



Written by [Selwyn Duke](#) on February 13, 2024

Dem Senate Contender Wants \$50 Minimum Wage

When arguing against a given minimum wage (e.g., \$15/hour), late radio giant Rush Limbaugh would sometimes rhetorically ask: Why stop there? If that amount is good, wouldn't a \$50 minimum wage be even better? It's unknown whether Limbaugh would've even suspected that a statist would make his "illustrating absurdity by being absurd" [example](#) a serious proposal within 10 years, but here we are:

Representative Barbara Lee (D-Calif.), who's running for the Golden State's open Senate seat, made this very proposal in a Monday night debate with her rivals. "Just do the math!" she exclaimed, alluding to the supposed self-evident legitimacy of her idea.



AP Images
Barbara Lee

"Lee first called for a \$50 minimum wage last year while campaigning for the California Senate seat previously occupied by the late Dianne Feinstein," [writes](#) Mediaite, reporting on the story. "Reps. Adam Schiff (D-CA) and Katie Porter (D-CA) are also seeking to grab the seat. Compared to Lee, her fellow Democrats Schiff and Porter have called for an increase in the minimum wage to \$20 to \$25/hour. Lee's proposal would make it so minimum wage workers earn \$104,000 annually." Note that Americans' [average income](#) is only \$63,214.

Along with Lee, the Monday debate included Schiff, Porter, and former Dodgers baseball player Steve Garvey, who's running as a Republican and doesn't advocate any minimum wage (MW) increase.

Making her case, Lee stated that certain places — California among them — require higher MWs because the cost of living is so great.

"In the Bay Area, I believe it was the United Way that came out with a report that very recently \$127,000 for a family of four is just barely enough to get by,' Mediaite relates her as saying. "Another survey very recently: \$104,000. For a family of one, barely enough to get by low income because of the affordability crisis."

Of course, a person can find a "study" (much research [is fraudulent today](#)) to vindicate most any position imaginable. Even taking the above numbers at face value, however, what Lee neglected to say is that MW jobs were *never intended as sole family income sources* — and the norm is that they're not. They're meant for teenagers getting their feet wet and people who want to bring home a little extra income. (More on this later.)

Moreover, would \$127,000 for a family be "just barely enough to get by" if the government didn't reduce that income so much via taxation? Shouldn't Lee perhaps seek to lower taxes as a remedy and address the government-caused factors in rising prices?

But Lee apparently prefers one-dimensional thinking. "Just do the math! Of course we have national minimum wages that we need to raise to a living raise," Mediaite also reports her as saying. "You're



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talking about 20, 25 dollars, fine, but I have got to be focused on what California needs and what the affordability factor is when we calculate this wage.” (video below)

The federal MW is \$7.25 (and unconstitutional). Many states set their own figures, however, with California’s currently being \$16/hour. What’s more, Mediaite tells us that the rate is a bit higher still for healthcare and fast-food workers.

But “do the math”? Perhaps Lee should do the economics; then she might know that MW proposals only work if you have a money tree.

As to this, Rush Limbaugh’s aforementioned point was that if arbitrarily requiring businesses to pay employees more actually improves the latter’s financial status, why settle at \$20 or \$25/hour — or even \$50? After all and again, \$50 equates to “only” \$104,000 yearly, and Lee admitted herself that this was just “barely enough to get by.” So why not make the MW \$120/hour?

Even the staunchest MW advocate will have a limit. Yet if they say any given figure is too high, it follows that they believe it will have a negative effect on balance — and this is an admission that a MW *can* have a negative effect on balance. But this then raises the question: How do you know that this on-balance negative effect doesn’t manifest itself at an even lower figure? And what is this effect?

As late economist Walter E. Williams might’ve put it, would you rather have some jobs available at \$12/hour — or no jobs available at \$25/hour?

Because business owners aren’t one-dimensional entities with money trees, they’ll respond to new restrictions by changing their behavior. And in fact, Williams [wrote](#) in 2007, “in economics there is broad agreement that the minimum wage causes unemployment among low-skilled workers.” Why?

If a worker brings only \$12/hour in value to a business, paying him more than that means his employer is losing money on him. (Note, too, that businesses must also foot “legally mandated fringe benefits such as employer payments for Social Security, Medicare, unemployment compensation, and worker-compensation programs at federal and state levels,” Williams points out, which “may run as high as 30 percent of the hourly wage.”) Employers then have three choices:

- Raise prices.
- Automate.
- Shut down.

When the market won’t pay the higher prices, the business must then automate or shut down; either way, jobs are lost.

So the irony here is that MW increases contribute to the very problem of high prices Lee bemoans.

At issue here is a worker’s inherent economic value. If a pizza delivery boy earns \$8/hour and a neurosurgeon \$160/hour, relevant is not that the doctor makes \$152 more, but that the market assigns to him a value 20 times as great. Can the government arbitrarily change this?

Well, imagine you somehow could ensure that all low-skilled workers could retain their jobs *and* make \$50/hour. A consequence would be greatly rising prices, and other wages would rise commensurately. It then just might be that the neurosurgeon would eventually end up making \$2,000/hour — again, 20 times as much. It’s higher skills, not arbitrarily-mandated higher pay scales, that improve workers’ lot.



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Of course, the low-skilled will always be with us. The good news is that they generally *don't* rely on MW work for survival. As the Pew Research Center [reported](#) in 2014:

People at or below the federal minimum are:

- Disproportionately young: 50.4% are ages 16 to 24; 24% are teenagers (ages 16 to 19).
- Mostly (77%) white; nearly half are white women.
- Largely part-time workers (64% of the total).

Moreover, as the Washington Policy Center [related](#) in 2013, “85 percent of workers who earn minimum wage live with their parents or another relative, live alone or have a working spouse.”

- 25 percent are single or married with no kids
- 42 percent live with a relative
- 18 percent are a second income earner who is married, with or without children

Another reality is that MW laws rob teenagers and other inexperienced workers of a chance to gain experience and build resumes and a work ethic. (Such laws [had racist origins](#), too, Professor Williams informs.)

If Representative Lee really cared about American workers, she would not only oppose deficit spending and our currency's devaluation via the government's legalized counterfeiting, but also the continual flooding of our nation with millions of low-skilled workers through (im)migration. In accordance with the law of supply and demand, after all, this dilutes native-born low-skilled workers' value.

The truth, however, is that the only job Money Tree Lee cares about is the Senate gig she so desperately craves.



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