

COUNTERPOINTS TO FREQUENT ARGUMENTS

against raising the wage

1. **Raising the minimum wage will cause unemployment.** Cities that have set higher minimum wages have not experienced higher unemployment rates.
2. **Raising the minimum wage will result in reduced work hours.** Some workers have had small reductions in their work hours as an employer response a higher minimum wage. However, the higher wage has more than offset the lost hours and workers typically end up with higher weekly paychecks.
3. **Raising the minimum wage will force businesses to raise prices.** Researchers have found that raising the minimum wage increased to the cost of business across all businesses in the city by about 1%. If employers raise prices in response to a new minimum wage will businesses or customers be hurt by an average price increase of 1%?
4. **Raising the minimum wage will force businesses *that use a lot of labor* to raise prices a lot.** An important example is day care. Suppose day care costs increase by 30%, so that a \$400/month cost goes up by \$120. A worker going from \$6.55/hour to \$9.82 will earn an additional \$523/month, more than enough to cover the increased day care cost.
5. **Raising the minimum wage will harm small businesses.** This assertion overlooks the fact that low income workers, many of who are customers of local small businesses, will now have higher incomes to spend and hence increase small businesses' sales.
6. **Raising the minimum wage will harm small businesses causing them to *move out of Greensboro*.** Most small businesses—think of coffee shops—have a local clientele and so moving out of the city is not a viable option.
7. **Raising the minimum wage will harm small businesses causing them to *raise prices, maybe even by 10 or more percent*.** These small businesses' main competitors are other local small businesses that will be facing similar higher labor costs and hence will be contemplating similar price hikes. Such price increases will not change the relative competitive position among these small businesses.