# Fair AC

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\*\*For T, use the Spectar article section about the ILO and CPI

### Framework

#### 1. Prefer consequentialism- it’s impartial, takes everyone into account, solves moral conflicts, and is the best available moral theory.

#### BERGSTROM [Lars Bergstrom, Stockholm University, “Reflections on Consequentialism”, From Theoria, Vol. 62, Part 1-2, 1996, pp.74-94., DDA]

(i) Consequentialism is morally attractive. In the first place, it may even seem intuitively self-evident that we should always act so as to achieve the best possible outcome. What could be better? Besides, if we think more specifically of classical utilitarianism, as a main version of consequentialism, this is morally attractive in at least two different respects. First, it stresses the way people (or sentient beings, in general) are affected by our actions. What matters is the welfare or the preferences of everyone to whom our actions make a difference. This is surely very important. It expresses a generalized version of the idea that one should treat others as one would like others to treat oneself. Second, it is completely impartial. It rejects all forms of egoism, ethnocentrism, and racism. It is also temporally impartial. Future generations have the same weight in a consequentialist calculus as our own generation (other things being equal). (ii) Consequentialism solves moral conflicts. In ordinary life, moral considerations sometimes point in different directions. Those are the very situation in which a moral theory is most needed. When different moral rules give different directions, there is a moral conflict. We need to know how to handle such conflicts. Consequentialism presents a general solution to such conflicts. This solution may be hard to identify in practice, but it is at least a solution. According to consequentialism there is always an answer to hard moral questions. (iii) Consequentialism is a bold conjecture. For one thing, it is bold in the sense that it is simple and has very broad scope. Maybe it can also be said to be "bold" in a sense similar to that stressed by Karl Popper for scientific theories,12 namely that it contradicts earlier theories while at the same time explaining their relative success. Consequentialists often claim that many moral principles, which are strictly speaking incompatible with consequentialism, can actually be given a consequentialist motivation if they are interpreted as useful approximations to be used in practice. Also consequentialism can be said to be bold in the sense that it has more content than many alternative views. Alternative theories, such as Kantianism, Christian ethics, existentialism, natural right theories, and so on, seem to give rather indeterminate answers to actual moral problems. Consequentialism, on the other hand, has a definite answer to every question concerning the moral rightness of actions. (iv) Consequentialism is theoretically fruitful. In the development of moral philosophy since the time of Sidgwick, say, utilitarianism and consequentialism in general has played a major part. It has been theoretically very fruitful in the sense that it has stimulated philosophers to work out details and answer difficult objections. It has given rise to a many interesting problems and to a lot of professional discussion. In recent years, John Rawls's theory has also been very influential, but on the whole I think it is fair to say that consequentialism has been more theoretically fruitful, in our time, than any other moral theory. (v) Consequentialism is our best theory so far. Even if consequentialism is not a completely satisfactory theory, it nevertheless seems to better than the currently available alternative theories of rightness. It is better, I think, in virtue of the considerations (i) through (iv) above. Moreover, it seems reasonable to hold on to a theory which is better than any known alternative, even if the theory itself is problematic in many ways. This seems to be a good strategy in science, and I think it can be applied in ethics as well (provided, of course, that the theory solves some important problems). It is better to have a theory with some advantages than no theory at all, and the more advantages the better.

**2. Respect for the equality of persons mandates consequentialism.**

**CUMMISKEY**

[Cummiskey, David. Kantian Consequentialism. Published by Oxford University Press. 1996. (p.142).]

If I sacrifice some for the sake of others, I do not use them arbitrarily, and I do not deny the unconditional value of rational beings. Persons may have “dignity, that is, an unconditional and incomparable worth” that transcends any market value (GMM 436), but persons also have a fundamental equality that dictates that some must sometimes give way for the sake of others (chapters 5 and 7).The concept of the end-in-itself thus does not support the view that we may never force another to bear some cost in order to benefit others. If one focuses on the equal value of all rational beings, then equal consideration dictates that onemaysacrifice some to save many**.**

3. Util is the only moral system available to policy-makers.

**GOODIN 90**

*[Robert Goodin, Philosophy Fellow @ The Australian National Defense University. “THE UTILITARIAN RESPONSE”, 1990, p. 141-2. AS 11/4/13]*

My larger argument turns on the proposition that there is something special about the situation of public officials that makes utilitarianism more probable for them than private individuals. Before proceeding with the large argument, I must therefore say what it is that makes it so special about **[for] public officials** and their situations that make **it [is]** both **more necessary and** more **desirable** for them **to adopt** a more credible form of **utilitarianism**. Consider, first, the argument from necessity. Public **officials are obliged to** **make** their **choices under uncertainty**, and uncertainty of a very special sort at that. All **choices** – public and private alike – are made under some degree of uncertainty, of course. But in the nature of things, private individuals will usually have more complete information on the peculiarities of their own circumstances and on the ramifications that alternative possible choices might have for them. Public officials, in contrast, they **are** relatively **poorly informed as to the effects that** their **choices will have on individuals**, one by one. What **they** typically do **know** are **generalities**: averages **and** **aggregates.** They know **[and] what will happen** most often **to most people as a result** of their various possible choices, **but that is all. That** is enough to **allows** public **policy-makers to use** the **utilitarian calculus** – assuming they want to use it at all – to chose general rules or conduct.

**And, prefer agent-specific justifications because different actors have different obligations. For example, it is immoral for a citizen to cut someone up, but it is the obligation of a surgeon.**

### Plan

#### Plan Text: The United States will pass the Fair Minimum Wage Act of 2013.

#### Plan boosts the economy, prevents poverty, and raises wages for poor workers who need to support their families.

#### COOPER 13 [David Cooper, Economic analyst for the Economic Policy Institute with areas of expertise in poverty, state labor markets, economic inequality and social mobility, and the minimum wage, he has been interviewed and cited for his research on the minimum wage in The New York Times, The Washington Post, The Los Angeles Times, U.S. News and World Report, CNBC and NPR, he has a B.A. and M.P.P. from Georgetown University, published by the Economic Policy Institute (a nonpartisan and nonprofit think tank created in 1986 to include the needs of low and middle income workers in economic policy discussions, EPI conducts research and analysis on the economic status of working America), December 19, 2013, DDA]

Earlier this year, EPI released an analysis of the Fair Minimum Wage Act of 2013, a bill introduced by Sen. Tom Harkin (D-Iowa) and Rep. George Miller (D-Calif.) that would raise the federal minimum wage in three incremental increases of $0.95 from its current level of $7.25 per hour to $10.10 per hour (see Cooper and Hall 2013). The Harkin-Miller proposal would then index the minimum wage to inflation, so that as prices rise in subsequent years, the minimum would automatically be adjusted to preserve its real value. At the same time, the bill would raise the base wage paid to tipped workers from the current $2.13 per hour—where it has stood since 1991—in incremental increases over six years until it equals 70 percent of the full minimum wage. Since that analysis was released, five states have raised their state minimum wages: California, Connecticut, New Jersey, New York, and Rhode Island.1 The increases in these states underscore the broad recognition that the current federal minimum wage is too low. These increases slightly alter our earlier estimates of the impact of a federal minimum-wage increase to $10.10 because workers in these states who would have been affected by the federal increase will now have higher wages as a result of their higher state minimums. Yet the conclusion of our previous analysis remains unchanged: Raising the federal minimum wage to $10.10 by 2016 would lift incomes for millions of American workers and provide a modest boost to U.S. GDP. This paper provides an update to our original analysis that reflects these higher state minimum wages, and changes in economic conditions over the past year. It begins by providing some context for the current minimum wage and the Harkin-Miller proposal, describing how today’s minimum and the proposed new minimum compare with historical benchmarks. It then provides a demographic overview of the workers who would be affected (both directly and indirectly) by raising the federal minimum wage to $10.10. Finally, it details the GDP and job creation effects that would occur as a result of such an increase. Key findings include: Raising the federal minimum wage to $10.10 by 2016 would return the federal minimum wage to roughly the same inflation-adjusted value it had in the late 1960s. An increase to $10.10 would either directly or indirectly raise the wages of 27.8 million workers, who would receive about $35 billion in additional wages over the phase-in period. Across the phase-in period of the increase, GDP would grow by about $22 billion, resulting in the creation of roughly 85,000 net new jobs over that period. The workers who would receive a raise do not fit the stereotypes of low-wage workers: Among affected workers, the average age is 35 years old, nearly 88 percent are at least 20 years old, and more than a third (34.5 percent) are at least 40 years old. Of affected workers, about 54 percent work full time, about 69 percent come from families with family incomes less than $60,000, and more than a quarter have children. The average affected worker earns half of his or her family’s total income.

### Advantage 1- Econ

#### US econ on brink – multiple warrants.

#### WHITEFOOT 1/1

[John Whitefoot, John Whitefoot is an editor at Lombardi Financial, specializing in low-priced investment opportunities. He contributes to Lombardi’s Profit Confidential and Daily Gains Letter newsletters. John has been a financial writer since the late 1990s and has written on everything from penny stocks to blue chip stocks to the broader issues that affect the stock market. John has profiled more than 1,000 low-priced stocks, researching and covering numerous sectors including health care, media, manufacturing, IT, education, hospitality, natural resources, and retail. “Economic Collapse Headed for U.S. in 2015” 1/1/15. Profit Confidential]

Profits without Prosperity Case in point, the S&P 500 has advanced more than 200% since bottoming in early March 2009. The S&P 500 is a good overall indicator of the health of large-cap U.S. equities. The index includes 500 leading companies and covers approximately 80% of the available market capitalization. There is more than $5.14 trillion benchmarked to the index, with assets accounting for approximately $1.6 trillion of this total. So, if the S&P 500 is doing well, the entire U.S. economy must be doing well, right? Well, not necessarily. The S&P 500 and overall stock market have only done well because of the Federal Reserve’s bond-buying program. By making interest rates artificially low, the Federal Reserve has made it easy and cheap to borrow. And with interest rates hovering near zero, there’s nowhere for investors to turn but the stock market. In 2013, investors sent the S&P 500 up approximately 30%. That must mean the companies that made up the S&P 500 performed really well. But they didn’t. Yet investors rewarded them for it. In each quarter of 2013, a larger percentage of companies revised their earnings guidance lower. During the first quarter of 2013, 78% of S&P 500 companies that provided preannouncements issued negative earnings guidance. That number climbed to 81% in the second quarter, 83% in the third quarter, and a new record of 88% in the fourth quarter. Borrow, Invest, Send Markets Higher, Repeat Instead of focusing on weak revenue and earnings, investors were distracted by financial engineering—also known as share repurchase programs. Because U.S. businesses couldn’t impress investors with improved earnings, they propped up their results in other, more creative ways, namely cost-cutting measures and uncharacteristically generous share repurchase programs. In 2013, companies on the key stock indices logged a record-high for share buyback activity. In 2013, share buybacks amounted to $460 billion—the highest amount since 2007.(2) But 2013 wasn’t an anomaly either. Let’s consider the 449 companies on the S&P 500 that were publicly listed from 2003 to 2012. Over that timeframe, those companies used 54% of their earnings ($2.4 trillion) to buy back their own shares. Dividends account for an additional 37% of earnings. Together, share buybacks and dividends accounted for 91% of earnings. That leaves very little for investment and improved wages.(3) The stock market may be booming, but most Americans are not enjoying the recovery. In fact, most would be hard pressed to say the U.S. is even in a recovery. Like the stock market, the U.S. economy looks really good on paper, that is until you simply dig a little deeper and look at the underlying jobs data. The U.S. unemployment rate is under six percent, but at the same time, approximately 12% of the population remains underemployed. Wages are flat, personal debt levels remain elevated, and 15% of the population is still receiving food stamps.(4) Approximately a third (36%) of Americans have less than $1,000 in savings and investments; 60% have less than $25,000.(5) Meanwhile, 76% of Americans are living paycheck to paycheck.(6) This is not a recipe for sustained economic growth, especially for the world’s largest economy and one that gets 71% of its gross domestic product (GDP) from consumer spending. America can’t use credit cards to buy its way to prosperity. This might explain why U.S. economic growth has been underwhelming at best. In 2008, the U.S. reported GDP of -0.03%; in 2009, it retraced to -2.8%. Since then, growth has been unpredictable. In 2013, the year that the overall markets soared, U.S. GDP growth was a paltry 1.9%. The recent third-quarter GDP data was better than expected, but for 2014, U.S. GDP growth is forecast at just 2.2%. In 2015, the International Monetary Fund (IMF) thinks U.S. GDP will advance 3.1%—but it also says in the same breath that its outlook may be a little bit optimistic. The U.S. won’t get much help from the rest of the world. The IMF cut its outlook for global growth to 3.8% from previous estimates of four percent. It noted that there is a 38% chance the eurozone, the world’s biggest economic region, will fall back into a recession in 2015. Economic trajectories for China, Japan, and Russia are also an issue.(7) All of this could seriously damage the U.S. economy. That’s because approximately 50% of the public companies that make up the S&P 500 get sales from Europe. Add it up. The stock market is sorely overvalued. The so-called U.S. recovery may have helped make Wall Street wealthier, but it has done little or nothing to benefit Main Street. The U.S. economy isn’t as strong as we’re being told it is. And the global economy is a mess. These are just a few reasons why the U.S. could experience an economic collapse in 2015.

#### Plan boosts the economy—increased consumer spending and job growth.

#### COOPER 2 [Ibid, DDA]

As explained in our original analysis of the Harkin-Miller proposal (Cooper and Hall 2013), raising the minimum wage would provide immediate benefits not only to affected workers (whose incomes would rise), but to the broader economy as well. Research over the past two decades has shown that, despite skeptics’ claims, modest increases in the minimum wage have little to no negative impact on jobs (Schmitt 2013). In fact, under current labor market conditions, where tepid consumer demand is a major factor holding businesses back from expanding their payrolls, raising the minimum wage can provide a catalyst for new hiring. Economists generally agree that low-wage workers are more likely than any other income group to spend any additional earnings they receive, largely because they must in order to meet their basic needs. Higher-income individuals, corporations, and beneficiaries of corporate profits are more likely to save at least a portion of any additional income. Thus, in a period of depressed consumer demand, raising the minimum wage can provide a modest boost to overall economic activity because it shifts income to workers who are very likely to spend it immediately. Indeed, recent research from the Federal Reserve Bank of Chicago finds that raising the federal minimum wage to $10 could increase U.S. GDP by up to 0.3 percentage points in the near term3 (Aaronson and French 2013). Our research shows that raising the federal minimum wage to $10.10 by 2016 would provide an additional $35 billion in wages over the phase-in period to directly and indirectly affected workers, who are likely to then spend that additional income. This projected rise in consumer spending would provide a modest boost to U.S. GDP, even after accounting for the increased labor cost to businesses and the potential for small price increases for consumers. Using standard fiscal multipliers, we would expect that increasing the federal minimum wage from $7.25 to $10.10 would generate a net increase in economic activity of $22.1 billion over the phase-in period. This additional GDP would support roughly 85,000 new jobs. As shown in Appendix Table 1, increasing the federal minimum wage would generate jobs in every state. (As noted previously, detailed state-level demographic information on each state’s affected workers is available at http://www.epi.org/files/2013/minimum-wage-state-tables.pdf.) Appendix Table 2 details the economic effects of each of the three incremental increases.

#### US income inequality has been steadily growing for several decades—erosion of the minimum wage’s value has been the driving force

#### MISHEL 13 [Lawrence Mishel[[1]](#footnote-1), “Declining Value Of The Federal Minimum Wage Is A Major Factor Driving Inequality” Published by the Economic Policy Institute, February 23, 2013, DDA]

As is well-documented in The State of Working America, 12th Edition (Mishel et al. 2012), the U.S. economy has worked primarily to the advantage of a small sliver of winners. Meanwhile, the vast majority of workers have not fared well—a trend that stretches back to the 1970s. Between 1973 and 2011, the median worker’s real hourly compensation (which includes wages and benefits) rose just 10.7 percent. Most of this growth occurred in the late 1990s wage boom, and once the boom subsided by 2002 and 2003, real wages and compensation stagnated for most workers—college graduates and high school graduates alike. This has made the last decade a “lost decade” for wage growth. The last decade has also been characterized by increased wage inequality between workers at the top and those at the middle and bottom, and by the continued divergence between overall productivity and the wages or compensation of the typical worker. This divergence has been demonstrated anew in the current recovery over 2009–2011 as real wages fell for the bottom ninety percent of the wage distribution but rose for the top five percent (Mishel and Finio 2013). Contrary to some political rhetoric of late, wage stagnation for American workers and rising inequality is not due to lack of effort; the broad middle class has increased its productivity, upgraded its educational attainment, and worked more hours (Mishel 2013). Rather it is due to certain policies that have weakened the bargaining position ￼of low- and middle-wage workers. Among these policies is the refusal to set the minimum wage at a level where it establishes a well-enforced wage floor at 50 percent of the average wage. This paper reviews the history of the minimum wage over the last 50 years and the role of a lowered value of the minimum wage in rising wage inequality. Legislated increases in the federal minimum wage in both 2007 and 2008 boosted it from $5.15 in 2006 to $7.25 in 2009, its highest level in real terms since 1981. But even after this nearly 41 percent increase, the minimum wage in 2009 was still 7.8 percent less than its value in 1967 (in 2011 dollars). In 2011, the minimum wage was worth only about 37 percent of what an average worker earned per hour, not far above its lowest point, reached in 2006, in 47 years. A higher minimum wage would disproportionately affect women: They constitute a majority (54.5 per- cent) of those who would benefit, greater than their 48.3 percent share of the workforce. Historically, the minimum wage has been more important in setting a floor for women than for men. The vast majority (87.9 percent) of those who would be affected by the higher minimum wage are age 20 or older. A higher minimum wage would help address growing inequality, particularly as it affects lower-wage women. Between 1979 and 2009 the erosion of the minimum wage explained about two-thirds (65.5 percent) of the large 25.2 (log percentage point) expansion of the wage gap between median-wage workers and workers at the 10th percentile in wages—known as the 50/10 wage gap—among women but just over a tenth (11.3 percent) of the smaller 5.3 expansion of the 50/10 wage gap among men. For workers overall more than half (57.0 percent) of the increase in the 50/10 wage gap from 1979 to 2009 was accounted for by the erosion of the minimum wage. The following discussion replicates the text, tables, and figures from the minimum wage discussion in Chapter 4 of EPI’s The State of Working America, 12th Edition. The tables can also be found online at stateofworkingamerica.org.

#### The plan solves—it restores income equality and allows a full-time minimum wage worker to support a family of 3.

#### COOPER 3

Every year that the minimum wage remains the same in nominal dollars, inflation slowly erodes its real (i.e., inflation- adjusted) value, leaving minimum-wage workers with a paycheck that cannot buy as much as it did in years past. This, of course, threatens the material well-being of minimum-wage workers in low-income families who rely on every dollar of income just to afford basic necessities. At the current federal minimum wage of $7.25, a parent who works full time, year round, does not earn enough to be above the federal poverty line. This was not always the case. As shown in Figure A, throughout the 1960s and 1970s, a full-time, full-year minimum-wage income was above the poverty line for a family of two. At its high point in real value in the late 1960s, a full-time, full-year minimum-wage income was enough to keep a family of three above the poverty line, although it still fell shy of the poverty line for a family of four. The black dotted line in the figure shows what a full-time minimum-wage worker would earn if the minimum wage were raised to $10.10 by 2016, as the Harkin-Miller bill proposes. Such an increase would return a full-time minimum- wage income to a level sufficient to protect a family of three from poverty. Because the Harkin-Miller bill would also index the minimum wage to inflation, full-time minimum-wage workers would never again fall below this threshold. The declining real value of the minimum wage has also significantly contributed to the enormous growth in U.S. income inequality (Mishel 2013). The gap between the minimum wage and the average wage of typical American workers used to be much smaller than it is today. Figure B depicts the value of the minimum wage as a percentage of the average wage of production, non-supervisory workers. From the mid-1960s up until the early 1980s, minimum-wage workers earned a wage equal to roughly half that of the typical American worker. Today’s minimum wage is equal to only 36 percent of the average production, non-supervisory worker wage. Raising the minimum wage to $10.10 by 2016 would return the minimum wage to roughly 50 percent of the average production worker wage.

#### Decreasing inequality is key to sustained economic growth.

Harkinson 11 [Josh Harkinson (staff reporter). “Study: Income Inequality Kills Economic Growth.” Mother Jones. October 4th, 2011]

"Countries where income was more equally distributed tended to have longer growth spells," says economist Andrew Berg, whose study appears in the current issue of Finance & Development, the quarterly magazine of the International Monetary Fund. Comparing six major economic variables across the world's economies, Berg found that equality of incomes was the most important factor in preventing a major downturn. (See top chart.) In their study, Berg and coauthor Jonathan Ostry were less interested in looking at how to spark economic growth than how to sustain it. "Getting growth going is not that difficult; it's keeping it going that is hard," Berg explains. For example, the bailouts and stimulus pulled the US economy out of recession but haven't been enough to fuel a steady recovery. Berg's research suggests that sky-high income inequality in the United States could be partly to blame. So how important is equality? According to the study, making an economy's income distribution 10 percent more equitable prolongs its typical growth spell by 50 percent. In one case study, Berg looked at Latin America, which is historically much more economically stratified than emerging Asia and also has shorter periods of growth. He found that closing half of the inequality gap between Latin America and Asia would more than double the expected length of Latin America's growth spells. Increasing income inequality has the opposite effect: "We find that more inequality lowers growth," Berg says. (See bottom chart.) Berg and Ostry aren't the first economists to suggest that income inequality can torpedo the economy. Marriner Eccles, the Depression-era chairman of the Federal Reserve (and an architect of the New Deal), blamed the Great Crash on the nation's wealth gap. "A giant suction pump had by 1929-1930 drawn into a few hands an increasing portion of currently produced wealth," Eccles recalled in his memoirs. "In consequence, as in a poker game where the chips were concentrated in fewer and fewer hands, the other fellows could stay in the game only by borrowing. When the credit ran out, the game stopped." Many economists believe a similar process has unfolded over the past decade. Median wages grew too little over the past 30 years to drive the kind of spending necessary to sustain the consumer economy. Instead, increasingly exotic forms of credit filled the gap, as the wealthy offered the middle class alluring credit card deals and variable-interest subprime loans. This allowed rich investors to keep making money and everyone else to feel like they were keeping up—until the whole system imploded. Income inequality has other economic downsides. Research suggests that unequal societies have a harder time getting their citizens to support government spending because they believe that it will only benefit elites. A population where many lack access to health care, education, and bank loans can't contribute as much to the economy. And, of course, income inequality goes hand-in-hand with crippling political instability, as we've seen during the Arab Spring in Tunisia, Egypt, and Libya. History shows that "sustainable reforms are only possible when the benefits are widely shared," Berg says. "We hope that we don't have to relearn that the hard way."

