, in matching, the bias-variance trade off is affected through the crucial trade off between the degree of imbalance and the size of the matched sample.

#### Their study doesn’t compare the effect on workers before and after the ordinance, while mine does

Fairris et al 05 [David, Department of Economics, UC Riverside and David Runsten North American Integration and Development Center, UCLA Carolina Briones and Los Angeles Alliance for a New Economy and Jessica Goodheart Los Angeles Alliance for a New Economy, “Examining The Evidence The Impact of the Los Angeles Living Wage Ordinance on Workers and Businesses”, UCLA, 2005] AZ

We attempted to further stratify workers by whether they were at the firm before the living wage ordinance took effect or were hired afterwards, in order to be able to compare these experiences. This was possible in 13 of the 62 firms. This latter stratification allowed us to compare the experiences and characteristics of the “stayers” to the “joiners.” However, there was no way to contact the workers who separated voluntarily or involuntarily from the firms after the LWO took effect, the “leavers.”

### A2 Devinatz

#### Devinatz goes neg

Devinatz 13 [Victor G. Devinatz (Department of Management and Quantitative Methods, Illinois State University). “The Significance of the Living Wage for US Workers in the Early Twenty-First Century.” Employ Respons Rights J (2013) 25:125–134. 24 March 2013] AJ

According to Freeman (2005, p. 23), most studies examining the economic effects of living wage ordinances find minimal job loss or other negative consequences in spite of the mandated increased wages. This is undoubtedly due to the relatively small number of persons covered by such laws as already mentioned. Many individual studies support Freeman’s (2005) conclusion. In a study involving data from the Current Population Survey (CPS) from January 1996 through December 2000, Neumark and Adams (2003, p. 561) discovered relatively weak disemployment effects due to wage increases from the implementation of living wage laws. They conclude, however, that the greatest disemployment effects occur among low-skilled workers. In a review article on the economic effects of living wage statutes, Adams and Neumark (2004, p. 236) arrive at two additional conclusions. While living wage ordinances increase the pay of low-wage workers, such statutes also compress the wage structure. Additionally, although living wage ordinances are related to lower employee turnover rates and improvements in employee performance, one should not necessarily assume that the implementation of such laws are costless or bring benefits that outweigh the costs. In an updated analysis by Adams and Neumark (2005, p. 99), these two researchers confirmed their earlier findings that living wage statutes increase the wages of the lowest paid workers although they lead to some job loss among these workers. Moreover, another finding that the implementation of living wage legislation reduces urban poverty was confirmed but more strongly for the laws based on companies receiving financial assistance than for the contractor-only statutes. Finally, Adams and Neumark (2005, p. 99) present new evidence that poverty reduction may occur after living wage law enactment due to other workers receiving wage gains as a result of the passage of living wage laws. In a study examining the growth rates of employment and unemployment before and after the enactment of living wage ordinances in 31 cities, Buss and Romeo (2006) discovered that only a minority of municipalities were negatively impacted by the implementation of these ordinances. Similarly, in a study of 19 California cities, Lester (2011, p. 252) found that the passage of living wage statutes did not negatively affect employment growth. Moreover, the enactment of such statutes also does not significantly damage the municipality’s business climate through establishments leaving the city, except for restaurants.

### A2 Dube

#### Dube negates

Dube 13 [Arindrajit Dube, T. William Lester, and Michael Reich. (2013). “Minimum Wage Shocks, Employment Flows and Labor Market Frictions.” IRLE Working Paper No. 149-13] AT

The contributions of this paper are twofold. First, we provide minimum wage elasticities of earnings, employment stocks and employment flows for teens as well as for a high impact industry—restaurants. We do so using a border discontinuity design that accounts for the kind of spatial heterogeneity that has been shown to be important in the literature. The results on employment flows constitute the first evidence on this topic using representative data from the U.S. Our border discontinuity design shows that even though teen and restaurant employment stocks remain stable in response to a minimum wage increase, employment flows fall substantially. Average separations, hires and turnover rates decline significantly among teen workers and restaurant establishments. These changes occur within three quarters of the minimum wage increase and they persist. We do not find an impact on the duration of non-employment for those leaving or joining jobs. Our data also permit us to test directly whether the absence of an employment e!ect in the restaurant sector simply reflects the substitution of older workers for teens. We do not detect any such labor-labor substitution in restaurants in response to minimum wage increases with respect to age and gender.

## WIP

#### Basic economic principles answer this claim

Hazlitt 46 [(Henry, American economist and journalist who wrote for such publications as The Wall Street Journal, The Nation, The American Mercury, Newsweek, and The New York Times) “Economics in One Lesson. The Lesson Applied: Minimum Wage Laws”] AT

Yet it ought to be clear that a minimum wage law is, at best, a limited weapon for combatting the evil of low wages, and that the possible good to be achieved by such a law can exceed the possible harm only in proportion as its aims are modest. The more ambitious such a law is, the larger the number of workers it attempts to cover, and the more it attempts to raise their wages, the more certain are its harmful effects to exceed any possible good effects. The first thing that happens, for example, when a law is passed that no one shall be paid less than $106 for a forty-hour week is that no one who is not worth $106 a week to an employer will be employed at all. You cannot make a man [someone] worth a given amount by making it illegal for anyone to offer him anything less. You merely deprive him [them] of the right to earn the amount that his [their] abilities and situation would permit him to earn, while you deprive the community even of the moderate services that he is capable of rendering. In brief, for a low wage you substitute unemployment. You do harm all around, with no comparable compensation. The only exception to this occurs when a group of workers is receiving a wage actually below its market worth. This is likely to happen only in rare and special circumstances or localities where competitive forces do not operate freely or adequately; but nearly all these special cases could be remedied just as effectively, more flexibly and with far less potential harm, by unionization. It may be thought that if the law forces the payment of a higher wage in a given industry, that industry can then charge higher prices for its product, so that the burden of paying the higher wage is merely shifted to consumers. Such shifts, however, are not easily made, nor are the consequences of artificial wage-raising so easily escaped. A higher price for the product may not be possible: it may merely drive consumers to the equivalent imported products or to some substitute. Or, if consumers continue to buy the product of the industry in which wages have been raised, the higher price will cause them to buy less of it. While some workers in the industry may be benefited from the higher wage, therefore, others will be thrown out of employment altogether. On the other hand, if the price of the product is not raised, marginal producers in the industry will be driven out of business; so that reduced production and consequent unemployment will merely be brought about in another way.

#### Prefer – A) there’s empirical evidence that goes both ways but the basic principles go neg – if empirics defy the laws of economics it’s an indicator your empirics are wrong since those laws have governed economic behavior since the start of economics and B) they are assumed by all economic models, so empirical evidence can’t refute this claim since it relies on the principles that dictate minimum wage will decrease employment