#### Economic decline triggers lashout and global war---economic institutions won’t check, which answers impact D

#### JAMES 7/2 [Harold James, Professor of history at Princeton University’s Woodrow Wilson School who specializes in European economic history, 7/2/14, “Debate: Is 2014, like 1914, a prelude to world war?,”]

As we get closer to the centenary of Gavrilo Princip’s act of terrorism in Sarajevo, there is an ever more vivid fear: it could happen again. The approach of the hundredth anniversary of 1914 has put a spotlight on the fragility of the world’s political and economic security systems. At the beginning of 2013, Luxembourg’s Prime Minister Jean-Claude Juncker was widely ridiculed for evoking the shades of 1913. By now he is looking like a prophet. By 2014, as the security situation in the South China Sea deteriorated, Japanese Prime Minister Shinzo Abe cast China as the equivalent to Kaiser Wilhelm’s Germany; and the fighting in Ukraine and in Iraq is a sharp reminder of the dangers of escalation. Lessons of 1914 are about more than simply the dangers of national and sectarian animosities. The main story of today as then is the precariousness of financial globalization, and the consequences that political leaders draw from it. In the influential view of Norman Angell in his 1910 book The Great Illusion, the interdependency of the increasingly complex global economy made war impossible. But a quite opposite conclusion was possible and equally plausible – and proved to be the case. Given the extent of fragility, a clever twist to the control levers might make war easily winnable by the economic hegemon. In the wake of an epochal financial crisis that almost brought a complete global collapse, in 1907, several countries started to think of finance as primarily an instrument of raw power, one that could and should be turned to national advantage. The 1907 panic emanated from the United States but affected the rest of the world and demonstrated the fragility of the whole international financial order. The aftermath of the 1907 crash drove the then hegemonic power – Great Britain - to reflect on how it could use its financial power. Between 1905 and 1908, the British Admiralty evolved the broad outlines of a plan for financial and economic warfare that would wreck the financial system of its major European rival, Germany, and destroy its fighting capacity. Britain used its extensive networks to gather information about opponents. London banks financed most of the world’s trade. Lloyds provided insurance for the shipping not just of Britain, but of the world. Financial networks provided the information that allowed the British government to find the sensitive strategic vulnerabilities of the opposing alliance. What pre-1914 Britain did anticipated the private-public partnership that today links technology giants such as Google, Apple or Verizon to U.S. intelligence gathering. Since last year, the Edward Snowden leaks about the NSA have shed a light on the way that global networks are used as a source of intelligence and power. For Britain’s rivals, the financial panic of 1907 showed the necessity of mobilizing financial powers themselves. The United States realized that it needed a central bank analogous to the Bank of England. American financiers thought that New York needed to develop its own commercial trading system that could handle bills of exchange in the same way as the London market. Some of the dynamics of the pre-1914 financial world are now re-emerging. Then an economically declining power, Britain, wanted to use finance as a weapon against its larger and faster growing competitors, Germany and the United States. Now America is in turn obsessed by being overtaken by China – according to some calculations, set to become the world’s largest economy in 2014. In the aftermath of the 2008 financial crisis, financial institutions appear both as dangerous weapons of mass destruction, but also as potential instruments for the application of national power. In managing the 2008 crisis, the dependence of foreign banks on U.S. dollar funding constituted a major weakness, and required the provision of large swap lines by the Federal Reserve. The United States provided that support to some countries, but not others, on the basis of an explicitly political logic, as Eswar Prasad demonstrates in his new book on the “Dollar Trap.” Geo-politics is intruding into banking practice elsewhere. Before the Ukraine crisis, Russian banks were trying to acquire assets in Central and Eastern Europe. European and U.S. banks are playing a much reduced role in Asian trade finance. Chinese banks are being pushed to expand their role in global commerce. After the financial crisis, China started to build up the renminbi as a major international currency. Russia and China have just proposed to create a new credit rating agency to avoid what they regard as the political bias of the existing (American-based) agencies. The next stage in this logic is to think about how financial power can be directed to national advantage in the case of a diplomatic tussle. Sanctions are a routine (and not terribly successful) part of the pressure applied to rogue states such as Iran and North Korea. But financial pressure can be much more powerfully applied to countries that are deeply embedded in the world economy. The test is in the Western imposition of sanctions after the Russian annexation of Crimea. President Vladimir Putin’s calculation in response is that the European Union and the United States cannot possibly be serious about the financial war. It would turn into a boomerang: Russia would be less affected than the more developed and complex financial markets of Europe and America. The threat of systemic disruption generates a new sort of uncertainty, one that mirrors the decisive feature of the crisis of the summer of 1914. At that time, no one could really know whether clashes would escalate or not. That feature contrasts remarkably with almost the entirety of the Cold War, especially since the 1960s, when the strategic doctrine of Mutually Assured Destruction left no doubt that any superpower conflict would inevitably escalate. The idea of network disruption relies on the ability to achieve advantage by surprise, and to win at no or low cost. But it is inevitably a gamble, and raises prospect that others might, but also might not be able to, mount the same sort of operation. Just as in 1914, there is an enhanced temptation to roll the dice, even though the game may be fatal.

#### And this great power war risks extinction

FREEMAN 9/13 [Chas W. Freehamn, served in the United States Foreign Service, the State and Defense Departments in many different capacities over the course of thirty years, past president of the Middle East Policy Council, co-chair of the U.S. China Policy Foundation and a Lifetime Director of the Atlantic Council, 9/13/14, “A New Set of Great Power Relationships,”]

We live in a time of great strategic fluidity. Borders are shifting. Lines of control are blurring. Long-established spheres of influence are fading away. Some states are decaying and dissolving as others germinate and take root. The global economic order is precarious. New economic and geopolitical fault lines are emerging. The great powers of North and South America are barely on speaking terms. Europe is again riven by geopolitical antagonisms. Ukraine should be a prosperous, independent borderland between the European Union and Russia. It has instead become a cockpit of strategic contention. The United States and Russia have relapsed into hostility. The post-Ottoman borders of West Asia and North Africa are being erased. Neither Europeans, nor Russians, nor Americans can now protect or direct their longstanding clients in the Middle East. Brazil, China, and India are peacefully competing for the favor of Africa. But, in the Indo-Pacific, China and Japan are at daggers drawn and striving to ostracize each other. Sino-American relations seem to be following US-Russian relations into mutual exasperation and intransigence. No one surveying this scene could disagree that the world would benefit from recrafting the relationships between its great powers. As President Xi Jinping has proposed, new types of relations might enable the great powers to manage their interactions to the common advantage while lowering the risk of armed conflict. This is, after all, the nuclear age. A war could end in the annihilation of all who take part in it. Short of that, unbridled animosity and contention between great powers and their allies and friends have high opportunity costs and foster the tensions inherent in military posturing, arms races, instability, and impoverishment.

### Contention 2- Innovation

**Living wages drive innovation- turns employment arguments.**

POPELKA 5/13 [Larry Popelka, journalist at Bloomberg Businessweek and Larry Popelka is founder and chief executive officer of [GameChanger](http://www.gamechanger.net/), an innovation consulting firm., “The Case for a Higher Minimum Wage to Drive Innovation”, Bloomberg Businessweek, http://www.businessweek.com/articles/2014-05-13/the-case-for-a-higher-minimum-wage-to-drive-innovation, May 13, 2014, DDA]

The minimum wage debate is missing one important point: Higher minimum wages spur innovation. A lot of companies sell products and services to help streamline operations and lower costs. Cheap labor is a barrier to innovation because it means that any investment in new equipment will take that much longer to pay off for the customer. As U.S. minimum wage labor got cheaper in real dollar[s] terms over the past decade, it has become harder for these companies to innovate. A great example is Ecolab (ECL), a company that sells cleaning products and equipment to hotels, restaurants, and other businesses that employ minimum wage workers. Ecolab’s business model is to provide advanced, automated cleaning equipment and supplies (such as self-dosing washing machines and automated cleaning devices) that get the job done with less labor, thus reducing costs. As labor costs stay flat or go down, it becomes harder for Ecolab to demonstrate economic value through labor savings to its customers. Ecolab and companies like it are probably sitting on innovations that don’t yet pay out but might become viable if the minimum wage were to increase to $9 or $10 per hour. A February report from the [CBO report] Congressional Budget Office report estimates that a minimum wage at $10 per hour would cost the economy 500,000 jobs. But this analysis fails to take into account the secondary and tertiary benefits of “innovation stimulus” from a minimum wage hike that would probably add higher-skilled jobs to the economy. McDonald’s (MCD), one of the largest employers of minimum wage workers, owes much of its historic success to rising minimum wages. Ray Kroc’s original business model at McDonald’s when he founded it in 1955 was to develop more efficient ways to cook and serve hamburgers; he used automated equipment and more standardized ways of working so his shops could produce more food per employee. So went the invention of “fast food.” McDonald’s was able to undercut local hamburger shops on cost. Its success was fueled by a rapidly rising federal minimum wage, which grew from 75¢ per hour, when McDonald’s was founded, to $1.40 per hour just 12 years later, making it harder for local hamburger joints with higher labor costs to compete. McDonald’s success also created a variety of new jobs. A new set of companies was formed to supply high-tech fast food equipment; one was llinois-based Prince Castle, which was founded in 1955 to service McDonald’s and now sells fast food equipment globally. The UPC barcode is another example of an innovation made feasible by higher minimum wages. Prior to the invention of barcodes, grocery stock clerks manually attached price stickers to every package in a supermarket. Printed barcodes on packages eventually eliminated that task, saving grocery retailers millions of dollars in labor. But in 1973, even though IBM had developed a working barcode system, none of the grocery chains wanted to adopt it. They couldn’t justify the investment because minimum wage labor cost only $1.60 per hour, making it cheaper for them to keep manually applying price stickers. By 1980, the minimum wage had jumped to $3.10 per hour, drastically changing the economics and leading almost every store to convert to a UPC system by 1985. While many stock clerks lost their jobs, several new industries were created.IBM (IBM), NCR (NCR), and additional computing companies benefited by selling scanner systems that later went global. And AC Nielsen (NLSN) created a new business selling the available scanner data and sales analytics to manufacturers to help them better understand how their products were selling and how well their marketing worked. Today, Nielsen employs 40,000 people in jobs that pay a lot more than stock clerks earn. RFID tags represent the next generation of product scanning, but the technology still sits on the sidelines because it hasn’t crossed that cost-benefit threshold. The tags use radio frequency signals to allow products to be scanned and inventory to be managed in bulk from a distance, eliminating the need for workers to scan individual items. The cost has come down to 7¢ per tag, making them close to affordable, so it is possible that a minimum wage change would make this technology widely viable. Hundreds, perhaps thousands, of such innovations might become commonplace via a simple change in the minimum wage. Smart, innovative companies should be pushing for a minimum wage increase because it represents an opportunity to create disruptive products and services that will move companies, industries, and the U.S. economy forward.

Unequal countries are less likely to be innovative – empirics prove

**Hopkin et al 14** write[[2]](#footnote-2)

Figure Two shows a scatterplot of OECD countries which shows the relationship between innovation measured by the GII, and disposable income inequality. The results suggest that **the less unequal a country is, the more likely it is to be innovative, and the U**nited **S**tates **loses its leading position, falling behind** a number of **OECD countries with lower**, and sometimes much lower, **inequality**. Figure Two – Global Innovation Index and Inequality for each OECD country Global Innovation Index and Inequality for each OECD country To look further at the link between inequality and innovation we also ran ordinary least squares regressions with the GII score as the dependent variable, and inequality (measured both as the GINI coefficient and the 50/90 wage ratio, to capture the incentive effects of higher top incomes) and top tax rates as the main independent variables. **We controlled for** country income (**GDP per capita**)**, r**esearch **and d**evelopment spending**, and the regulatory environment**. ARV’s model assumes that inequality and lower taxes on top incomes should be positively associated with innovation. Our results instead confirm that if anything, the opposite is the case: lower inequality predicts higher levels of innovation, although the positive link between higher tax rates and innovation is not robust to the introduction of the control variables. What can we conclude from this preliminary examination of the evidence? It is true that the US is a powerful force for innovation in the world economy, and is a good example of ‘cut-throat capitalism’, with high levels of income inequality, and very high top incomes. But other countries with much lower inequality, generous welfare states and a smaller concentration of rewards at the top are also high performers in innovation, whilst some countries with high inequality perform poorly. **High regulatory quality and R&D expenditure are common denominators for countries** that are **ranked as highly innovative – inequality is not one of these uniting factors**. Innovation is not just about a narrow view of incentives based on spectacular rewards for a small number of high achievers; it also rests on high levels of investment in research, not just by the private sector but also, and often decisively, by the state. The US combines high inequality with excellent universities financed by both public and private funds, and a regulatory environment that encourages innovation. ‘Cuddly capitalist’ countries that invest in research, have good universities and quality regulation can also innovate, without having to offer successful entrepreneurs outsized rewards. There seems little evidence for the thesis that egalitarian societies need to freeload off the innovations of the American super-rich in order to prosper.

**Innovation solves warming.**

NORRIS AND JENKINS 09

[Teryn Norris (Project Director at the Breakthrough Institute) and Jessie Jenkins (Director of Energy and Climate Policy, The Breakthrough Institute), “ Want to Save the World? Make Clean Energy Cheap,” Huffington Post,. http://www.thebreakthrough.org/blog/2009/03/want\_to\_save\_the\_world\_make\_cl.shtml, March 10, 2009]

Whatever the cause, we have very little chance of overcoming climate change without enlisting young innovators at a drastically greater scale. Simply put, they represent one of the most important catalysts for creating a clean energy economy and achieving long-term prosperity. The reason is this: at its core, climate change is a challenge of technology innovation. Over the next four decades, global energy demand will approximately double. Most of this growth will happen in developing nations as they continue lifting their citizens out of poverty and building modern societies. But over the same period, global greenhouse gas emissions must fall dramatically to avert the worst consequences of climate change. Shortly before his untimely death in 2005, the Nobel Prize-winning physicist Richard Smalley coined this the "Terawatt Challenge": increasing global energy production from roughly 15 terawatts in 2005 to 60 terawatts annually by 2100 in a way that simultaneously confronts the challenges of global warming, poverty alleviation, and resource depletion. The single greatest obstacle to meeting the Terawatt Challenge is the "technology gap" between dirty and clean energy sources. Low-carbon energy technologies remain significantly more expensive than fossil fuels. For example, solar photovoltaic electricity costs up to three to five times that of coal electricity, and plug-in hybrid and electric vehicles can be twice as expensive as their gasoline-fueled competitors. Unless this technology gap is bridged and clean energy technologies become affordable and scalable, poor and rich nations alike will continue opposing significant prices on their carbon emissions and will continue relying primarily upon coal and other fossil fuels to power their development. This will virtually assure massive climate destabilization. So the task is clear: to avoid climate catastrophe and create a new energy economy, we must unleash our forces of innovation - namely, scientists, engineers and entrepreneurs- to invent a new portfolio of truly scalable clean energy technologies, chart new paths to bring these technologies to market, and ensure they are affordable enough to deploy throughout the world.

#### Extinction

**Flournoy 12** -- Citing Feng Hsu, PhD NASA Scientist @ the Goddard Space Flight Center. Don Flournoy is a PhD and MA from the University of Texas, Former Dean of the University College @ Ohio University, Former Associate Dean @ State University of New York and Case Institute of Technology, Project Manager for University/Industry Experiments for the NASA ACTS Satellite, Currently Professor of Telecommunications @ Scripps College of Communications @ Ohio University (Don, "Solar Power Satellites," January, Springer Briefs in Space Development, Book, p. 10-11

In the Online Journal of Space Communication , Dr. Feng Hsu, a  NASA scientist at Goddard Space Flight Center, a research center in the forefront of science of space and Earth, writes, “The evidence of global warming is alarming,” noting the potential for a **catastrophic planetary climate change** is real and troubling (Hsu 2010 ) . Hsu and his NASA colleagues were engaged in monitoring and analyzing climate changes on a global scale, through which they received first-hand scientific information and data relating to global warming issues, including the dynamics of polar ice cap melting. After discussing this research with colleagues who were world experts on the subject, he wrote: I now have no doubt global temperatures are rising, and that **global warming is a serious problem confronting all of humanity**. No matter whether these trends are due to human interference or to the cosmic cycling of our solar system, there are two basic facts that are crystal clear: (a) there is **overwhelming scientific evidence** showing positive correlations between the level of CO2 concentrations in Earth’s atmosphere with respect to the historical fluctuations of global temperature changes; and (b) the **overwhelming majority of the world’s scientific community** is in agreement about the risks of a potential catastrophic global climate change. That is, if we humans continue to ignore this problem and do nothing, if we continue dumping huge quantities of greenhouse gases into Earth’s biosphere, humanity will be at dire risk (Hsu 2010 ) . As a technology risk assessment expert, Hsu says he can show with some confidence that the planet will face more risk doing nothing to curb its fossil-based energy addictions than it will in making a fundamental shift in its energy supply. “This,” he writes, “is because the risks of a catastrophic anthropogenic climate change can be potentially the extinction of human species, a risk that is simply too high for us to take any chances” (Hsu 2010 )

### Soft Power

#### The US’ neoliberal model is showing cracks—reregulation is key to prevent unequal distribution of wealth, while maintaining growth in order to and maintain soft power and global legitimacy.

#### FUKUYAMA 14 [Francis Fukuyama, member of the Hoover Foreign Policy Working Group on Grand Strategy, American political scientist, political economist, and author and Senior Fellow at the Center on Democracy, Development and the Rule of Law at Stanford, he previously served as a professor and director of the International Development program at the School of Advanced International Studies of the Johns Hopkins University. Previously, he was Omer L. and Nancy Hirst Professor of Public Policy at the School of Public Policy at George Mason University, “American Power Is Waning Because Washington Won't Stop Quarreling”, New Republic, March 10, 2014, DDA]

I do not believe that there are any fundamental short- to medium-term economic constraints on America’s ability to remain the world’s dominant power. The American economy has finally returned to growth on the back of a domestic energy revolution, and is poised to achieve perhaps 3% growth in 2014. America’s debt-to-GDP ratio peaked at over 12% in 2009 (including federal, state, and local), but has fallen this past year to 6%, and according to the CBO will fall to 4% next year. The real deficit problems lie further down the road, when our aging population and health care costs will force the ratio up again by the early 2020s. The long-term deficit problem is a very big and serious one, but it can only be solved through entitlement reform, and not on the back of cuts in discretionary spending (which includes the defense budget). If we fail to take on the entitlement problem, then yes, defense and foreign policy will be heavily constrained—but cutting the defense budget preemptively to solve the anticipated deficit problem strikes me as a foolish strategy because it will not deal with the real problem. However, I do believe that the political discount rate that translates economic strength into internationally usable power has increased for the United States as a result of the political polarization in Washington. Here the problem lies more with the political elite and less with society. I am not sure whether there are significantly deeper polarizations in American society than previously on foreign policy issues the way there are on domestic economic and cultural issues. After two expensive wars in the Middle East, both parties have become more cautious in their support for intervention and a muscular foreign policy. The Republican Party for the first time in two generations has seen the appearance of a significant isolationist wing under the leadership of politicians like Senator Rand Paul. Even on a sensitive issue like National Security Agency (NSA) surveillance there is no Republican-Democrat polarization; rather, the cleavages run through both parties. What is different now is a much more poisonous partisan atmosphere in Washington, which sees virtually any policy issue as an arena for political combat and point-scoring. This means that Congress is much less willing to delegate discretion to the executive branch on foreign policy, and makes the president in turn preemptively cautious in exercising power. There are two recent cases of this: the murder of Ambassador Stevens in Benghazi and the current negotiations on a nuclear deal with Iran. As suggested by the recent Senate report, the Obama administration made numerous mistakes in the actions leading up to Ambassador Stevens’s death, but these tended to be errors of judgment by middle-ranking officials (including perhaps the ambassador himself), and not by Hillary Clinton or President Obama. The administration was guilty not of a cover-up, but of trying to spin the incident to minimize damage in an election campaign. Nonetheless, politicization of this event has consumed Washington for half a year, discouraged any risk-taking with regard to Middle East policy, and reinforced the already excessive emphasis on self-protection and diplomatic security as the first priority of U.S. regional policy. Similarly, the bill currently before the Senate setting forth in great detail the terms that any final nuclear agreement with Iran would have to meet is an unhelpful infringement on the executive branch’s discretionary powers. It is hard to see how any complex negotiation could ever be completed when Congress lays down so stringent a bottom line. This of course does not mean that the administration should be given a blank check; Congress will have to approve any agreement that eventually emerges, since many of the existing sanctions are legislatively imposed. But this is a very poor way to proceed in a negotiation. The net effect of political polarization has been to shift control over foreign policy back from the president to Congress in much the same manner as in arguments over Vietnam in the 1970s and Central America in the 1980s. This reduces executive discretion and increases the effective political discount rate. New Approaches to the Integration of Economics and Politics A second issue is a conceptual one concerning the way that we think about the relationship of economic and political policy. From the Reagan years on, the [US] United States has been the foremost proponent both of economic liberalism (often dubbed “neo-liberalism”) in the global economy and of democracy in the political sphere. The two were seen as working hand in glove, both as intrinsically good objectives and ones that would be mutually supportive. The economic part of the agenda took the form of the Washington Consensus, a series of liberalizing measures to lower tariff barriers and push for a global free-trade system, privatization, deregulation, and a general cutting back of state sectors. Economic liberalization along Anglo-American rather than continental European lines was seen to be supportive of the promotion of liberal democracies around the world. Liberalization would lead to economic growth, which would produce larger middle classes, which in turn would be more critical of authoritarian governments. Economic freedom was seen as part of a package of liberal political rights. The policy of promoting both economic liberalization and greater democracy succeeded to a great extent. Formerly closed economies like those of the former Communist countries in Eastern Europe, China, India, and many developing countries were opened up to the global economy. Global output quadrupled between 1970 and the 2008 financial crisis, largely as a result of this liberalization. Although democracy has not so far swept all the major economies, the number of electoral democracies around the world went from about 35-40 to more than 100 today. However, this particularly American approach to integrating economics and politics had real limitations, and since the first warning signs at the time of the 1997 Asian financial crisis, has gotten into increasing trouble. There were two critical weaknesses in the economic liberalization agenda. The first was the fact that liberalization works much better in the real economy than in the financial sector. In the late 1990s, there was almost universal consensus among economists that freer and more globally integrated financial markets would lead to more efficient capital allocation and thus higher growth. However, it turned out that global financial markets are not necessarily efficient; they are subject to bubbles, manias, and irrational exuberance, whose costs are ultimately borne by taxpayers. Much of the apparent growth during the 2000s was illusory and based on excessive bank risk-taking. Countries such as Mexico, Thailand, and South Korea quickly got into trouble after they followed American advice and opened up their capital accounts in the 1990s. Those countries that did not liberalize, like China, found themselves protected from the damaging impact of volatile hot money. The United States was hoisted by its own petard when it dismantled the Glass-Steagall regulatory regime in the late 1990s and opened itself up to a wave of liquidity washing in from China and other emerging markets. All of this facilitated the financial crisis of 2008 and led to the most serious recession since the Great Depression. The second weakness was distributional. As Michael Spence’s article indicates, the combination of globalization and unfettered technological advance has had some rather unfortunate distributional consequences. America and other advanced democracies have undergone a prolonged period of deindustrialization, as manufacturing employment has stagnated, along with the incomes of many working-class Americans. In the meantime, highly educated Americans have seen massive increases in their incomes, together with a similarly cosmopolitan global elite. During the 1990s and 2000s, the United States lost a great deal of its manufacturing base and supply chains to China and other countries in Asia. This was partly the inevitable result of capital’s search for higher returns, but it did not have to take as extreme a form as it did. Under the rubric of fighting protectionism, the United States passively stood by as China undervalued its currency and moved U.S. jobs to China. The economists insisted that we not mix political goals with economic efficiency considerations, while our rival was doing just the opposite. The early phases of this liberalizing period were good for global democracy, as middle classes spread across the developing world. Perhaps someday this will lead to pressures for the democratization of China. But it has had a potentially negative impact on democracy in the developed world, and in the United States. With increasing recognition of the fact of unequal development has come populist pushback against those elites who have profited from globalization. At the moment, none of this populism has undermined the stability of democracy in the developed world. But in the end, unequal distribution of the fruits of economic growth is likely to erode the legitimacy of democratic systems. The problem as I see it is to define a different way of integrating economics and politics that avoids the exuberant neo-liberalism of the 1990s, while at the same time avoiding a return to growth-undermining populist or redistributive policies. No one to date in the United States or Europe has clearly articulated what such a model would be. It would have to dethrone growth as the single measure of the performance of the economy and raise the priority of employment and even distribution. It would have to define a new, larger role for the state, particularly in the regulation of financial markets. It would need to focus on middle-class employment, and perhaps consider ways of channeling innovation into labor-utilizing innovation. It would explicitly target preservation of a manufacturing base and keeping supply chains geographically close to the [US] United States. Internationally, definition of such a model will be important in maintaining American leadership and “soft power.” Because of Wall Street’s failures, the neo-liberal model has been discredited around the world, and countries such as Brazil and Argentina are falling back into bad habits with regard to industrial policy and subsidization. The [US] United States needs to figure out how to modify its neo-liberal model, owning up to past excesses but preserving the core of an open international order. Free trade and deregulation cannot be our only goals; indeed, re-regulation of the international banking sector is a critical requirement if we are to avoid another financial crisis of the sort we suffered five years ago. But neither domestic stability nor the projection of soft power abroad will be possible without a different approach to economic policy.

#### Minimum wage is key to US soft power– solves heg and terrorism, and cooperation key to solve multiple extinction scenarios

Winkates 7 [(Jim Winkates Research Professor of International Affairs Air War College) “SOFT POWER CONTRIBUTIONS TO U.S. COUNTERTERRORISM STRATEGY” Presented at the International Studies Association Annual MeetingChicago ILMarch 2, 2007] AT

External perceptions of policy legitimacy directly enhance a nation’s soft power. Because of domestic and foreign policy choices made by the U.S. government and even private business, America starts out disadvantaged in terms of perceived illegitimacy. The cutting difference is not the “rightness” or “wrongness” of the policy choices; rather it is that U.S. public and private decision selections are often at variance with the larger international community. National policy on capital punishment and gun ownership, for example, put America in a minority of governments on those issues. 15 With only 3% of world population, the U.S. uses nearly 25% of global petroleum supplies and we appear more self-indulgent in refusing to limit production of gas-guzzling vehicles. The U.S. has rejected the scientific validity of global warming, choosing not to sign the Kyoto environmental treaty. America has been very slow in raising the federal minimum wage as inflation has eroded previous income gains. The federal and state governments virtually ignore 43 million citizens who have no medical insurance whatever. Local governments and school systems often sidestep teaching evolution in schools. The corporate world turns a blind eye to extraordinary compensation and retirement packages for chief executive officers, compounded by the near-total loss of many company retirement accounts amid systemic greed, fraud, and embezzlement. The hard edges of capitalism, as practiced in U.S. business circles, diminish employer/employee loyalty and do not provide the “safety nets” common in other advanced industrial cultures to cushion layoffs, insure against major medical problems, and subsidize child care. In the foreign policy arena, the titanic defense of Israel and its settlement policy, the widely perceived indifference to Palestinian suffering, resort to “extraordinary rendition” of suspected terrorists, the persistent and public disparagement of the United Nations, and the preference for unilateral responses to perceived threats take a toll. There is a price to pay in external perceptions of arrogance, selfishness, and inequity that undergird soft power. A key, unstated assumption for the successful reliance on soft power is the resort to multilateral and institutional responses to problem solving. In the current national discussion on foreign policy, the framework of choice is labored by notions of how much unilateralism (US only) versus resort to more multilateralism (allies, coalitions, the UN), what historic US values and interests are at stake, and whether the perceived challenge or threat is more or less amenable to measures short of force and sanction. The unprecedented 9/11 attack on the US has polarized domestic debate over which policy instruments can best respond to anticipated near-term challenges to the proper ethical conduct and efficiency of the world’s lone superpower. The choice of how much hard or soft power to employ commands much time and energy of elected officials, strategic analysts, and indeed among the attentive citizenry. Always lurking in the background of public sentiment is the nostalgic preference for “just leave us alone” and solve your own problems. The optimal policy choice is not between hard and soft power, but rather how much of each to use , how best to employ those instruments, and when and with whom to engage . A concrete template is the set of responses outlined by James A. Thomson, President and CEO of RAND. He argued that in the long term the U.S. must fight the war on terrorism on at least nine fronts: counterproliferation, international cooperation, diplomacy, intelligence, image, police, development assistance; emergency planning, and lastly military power. Excluding the last element, the other eight foci call for the exercise of soft power. 16 His list of policy avenues came within a few months of 9/11. A s Nye further points out, “As for the sword, the United States will continue to need it from time to time in the struggle against terrorism . . . . Maintaining our hard power is essential to security, But we will not succeed by the sword alone.” 17 A cursory recounting of the use of the U. S. military instrument in the past twenty-five years (Lebanon, Grenada, Libya, Panama, Iraq [twice], Somalia, Bosnia, Haiti [twice], Kosovo, Afghanistan, Sudan, Philippines, and Liberia) reveals that overt reliance on military forces in every case has proven inadequate to achieve order and stability. Just as Senator J. William Fulbright, longest serving chairman of the Senate Foreign Relations Committee, warned of “the arrogance of power” during America’s Vietnam War, Nye cautioned of the dangers of “triumphalism” even before the euphoria that accompanied the initial US entry into Iraq in March 2003. 18 As he subsequently concluded, Winning the peace is harder than winning a war, and softpower is essential to winning the peace. Yet the way we went to war in Iraq proved to be as costly for our soft power as it was a stunning victory for our hard power. 19 Soft power uses neither threat/use of force nor reward/penalty of money to get others to want what we want in the broadest sense – peace, order, sustained economic development, preservation of human rights, international cooperation, and a world order that allows for diversity of political, economic, and cultural choices that can be accommodated without imposing one’s will on others. If hard power commands, coerces, and induces through the use of force, sanctions, payments, and bribes, soft power uses attraction, co-option, and agenda setting through promotion of institutional values, culture, and policies. Some middle size and smaller states have achieved considerable acceptance globally as niche actors using their soft power to lead by example. Canada (32 million people), for example, has carved out an attractive reputation as a multi-cultural nation that accommodates wide diversity at home and as a leader in international peacekeeping abroad. Three small Scandinavian countries (Norway, 4.5 million; Sweden, 9 million, and Denmark, 5.4 million) have earned plaudits for their consistently high annual per capita contributions in foreign economic aid and development assistance. These countries have acquired and maintained solid reputations over time for their national values and consistency of practice, both of which find considerable appeal in the global community. Nye points out that the soft power of a country derives from three sources: culture (attractive to others); political values (if it lives up to them at home and abroad); and foreign policies (if they are seen as legitimate and possessing of moral authority). 20 He acknowledges the conventional distinction between high culture (literature, art, and education) and popular culture (mass entertainment). The key to soft power success turns on the attractiveness of these elite and popular cultural values to others. 21 Universal versus parochial cultures and themes have more intrinsic appeal. Many foreign publics, even in countries at odds with US policies, have greatly admired US technology, music, movies, and television. Similarly, US universities and colleges have long been magnets for more than half a million international students who study on American campuses annually. 22 The Asian region remains the largest sending sector, accounting for 58% of all U.S. international enrollments. Six of the top ten sending countries are Asian (India, China, Korea, and Japan are the top four sources for international students). 23 No Middle Eastern state ranks in the top ten sending countries. In a recent public lecture, however, the Saudi Ambassador to the United States, Prince Turki Al-Faisal, noted that his country sends about 10,000 students annually to study in U.S. educational institutions. 24 U.S. student visas from the Middle East region understandably have been most reduced since the 9/11 terrorist attacks. Perhaps the most obvious yet underrated element of soft power is the significant advantage offered by the English language in a rapidly globalizing world. One long-time U.S. employee in the English language training field puts it this way: In recognition of the predominance of the English language, desperate parents around the globe are making huge financial sacrifices to provide English language instruction for their children . . . . demand for access to English language training gives the United States enormous leverage . . . . we have something the whole world desperately craves . . . . [Furthermore] English language proficiency is crucial to scientists, businessmen, merchants, doctors, scholars, and other professionals who want to stay abreast of the latest developments in their professions. 25 Language carries culture, values, norms, and ways of thought. The English language has become the world’s lingua franca and offers a pre-eminent vehicle for extending global outreach. US political values of democracy, minority rights, and free expression have acquired near universal appeal. In early 2004 the US Department of State created a new senior post responsible for all US public diplomacy ( the primary thrust is to “tell America’s story abroad”). Margaret Tutwiler in her first public testimony as officer in charge of the new program acknowledged that America’s standing abroad had badly deteriorated, and that “it will take us many years” to restore it. 26 Where those cherished ideals fall short, especially overseas, such as in the cases of prisoner abuses in Iraq, Afghanistan, and Guantanamo, Cuba, US esteem pays a heavy price. Governments can attract or repel international constituencies by their behavior, living up to announced ideals and standards or by failing to do so. Soft power is accrued only over long time intervals, so that observers can judge the measure of a country over time and through successive challenges and change of governments. World public opinion can be forgiving over specific failures if the pattern of attractive performance is mostly sustained over time. So, soft power is hard to accrue and not easily lost. It is also increasingly obvious that the US will need to husband and grow its soft power to maximize the cooperation with others to thwart the long-term challenge of the global terrorist threat. The Changing Nature of Global Threats New post-Cold War threats illustrate that the new enemies are very largely not sovereign states nor their armies, but increasingly failed states, terrorists, local warlords, petty tyrants, ad hoc militias, drug traffickers, organized and transnational crime syndicates, and even cyber outlaws. Unlike the traditional and conventional warfare threats of earlier decades, these new challenges often defy borders, and are characteristically dynamic, diverse, fluid, networked, and often unpredictable. Most cannot be subdued, or even controlled , by a single state , not even the remaining superpower. The more prominent characteristics of contemporary terrorism point to its transnational (not country specific) nature, reflecting loosely organized networks with spin offs and look-a-likes, increasingly inspired by deep religious convictions (mostly but not exclusively Islamist), often millenarian in philosophy (hastening end-of-the-world judgment), aimed to kill as many victims as possible, with some groups seeking weapons of mass destruction, and with victims very indiscriminately targeted (often including their own co-religionists and countrymen). This threat profile poses a very different genre than earlier 20 th century adversaries

**A terrorist attack escalates to a global nuclear exchange**

SPEICE 06

*[Speice 06, JD Candidate @ College of William and Mary [Patrick F. Speice, Jr., “Negligence And Nuclear Nonproliferation: Eliminating The Current Liability Barrier To Bilateral U.S.-Russian Nonproliferation Assistance Programs,” William & Mary Law Review, February 2006, 47 Wm and Mary L. Rev. 1427, DDA]*

Accordingly, there is a significant and ever-present risk that terrorists could acquire a nuclear device or fissile material from Russia as a result of the confluence of Russian economic decline and the end of stringent Soviet-era nuclear security measures. 39 Terrorist groups could acquire a nuclear weapon by a number of methods, including "steal[ing] one intact from the stockpile of a country possessing such weapons, or ... [being] sold or given one by [\*1438] such a country, or [buying or stealing] one from another subnational group that had obtained it in one of these ways." 40 Equally threatening, however, is the risk that terrorists will steal or purchase fissile material and construct a nuclear device on their own [is equally threatening]. Very little material is necessary to construct a highly destructive nuclear weapon. 41 Although nuclear devices are extraordinarily complex, the technical barriers to constructing a workable weapon are not significant. 42 Moreover, the sheer number of methods that could be used to deliver a [nuke] nuclear device into the United States makes it incredibly likely that terrorists could successfully employ a nuclear weapon once it was built. 43 Accordingly, supply-side controls that are aimed at preventing terrorists from acquiring nuclear material in the first place are the most effective means of countering the risk of nuclear terrorism. 44 Moreover, the end of the Cold War eliminated the rationale for maintaining a large military-industrial complex in Russia, and the nuclear cities were closed. 45 This resulted in at least 35,000 nuclear scientists becoming unemployed in an economy that was collapsing. 46 Although the economy has stabilized somewhat, there [\*1439] are still at least 20,000 former scientists who are unemployed or underpaid and who are too young to retire, 47 raising the chilling prospect that these scientists will be tempted to sell their nuclear knowledge, or steal nuclear material to sell, to states or terrorist organizations with nuclear ambitions. 48 The potential consequences of the unchecked spread of nuclear knowledge and material to terrorist groups that seek to cause mass destruction in the United States are truly horrifying. A terrorist attack with a nuclear weapon would be devastating in terms of immediate human and economic losses. 49 Moreover, there would be immense political pressure in the United States to discover the perpetrators and retaliate with nuclear weapons, massively increasing the number of casualties and potentially triggering a full-scale nuclear conflict. 50 In addition to the threat posed by terrorists, leakage of nuclear knowledge and material from Russia will reduce the barriers that states with nuclear ambitions face and may trigger widespread proliferation of nuclear weapons. 51 This proliferation will increase the risk of nuclear attacks against the United States [\*1440] or its allies by hostile states, 52 as well as increase the likelihood that regional conflicts will draw in the United States and escalate to the use of nuclear weapons

#### US leadership prevents great power war and existential governance crises

Brooks, Ikenberry, and Wohlforth ’13 (Stephen, Associate Professor of Government at Dartmouth College, John Ikenberry is the Albert G. Milbank Professor of Politics and International Affairs at Princeton University in the Department of Politics and the Woodrow Wilson School of Public and International Affairs, William C. Wohlforth is the Daniel Webster Professor in the Department of Government at Dartmouth College “Don’t Come Home America: The Case Against Retrenchment,” International Security, Vol. 37, No. 3 (Winter 2012/13), pp. 7–51)

A core premise of deep engagement is that it prevents the emergence of a far more dangerous global security environment. For one thing, as noted above, the United States’ overseas presence gives it the leverage to restrain partners from taking provocative action. Perhaps more important, its core alliance commitments also deter states with aspirations to regional hegemony from contemplating expansion and make its partners more secure, reducing their incentive to adopt solutions to their security problems that threaten others and thus stoke security dilemmas. The contention that engaged U.S. power dampens the baleful effects of anarchy is consistent with influential variants of realist theory. Indeed, arguably the scariest portrayal of the war-prone world that would emerge absent the “American Pacifier” is provided in the works of John Mearsheimer, who forecasts dangerous multipolar regions replete with security competition, arms races, nuclear proliferation and associated preventive war temptations, regional rivalries, and even runs at regional hegemony and full-scale great power war. 72 How do retrenchment advocates, the bulk of whom are realists, discount this benefit? Their arguments are complicated, but two capture most of the variation: (1) U.S. security guarantees are not necessary to prevent dangerous rivalries and conflict in Eurasia; or (2) prevention of rivalry and conflict in Eurasia is not a U.S. interest. Each response is connected to a different theory or set of theories, which makes sense given that the whole debate hinges on a complex future counterfactual (what would happen to Eurasia’s security setting if the United States truly disengaged?). Although a certain answer is impossible, each of these responses is nonetheless a weaker argument for retrenchment than advocates acknowledge. The first response flows from defensive realism as well as other international relations theories that discount the conflict-generating potential of anarchy under contemporary conditions. 73 Defensive realists maintain that the high expected costs of territorial conquest, defense dominance, and an array of policies and practices that can be used credibly to signal benign intent, mean that Eurasia’s major states could manage regional multipolarity peacefully without the American pacifier. Retrenchment would be a bet on this scholarship, particularly in regions where the kinds of stabilizers that nonrealist theories point to—such as democratic governance or dense institutional linkages—are either absent or weakly present. There are three other major bodies of scholarship, however, that might give decisionmakers pause before making this bet. First is regional expertise. Needless to say, there is no consensus on the net security effects of U.S. withdrawal. Regarding each region, there are optimists and pessimists. Few experts expect a return of intense great power competition in a post-American Europe, but many doubt European governments will pay the political costs of increased EU defense cooperation and the budgetary costs of increasing military outlays. 74 The result might be a Europe that is incapable of securing itself from various threats that could be destabilizing within the region and beyond (e.g., a regional conflict akin to the 1990s Balkan wars), lacks capacity for global security missions in which U.S. leaders might want European participation, and is vulnerable to the influence of outside rising powers. What about the other parts of Eurasia where the United States has a substantial military presence? Regarding the Middle East, the balance begins to swing toward pessimists concerned that states currently backed by Washington— notably Israel, Egypt, and Saudi Arabia—might take actions upon U.S. retrenchment that would intensify security dilemmas. And concerning East Asia, pessimism regarding the region’s prospects without the American pacifier is pronounced. Arguably the principal concern expressed by area experts is that Japan and South Korea are likely to obtain a nuclear capacity and increase their military commitments, which could stoke a destabilizing reaction from China. It is notable that during the Cold War, both South Korea and Taiwan moved to obtain a nuclear weapons capacity and were only constrained from doing so by a still-engaged United States. 75 The second body of scholarship casting doubt on the bet on defensive realism’s sanguine portrayal is all of the research that undermines its conception of state preferences. Defensive realism’s optimism about what would happen if the United States retrenched is very much dependent on its particular—and highly restrictive—assumption about state preferences; once we relax this assumption, then much of its basis for optimism vanishes. Specifically, the prediction of post-American tranquility throughout Eurasia rests on the assumption that security is the only relevant state preference, with security defined narrowly in terms of protection from violent external attacks on the homeland. Under that assumption, the security problem is largely solved as soon as offense and defense are clearly distinguishable, and offense is extremely expensive relative to defense. Burgeoning research across the social and other sciences, however, undermines that core assumption: states have preferences not only for security but also for prestige, status, and other aims, and they engage in trade-offs among the various objectives. 76 In addition, they define security not just in terms of territorial protection but in view of many and varied milieu goals. It follows that even states that are relatively secure may nevertheless engage in highly competitive behavior. Empirical studies show that this is indeed sometimes the case. 77 In sum, a bet on a benign postretrenchment Eurasia is a bet that leaders of major countries will never allow these nonsecurity preferences to influence their strategic choices. To the degree that these bodies of scholarly knowledge have predictive leverage, U.S. retrenchment would result in a significant deterioration in the security environment in at least some of the world’s key regions. We have already mentioned the third, even more alarming body of scholarship. Offensive realism predicts that the withdrawal of the American pacifier will yield either a competitive regional multipolarity complete with associated insecurity, arms racing, crisis instability, nuclear proliferation, and the like, or bids for regional hegemony, which may be beyond the capacity of local great powers to contain (and which in any case would generate intensely competitive behavior, possibly including regional great power war). Hence it is unsurprising that retrenchment advocates are prone to focus on the second argument noted above: that avoiding wars and security dilemmas in the world’s core regions is not a U.S. national interest. Few doubt that the United States could survive the return of insecurity and conflict among Eurasian powers, but at what cost? Much of the work in this area has focused on the economic externalities of a renewed threat of insecurity and war, which we discuss below. Focusing on the pure security ramifications, there are two main reasons why decisionmakers may be rationally reluctant to run the retrenchment experiment. First, overall higher levels of conflict make the world a more dangerous place. Were Eurasia to return to higher levels of interstate military competition, one would see overall higher levels of military spending and innovation and a higher likelihood of competitive regional proxy wars and arming of client states—all of which would be concerning, in part because it would promote a faster diffusion of military power away from the United States. Greater regional insecurity could well feed proliferation cascades, as states such as Egypt, Japan, South Korea, Taiwan, and Saudi Arabia all might choose to create nuclear forces. 78 It is unlikely that proliferation decisions by any of these actors would be the end of the game: they would likely generate pressure locally for more proliferation. Following Kenneth Waltz, many retrenchment advocates are proliferation optimists, assuming that nuclear deterrence solves the security problem. 79 Usually carried out in dyadic terms, the debate over the stability of proliferationchanges as the numbers go up. Proliferation optimism rests on assumptions of rationality and narrow security preferences. In social science, however, such assumptions are inevitably probabilistic. Optimists assume that most states are led by rational leaders, most will overcome organizational problems and resist the temptation to preempt before feared neighbors nuclearize, and most pursue only security and are risk averse. Confidence in such probabilistic assumptions declines if the world were to move from nine to twenty, thirty, or forty nuclear states. In addition, many of the other dangers noted by analysts who are concerned about the destabilizing effects of nuclear proliferation—including the risk of accidents and the prospects that some new nuclear powers will not have truly survivable forces—seem prone to go up as the number of nuclear powers grows. 80 Moreover, the risk of “unforeseen crisis dynamics” that could spin out of control is also higher as the number of nuclear powers increases. Finally, add to these concerns the enhanced danger of nuclear leakage, and a world with overall higher levels of security competition becomes yet more worrisome. The argument that maintaining Eurasian peace is not a U.S. interest faces a second problem. On widely accepted realist assumptions, acknowledging that U.S. engagement preserves peace dramatically narrows the difference between retrenchment and deep engagement. For many supporters of retrenchment, the optimal strategy for a power such as the United States, which has attained regional hegemony and is separated from other great powers by oceans, is offshore balancing: stay over the horizon and “pass the buck” to local powers to do the dangerous work of counterbalancing any local rising power. The United States should commit to onshore balancing only when local balancing is likely to fail and a great power appears to be a credible contender for regional hegemony, as in the cases of Germany, Japan, and the Soviet Union in the midtwentieth century. The problem is that China’s rise puts the possibility of its attaining regional hegemony on the table, at least in the medium to long term. As Mearsheimer notes, “The United States will have to play a key role in countering China, because its Asian neighbors are not strong enough to do it by themselves.” 81 Therefore, unless China’s rise stalls, “the United States is likely to act toward China similar to the way it behaved toward the Soviet Union during the Cold War.” 82 It follows that the United States should take no action that would compromise its capacity to move to onshore balancing in the future. It will need to maintain key alliance relationships in Asia as well as the formidably expensive military capacity to intervene there. The implication is to get out of Iraq and Afghanistan, reduce the presence in Europe, and pivot to Asia— just what the United States is doing. 83 In sum, the argument that U.S. security commitments are unnecessary **for peace** is countered by a lot of scholarship, including highly influential realist scholarship. In addition, the argument that Eurasian peace is unnecessary for U.S. security is weakened by the potential for a large number of nasty security consequences as well as the need to retain a latent onshore balancing capacity that dramatically reduces the savings retrenchment might bring. Moreover, switching between offshore and onshore balancing could well be difªcult. Bringing together the thrust of many of the arguments discussed so far underlines the degree to which the case for retrenchment misses the underlying logic of the deep engagement strategy. By supplying reassurance, deterrence, and active management, the United States lowers security competition in the world’s key regions, thereby preventing the emergence of a hothouse atmosphere for growing new military capabilities. Alliance ties dissuade partners from ramping up and also provide leverage to prevent military transfers to potential rivals. On top of all this, the United States’ formidable military machine may deter entry by potential rivals. Current great power military expenditures as a percentage of GDP are at historical lows, and thus far other major powers have shied away from seeking to match top-end U.S. military capabilities. In addition, they have so far been careful to avoid attracting the “focused enmity” of the United States. 84 All of the world’s most modern militaries are U.S. allies (America’s alliance system of more than sixty countries now accounts for some 80 percent of global military spending), and the gap between the U.S. military capability and that of potential rivals is by many measures growing rather than shrinking. 85

#### Econ k2 heg

Khalilzad 11 [Zalmay Khalilzad, fromer US ambasadaor to Afghanistan, Iraq, and the UN, “The Economy and National Security”, National Review Online, February 8, 2011]

We face this domestic challenge while other major powers are experiencing rapid economic growth. Even though countries such as China, India, and Brazil have profound political, social, demographic, and economic problems, their economies are growing faster than ours, and this could alter the global distribution ofpower. These trends [which] could in the long term produce a multi-polar world. If U.S. policymakers fail to act and other powers continue to grow, it is not a question of whether but when a new international order will emerge. The closing of the gap between the United States and its rivals could intensify geopolitical competition[.] among major powers, increase incentives for local powers to play major powers against one another, and undercut our will to preclude or respond to international crises because of the higher risk of escalation. Thestakes are high. In modern history, the longest period of peace among the great powers has been the era of U.S. leadership. By contrast, multi-polar systems have been unstable, with their competitive dynamics resulting in frequent crises and major wars[.] among the great powers. Failures of multi-polar international systems produced both world wars.American retrenchment could have devastating consequences. Without an American security blanket, regional powers could rearm in an attempt to balance against emerging threats. Under this scenario, there would be a heightened possibility of arms races, miscalculation, or other crises spiraling into all-out conflict. Alternatively, in seeking to accommodate the stronger powers, weaker powers may shift their geopolitical posture away from the United States. Either way, hostile states would be emboldened to make aggressive moves in their regions. As rival powers rise, Asia in particular is likely to emerge as a zone of great-power competition. Beijing’s economic rise has enabled a dramatic military buildup focused on acquisitions of naval, cruise, and ballistic missiles, long-range stealth aircraft, and anti-satellite capabilities. China’s strategic modernization is aimed, ultimately, at denying the United States access to the seas around China. Even as cooperative economic ties in the region have grown, China’s expansive territorial claims — and provocative statements and actions following crises in Korea and incidents at sea — have roiled its relations with South Korea, Japan, India, and Southeast Asian states. Still, the United States is the most significant barrier facing Chinese hegemony and aggression.

### Extinction First

**1. Moral uncertainty means we default to preventing extinction.**

**BOSTROM 1** [(2011) Nick Bostrom, Future of Humanity Institute, Oxford Martin School & Faculty of Philosophy]

These reflections on moral uncertainty suggest[s] an alternative, complementary way of looking at existential risk. Let me elaborate. Our present understanding of axiology might well be confused. We may not now know—at least not in concrete detail—what outcomes would count as a big win for humanity; we might not [or] even yet be able to imagine the best ends of our journey. If we are indeed profoundly uncertain about our ultimate aims, then we should recognize that there is a great option value in preserving**—**and ideally improving—our ability to recognize value and to steer the future accordingly. Ensuring that there will be a future version of humanity with great powers and a propensity to use them wisely is plausibly the best way available to us to increase the probability that the future will contain a lot of value. To do this, we must prevent any existential catastrophe.

**2. If there’s any risk of util, extinction is bad for the purposes of decision making. BOSTROM 2**

“There will be some types of putative existential risks for which the main uncertainty is evaluative and others where the main uncertainty is descriptive (e.g., how likely an event is to occur or what consequences it would have). With regard to descriptive uncertainty, we saw earlier that if something is not known to be objectively safe, it is risky, at least in the subjective sense relevant to decision making. We can make a parallel move with regard to normative uncertainty. Suppose that some event X would reduce biodiversity. Suppose (for the sake of illustration) it is known that X **[**but] would have no other significant consequences and that the reduced biodiversity would not affect humans or any other morally considerable beings. Now, we may be uncertain whether biodiversity has final value (is valuable “for its own sake”). Hence we may be uncertain about whether or not X would really be bad. Butwe can say that if we are not sure whether or not X would really be bad (but we are sure that X would not be good), then X is bad in at least the subjective sense relevant to decision making.”

Thus, any argument for precluding extinction impacts would have to prove a zero level credence of consequentialism to outweigh the magnitude of an ethical risk of extinction. This also preempts skepticism since any degree of moral risk generates a normative reason to act in the absence of competing reasons

3. All moral theories depend on relationship. In order to guide action, morality must account for circumstance and relation in any given instance. We say Do X because of Y. The force of normativity relies on explaining how an act can amend, create or prevent certain relations. Non-existence severs these relations and evaluations of circumstance, so extinction comes first.

4. Morality values the intrinsic worth of agents. But evaluations of worth are contingent on existence. A penny is only valuable in a world where A. the US exists B. currency exists and C. financial transactions determine value. Without any of the above, a penny would just be a lump of copper. So, humans are only as valuable as their existence.

5. Morality is a conditional expression. It states that given x set of conditions y action is required. Evaluations of conditions require existence. By definition a vacuum is nothing. There are no conditions to evaluate; therefore morality could not be expressed.

## 1AR

## Topicality

### Reasonability

Reasonability—

Prefer reasonability on topicality—that means if I win significant defense on his interpretation or show that my aff could be prepared for or engaged with, you don’t vote on topicality—2 warrants

Brightline is whether my advocacy prevented them from reading and off-case positions or turns

1- it’s early in the topic, so there are still unclear norms surrounding T

2- no clear definition or conception of living wage in the literature, so it’s unfair for me to pick the perfect interp that they expect

ANKER 11 (Richard Anker, A retired Senior Economist at the International Labour Organization, and presently a Visiting Scholar at the Political Economy Research Institute (PERI) of the University of Massachusetts, “Estimating a living wage: A methodological review,” International Labour Organization, 2011, http://is.muni.cz/repo/1131138/anker\_2011\_ilo.pdf)

An important reason why living wage is not more widely applied is that there is neither a generally accepted definition of what a living wage is, nor is there a generally agreed methodology on how to measure a living wage. Partly because of this, many companies do not attempt to pay their workers a living wage and many governments do not seriously consider worker needs when they set legal minimum wages. As two large multinational corporations and one NGO concerned with monitoring CSR put it:

#### Also, they have to win that the topicality violation is so egregious that the net benefit from removing my aff outweighs the net benefit of debating this round under a slightly worse topicality interpretation.

### C/I

#### Living Wage interp.

#### JE 14 [Just Economics, an advocacy group focused on economic development “About Living Wage”, 2014, DDA]

A “living wage” is the minimum amount that a worker must earn to afford his or her basic necessities, without public or private assistance. In short, a living wage is the real, just, minimum wage.

#### Living wage interp.

#### BBC 14 [BBC Business News, “What is the living wage”, published by the British Broadcasting Company, November 2, 2014, DDA]

The living wage is based on the amount an individual needs to earn to cover the basic costs of living. Because living costs vary in different parts of the country, there is a different rate for London and the rest of the UK.

#### Counter-interp: Guzi 13 defines the living wage:

Guzi 13 [Martin Guzi – WageIndicator Foundation - Masaryk University – Brno - Czech Republic. Paulien Osse – WageIndicator Foundation – Amsterdam – The Netherlands. “Estimating Living Wage Globally - 65 countries.” European Conference on Living wages – November 2013, Berlin. WageIndicator Foundation (aims for transparency of the labour market by sharing and comparing wage data and labour conditions information)] AJ

The income level necessary to secure a decent standard of living is an important economic yardstick of income adequacy. A living wage is defined as a wage paid for a standard working week that meets the basic needs of workers and their families and provides some discretionary income. The need for a living wage has also been recognized by the international community. In 1919 the International Labor Organization (ILO) has defined a living wage as a basic human right under their conventions and recommendations to the Universal Declaration of Human Rights Article 23 (ILO, 2008). In 1948 the United Nations Universal Declaration of Human Rights officially recognized the need for workers to receive a living wage. There was never a consensus on how to define a living wage but in the recent decades governments, municipalities, international and local trade unions, and labor research institutes developed their own definitions and measurement methods of a living wage. Debates have appeared in different fora about how best to calculate this standard in a given context. Anker (2011) is the most comprehensive review on how the living wage has been described, defined and measured around the world. In many countries, the concept of living wage is based on a number of different definitions. Different methodological approaches make it difficult to produce a globally comparable living wage. Moreover, the estimation of living wage hinges on the availability of timely information about the cost of living, which is seldom available in developing countries. Anker (2011) argues that greater clarity with regards to the definition and measurement of living wage is a prerequisite for the widespread consideration of living wages and employee needs, by companies, unions and governments.

#### Employer is “a person or organization that employs people” according to New Oxford American Dictionary

#### Thus, a topical aff can involve any kind of employer at any scope

#### Prefer –

#### Anker is the most comprehensive study in the literature

#### Their evidence isn’t global in scope – living wage ordinances exist at municipal levels in the US, but in other places like the Asia Floor Wage they apply across multiple countries in all sectors – my evidence accounts for international standards

### AT- Contractors T

#### There’s a trend towards living wages that cover all workers—Santa Fe proves.

#### BERNSTEIN 04 [Jared Bernstein, senior economist at the Economic Policy Institute [fix], “The Living The Living Wage Movement. What Is It, Why Is It, and What’s Known about Its Impact?”, Published by the National Bureau of Economic Research, December 2004, DDA]

A key point, one that will surface throughout this review, is the specific and generally quite narrow nature of the coverage of living wage ordinances. However, a recent trend in the movement is to push for laws closer in spirit to the minimum wage but for substate areas. The only active such policy is in Santa Fe, New Mexico, passed in February 2003: a minimum wage of $8.50 that applies to any establishment with at least twenty-five employees. New Orleans also passed a city-wide minimum wage, but its implementation was prohibited by the state’s supreme court, based on jurisdictional issues (more on this issue in the following).

#### This proves their interp just describes examples of how the living wage has been implemented before—Bernstein proves that living wages can apply to all employers even if they haven’t done so empirically.

#### Proves that my counterinterp is key to education—it lets us discuss affs that represent where the movement is going, rather than where it used to be—this is more relevant education.

#### Living wages can apply to all private businesses as well—Santa Fe legislation proves.

#### GERTNER 06 [Jon Gertner, editor-at-large of Fast Company Magazine, former writer for the New York Times Magazine “What is a living wage”, NY Times, January 15, 2006, DDA]

For a few weeks in the summer of 1995, Jen Kern spent her days at a table in the Library of Congress in Washington, poring over the fine print of state constitutions from around the country. This was, at the time, a somewhat-eccentric strategy to fight poverty in America. Kern was not a high-powered lawyer or politician; she was 25 and held a low-paying, policy-related job at Acorn, the national community organization. Yet to understand why living-wage campaigns matter - where they began, what they mean and why they inspire such passion and hope - it helps to consider what Kern was doing years ago in the library, reading obscure legislation from states like Missouri and New Mexico. A few months earlier, she and her colleagues at Acorn witnessed an energetic grass-roots campaign in Baltimore, led by a coalition of church groups and labor unions. Workers in some of Baltimore's homeless shelters and soup kitchens had noticed something new and troubling about many of the visitors coming in for meals and shelter: they happened to have full-time jobs. In response, local religious leaders successfully persuaded the City Council to raise the base pay for city contract workers to $6.10 an hour from $4.25, the federal minimum at the time. The Baltimore campaign was ostensibly about money. But to those who thought about it more deeply, it was about the force of particular moral propositions: first, that work should be rewarded, and second, that no one who works full time should have to live in poverty. So Kern and another colleague were dispatched to find out if what happened in Baltimore could be tried - and expanded - elsewhere. As she plowed through documents, Kern was unsure whether to look for a particular law or the absence of one. Really, what she was trying to do was compile a list of places in the U.S. where citizens or officials could legally mount campaigns to raise the minimum wage above the federal standard. In other words, she needed to know if anything stood in the way, like a state regulation or a court decision. What she discovered was that in many states a law more ambitious than Baltimore's - one that didn't apply to only city contractors but to all local businesses - seemed permissible. Whether a wage campaign was winnable turned out to be a more complicated matter. In the late 90's, Kern helped Acorn in a series of attempts to raise the minimum wage in Denver and Houston, as well as the state of Missouri. They all failed. "It wasn't even close," she says. In the past few years, though, as the federal minimum wage has remained fixed at $5.15 and the cost of living (specifically housing) has risen drastically in many regions, similar campaigns have produced so many victories (currently, 134) that Kern speaks collectively of "a widespread living-wage movement." Santa Fe has been one of the movement's crowning achievements. This month the city's minimum wage rose to $9.50 an hour, the highest rate in the United States. But other recent victories include San Francisco in 2003 and Nevada in 2004. And if a pending bill in Chicago is any indication, the battles over wage laws will soon evolve into campaigns to force large, private-sector businesses like Wal-Mart to provide not only higher wages but also more money for employee health care. It is a common sentiment that economic fairness - or economic justice, as living-wage advocates phrase it - should, or must, come in a sweeping and righteous gesture from the top. From Washington, that is. But most wage campaigns arise from the bottom, from residents and low-level officials and from cities and states - from everywhere except the federal government. "I think what the living-wage movement has done in the past 11 years is incredible," David Neumark, a frequent critic of the phenomenon who is a senior fellow at the Public Policy Institute of California, told me recently. "How many other issues are there where progressives have been this successful? I can't think of one." The immediate goal for living-wage strategists is to put initiatives on the ballots in several swing states this year. If their reckoning is correct, the laws should effect a financial gain for low-income workers and boost turnout for candidates who campaign for higher wages. In Florida, a ballot initiative to raise the state's minimum wage by a dollar, to $6.15, won 71 percent of the vote in 2004, a blowout that surprised even people like Kern, who spent several weeks in Miami working on the measure. "We would like it to become a fact of political life," Kern says, "where every year the other side has to contend with a minimum-wage law in some state." Though victories like the one in Florida may have done little to help the Kerry-Edwards ticket - George Bush won 52 percent of the state's vote - Kern and some in the Democratic establishment have come to believe that the left, after years of electoral frustration, has finally found its ultimate moral-values issue. "This is what moves people to the polls now," Kern insists. "This is our gay marriage." Already, during the past few months, a coalition of grass-roots and labor organizations has begun gathering hundreds of thousands of signatures to ensure that proposed laws to increase wages are voted on in November. The first targets, Kern told me, will be Arizona, Colorado, Michigan and Ohio. Next in line, either this year or soon after, are Montana, Oklahoma and Arkansas, the home of Wal-Mart. Does America Care About the Gap Between Rich and Poor? I first met Kern on a sunny morning in late September in Albuquerque, a city of 470,000 that made her list when she was working in the Library of Congress 10 years ago. She was now, at age 35, campaigning for a ballot initiative that would raise the minimum wage in the city to $7.50 an hour from $5.15. There was no face for the placards, no charismatic presence to rally the troops at midnight or to shake hands at dawn outside 7-Eleven. Instead, there was a number, $7.50, a troop of campaign workers to canvass the neighborhoods and an argument: that many low-wage workers were being paid poverty wages. That a full-time job at the federal minimum rate added up to $10,712 a year. That local businesses could afford the pay raise. And that it was up to the voters to restore balance. One of the more intriguing questions about campaigns like the one in Albuquerque, and those planned for swing states next fall, is whether they reflect a profound sense of public alarm about the divergence between rich and poor in this country. Certainly most Americans do not support higher wages out of immediate self-interest. Probably only around 3 percent of those in the work force are actually paid $5.15 or less an hour; most low-wage workers, including Wal-Mart employees, who generally start at between $6.50 and $7.50 an hour, earn more. Increasing the minimum wage to $7.25 an hour (as proposed by Senate Democrats) would directly affect the wages of only about 7 percent of the work force. Nevertheless, pollsters have discovered that a hypothetical state ballot measure typically generates support of around 70 percent. A recent poll by the Pew Research Center actually put the support for raising the national minimum wage to $6.45 at 86 percent. Rick Berman, a lobbyist who started the Employment Policies Institute and who is a longtime foe of living-wage laws, agrees that "the natural tendency is for people to support these things. They believe it's a free lunch." On the other hand, the electorate's reasons for crossing party lines to endorse the measures may be due to the simple fact that at least 60 percent of Americans have at one time or another been paid the minimum wage. Voters may just know precisely what they're voting for and why. In the mid-1990's, the last time Congress raised the minimum wage, the Clinton White House was reluctant to start a war over the federal rate, according to Robert Reich, the former labor secretary. For an administration bent on policy innovation, that would have seemed "old" Democrat. "Then we did some polling and discovered that the public is overwhelmingly in favor," Reich told me recently. "At which point the White House gave the green light to Democrats in Congress." Reich, now a professor at the University of California, Berkeley, happens to view the minimum wage as a somewhat inefficient tool for alleviating poverty (compared with earned income tax credits, say). But he acknowledges that it has a powerful moral and political impact, in states red as well as blue, and especially now, in an era when workers see the social contract with their employers vanishing. "They see neighbors and friends being fired for no reason by profitable companies, executives making off like bandits while thousands of their own workers are being laid off," Reich says. "They see health insurance drying up, employer pensions shrinking. Promises to retirees of health benefits are simply thrown overboard. The whole system has aspects that seem grossly immoral to average working people." As Reich points out, whatever the minimum wage's limitations may be as a policy instrument, as an idea, "it demarcates our concept of decency with regard to work." The idea, Reich points out, isn't new, even if the recent fervor for it is. Massachusetts enacted a state minimum wage in 1912, several decades before the federal minimum wage of 25 cents an hour was adopted in 1938. And most of the wage ordinances of the past decade specifically trace their origins back to Baltimore in 1995. After that moment, in fact, the phrase "living wage" soon caught on - or, you might say, returned. It was a popular workers' refrain in the late 19th century and was the title of a 1906 book by John Ryan, a Roman Catholic priest. In the late 1990's, a loose national network of advocates sprang up, incorporating organized labor, grass-roots groups like Acorn and the Industrial Areas Foundation and, more recently, the National Council of Churches. Legal advice often came out of the Brennan Center for Justice at New York University's law school, where a lawyer named Paul Sonn helped write wage ordinances and ballot measures for various states and cities. By dint of its piecemeal, localized progress, the modern living-wage movement has grown without fanfare; one reason is that until recently, most of the past decade's wage laws, like Baltimore's, have been narrow in scope and modest in effect. Strictly speaking, a "living wage" law has typically required that any company receiving city contracts, and thus taxpayers' money, must pay its workers a wage far above the federal minimum, usually between $9 and $11 an hour. These regulations often apply to employees at companies to which municipalities have outsourced tasks like garbage collection, security services and home health care. Low-wage workers in the private sector - in restaurants, hotels, retail stores or the like - have been unaffected. Their pay stays the same. In Santa Fe, the City Council passed a similar kind of wage law in 2002, raising the hourly pay for city employees and contractors. Some officials in Santa Fe, however, had decided from the start that its wage rules should ultimately be different - that the small city (population 66,000) could even serve as a test example for the rest of the U.S. Early on, several city councilors told me, they anticipated that Santa Fe - with a high cost of living, a large community of low-paid immigrants and a liberal City Council - would eventually extend its wage floor to all local businesses, private as well as public, so that every worker in the city, no matter the industry, would make more than $5.15. The initial numbers that the councilors considered as they began to strategize seemed stratospheric: a living wage that began at $10 or $12 or even $14.50 an hour. For some laborers, that could double their incomes. Nothing remotely like it existed in any other city in the country. The Economists Are Surprised In the years before the enactment of the federal minimum wage in the late 1930's, the country's post-Depression economy was so weak that the notion that government should leave private business to its own devices was effectively marginalized. During the past few decades, though, in the wake of a fairly robust economy, debates on raising the minimum wage have consistently resulted in a rhetorical caterwaul. While the arguments have usually been between those on the labor side, who think that the minimum wage should be raised substantially, and those on the employer side, who oppose any increase, a smaller but vocal contingent has claimed, more broadly and more philosophically, that it is in the best interest of both business and labor to let the market set wages, not the politicians. And certainly not the voters. This last position was long underpinned by the academic consensus that a rise in the minimum wage hurts employment by interfering with the flow of supply and demand. In simplest terms, most economists accepted that when government forces businesses to pay higher wages, businesses, in turn, hire fewer employees. It is a powerful argument against the minimum wage, since it suggests that private businesses as a group, along with teenagers and low-wage employees, will be penalized by a mandatory raise. The tenor of this debate began to change in the mid-1990's following some work done by two Princeton economists, David Card (now at the University of California, Berkeley) and Alan B. Krueger. In 1992, New Jersey increased the state minimum wage to $5.05 an hour (applicable to both the public and the private sectors), which gave the two young professors an opportunity to study the comparative effects of that raise on fast-food restaurants and low-wage employment in New Jersey and Pennsylvania, where the minimum wage remained at the federal level of $4.25 an hour. Card and Krueger agreed that the hypothesis that a rise in wages would destroy jobs was "one of the clearest and most widely appreciated in the field of economics." Both told me they believed, at the start, that their work would reinforce that hypothesis. But in 1995, and again in 2000, the two academics effectively shredded the conventional wisdom. Their data demonstrated that a modest increase in wages did not appear to cause any significant harm to employment; in some cases, a rise in the minimum wage even resulted in a slight increase in employment. Card and Krueger's conclusions have not necessarily made philosophical converts of Congress or the current administration. Attempts to raise the federal minimum wage - led by Senators Edward M. Kennedy on the left and Rick Santorum on the right - have made little headway over the past few years. And the White House went so far as to temporarily suspend the obligation of businesses with U.S. government construction contracts to pay so-called prevailing wages (that is, whatever is paid to a majority of workers in an industry in a particular area) during the rebuilding after Hurricane Katrina. David Card, who seems nothing short of disgusted by the ideological nature of the debates over the wage issue, says he feels that opinions on the minimum wage are so politically entrenched that even the most scientific studies can't change anyone's mind. "People think we're biased, partisan," he says. And he's probably right. While Card has never advocated for or against raising the minimum wage, many who oppose wage laws have made exactly those assertions about his research. Nonetheless, in Krueger's view, he and Card changed the debate. "I'm willing to declare a partial victory," Krueger told me. Some recent surveys of top academics show that a significant majority now agrees that a modest raise in the minimum wage does little to harm employment, he points out. If nothing else, Card and Krueger's findings have provided persuasive data, and a degree of legitimacy, to those who maintain that raising the minimum wage, whether at the city, state or federal level, need not be toxic. The Economic Policy Institute, which endorses wage regulations, has succeeded recently in getting hundreds of respected economists - excluding Card and Krueger, however, who choose to remain outside the debate - to support raising the federal minimum to $7 an hour. That probably would have been impossible as recently as five years ago. Even Wal-Mart's president and C.E.O., Lee Scott, recently spoke out in favor of raising the minimum wage. It wasn't altruism or economic theory or even public relations that motivated him, but a matter of bottom-line practicality. "Our current average hourly wage for workers is $9.68," Lee Culpepper, a Wal-Mart spokesman, told me. "So I would think raising the wage would have minimal impact on our workers. But we think it would have a beneficial effect on our customers." What a Higher Minimum Wage Can Mean to Those Making It One evening in Santa Fe, I sat down with some of the people Wal-Mart is worried about. Like Louis Alvarez, a 58-year-old cafeteria worker in the Santa Fe schools who for many years helped prepare daily meals for 700 children. For that he was paid $6.85 an hour and brought home $203 every two weeks. He had no disposable income - indeed, he wasn't sure what I meant by disposable income; he barely had money for rent. Statistically speaking, he was far below the poverty line, which for a family of two is about $12,800 a year. For Alvarez, an increase in the minimum wage meant he would be able to afford to go to flea markets, he said. I also met with Ashley Gutierrez, 20, and Adelina Reyes, 19, who have low-paying customer-service and restaurant jobs. By most estimates, 35 percent of those who make less than $7.25 an hour in the U.S. are teenagers. A few months ago, Reyes told me, she was spending 86 hours every two weeks at two minimum-wage jobs to pay for her car and for college. Gutierrez, also in school, was working 20 hours a week at Blockbuster video for the minimum wage. People like Alvarez and Gutierrez and Reyes were the ones who spurred two city councilors in Santa Fe, Frank Montaño and Jimmie Martinez, to introduce the living-wage ordinance. "Our schools here don't do so well," Montaño told me, explaining that he believed higher-wage jobs would let parents, who might otherwise have to work a second job, spend more time with their children. (At the same time working teenagers like Reyes would have more time with their parents.) For Santa Fe residents who were living five or six to a room in two-bedroom adobes, Montaño said he hoped a higher minimum wage might put having their own places to live at least within the realm of possibility. Montaño was confident - perhaps too confident, as it would turn out - that businesses would become acclimated to higher payroll costs. He has run a restaurant and a tour-bus company himself, and he knew that the tight labor market in Santa Fe had pushed up wages so that many entry-level workers were already earning more than $8 an hour. "The business owners believe that government, especially at the local level, should not dictate to business, so to them it was a matter of principle," Montaño says. It was to him too. "We knew that other communities were watching what we were doing," he explains. He and his colleagues on the council were already receiving help from Paul Sonn at the Brennan Center in New York. "I knew that their involvement meant that they saw this as something that was important nationally," Montaño says. "As we got our foot in the door in terms of this ordinance being applied to the private sector," he surmised, that would give the living-wage network the ammunition to help other communities across the country do likewise. "I always knew, early on," Montaño says, "that if Santa Fe enacted such an ordinance, that it likely would go to court, and that if it passed the legal test, it would be the kind of ordinance that other communities would copy." The problem, at least from Montaño's perspective, was getting it enacted in the first place. The Moral Argument Carries the Day in Santa Fe Santa Fe’s City Council asked nine residents, representing the interests of labor and management, to join a round table that would settle the specifics of the proposed living-wage law - how high the wage would be, for instance, and how soon it would be phased in. Some members of the round table, like Al Lucero, who owns a popular local restaurant, Maria's New Mexican Kitchen, found the entire premise of a city wage law objectionable. "I think the minimum wage at $5.15 is ridiculous," Lucero told me. "If the state were to raise it overall, to $7 an hour or $7.50 an hour, I think that would be wonderful. I think we need to do it." But $9 or $10 or $11 was too high, in his view - and it would put Santa Fe at a disadvantage to other cities in the state or region that could pay workers less. Also, there were the free-market principles that Frank Montaño had anticipated: "They were trying to push and tell us how to live our lives and how to conduct our business," says Lucero, who employs about 60 people. Not surprisingly, Lucero's opponents on the round table saw things in a different light. For example, Carol Oppenheimer, a labor attorney, viewed the proposed law as a practical and immediate solution. "I got involved with the living-wage network because unions are having a very hard time," she told me. She assumed that local businesses could manage with higher payrolls. Yet after only a few meetings of the task force, both sides dug in, according to Oppenheimer. It was then that the living-wage proponents hit on a scorched-earth, tactical approach. "What really got the other side was when we said, 'It's just immoral to pay people $5.15, they can't live on that,"' Oppenheimer recalls. "It made the businesspeople furious. And we realized then that we had something there, so we said it over and over again. Forget the economic argument. This was a moral one. It made them crazy. And we knew that was our issue." The moral argument soon trumped all others. The possibility that a rise in the minimum wage, even a very substantial one, would create unemployment or compromise the health of the city's small businesses was not necessarily irrelevant. Yet for many in Santa Fe, that came to be seen as an ancillary issue, one that inevitably led to fruitless discussions in which opposing sides cited conflicting studies or anecdotal evidence. Maybe all of that was beside the point, anyway. Does it - or should it - even matter what a wage increase does to a local economy, barring some kind of catastrophic change? Should an employer be allowed to pay a full-time employee $5.15 an hour, this argument went, if that's no longer enough to live on? Is it just under our system of government? Or in the eyes of God? The Rev. Jerome Martinez, the city's influential monsignor, began to throw his support behind the living-wage ordinance. When I met with him in his parish, in a tidy, paneled office near the imposing 18th-century church that looks over the city plaza, Martinez traced for me the moral justification for a living wage back to the encyclicals of Popes Leo XIII and Pius XI and John Paul II, in which the pontiffs warned against the excesses of capitalism. "The church's position on social justice is long established," Father Jerome said. "I think unfortunately it's one of our best-kept secrets." I asked if it had been a difficult decision to support the wage law. He smiled slightly. "It was a no-brainer," he said. "You know, I am not by nature a political person. I have gotten a lot of grief from some people, business owners, who say, 'Father, why don't you stick to religion?' Well, pardon me - this is religion. The Scripture is full of matters of justice. How can you worship a God that you do not see and then oppress the workers that you do see?" I heard refrains of the moral argument all over Santa Fe. One afternoon I walked around the city with Morty Simon, a labor lawyer and a staunch supporter of the living wage whose wife is Carol Oppenheimer. "This used to be the Sears," Simon told me as we walked, pointing to boutiques and high-end chain stores. "And we had a supermarket over here, and there was a hardware store too." Simon came to Santa Fe 34 years ago as a refugee from New York, he said, and for him the unpretentious city he once knew was gone. The wealthy retirees and second-home buyers had come in droves, and so had the movie stars. Gene Hackman and Val Kilmer had settled here; Simon recently found out that someone had plans for a 26,000-square-foot house, apparently a new local record. For him, the moral component of the law, the possibility of regaining some kind of balance, was what mattered. "It was really a question of, What kind of world do you want to live in?" he said. Several Santa Fe councilors had, over the course of the previous year, come to Morty Simon's view that the wage ordinance presented an opportunity to stop the drift between haves and have-nots. Carol Robertson Lopez, for example, had initially opposed the living-wage law but changed her mind after 30 hours of debate. "We take risks, oftentimes, to benefit businesses," she told me, "and we take risks to benefit different sectors. I felt like this was an economic risk that we were taking on behalf of the worker." She acknowledged that some residents thought the city had started down a slippery slope toward socialism; jokes about the People's Republic of Santa Fe were rampant. But Robertson Lopez says that by the night of the vote she had few reservations. "I think the living wage is an indicator of when we've given up on the federal government to solve our problems," she says. "So local people have to take it on their own." The living-wage ordinance had its final hearing on Feb. 26, 2003, in a rancorous debate that drew 600 people and lasted until 3 a.m. The proposal set a wage floor at $8.50 an hour, which would increase to $9.50 in January 2006 and $10.50 in 2008. It would also regulate only businesses with 25 or more employees. It passed the City Council easily, by a vote of 7 to 1. A few weeks later, a group of restaurant and hotel owners filed suit in state court on the grounds that the living-wage ordinance exceeded the city's powers and was a violation of their rights under New Mexico's constitution. A judge suspended the wage law until a trial could resolve the issues. Businesses Fight Back To business owners in Santa Fe, the most worrisome aspect of the living-wage law is that the city has sailed into uncharted territory. Most of the minimum-wage campaigns in the U.S. have been modest increases of a dollar or a dollar and a half. The numerous state campaigns for 2006 will probably propose raises to between $6.15 and $7 and hour. (When San Francisco raised its minimum wage to $8.50 an hour in 2004 - indexed to inflation, it is now $8.82 - California's state minimum wage was $6.75, so the increase was 26 percent.) And even staunch supporters of a higher minimum wage accept that there is a point at which a wage is set so high as to do more harm than good. "There is no other municipality in the country that believes that $9.50 should be the living wage," says Rob Day, the owner of the Santa Fe Bar and Grill and one of the plaintiffs who sued the city. In fact, the most apt comparison would be Great Britain, which now has a minimum wage equivalent to about $8.80 an hour. "They have minimum wages that are Santa Fe level," says Richard Freeman, a Harvard economist. And at least for the moment, he says, "they have lower unemployment than we do." As the lawsuit against the city progressed, though, Europe wasn't even a distant consideration. The focus was on the people of Santa Fe. I read through a transcript of New Mexicans for Free Enterprise v. City of Santa Fe one day this fall in a conference room at Paul, Weiss, Rifkind, Wharton & Garrison, the white-shoe law firm in Midtown Manhattan that defended, pro bono, Santa Fe's right to enact the living-wage ordinance. In many respects, the trial, which took place over the course of a week in April 2004, was an unusual public exchange on profits, poverty and class in America. Paul Sonn, the lawyer at the Brennan Center at New York University who wrote the Santa Fe ordinance, had enlisted Sidney Rosdeitcher, a partner at Paul, Weiss, to be lead counsel for Santa Fe's defense. Rosdeitcher told me that before the trial began, he wasn't convinced that there were many factual issues in dispute; as he saw it, the living-wage controversy was about the law and, in particular, whether Santa Fe had a legal "home rule" authority, under the provisions of the New Mexico constitution, to set wages, even for private industry. Nevertheless, several low-wage workers took the stand to relate the facts, as they saw them, of what the wage increase would do to improve their quality of life. The Rev. Jerome Martinez took the stand as an employer of 65 people in his parish and Catholic school. And a number of restaurant owners, in turn, explained how the new law could ultimately force them out of business. The plaintiffs - the New Mexicans for free enterprise - were not unsympathetic: the restaurateurs who took the stand, like Rob Day or Elizabeth Draiscol, who runs the popular Zia Diner in town, opened their books to show that their margins were thin, their costs high, their payrolls large. They cared about their employees (providing health care and benefits), trained unskilled workers who spoke little or no English, gave regular raises and paid starting salaries well above $5.15. They had built up their businesses through an extraordinary amount of hard work. Draiscol testified that her restaurant, for instance, had $2.17 million in annual revenue in the fiscal year of 2003. Though her assets were substantial - a restaurant can be valued at anywhere from 30 to 70 percent of its annual revenues, and Draiscol said that Zia had been appraised at 66 percent of revenues, or about $1.4 million - she earned a salary of $49,000 a year. Draiscol testified that the living wage would raise her payroll, which accounted for 55 to 65 employees (depending on the season), by about $43,192 a year. Rob Day put the expenses of a living-wage increase even higher. In addition to labor costs, he estimated that the price of goods would go up as his local suppliers, forced to pay employees higher wages themselves, passed along their expenses to the Santa Fe Bar and Grill. Rosdeitcher showed that the restaurants had made serious errors overestimating their costs. Still, the increase in expenditures was not negligible. Over the past few years, a variety of experts have tried to perfect the science of predicting what will happen to a community in the wake of a minimum-wage change, and one of those experts, Robert Pollin, a professor of economics at the University of Massachusetts Amherst, served as the expert witness on behalf of Santa Fe. Pollin projected that the living wage would affect the wages of about 17,000 workers. About 9,000 of those workers would receive raises because of the ordinance, he said; the rest would receive what he called "ripple effect" increases - which meant that those making, say, $8.50 or more before the raise would most likely receive an additional raise from their employers to reflect their job seniority. Pollin calculated that wage increases would cost businesses a total of $33 million. And to pay for those amounts, restaurants and hotels and stores would probably need to raise prices between 1 and 3 percent. The question, therefore, was whether business owners were willing to raise prices or make less in profits. In the trial, Pollin cited an obscure 1994 academic experiment in which several economists had set a different price within the same restaurant for a fried-haddock dinner. In varying the price of the haddock between $8.95 and $10.95, the researchers' goal was to find out whether variations in cost affected demand in a controlled environment. As it turned out, they didn't. Customers ordered the haddock at both $8.95 and $10.95. Results From the Santa Fe Experiment That the city of Santa Fe has effectively become a very large fried-haddock-dinner experiment is difficult to deny. A state court judge ruled in favor of the city soon after the trial, allowing the living-wage ordinance to take effect in June 2004; recently, the judge's decision was affirmed by a state appellate court, giving the city, and its living-wage advocates, a sweeping victory. Many business owners have found these legal losses discouraging. This fall, not long after I visited the city, the Santa Fe Chamber of Commerce sent a note to its members to gauge their opinion on the $8.50 living wage and the hike on Jan. 1 to $9.50. Some members reported that they had no trouble adjusting to the first raise and supported a further increase. (Some of these owners, whose high-end businesses employ skilled workers, paid more than $8.50 to begin with.) Others insisted that they were not averse to a state or federal raise in the minimum wage but that Santa Fe's citywide experiment had put local businesses at a competitive disadvantage: companies could move outside the city limits or could outsource their work to cheaper places in the state. But most respondents opposed the law. The living wage had forced them to raise prices on their products and services, which they feared would cut into business. To look at the data that have accumulated since the wage went into effect is to get a more positive impression of the law. Last month, the University of New Mexico's Bureau of Business and Economic Research issued some preliminary findings on what had happened to the city over the past year and a half. The report listed some potential unintended consequences of the wage raise: the exemption in the living-wage law for businesses with fewer than 25 employees, for instance, created "perverse incentives" for owners to keep their payrolls below 25 workers. There was some concern that the high living wage might encourage more high-school students to drop out; in addition, some employers reported that workers had begun commuting in to Santa Fe to earn more for a job there than they could make outside the city. Yet the city's employment picture stayed healthy - overall employment increased in each quarter after the living wage went into effect and was especially strong for hotels and restaurants, which have the most low-wage jobs. Most encouraging to supporters: the number of families in need of temporary assistance - a reasonably good indicator of the squeeze on the working poor - has declined significantly. On the other hand, the city's gross receipts, a reflection of consumer spending and tourism, have been disappointing since the wage went into effect. That could suggest that prices are driving people away. Or it could merely mean that high gas and housing prices are hitting hard. The report calculates that the cost of living in Santa Fe rose by 9 percent a year over the past two and a half years. Rob Day of the Santa Fe Bar and Grill sees this as the crux of the matter. In his view, the problem with Santa Fe is the cost of housing, and there are better ways than wage regulations - housing subsidies, for example - to make homes more affordable. In the wake of the wage raise, Day told me, he eventually tweaked his prices, but not enough to offset the payroll increases. He let go of his executive chef and was himself working longer hours. "Now in the matter of a year and a half, I think there is a whole group of us who thought, If we were going to start over, this isn't the business we would have gone into," he says. Al Lucero, the owner of Maria's New Mexican Kitchen, says that the living-wage battle has risked turning him into a caricature. Opponents backing the living wage "paint us as people who take advantage of workers," he told me. By contrast, Lucero sees himself as an upstanding member of the community who provides jobs (he has 60 employees) and had always paid well above the federal minimum. Other business owners said similar things but would not speak out publicly. They feared alienating customers. As some told it, they had started businesses with a desire to create wealth and jobs in a picturesque small city. Then they had awakened in a mad laboratory for urban liberalism. The Issue in Albuquerque Long after he did his influential research with David Card on the effect of minimum-wage raises, Alan Krueger says, he came to see that ultimately the minimum wage is less about broad economic outcomes than about values. Which is not to say that workers' values should trump those of owners. Rather, that when wealth is being redistributed from one party to another - and not, in the case of Santa Fe, from overpaid C.E.O.'s and hedge-fund managers but from everyday entrepreneurs who have worked long hours to succeed in their businesses - things can get complicated. Indeed, while it is tempting to see the wage disputes in Santa Fe and elsewhere as a reflection of whether one side is right or wrong, on either economic or moral grounds, they are, more confusingly, small battles in a larger war (and, in America, a very old war) over where to draw the line on free-market capitalism. On one side there is Al Lucero, on the other someone like Morty Simon or the economist Robert Pollin, who says: "The principled position is: 'Why should anyone tell anyone what to do? Why should the government?' I just happen to disagree with that. A minimally decent employment standard, to me, overrides the case for a free market." And yet, the fact that voters or elected politicians should decide who wins these battles, rather than economists or policy makers, seems fitting. During Albuquerque's living-wage campaign this past fall, Santa Fe - the smaller, wealthier, northern neighbor - served as a rallying point. But it was also a question mark: Was Santa Fe's experience repeatable? Was it even worth pointing to as an exemplar? In the final days of the Albuquerque effort, Jen Kern of Acorn told me she had little doubt that the wage victory in Santa Fe, like the one in San Francisco, was an indication that a battle for creating high base wages in America's cities, in addition to the states, could be won. But these were also rich cities, liberal cities - "la-la lands," as she put it. "I think with citywide minimums, if this is going to be the next era in the living-wage movement, it's got to look like it's winnable," Kern says. "The danger or the limitations of just having San Francisco and Santa Fe having passed this is that people in other parts of the country are going to say, 'Well, I'm not Santa Fe, I'm not San Francisco."' In Kern's view, a win "in a city like Albuquerque, which I think everyone thinks of as sort of a normal city," was a truer test. And it didn't pass that test. When the $7.50 ballot initiative lost by 51 percent to 49 percent on Oct. 4, it made many in the living-wage movement wonder how these battles will play out over the next year or two. One political consultant involved in the movement questioned whether the Albuquerque wage itself, at $7.50 an hour, had been set too high by Acorn to win broad support. Matthew Henderson of Acorn, who ran the day-to-day campaign, said he thought they were outspent by their opponents. Most likely, though, the outcome was determined by the actual grounds on which the battle was fought. The businesses that opposed the $7.50 wage, represented mainly by the Greater Albuquerque Chamber of Commerce, challenged a small provision in the proposed living-wage law that would allow those enforcing a living wage to have wide "access" to a workplace. The campaigns soon began trading allegations through television ads and direct mailings about how far such access might go. And so the living-wage campaign had become a surreal fight over privacy (it would allow "complete strangers to enter your child's school," one mailing against the measure claimed) rather than wages. When I met with Terri Cole, the president and C.E.O. of Albuquerque's Chamber of Commerce, a few days before the vote, she acknowledged that the chamber opposed the living-wage law on philosophical grounds. But she said she saw the access clause as a legitimate grounds for a fight. Will It Play Nationally? In the aftermath of Albuquerque, Jen Kern took solace in the fact that 10 years after she visited the Library of Congress, and 10 years after she began working on living-wage campaigns, the opposition fought not on the economic merits or risks of a higher wage, but on a side issue like privacy. Still, a loss is a loss. It is possible that the Albuquerque wage campaign may still prevail, in effect: New Mexico's governor, Bill Richardson, has said he would consider a statewide raise this spring, presumably to $7 or $7.50, from $5.15, that would affect all New Mexicans. (It would, in all likelihood, leave Santa Fe's higher wage unaffected.) Yet such an act does little to clarify whether progressives can actually transform strong levels of voter support for higher wages into wins at the polls. Kristina Wilfore, the head of the Ballot Initiative Strategy Center, a progressive advocacy group, says that over the years there has been anywhere from a 2 to 5 percent increase in voter turnout specifically correlated with wage measures. "But people think it's some big panacea, and it's not," says Wilfore, who regards success as dependent on how well a local wage coalition (organized labor, grass-roots groups, church-based organizations) can work together at raising money and mobilizing voters. For specific candidates in a state or city where a wage measure is on the ballot, it can be similarly complicated. Representative Rahm Emanuel of Illinois, chairman of the Democratic Congressional Campaign Committee, told me that the local battles over living wages reflect the broader debate in the U.S. over health care, retirement security and an advancing global economy. "Every district is different," Emanuel says of the slate of Congressional races for 2006, "but there is not one where the living wage, competitive wages or health care doesn't play out. The minimum-wage issue, if it's on the ballot, is part of the economic argument." David Mermin of Lake Research Partners, who frequently conducts polls on minimum-wage issues, told me that the dollar level of a wage proposal is important, though it can vary from place to place. ("People have different feelings about what's a lot of money," he says.) But he has found that quirks can emerge. An increase to $6.15 sometimes doesn't poll as well as an increase to $6.75, which can generate more intensity and broader support from voters. Mermin also says that wage measures have had success in recent years, Albuquerque notwithstanding, not because Americans feel differently but because campaigners are getting smarter about stressing morals over economics. And when handled adroitly, a wage platform can motivate the kind of voters who are difficult to engage in other ways: younger voters, infrequent voters, low-income urban voters. His research, Mermin adds, shows that most people who vote for the minimum wage know it's not going to affect their lives tomorrow: "It's not like fixing the health-care system, or repairing the retirement system," he says. "It doesn't rise to that level directly. And if you list it in 10 issues, it doesn't pop out in priority. But when it is on the ballot, it crystallizes a lot of things people feel about the economy and about people who are struggling." In his experience, voters seem to process these measures as an opportunity to take things into their own hands and change their world, just as Morty Simon did. Still, as an endgame, many in the living-wage movement see the prize not in a series of local victories in 2006 but in Congressional action that results in a substantial increase in the federal minimum wage - and even better - one that is indexed to inflation, so that such battles about raising the wage don't need to be fought every few years. The long-run trajectory, Paul Sonn told me, is for cities and states to create enough pressure to ultimately force a raise on the federal level. Or to put it another way, the hope is that raising wages across the U.S. will ultimately demonstrate to voters and to Washington lawmakers both the feasibility and the necessity of a significantly higher minimum wage. In the meantime, Sonn says, cities like Santa Fe play an important role in policy innovation, "really as sort of laboratories of economic democracy." Richard Freeman of Harvard echoes this point. "If you go back, a lot of the New Deal legislation, good or bad, came about because there was a lot of state legislation," Freeman says. Policies from New York or Wisconsin were adapted into the federal system of laws. "A lot of it came from state variations in the past, and I think we'll see a lot more of this in the next few years. The things that work the best might be adopted nationally."

## Substance

### AT- EITC CP

#### PERM- implement the living wage and give the EITC. EITC is more effective in alleviating poverty when implemented in conjunction with a higher minimum wage.

#### BOUSHEY 14 [Heather Boushey, Labor economist, Executive Director and Chief Economist of the Washington Center for Equitable Growth, Senate testimony before the U.S. Senate Committee on Health, Education, Labor, and Pensions on “From Poverty to Opportunity: How A Fair Minimum Wage will Help Families Succeed”, March 12, 2014, DDA]

The anti-poverty effects of the minimum wage are significant, but to pull workers and their families up and out of poverty, the minimum wage must work in tandem with income support policies. One of the most important policy interactions is with the Earned Income Tax Credit. The EITC is a refundable tax credit for low-income families that is larger for those with more dependent children. The EITC is an effective anti-poverty policy that lifts millions of Americans out of poverty. In 2012, the EITC lifted 6.5 million people out of poverty, according to the Center Budget and Policy Priorities.14 The minimum wage and the EITC are designed to work together. As economists David Lee, of Princeton University and Emmanuel Saez of University of California, Berkeley, argue the optimal minimum wage should be paired with a wage subsidy, such as the EITC.15 This wage subsidy encourages workers to enter the labor force and the minimum wage helps ensures they receive an adequate wage to escape poverty. Looking at the data, we can see how the minimum wage and the EITC work together to pull families out of poverty. At the current minimum-wage level, a single earner (full-time, full-year) with two dependents would receive $5,372 from the EITC for a total after-federal income of $20,452 (although workers may need to pay state income taxes and will owe payroll taxes). With a minimum wage of $9.45 in 2013 dollars, a single earner would see a $4,920 boost from the EITC for a total after-federal income tax of $24,576. A major concern with the EITC, however, is that it is a subsidy to employers who pay very low wages. According to UC-Berkeley economist Jesse Rothstein’s estimates, employers capture 27 percent of the value of the EITC. The EITC induces more workers into the labor market and makes it easier for them more to take lower wages, since they can get the EITC subsidy. Part of this result is because EITC-eligible workers who can afford a lower wage compete against non-eligible workers. The result is that employers get labor at a cheaper rate than they would otherwise. One very important reason to focus on raising the minimum wage is that a higher minimum wage reduces this capture by reducing the reduction in wages caused by the increase in the supply of labor. Making more workers eligible for the EITC would also help benefit workers. The end result is both greater employment and more of the EITC subsidy going to the intended recipients, low-wage workers and their families.

#### Perm: Expand the EITC and implement the aff—EITC can’t solve for people without children and has other problems including fraud.

#### KONCZAL 14 [Mike Konczal, Mike Konczal is a fellow with the Roosevelt Institute, where he works on financial reform, unemployment, inequality, and a progressive vision of the economy. His blog, Rortybomb, was named one of the 25 Best Financial Blogs by Time Magazine. His writing has appeared in the Boston Review, The American Prospect, the Washington Monthly, The Nation, Slate, and Dissent, and he's appeared on PBS NewsHour, MSNBC's Rachel Maddow Show, CNN, Marketplace, and more, “7 Bipartisan Reasons to Raise the Minimum Wage”, Boston Review: A Political and Literary Forum, “7 Bipartisan Reasons to Raise the Minimum Wage”, March 3, 2014, DDA]

3. Poverty Alleviation, Again Many policy analysts point out that if our sole concern is to reduce poverty, we can just give poor people money. Economists consider the minimum wage a blunt tool for fighting poverty, as its effects spread over broad populations, failing to isolate the poorest. And the government has other successful tools to narrowly target poverty, most notably the Earned Income Tax Credit (EITC). These are fair points. But the minimum wage is still an excellent and necessary weapon against poverty. Where other policy tools can’t reach, the minimum wage can. As it is currently structured, the EITC does little to boost the income of those without children. Also, since one must be working in order to qualify for the EITC, the credit encourages growth of the labor supply and thus is likely to drag wages down for those who don’t qualify, allowing employers to capture part of the EITC’s benefits. According to government estimates, at least 20 percent of EITC payments are improperly paid. Some recipients claim too much by accident or by fraud; others don’t get the full value they were entitled to because the claims process can be confusing. And yearly payments are not that effective for poor people barely making it month to month. A higher minimum wage doesn’t have any of these problems. It is practically self-enforcing. People who need it will get it, and it won’t require a massive tax-code bureaucracy to enforce. The income is given to people throughout the year, in each paycheck, rather than in a lump sum. One needn’t have children in order to benefit fully. To the extent that the EITC is captured by employers, a higher minimum wage will balance that out. There is no potential for fraud. And while the EITC costs the government money, which must come from other programs or new taxes, the minimum wage comes at no additional cost to taxpayers, except when it is applied to government employees (which is rare, since government jobs usually pay more than the minimum wage). Once you consider how the EITC is implemented, the minimum wage makes perfect sense as a complement.

#### EITC perm card.

#### NEUMARK 08 [David Neumark, CREDENTIALS, “Alternative Labor Market Policies to Increase Economic Self-Sufficiency: Mandating Higher Wages, Subsidizing Employment, and Raising Productivity”, Published by The Institute for the Study of Labor (International economic research center), February 2008, DDA]

Third, I have posed the discussion so far in terms of comparing the minimum wage to the EITC as alternative policies to increase earnings. There are arguments suggesting that this “either/or” comparison is inappropriate, and that instead the minimum wage and the EITC may be complementary, with one making the other more effective. One such argument is that a higher minimum wage may reduce the distortionary impact of the EITC on labor supply. In particular, a higher minimum wage enables a family to achieve the same level of income (earnings plus EITC) at the maximum EITC credit with a smaller EITC payment. This, in turn, allows a lower marginal tax rate over the phase-out range of the credit, which could reduce the associated labor supply disincentives (Blank and Schmidt, 2001). This argument and others about interactions between the minimum wage and the EITC are discussed in detail in Neumark and Wascher (2007b). Some of the evidence quite indirectly suggests that a higher minimum wage might under some conditions enhance the positive distributional effects of the EITC. This is an intriguing possibility. However, the evidence is preliminary, and more research (currently under way) is needed to try to better establish the effects of minimum wage-EITC interactions. But it is worth emphasizing that this is one potential line of argument that could, depending on the results, lead me to a more positive assessment of the distributional effects of minimum wages under some conditions.

#### EITC solvency deficits

#### NEUMARK 08 [David Neumark, CREDENTIALS, “Alternative Labor Market Policies to Increase Economic Self-Sufficiency: Mandating Higher Wages, Subsidizing Employment, and Raising Productivity”, Published by The Institute for the Study of Labor (International economic research center), February 2008, DDA]

The implication of these findings is that the EITC is likely to boost the incomes of low-income families. Moreover, as the preceding discussion makes clear, the EITC targets low-income families; this contrasts sharply with the minimum wage, which of course targets low-wage individuals. Given the weak link between the two, we might expect that the EITC is more effective at reducing poverty and helping low-income families than is the minimum wage. At the same time, it is important to note that the EITC does not target poor families perfectly. Most importantly, the break-even point (at which benefits have fallen to zero) occurs well above the poverty line. Part of the reason for this is that if benefits were phased out too quickly, stronger labor supply disincentive effects (in terms of hours) would be created. In addition, because the EITC is based on income rather than wages, it is possible that it sometimes subsidizes workers who have high skills but work low hours.33 In addition, the EITC may not reach families with such low incomes that they do not file income tax returns, and they may sometimes subsidize higher-income families in which the adults are unmarried but cohabiting, whose joint income if they married would make them ineligible. Nonetheless, calculations suggest that the EITC targets reasonably well—with very few dollars going to families in excess of twice the poverty line (Liebman, 1998) and nearly one-half of payments going to poor families (Scholz, 1994)—although these calculations are based on simulated policy effects rather than before-and-after analyses.

### AT- 50 States

#### 1. Perm- pass the FMWA and have states make necessary cost of living adjustments.

#### 2. Solvency deficit- localized policy is worse.

#### BERNSTEIN 04

Flexibility also carries political risks for all sides. If the organizing environment is fertile for activists, they can push for more progressive ordinances, such as those that include indexing requirements. Conversely, even if an ordinance were to pass in an environment dominated by opposing interests, it may be watered down to the point where it has no bite at all, either in terms of coverage, wage level, or enforcement mechanisms. Another potential downside is that of unintended consequences. Some of the ordinances described previously create obvious “kink points” regarding coverage. For example, depending on the extent to which employers or contractors respond to the increase in the wage floor (an issue discussed in the following), one could imagine the dollar value of contract offers “bunching” right below the eligibility cutoff point. Freeman (2000) suggests a more fluid approach to thresholds, with a graduated schedule of living wage levels as a function of firm revenues or size.

### AT- Libertarianism NC

#### TURN- Plan decreases public welfare spending—food stamps prove. This outweighs their offense on scope because all Americans have to pay for public assistance through taxes, whereas their impacts only affect employers.

#### WEST AND REICH 14 [Rachel West (master of public policy candidate at the Goldman School of Public Policy, University of California at Berkeley) and Michael Reich (professor of economics and director of the Institute for Research on Labor and Employment at the University of California at Berkeley), “The Effects of Minimum Wages on SNAP Enrollments and Expenditures”, Center for American Progress, March 5, 2014, DDA]

How do minimum wage policy increases affect enrollments and expenditures on means-tested public assistance programs? In this report we address this question for the case of the Supplemental Nutrition Assistance Program, or SNAP, formerly known as the food stamp program. By definition, government spending on a means-tested program should decline as average earnings increase, insofar as benefit levels fall with increased earnings and insofar as the earnings increase makes some individuals ineligible for any benefits. Both of these conditions are satisfied in the case of the effect of minimum wages on SNAP benefits. SNAP benefits decline 30 cents for every $1 increase in family earnings and phase out entirely at about the federal poverty level.1 Low-wage workers are disproportionately enrolled in SNAP. A minimum wage increase that lifts many families out of poverty should therefore reduce public expenditure on this program. But the relationship may be more complex. If a minimum wage increase reduces employment, thereby adding to the number of unemployed, the number of SNAP recipients could increase. SNAP recipients who are unemployed, disabled, or retired will not be affected by a minimum wage increase. Conversely, if many SNAP recipients have earnings that already bring them close to becoming ineligible for the program, a minimum wage increase may have a very small effect on SNAP expenditures. The quantitative effect of minimum wages on SNAP spending is not self-evident. It requires a causal analysis. In an era of historically low real federal minimum wage rates, rising income inequality, job-market stagnation, and contentious debate about government deficit spending, the possibility that a higher minimum wage may lead to increased or reduced public spending has great relevance to the public and to policymakers. This report presents an initial empirical analysis of the effects of minimum wage policy on SNAP participation and expenditures. We do so by exploiting more than two decades of variation in binding state and federal minimum wage changes in an econometric framework. Our future research will examine the effects on SNAP further and apply an analogous framework to two other public assistance spending programs: the Earned Income Tax Credit and Medicaid. According to the finding in this report a 10 percent increase in the minimum wage reduces SNAP enrollment by between 2.4 percent and 3.2 percent and reduces program expenditures by an estimated 1.9 percent. Taking into account each state’s 2014 minimum wage level, we apply these results to the legislative proposal put forward by Sen. Tom Harkin (D-IA) and Rep. George Miller (D-CA) to raise the federal minimum wage to $10.10 per hour.2 Our results imply that the effects of the Harkin-Miller proposal on wage increases would reduce SNAP enrollments by between 7.5 percent and 8.7 percent (3.1 million to 3.6 million persons).\* The total anticipated annual decrease in program expenditures is nearly $4.6 billion, or about 6 percent of current SNAP program expenditures. Harkin-Miller proposes to index minimum wage levels in subsequent years to the consumer price index, or CPI. The minimum wage would then increase at the same rate as SNAP benefit and eligibility levels, which are also indexed to the CPI. Consequently, the savings over 10 years in 2014 dollars would be 10 times the one-year savings, for a total of approximately $46 billion. Some of the reduction in SNAP program enrollment and expenditures would occur among workers making less than $10.10 per hour—those whose pay would be directly increased by the minimum wage law. Another part of the reduction would occur among workers currently earning between $10.10 and $11.50, who would also receive pay increases.3

### AT- Living Wage not key

#### The minimum wage is the overwhelmingly most important factor in income equality.

#### DiNARDO et al. [John DiNardo (Former UC Irvine Economics professor, current Professor of Economics and Public Policy at the University of Michigan), Nicole M. Fortin (Professor at the Vancouver School of Economics at the University of British Columbia who specializes in wage inequality and its links to labor market institutions and public policy), Thomas Lemieux (Ph.D from Princeton University, has taught economics at MIT and the University of Montreal, currently a Professor and School Director at the Vancouver School of Economics), “Labor Market Institutions and the Distribution of Wages, 1973-1992: A Semiparametric Approach”, Published in Econometrica, Vol. 64, No. 5 (September, 1996), pp. 1001-1044, DDA]

Our main results, focusing on changes in the density of wages over the period 1979-1988, are reported in Section 5. Like others, we ﬁnd that changing unionization rates, changes in the composition of the workforce, and changes in supply and demand are important explanations of the change in wage inequality over this period. However, unlike previous research we ﬁnd that the decline in the real value of the minimum wage over the period 1979-1988 had a large visual and quantitative impact on the distribution of wages. Indeed, we ﬁnd that it explains up to twenty-ﬁve percent of the change in the standard deviation of men’s log wages and up to thirty percent of the change in the standard deviation of women's log wages. It is also important in explaining changes in the standard deviation both between and within different groups of workers. The case of the minimum wage highlights the usefulness of showing precisely where the most dramatic changes in the distribution of wages occur. In fact, the visual effect of the minimum wage on women’s wages is overwhelming and gives support to the quantitative estimates we also present. We ﬁnally show in Section 6 that labor market institutions remain important when we change the order of the main decomposition, and when we consider other time periods.

#### Data set explanation.

#### DiNARDO et al.

This paper uses data from the CPS to analyze changes in the distribution of wages in the [US] United States from 1973 to 1992. Starting in May 1973, the CPS surveys have regularly collected hourly or weekly earnings for each respondent's main job. From 1973 to 1978, these wage questions were asked only in May, as part of the dual job holding supplement. Beginning in 1979, the wage questions were asked each month to people in the outgoing rotation groups (which represent one-quarter of all individuals in the survey.) Relatively large samples of workers are thus available to estimate changes in the distribution of hourly wages over the last two decades. The sample sizes are approximately 40,000 workers per year from 1973 to 1978, and 150,110 workers per year from 1979 to 1992. The exact sample sizes, for men and women, are reported in Table I. A major advantage of using these samples is that the wage measure collected is a good measure of a “point-of-time” price of labor. By contrast, most previous studies on changes in the structure of wages in the United States have used measures of average weekly earnings on all jobs which are available from the March CPS.'° One problem with this alternative earnings concept is that it depends on labor supply decisions, and on the choice of holding more than one job. The hourly wage measure used in this paper is thus more closely connected to theories of wage determination based on supply and demand that focus on the hourly price of labor. Similarly, the connection between the minimum wage and the hourly wage on the main job is more direct than the connection between the minimum wage and average weekly earnings on all jobs. Another key advantage of the 1973-78 dual job supplements and of the 1983-92 outgoing rotation group supplements is that they contain information on the union status of workers. This variable is essential to any attempt to evaluate the effect of labor market institutions on the distribution of wages. Unfortunately, information on the union status of workers was not collected in the outgoing rotation group supplements from 1979 to 1982. It is nevertheless possible to obtain the union status in 1979 for a subset of workers by matching answers about unionization from the 1979 Pension Supplement of the May 1979 CPS to the corresponding wage data collected in the outgoing rotation group supplements of May, June, July, or August, 1979. We use this matched 1979 sample of about 35,000 observations whenever the estimation requires using the union status for 1979." Several other preliminary data manipulations were performed to ensure enough year to year continuity in our CPS samples. One issue is that usual weekly earnings are topcoded at $999 from 1973 to 1985, and at $1923 thereafter. A relatively low value of the top code in real terms is likely to understate wage dispersion in the upper tail of the distribution. To avoid this type of bias, we use the upper tail of the 1986 distribution of wages to impute a wage distribution to the observations censored at the top code in other years. This imputation procedure is used only for years in which more than 0.5 percent of the workforce is topcoded (1981 to 1985 and 1990 to 1992). Our imputation procedure is similar to the procedure we use to estimate the effect of the minimum wage on the distribution of wages (Section 3.3). All observations with allocated wages were eliminated from the 1979-1988 outgoing rotation group ﬁles to keep these samples comparable to the 1973-1978 samples." In addition, only individuals of age 16 to 65 and reporting an hourly wage from $1 to $100 (in 1979 dollars) were kept in the sample. The GDP deﬂator for personal consumption expenditures was used to convert nominal wages into 1979 dollars. Note ﬁnally that all the estimates reported in this paper are weighted by the product of the CPS sample weights with usual hours of work. These “hours- weighted” estimates put more weight on the wages of workers who supply many hours to the labor market. This gives a better representation of the dispersion of wages for each and every hour worked in the labor market, regardless of who is supplying this hour. Summary statistics of the CPS samples are reported in Table I. While real wages decreased for men over the 1973-1992 period, they increased for women. The workforce became increasingly more educated and nonwhite. Potential labor market experience (age-education-5) followed a U-shaped curve as the baby boom generation ﬁrst entered the labor market during the 1970’s and then aged during the 1980’s. Table I also indicates that while the minimum wage and the unionization rate were relatively stable or even increasing during the 1970s, they both fell precipitously during the 1980’s.

#### Methodology explanation.

#### DiNARDO et al.

Another potential explanation for the increase in wage inequality between 1979 and 1988 is the 27 percent decline in the real value of the minimum wage. To evaluate the impact of this decline, we wish to construct a counterfactual density of wages in 1988 obtained by raising the minimum wage back to its 1979 level. Most of the research on the effects of raising the value of the minimum wage has focused on its potential disemployment effect.“ Although the potential distributional consequences of the minimum wage have long been noted (Stigler (1946)), they have received comparatively less attention and there is not established consensus on the empirical strategy for estimating these effects." Our analysis thus begins with a set of simple economic assumptions that are easy to implement in a nonparametric setting. For robustness, we also consider a few alternative assumptions and show that these alternative assumptions tend to magnify the equalizing effect of the minimum wage. Our primary assumptions are therefore conservative in the sense of minimizing the effect (in absolute value) of a hypothetical increase in the minimum wage on measures of wage dispersion such as the variance of log wages. These assumptions are the following.

#### Linear regression models prove that the decrease in the minimum wage’s value has been the most important factor in driving the rise in income inequality.

#### DiNARDO et al.

Table III presents our decomposition results for various measures of wage dispersion and for Kullhack-Leibler measure of divergence. In parentheses underneath each estimate, we present the percentage of the total change explained by each speciﬁc factor. Starting with the measures of wage dispersion for men, we note that the effect of the minimum wage is greatest on measures pertaining to the lower part of the distribution. This is consistent with the graphical results presented earlier. The minimum wage explains 25 percent of the change in the 10-90 differential, 66 percent of the change in the 10-50 differential, and 49 percent of the change in the 5-95 differential. The minimum wage thus seems to explain why changes in wage inequality during the 1980’s came mostly from longer tails at the low end of the distribution (Buschinsky 1994)). The minimum wage on the other hand, explains very little of the change in the 50-90 or the 25-75 differential. Overall, it explains 25 percent of the change in the standard deviation of log wages. The visually apparent contribution of unions to the declining “middle” of the distribution of men’s wages translates into a 14 percent change in the standard deviation of log wages. The magnitude of this effect is comparable to the results of both Card (1996) and Freeman (1993). Changes in the distribution of individual attributes, likewise, explain about 14 percent change in the standard deviation of log wages. The magnitude of this effect is comparable to the results of both Card (1996) and Freeman (1993). Changes in the distribution of individual attributes, likewise, explain about 14 percent of the change in the standard deviation. Supply and demand effects are also quite important for men. These effects explain between 20 and 30 percent of changes in the standard deviation and in the 10-90 and 25-75 wage differentials. It is interesting to note that the various factors have quite different effects on changes in Theil’s coefficient versus changes in the Gini coefficient for men. Changes in individual attributes explain the greatest proportion of the change in Theil’s coefficient over the period—62 percent. On the other hand, the most important factor in explaining changes in the Gini coefficient is changes in supply and demand which account for 27 percent of the total. These differences reflect the fact that the Gini coefficient puts relatively more weight on the middle of the distribution while Theil’s coefficient emphasizes the tails. The second half of Table III displays a similar decomposition for women. Most of the patters are similar, although not surprisingly, changes in the unionization rate explain less of the change in wage dispersion than they do for men. By contrast, the effect of changes in the minimum wage on changes in the standard deviation of log wages is larger (30 percent) for women than for men (25 percent). In addition, changes in individual attributes generally have a more important effect than changes in supply an demand, which is not true for men. Note also that the minimum wage has a large effect on both changes in the Gini and Theil’s coefficient. The effect of the minimum wage on the Gini coefficient is larger for women than for men since the minimum wage is closer to the middle of the distribution of women’s wages. In terms of the Kullback-Leibler measure of divergence, the most important explanatory factor is the minimum wage. For both men and women, changes in the minimum wage explain over a half of the divergence between 1979 and 1988 distributions. This measure confirms the visual impression that the minimum wage is the most important factor in the change in the distribution of wages between 1979 and 1988. It captures well the fact that, for women, the density difference adjusted for the minimum wage (Figure 7b) is much closer to a flat line than the unadjusted difference (Figure 7a). This measure also confirms the visual impression that the explanatory success of our procedure is greater for women than for men. The changes in densities unexplained by the four factors we consider amount to 22 percent of the Kullback-Leibler measure for men and to 5 percent for women.

### AT- Econ DA

#### Economic inflation is sufficient to compensate a higher minimum wage—empirics prove the economic effects are net positive.

#### BOUSHEY 14 [Heather Boushey, Labor economist, Executive Director and Chief Economist of the Washington Center for Equitable Growth, Senate testimony before the U.S. Senate Committee on Health, Education, Labor, and Pensions on “From Poverty to Opportunity: How A Fair Minimum Wage will Help Families Succeed”, March 12, 2014, DDA]

This proposed increase in the minimum wage is consistent with what the economy can provide. While the minimum wage has lost value in inflation-adjusted dollars, the overall economy has grown considerably. Between 1968 and 2013, U.S. gross domestic product grew by an inflation- adjusted 245 percent, to $15.8 trillion from $4.6 trillion while the inflation-adjusted value of the minimum wage fell by 23 percent over the same period. Or consider another means of comparison, from 1968 to 2012, the average pre-tax, pre-transfer income of the top 1 percent of households grew by 187 percent.4 In contrast, over the course of those same years, the share of U.S. families living under the poverty line has risen from 10 percent to 11.8 percent.5 Even after the increase proposed in this law, the federal minimum wage will remain a floor. Individual states and municipalities have minimum wages above the federal minimum of $7.25. Twenty-one states and the District of Columbia have higher minimum wages [than the federal minimum], with the state of Washington having the highest in the country at $9.32 per hour.6 We have learned from these experiences of these states that raising the minimum wage overall delivers of positive results in the fight against poverty and efforts to grow the middle class from the bottom up.7

#### GDP has expanded enough to accommodate a minimum wage increase.

#### COOPER 13 [David Cooper, Economic analyst for the Economic Policy Institute with areas of expertise in poverty, state labor markets, economic inequality and social mobility, and the minimum wage, he has been interviewed and cited for his research on the minimum wage in The New York Times, The Washington Post, The Los Angeles Times, U.S. News and World Report, CNBC and NPR, he has a B.A. and M.P.P. from Georgetown University, published by the Economic Policy Institute (a nonpartisan and nonprofit think tank created in 1986 to include the needs of low and middle income workers in economic policy discussions, EPI conducts research and analysis on the economic status of working America), December 19, 2013, DDA]

It is important to also recognize that today’s minimum wage has not fallen to exceptional lows out of economic necessity. Over the past 45 years, the U.S. economy has vastly expanded, and productivity (our ability to produce goods and services for the same amount of work) has more than doubled. Yet the minimum wage—our agreed-upon standard for the minimum amount a worker in our society should be paid—has been left to stagnate and decline. Figure C shows the value of the minimum wage since 1968, compared with what it might have been had it grown at the same rate as average wages or total economy productivity (i.e., how much we can produce for an hour’s worth of work).

### Solves Poverty

#### Current minimum wage is insufficient to prevent poverty—FMWA solves.

#### BOUSHEY 14 [Heather Boushey, Labor economist, Executive Director and Chief Economist of the Washington Center for Equitable Growth, Senate testimony before the U.S. Senate Committee on Health, Education, Labor, and Pensions on “From Poverty to Opportunity: How A Fair Minimum Wage will Help Families Succeed”, March 12, 2014, DDA]

Raising the minimum wage is an important anti-poverty tool, but the current minimum wage leaves too many families in poverty. Earning the current federal minimum wage, a minimum- wage earner working 40 hours a week every week of the year would earn $15,080 over the year. This amount of earnings puts a single adult just barely above poverty. But if that worker has to support any other people—such as a child—then this family would be living below the U.S. poverty threshold. The poverty line for a family with one non-elderly adult and one child was $16,057 in 2013.8 Therefore, a full-time minimum-wage earner with one child and no spouse would come up short by $977 each year. Increasing the minimum wage to $10.10 by 2016, which would equal $9.45 in 2013 dollars, would boost the earnings of low-wage workers and reduce poverty. At that minimum wage, a full-time, full-year worker would earn $19,656 in 2013 dollars over the course of the year, assuming they never take a day off without pay, and be able to support two children as a single earner and be above the official poverty threshold. Nearly a quarter (23 percent) of the workers who will benefit from the Fair Minimum Wage Act currently live in a family earning less than $20,000 in a year, just above the poverty threshold of $18,769 for a family of one adult and two children. Just under 52 percent of workers who will benefit live in a family making below $40,000 a year, which is closer to what many surveys show is what people believe is a basic standard of living for a family of four.9 Congress could do more to ensure that minimum wage workers earn a fair day’s pay by making sure that when they or their child gets sick they have the right to job-protected paid sick days, as proposed in the Healthy Families Act and is now the law in a number of municipalities and the state of Connecticut.10 Further, most minimum wage workers do not have the right to vacation time or paid family and medical leave, making it difficult for them to care for their families while working full-time. Economists have also explored with the likely effects of raising the minimum wage would be on poverty. Economist Arindrajit Dube, from the University of Massachusetts, Amherst, estimates that a 10 percent increase in the minimum wage would immediately decrease the poverty rate by 2.4 percent and lead to an overall reduction of 3.6 percent in the longer run.11 According to his estimates, which in my view are empirically sound and confirm with the economics literature, the Fair Minimum Wage Act will reduce the poverty rate for non-elderly Americans from 17.5 percent to 15.8 percent. On a longer time frame, past one year after the minimum wage increase, the rate would decrease to 15 percent, according to Dube.12 In more concrete numbers, the increase would translate to around 4.6 million Americans no longer in poverty (or around 6.8 million if longer term effects are accounted for). Another way to contextualize these numbers is to note that the poverty rate for the non-elderly increased by as much as 3.4 percentage points during the Great Recession. So the proposed minimum wage increase could reverse about half of that increase. Other recent research shows that an increase in the minimum wage would reduce spending on anti-poverty programs like the Supplemental Nutrition Assistance Program.13

#### Plan significantly decreases poverty—economic consensus.

#### KONCZAL 14 [Mike Konczal, Mike Konczal is a fellow with the Roosevelt Institute, where he works on financial reform, unemployment, inequality, and a progressive vision of the economy. His blog, Rortybomb, was named one of the 25 Best Financial Blogs by Time Magazine. His writing has appeared in the Boston Review, The American Prospect, the Washington Monthly, The Nation, Slate, and Dissent, and he's appeared on PBS NewsHour, MSNBC's Rachel Maddow Show, CNN, Marketplace, and more, “7 Bipartisan Reasons to Raise the Minimum Wage”, Boston Review: A Political and Literary Forum, “7 Bipartisan Reasons to Raise the Minimum Wage”, March 3, 2014, DDA]

Some minimum wage advocates don’t care much about income inequality per se. Instead, they are focused on alleviating poverty. Poverty has significant consequences for human flourishing, with especially pronounced effects on children. A major mistake of the War on Poverty was its assumption that the economy would be capable of employing all people at generous wages as long as they had the right skills and as long as discriminatory obstacles were surmounted. Thus job training was a priority. However, during the ’70s, ’80s, and 2000s, wages at the bottom part of the income distribution fell, especially for men, even as the low-wage workforce became more educated. Education and technological advances alone could not solve poverty. Recent research strongly indicates that raising the minimum wage reduces poverty. Dube finds that a 10 percent hike in the minimum wage would reduce the number of people living in poverty by a modest but significant 2.4 percent. It also shrinks the poverty gap—how far people are below the poverty line—by 3.2 percent. And it reduces the poverty-squared gap, a measure of extreme poverty, by 9.6 percent. So it provides meaningful benefits for the poorest individuals. Larger increases would offer even more impressive gains. Raising the minimum wage to $10.10 would lift 4.6 million people out of poverty. It would also boost the incomes of those at the 10th percentile of the income distribution by $1,700 annually. That is a significant benefit for workers who have seen declining wages during the past forty years. In a review of the literature since the 1990s, Dube finds fifty-four estimates of the relationship between poverty and the minimum wage. Forty-eight of them show that a minimum wage reduces poverty. This reflects a remarkable consensus among economists. The effect of an increased minimum wage on poverty is real, and it would be positive.

### Grows Economy

#### Plan is key to growing the economy—no net employment loss, higher worker productivity, less worker turnover proves living wage is good for businesses.

#### BOUSHEY 14 [Heather Boushey, Labor economist, Executive Director and Chief Economist of the Washington Center for Equitable Growth, Senate testimony before the U.S. Senate Committee on Health, Education, Labor, and Pensions on “From Poverty to Opportunity: How A Fair Minimum Wage will Help Families Succeed”, March 12, 2014, DDA]

Raising the minimum wage is not only an effective anti-poverty tool but also a proven way to boost our economy more generally. The economics evidence shows that raising the minimum wage does not lead to higher unemployment overall but rather boosts productivity and addresses a growing issue in our economy of rising inequality. Careful studies of the economics literature find that increases in the minimum wage have little to no effect on employment.16 Economists David Card, of the University of California, Berkeley, and Alan Krueger, of Princeton University, looked at the effects of a minimum wage hike in New Jersey by comparing fast food restaurant employment in the state to fast food employment in Pennsylvania which did not increase its minimum wage.17 Card and Krueger found that the increase in the minimum wage did not reduce employment. Their approach has been generalized in future research. Research by Arindrajit Dube, T. William Lester of [UNC] the University of North Carolina – Chapel Hill, and Michael Reich of the University of California, Berkeley looked at all of the bordering counties that have different minimum wages between 1990 and 2006.18 They too found that minimum wage did not have a significant effect on employment. One reason that employment has not been shown to fall due to raising the minimum wage is because higher wages can make workers more productive and therefore more valuable to their employer. Economists call this the “efficiency wages” theory.19 There is an extensive literature on efficiency wage theory, with notable contributions Nobel Laureates Joseph Stiglitz20 and George Akerlof,21 which suggest that paying more than the market-clearing wage can make firms more productive. As the White House pointed out last week, higher wages can “boost productivity, increase morale, reduce costs, and improve efficiency.” Here are just two academic studies that prove these points. John Schmitt, a Senior Economist at the Center for Economic and Policy Research, finds empirical economics research suggesting efficiency gains.22 And in a 2011 study, Georgia State University economists Barry Hirsch and Bruce Kaufman, along with Tetyana Zelenska from Innovations for Poverty Action, examined the effect of a federal increase in the minimum wage on 81 restaurants in Georgia and Alabama.23 In their survey, managers reported that they could identify possible non-wage savings and productivity improvements in response to the minimum-wage regulations. It is possible that lower costs stemming from these changes could outweigh the costs of paying a higher minimum wage. In addition, it’s possible that a higher minimum wage could make staying in one’s job more attractive and thus reduce turnover costs. A 2013 working paper by UMass-Amherst economist Arindrajit Dube, University of North Carolina, Chapel Hill economist William Lester, and UC- Berkeley economist Michael Reich finds that a higher minimum wage leads to fewer so called “hires and separations,” or worker turnover.24 Other empirical studies [of workers in San Francisco] suggesting that a higher minimum wage—or a “living wage” covering basic needs—can reduce labor turnover include studies of workers in San Francisco 25 (including airport26 and homecare workers27) and Los Angeles.28 Lower turnover costs could potentially allow businesses to overcome the increased cost of paying a higher wage.

### Income Equality

#### Literature consensus proves that the poverty rate elasticity is negative, which means increasing the minimum wage reduces poverty.

#### DUBE 13 [Arindrajit Dube, Economist at the University of Massachusetts Amherst, “Minimum Wages and the Distribution of Family Incomes”, December 30, 2013, DDA]

To take stock, the results in this literature are varied and sometimes appear to be inconsistent with each other. But is it possible to filter out some of the noise and actually obtain a signal? First, I note that across these 12 studies, nearly all (48) of the 54 estimates of the poverty rate elasticity are negative in sign. Indeed, only one study by Neumark et al. (2005) suggests that minimum wages actually increase the overall poverty rate. Moreover, this study uses an unconventional methodology that is both different from all other studies, and is also problematic. Second, if we take an “average of averages” of the poverty rate elasticities for the overall population across the seven studies that provide such an estimate so that (1) each study is weighted equally, and (2) within each study, all specifications reported in Table 1 are weighted equally as well, we obtain an average poverty rate elasticity of -0.07.21 However, excluding Neumark et al. (2005), the “average of averages” of the poverty rate elasticities is -0.15. After excluding the one study that uses a highly unconventional technique, the existing evidence points towards a modest impact on the overall poverty rate. Besides these seven studies, five additional studies reviewed here provide estimates for subsets of the population. If we take an “average of averages” of the poverty rate elasticities across all 12 studies, while (1) weighting each study equally, and (2) weighting each specification and group within study equally as well, we also obtain an elasticity of -0.15. If we exclude Neumark et al. (2005), the “average of averages” across the 11 studies is -0.20. There are, of course, other ways of aggregating estimates across studies.22 However, when I consider the set of nearly all available estimates of the effect of minimum wages on poverty, the weight of the evidence suggests that minimum wages tend to have a small to moderate sized impact in reducing poverty.

#### Evidence proves minimum wage increases income equality—my models are best.

#### DUBE 2 [Ibid, DDA]

Table 5 provides the estimates for the impact of minimum wages on the proportions under alternative income-to-needs cutoffs. For ease of interpretation, I report the estimates as elasticities (“ˆ ) by ˆc dividing the regression coefficients (—c) by the sample proportion under each cutoff; this is true both for the point estimate and the standard errors.32 The underlying regression coefficients, or semi-elasticities, and standard errors are reported in Appendix Table A1. I use eight different regression specifications that range from the canonical two-way fixed effects model in column (1) to the most saturated specification in column (8) which includes (a) division-specific year eects, (b) state-specific recession-year dummies, and (c) state linear trends. The six specifications in columns (2) through (7) exhaust all intermediate combinations of controls and provide us with evidence on how the inclusion of various types of time-varying controls affects the estimates. First, I note that there is robust evidence that minimum wage increases reduce the share of individuals with very low family incomes. For income-to-needs cutoffs between 0.50 and 1.25 (i.e., between 50 and 125 percent of the official poverty threshold), and across the eight specifications, 30 out of the 32 estimates are negative in sign, and 22 are statistically significant at least at the 10 percent level. The canonical model in specification 1 stands out as the only one where none of the estimates for these income-to-needs cutoffs are statistically significant. Moreover, in the range where there are the strongest effects (i.e., income-to-needs cutoffs between 0.50 and 1.25), the point estimates from specification 1 are uniformly the smallest in magnitude. For example, specification 1 suggests a poverty rate elasticity of -0.12, which is similar to the average estimate of -0.13 in Burkhauser and Sabia (2007). However, for all other specifications (2-8), we find statistically significant poverty rate elasticities between -0.13 and -0.30. Moreover, we generally find evidence of reductions in the share under 75, 100 and 125 percent of the federal poverty threshold across specifications 2-8. The share under 50 percent of the poverty threshold is also estimated to fall substantially when using within-division variation as in specifications 5-8. Figure 5 provides corresponding visual evidence on how minimum wages affect the bottom half of the income-to-needs distribution. The most saturated specification 8 suggests that the distribution of family incomes with higher minimum wages first-order stochastically dominates the distribution with a lower value of the minimum. The shares below cutoffs are smaller for cutoffs up to 2.00 or so, and unchanged thereafter. Specification 1 suggests a different (and anomalous) pattern, with a rise in the share below cutoffs in the middle of the distribution. However, analogous graphs for most intermediate specifications, as shown in Figure A1, also corroborate the evidence that minimum wages tend to reduce shares of individuals with low incomes without significantly affecting the rest of the distribution. The range of estimates raises the issue of model selection. There is an a priori case for using more saturated specifications that better account for time-varying heterogeneity across states. Allowing for time-varying regional effects and state-specific trends makes both intuitive sense, and receives strong support in existing work. For example, Allegretto et al. (2013) show that the inclusion of these controls mitigates contamination from pre-existing trends when it comes to estimating the effect of minimum wages on teen employment. They also provide evidence that synthetic control methods tend to put substantially more weight on nearby states in constructing a control group, providing additional validity to the intuition that nearby states are better controls. They further show that the amplitude of business cycles tend to be greater in states with higher minimum wages, suggesting that business cycle heterogeneity may be an important factor to control. The main argument against using more saturated models would be that they lack the statistical power to detect an effect.33 In reality, however, for the relevant range of income-to-needs cutoff, the point estimates in specifications 2-8 are larger in magnitude than the canonical specification 1, while the standard errors are not necessarily so. Based on both a priori and a posteriori considerations, it is difficult to argue for the least saturated specification, while there is a strong case for preferring the most saturated model.34

#### Living wage key to income equality—economic studies prove the decreasing purchasing power of the minimum wage has been a key factor in rising income inequality.

#### BOUSHEY 14 [Heather Boushey, Labor economist, Executive Director and Chief Economist of the Washington Center for Equitable Growth, Senate testimony before the U.S. Senate Committee on Health, Education, Labor, and Pensions on “From Poverty to Opportunity: How A Fair Minimum Wage will Help Families Succeed”, March 12, 2014, DDA]

Finally, the level of the minimum wage has a considerable effect on the distribution of wages in the [US] United States. As mentioned above, the minimum wage used to be much closer to the average wage. But since 1968, the average wage grew as the purchasing power of the minimum wage declined by 23 percent. At the same time, the distance between wage earner at the 10th percentile and median wage earner, or the earner at the 50th percentile, grew by 18 percent from 1979 to 2009.29 Economists have found that the declining inflation-adjusted value of the minimum wage had a considerable effect on wage inequality for those workers in the bottom half of the wage distribution. A 1996 paper by economists John DiNardo, of the University of Michigan, Nicole Fortin, of the University of British Columbia, and Thomas Lemieux, also of the University of British Columbia, found that the decrease in the minimum wage from 1979 to 1988 had a considerable effect on the wage distribution.30 They found the decline over that time could explain up to 25 percent of the change in the standard deviation in the logarithm of male wages and up to 30 percent for female wages. In plain English, this means the decline in the minimum wage explained up to a fourth of increasing wage inequality for men and up to three-tenths of increase wage inequality for women. In more recent work, MIT economist David Autor, [LSE] London School of Economics economist Alan Manning, and Federal Reserve Board economist Christopher Smith find that about 75 percent of the increase in low-end inequality from 1979 to 1991 is due to the decline in the value of the minimum wage, but the decline only explains 45 percent of the increase from 1979 to 2009. While the literature has not come to an agreement on the exact size of the effect, the decline of the minimum wage was a significant factor in the increase in inequality for lower half of the income distribution.

#### Purchasing power of the minimum wage has been steadily declining.

#### BOUSHEY 14 [Heather Boushey, Labor economist, Executive Director and Chief Economist of the Washington Center for Equitable Growth, Senate testimony before the U.S. Senate Committee on Health, Education, Labor, and Pensions on “From Poverty to Opportunity: How A Fair Minimum Wage will Help Families Succeed”, March 12, 2014, DDA]

The Fair Minimum Wage Act is necessary because Congress has allowed the purchasing power of the minimum wage to decline sharply in recent years, leaving too many workers toiling full- time, but not able to rise above poverty. The purchasing power of the minimum wage hit a high in 1968 and has declined by 23 percent since then in inflation-adjusted dollars, using the Bureau of Labor Statistics Consumer Price Index for all Urban Consumers Research Series.2 The value of the minimum wage also has declined relative to the earnings of other wage earners. In 1968, the minimum wage was equal to just over half (53 percent) of the average wage for production and non-supervisory workers. In 2013, the minimum wage had fallen to just over a third (36 percent) of the average wage. (See Figure 1.)

#### Plan significantly decreases poverty—economic consensus.

#### KONCZAL 14 [Mike Konczal, Mike Konczal is a fellow with the Roosevelt Institute, where he works on financial reform, unemployment, inequality, and a progressive vision of the economy. His blog, Rortybomb, was named one of the 25 Best Financial Blogs by Time Magazine. His writing has appeared in the Boston Review, The American Prospect, the Washington Monthly, The Nation, Slate, and Dissent, and he's appeared on PBS NewsHour, MSNBC's Rachel Maddow Show, CNN, Marketplace, and more, “7 Bipartisan Reasons to Raise the Minimum Wage”, Boston Review: A Political and Literary Forum, “7 Bipartisan Reasons to Raise the Minimum Wage”, March 3, 2014, DDA]

Some minimum wage advocates don’t care much about income inequality per se. Instead, they are focused on alleviating poverty. Poverty has significant consequences for human flourishing, with especially pronounced effects on children. A major mistake of the War on Poverty was its assumption that the economy would be capable of employing all people at generous wages as long as they had the right skills and as long as discriminatory obstacles were surmounted. Thus job training was a priority. However, during the ’70s, ’80s, and 2000s, wages at the bottom part of the income distribution fell, especially for men, even as the low-wage workforce became more educated. Education and technological advances alone could not solve poverty. Recent research strongly indicates that raising the minimum wage reduces poverty. Dube finds that a 10 percent hike in the minimum wage would reduce the number of people living in poverty by a modest but significant 2.4 percent. It also shrinks the poverty gap—how far people are below the poverty line—by 3.2 percent. And it reduces the poverty-squared gap, a measure of extreme poverty, by 9.6 percent. So it provides meaningful benefits for the poorest individuals. Larger increases would offer even more impressive gains. Raising the minimum wage to $10.10 would lift 4.6 million people out of poverty. It would also boost the incomes of those at the 10th percentile of the income distribution by $1,700 annually. That is a significant benefit for workers who have seen declining wages during the past forty years. In a review of the literature since the 1990s, Dube finds fifty-four estimates of the relationship between poverty and the minimum wage. Forty-eight of them show that a minimum wage reduces poverty. This reflects a remarkable consensus among economists. The effect of an increased minimum wage on poverty is real, and it would be positive.

### AT- Unemployment

#### No employment effect from the aff—their models are oversimplistic and don't account for multiple factors.

#### KONCZAL 14 [Mike Konczal, Mike Konczal is a fellow with the Roosevelt Institute, where he works on financial reform, unemployment, inequality, and a progressive vision of the economy. His blog, Rortybomb, was named one of the 25 Best Financial Blogs by Time Magazine. His writing has appeared in the Boston Review, The American Prospect, the Washington Monthly, The Nation, Slate, and Dissent, and he's appeared on PBS NewsHour, MSNBC's Rachel Maddow Show, CNN, Marketplace, and more, “7 Bipartisan Reasons to Raise the Minimum Wage”, Boston Review: A Political and Literary Forum, “7 Bipartisan Reasons to Raise the Minimum Wage”, March 3, 2014, DDA]

In the world of economics beyond introductory supply and demand, you can find an explanation for why small changes in the minimum wage have little effect on employment. The economist John Schmitt notes three such explanations. The first is consistent with the Economics 101 model but considers more factors. Here the higher price for labor is simply pushed onto customers. This is what people assume will happen when they say they are willing to pay a few extra cents for a hamburger if doing so will help millions of people escape poverty. In this story, a minimum wage increase would result in a one-time bump in the prices of goods produced by low-wage industries. And in these disinflationary times, a small boost to the price level might help with the greater problems in our stagnating economy. The second explanation for the small impact of minimum wage increases is institutional. Here people look at mechanisms within firms that adjust to a higher minimum wage—for example, an increase in the productivity of workers that compensates for their extra pay. The minimum wage becomes an incentive for bosses to do a better job managing their employees. Higher earnings also encourage employees to work harder. Economists call this the “efficiency wage”: when workers have more to lose, they do their jobs better in an effort to keep their gains. The third explanation adds two complications to the Economics 101 model. First, it is a pain to search for a new job. Second, employers pick the wages they offer their employees. This sounds obvious, but you won’t find it in Economics 101, according to which bosses pay a “market wage.” In such a scenario, if your boss paid a dollar less than the market wage, he wouldn’t be able to hire anyone at all, and if he tried to pay you a dollar less than the going wage for your labor, you would effortlessly get a new job at that old rate. Yet this is not how things work. People celebrate when they find a job because that search took real effort. It is not like buying a bag of apples or gas to fill your tank, tasks so simple that one can speak realistically of a market price. This helps to explain why there are so many vacancies in the low-wage job market—vacancies that would be filled if the minimum wage were raised, thereby combating the fear of unemployment that accompanies any discussion of minimum wage hikes. A more generous minimum wage is not essential to hiring for these open jobs; employers could fill vacancies by offering higher wages, but they would in turn have to pay other workers this higher wage as well, meaning that filling vacancies would produce a higher overall wage either way. And since workers have to search for jobs, a higher minimum wage will increase the rate at which employees search for, take, and keep jobs. Empirical work by Arindrajit Dube, T. William Lester, and Michael Reich has found that a higher minimum wage leads to less turnover in low-wage jobs. This effect is visible in the international data as well.

### AT- Feminism

#### Living wage mostly impacts women.

#### BOUSHEY 14 [Heather Boushey, Labor economist, Executive Director and Chief Economist of the Washington Center for Equitable Growth, Senate testimony before the U.S. Senate Committee on Health, Education, Labor, and Pensions on “From Poverty to Opportunity: How A Fair Minimum Wage will Help Families Succeed”, March 12, 2014, DDA]

According to calculations from the Economic Policy Institute, approximately 28 million workers would see a raise if the minimum wage were raised to $10.10 by July 2016.31 The affected workers would include not only those making under $10.10 an hour, all of whom would see their wages directly increased, but also those earning just above $10.10. Due to a spillover effect, [those earning just above $10.10] these workers would see their wages indirectly increased as employers try to maintain the previous relative status of workers in their firms. The majority of affected workers, those directly and indirectly affected, would be women. Fifty- five percent of the affected workers would be women. For context, women represent 49.2 percent of total employment.

#### The Plan is good for women.

#### KONCZAL 14 [Mike Konczal, Mike Konczal is a fellow with the Roosevelt Institute, where he works on financial reform, unemployment, inequality, and a progressive vision of the economy. His blog, Rortybomb, was named one of the 25 Best Financial Blogs by Time Magazine. His writing has appeared in the Boston Review, The American Prospect, the Washington Monthly, The Nation, Slate, and Dissent, and he's appeared on PBS NewsHour, MSNBC's Rachel Maddow Show, CNN, Marketplace, and more, “7 Bipartisan Reasons to Raise the Minimum Wage”, Boston Review: A Political and Literary Forum, “7 Bipartisan Reasons to Raise the Minimum Wage”, March 3, 2014, DDA]

The minimum wage affects women disproportionally, especially women of color. According to the Center for American Progress, more than 64 percent of those earning the minimum wage or less are women. African American and Latina women are 15.8 and 16.5 percent of female minimum wage earners, respectively, though only about 12.5 percent of employed workers. Women are increasingly breadwinners or co-breadwinners in many households, and a higher minimum wage will allow for a family of three to be raised out of poverty on one full-time salary. Almost 80 percent of minimum wage earners are more than twenty years old. According to researchers at the Economic Policy Institute, the average worker affected by a $10.10 minimum wage hike would be thirty-five years old, with more than half working full-time. Twenty-eight percent of these workers have children. So this is not just a matter for teenagers without dependents. It is important to understand how the service industry evolved from of a traditional vision of women’s role in the economy. The historian Bethany Moreton has argued that the emergence of Wal-Mart’s low-wage workforce can be seen as an extension of women’s perceived duty to care and serve. Without institutional mechanisms to ensure that service jobs and care work are compensated at breadwinner salaries, women’s wages will remain low. This obstacle to gender equality will certainly worsen given that these same sectors are projected to generate the most jobs in the future, which will drive down wages for those employed in them. An increase in the minimum wage would buttress pay in these sectors enough to provide for single people and for families.

### AT- Targeting

#### Most minimum workers are adults whose families rely on them for income—plan also helps tipped workers.

#### BOUSHEY 14 [Heather Boushey, Labor economist, Executive Director and Chief Economist of the Washington Center for Equitable Growth, Senate testimony before the U.S. Senate Committee on Health, Education, Labor, and Pensions on “From Poverty to Opportunity: How A Fair Minimum Wage will Help Families Succeed”, March 12, 2014, DDA]

One invalid criticism of the minimum wage as an antipoverty tool is that the minimum wage would primarily benefit teenagers who are working part-time and are supported by their parents. The data, however, do not bear this story out. Contrary to stereotypes of minimum wage workers, 88 percent of affected workers would be adults. A plurality of affected workers, 36.5 percent, would be between the ages of 20 and 29. In fact, the average age of affected workers would be 35 years old.32 And the minimum wage increase would not flow mostly to part-time workers. Fifty-three percent of affected workers would work full time, defined as at least 35 hours a week. And research finds that minimum wage hikes do not result in significant decreases in working hours.33 (See Figure 3.) Then there are tipped workers, who earn a subminimum wage. They are similar to those who earn the minimum wage as they also are less educated, younger, and more likely to be female than the rest of the workforce.34 The Harkin-Miller legislation would raise the tipped minimum wage to 70 percent of the regular minimum wage. This increase would give tipped workers a considerable raise from the current tipped minimum wage of $2.13. The families of minimum wage earners are also dependent upon the earnings of those workers. On average, the earnings of minimum wage earners are 50 percent of their family’s incomes.35

#### Most people affected by the plan are poor workers who are primary earners for their families.

#### COOPER 13 [David Cooper, Economic analyst for the Economic Policy Institute with areas of expertise in poverty, state labor markets, economic inequality and social mobility, and the minimum wage, he has been interviewed and cited for his research on the minimum wage in The New York Times, The Washington Post, The Los Angeles Times, U.S. News and World Report, CNBC and NPR, he has a B.A. and M.P.P. from Georgetown University, published by the Economic Policy Institute (a nonpartisan and nonprofit think tank created in 1986 to include the needs of low and middle income workers in economic policy discussions, EPI conducts research and analysis on the economic status of working America), December 19, 2013, DDA]

Those who would be affected come largely from families with low to moderate income levels. As shown in Figure H, 68.9 percent of affected workers have total family incomes of less than $60,000 per year, and nearly a quarter (23.1 percent) have family incomes below $20,000 per year. Among all U.S. families, the median family income in 2012 was $62,527 (according to data from the American Community Survey), which means that nearly 70 percent of affected workers come from families in the bottom half of the income distribution. The share of workers affected by increasing the federal minimum wage to $10.10 with family income below $60,000 varies considerably by state, ranging from a low of 46.9 percent in New Hampshire to a high of 80.2 percent in Montana (and 80.4 percent in the District of Columbia). Low- and minimum-wage workers are often dismissed as “secondary earners,” implying that the income earned by these workers is primarily discretionary income, unessential to their family’s well-being. This is patently false: The workers who would be affected by increasing the minimum wage to $10.10 earn, on average, 50 percent of their family’s total income. As shown in Figure I, this percentage varies from a low of 32.9 percent in New Hampshire to a high of 60.3 percent in Louisiana.

### AT- CBO

#### AT- CBO Report: Several methodology flaws—also underestimates the benefits of increased consumer spending power.

#### BOUSHEY 14 [Heather Boushey, Labor economist, Executive Director and Chief Economist of the Washington Center for Equitable Growth, Senate testimony before the U.S. Senate Committee on Health, Education, Labor, and Pensions on “From Poverty to Opportunity: How A Fair Minimum Wage will Help Families Succeed”, March 12, 2014, DDA]

While CBO describes some of its thinking in its selection of employment elasticities from the economics literature, their methodology is relatively vague. They state they favor studies that use a methodology that finds small to no employment effects of modest increases in the minimum wage. They consider publication bias in academic journals that would result in the publication of fewer studies that find no effect. But their preferred elasticities appear to be about halfway between the elasticities found by their stated favored methodology and more negative estimates.38 Costs In several ways, the CBO report overstates the costs of raising the minimum wage with regards to employment. First of all, the report overstates the willingness of employers to substitute workers for capital. Minimum wage jobs are concentrated in industries and occupations where substitution is unlikely. You can’t replace a janitor with a Roomba. The authors also don’t account for possible productivity gains from raising the minimum wage. Increased productivity increases wages, but higher wages can boost productivity. Workers who are better paid may become more productive according to the “efficiency wage theory.” About 90 percent of interviewed fast food managers, for example, said a minimum wage increase would spur them to help improve the productivity of workers.39 Worker productivity could also be boosted by reduced turnover due to a minimum wage increase.40 As workers stay on the job longer they become more familiar with work tasks and therefore more productive. Finally and perhaps most importantly, the CBO report also doesn’t appear to account for the fact that the most price sensitive consumers are also the workers receiving the largest wage gains from an increase in the minimum wage. The low-wage workers who often have the hardest time dealing with price increases would be the ones receiving wage increases. The net effect of a minimum wage increase would be a gain for these workers.

#### CBO report underestimates the positive impacts of higher minimum wage on poverty.

#### BOUSHEY 14 [Heather Boushey, Labor economist, Executive Director and Chief Economist of the Washington Center for Equitable Growth, Senate testimony before the U.S. Senate Committee on Health, Education, Labor, and Pensions on “From Poverty to Opportunity: How A Fair Minimum Wage will Help Families Succeed”, March 12, 2014, DDA]

The CBO report finds that raising the minimum wage to $10.10 would reduce poverty by 900,000 people. Obviously a reduction in poverty is a good thing, but the report’s estimates are almost certainly on the low end of estimates. To calculate the effect of raising the minimum wage on family incomes, CBO uses a simulation to compare wages and incomes after a minimum wage increase to a world where the standard isn’t raised. This method isn’t incorrect. But other methods, specifically using historical data, find a much larger reduction in poverty. Simulation methods require assumptions about specific phenomena – like the spillover effect of raising the minimum wage – to be accurate and that there are no measurement errors in the underlying data. A review of the existing literature by University of Massachusetts - Amherst economist Arindrajit Dube on the relationship between the minimum wage and poverty found that the vast majority of the literature finds a negative relationship.41 On average, these studies find a ten percent increase in the minimum wage reduces the poverty rate by 1.5 percent. Using this conservative elasticity, raising the minimum wage to $10.10 would help raise 2.4 million non-elderly Americans out of poverty. Under Dube’s preferred elasticity, the increase in the minimum wage would decrease poverty by 4.6 million non-elderly Americans in the short-term and 6.8 million in the longer term.

### AT- Politics DA

#### Conservatives increasingly support the plan—3 reasons.

#### KONCZAL 14 [Mike Konczal, Mike Konczal is a fellow with the Roosevelt Institute, where he works on financial reform, unemployment, inequality, and a progressive vision of the economy. His blog, Rortybomb, was named one of the 25 Best Financial Blogs by Time Magazine. His writing has appeared in the Boston Review, The American Prospect, the Washington Monthly, The Nation, Slate, and Dissent, and he's appeared on PBS NewsHour, MSNBC's Rachel Maddow Show, CNN, Marketplace, and more, “7 Bipartisan Reasons to Raise the Minimum Wage”, Boston Review: A Political and Literary Forum, “7 Bipartisan Reasons to Raise the Minimum Wage”, March 3, 2014, DDA]

Conservatives have traditionally opposed the minimum wage, if only because they profess to dislike regulation of business. However, some conservatives are now offering strong support. Ron Unz, formerly of The American Conservative, has argued for increasing compensation for low earners and writes, “The most effective means of raising their wages is simply to raise their wages.” Beyond the efficiency of the minimum wage as an intervention, conservatives who support it tend to do so for three reasons. All three derive from the idea that a higher minimum wage would make jobs more desirable. First, it would help balance the huge uptick in the cost of higher education. Members of both parties worry that the government’s role in trying to increase college attainment has led to dramatic increases in college costs, as well as a predatory for-profit sector that lives off government funds in the form of student loans. Many marginal students are dropping out of higher education, leaving them with student loan debts and no degree. Meanwhile the job market continues to produce jobs that do not need to be filled by highly educated workers. Raising the minimum wage would make these jobs more desirable and give young people uninterested in higher education an alternate path to a decent living. Second, it decreases the cost of welfare. One of the central goals of conservative policy in the past thirty years has been to reduce government spending on welfare by getting people into jobs. However, if wages are too low, workers still need government income support such as food stamps or tax credits. Because these income supports are phased out as people earn more, the programs function like a tax, discouraging lower-wage workers from taking jobs or from working as many hours as they otherwise might. The minimum wage, by contrast, provides income support but without the discouraging effects of welfare. Conservatives’ third reason to support a minimum wage increase has to do with undocumented workers and immigration. A higher minimum would make low-wage jobs more desirable to Americans, and in turn employers would rely less on undocumented workers. The current bipartisan consensus involves a massive policing, detention, and deportation apparatus designed to deal with undocumented workers, with President Obama presiding over the greatest number of deportations in any two-year period in U.S. history. Under President Bush, local police were tasked with enforcing federal immigration laws, blurring the distinction between criminal and civil enforcement of immigration law. This has produced a human rights disaster that could be mitigated by a higher minimum wage, which would help Americans get back into the vacancy pool currently being filled by undocumented workers. We would have less contention over immigration if Americans felt that the jobs undocumented workers take were jobs worth filling themselves.

1. Lawrence Mishel, a nationally recognized economist, is president of the Economic Policy Institute, a role he assumed in 2002. Mishel first joined EPI in 1987 as research director. In the more than two decades he has been with EPI, Mishel has helped build it into the nation’s premier research organization focused on U.S. living standards and labor markets.

   Mishel has co-authored all 12 editions of The State of Working America, a book that former U.S. Labor Secretary Robert Reich says “remains unrivaled as the most-trusted source for a comprehensive understanding of how working Americans and their families are faring in today’s economy.” The State of Working America has been an invaluable resource in newsrooms, classrooms, and halls of power since 1988.

   Mishel’s primary research interests include labor markets and education. He has written extensively on wage and job quality trends in the United States. He co-edited a research volume on emerging labor market institutions for the National Bureau of Economic Research. His 1988 research on manufacturing data led the U.S. Commerce Department to revise the way it measures U.S. manufacturing output. This new measure helped accurately document the long decline in U.S. manufacturing, a trend that is now widely understood.

   Mishel leads EPI’s education research program. He has written extensively on charter schools, teacher pay, and high school graduation rates. His research with Joydeep Roy has shown that high school graduation rates are significantly higher than the rates that are often cited by education analysts. This work has enabled policymakers to more accurately assess the state of U.S. public education.

   Mishel has testified before Congress on the importance of promoting policies that reduce inequality, generate jobs, improve the lives of American workers and their families, and strengthen the middle class. He also serves frequently as a commentator in print, broadcast, and online media.

   Prior to joining EPI, Mishel held a number of research roles, including a fellowship at the U.S. Department of Labor. He also served as a faculty member at Cornell University’s School of Industrial and Labor Relations. Mishel also served as an economist for several unions, including the Auto Workers, Steelworkers, AFSCME, and the Industrial Union Department, AFL-CIO. Mishel holds a Ph.D. in economics from the University of Wisconsin at Madison. Originally from Philadelphia, he has four children and one grandson and lives with his wife and two dogs in Washington, D.C.

   Education

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2. Jonathan Hopkin (Associate Professor in the Department of Government at the London School of Economics and Political Science (LSE)), Victor Lapuente (Senior Lecturer and Associate Professor at the Department of Political Science and a Research Fellow at the Quality of Government Institute (QoG Institute), University of Gothenburg), and Lovisa Moller (graduate student in Global Politics at the London School of Economics and Political Science). “Lower levels of inequality are linked with greater innovation in economies.” The London School of Economics and Political Science. January 25th, 2014. http://blogs.lse.ac.uk/politicsandpolicy/lower-levels-of-inequality-are-linked-with-greater-innovation-in-economies/ [↑](#footnote-ref-2)