



Written by [Selwyn Duke](#) on March 22, 2019

Why Did Bar AOC Used to Work at Shut Down? Because of \$15 Minimum Wage SHE Supports

Alexandria Ocasio-Cortez (shown) had been [accused](#) of stealing tips from a coworker at a bar where she once waitressed. Yet she also could perhaps be accused of helping steal the jobs, in a manner of speaking, from workers at its sister establishment, in which she also waitressed. This is because iconic New York City restaurant The Coffee Shop closed its doors forever — largely because of its state’s new \$15 minimum wage — which Ocasio-Cortez supported.



The Coffee Shop was no failed business model. It was “frequented by A-list celebrities and featured on ‘Sex and the City,’” wrote *Investor’s Business Daily*. Opened by former Wilhelmina models Charles Milite, Eric Petterson, and Carolyn Benitez in 1990, “it quickly became a sceney fashion destination,” [added](#) *Eater New York* last year. “There was even a long-standing rumor that the restaurant only hired aspiring models as servers” (though Ocasio-Cortez’ employment apparently debunks this rumor).

What isn’t a rumor is that the minimum wage minimized the restaurant’s viability. “The times have changed in our industry,” owner Milite [told](#) the *New York Post*. “The rents are very high and now the minimum wage is going up and we have a huge number of employees.”

If it makes Milite and the 150 now unemployed feel any better, Ocasio-Cortez [did stop by](#) last year, one last time, to pay her respects, a bit like a mafia hit man attending his latest victim’s funeral.

It has long been known that minimum-wage laws cost jobs and hurt economies. Famed late economist and Nobel Laureate Milton Friedman not only made this point, but also [added](#) in a 1966 op-ed:

The groups that will be hurt the most are the low-paid and the unskilled. The ones who remain employed will receive higher wage rates, but fewer will be employed. As Prof. James Tobin, who was a member of president [sic] Kennedy’s Council of Economic Advisers, recently wrote: “People who lack the capacity to earn a decent living need to be helped, but they will not be helped by minimum-wage laws, trade-union wage pressures or other devices which seek to compel employers to pay them more than their work is worth. The more likely outcome of such regulations is that the intended beneficiaries are not employed at all.

This realization is what helped shake another famed economist, Professor Thomas Sowell, from his youthful Marxism. While doing a summer internship with the Department of Labor, he researched the minimum wage and not only discovered it cost jobs, but also something else: The labor-department bureaucrats *didn’t even care*. Their bureaucracy was getting a lot of money via administration of the minimum wage laws.

Friedman’s and Sowell’s position prevails in the wider economist community, too. As columnist Larry Elder [noted](#) Thursday, quoting from a survey of economists commissioned by the Employment Policies Institute:



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“Nearly three-quarters of these US-based economists oppose a federal minimum wage of \$15.00 per hour. [Does the last quarter work for the Department of Labor?]

“The majority of surveyed economists believe a \$15.00 per hour minimum wage will have negative effects on youth employment levels (83 percent), adult employment levels (52 percent), and the number of jobs available (76 percent).

“When economists were asked what effect a \$15.00 per hour minimum wage will have on the skill level of entry-level positions, 8 out of 10 economists (80 percent) believe employers will hire entry-level positions with greater skills.

“When economists were asked what effect a \$15.00 per hour minimum wage will have on small businesses with fewer than 50 employees, nearly 7 out of 10 economists (67 percent) believe it would make it harder for them to stay in business.”

None of this is hard to understand. An employee brings a certain amount of *value* to a business. Now, if a worker’s labor will add \$13-an-hour in value, can you pay him \$15 hourly?

Creating a minimum wage above many existing workers’ value leaves employers only three choices:

- Fire those workers and, when possible, replace them with more skilled/more productive employees who yield greater value than the minimum-wage salaries you must pay.
- Fire those workers and, when economically feasible, automate.
- When neither of the first two is possible, close up shop — ergo, the erstwhile Coffee Shop.

Option one gets at why minimum-wage laws hurt low-skilled workers (who are inordinately young, black, and/or Hispanic). After all, if for \$15 hourly you can hire a 23-year-old with some experience, why would you hire a green 17-year-old or a young inner-city fellow with no experience? You’re going to want to get what you’re paying for.

Thus, minimum-wage laws make it more difficult for young people to land that important first job and gain the experience that can lead to better employment. And without work, which “[ennobles man](#)” and can give life meaning, young people are more likely to be out on the streets causing trouble and joining gangs.

Yet as the Foundation for Economic Freedom put it last year, it can be argued that minimum-wage laws were actually designed to kick the “wrong people” out of work. In fact, it relates in the video below that “early 20th-century socialist thought leader Sidney Webb wrote an article entitled ‘The Economic Theory of a Legal Minimum Wage,’ in which he described married women; the disabled; and other, quote, ‘invalids,’ unquote, as parasites who were taking work from able-bodied men. See, it was understood by many early on that minimum-wage laws were there to price the ‘less fit’ out of the marketplace.”

Apropos to this, note that prior to minimum-wage laws’ advent, the United States’ black unemployment was actually *slightly lower* than white unemployment — this reversed after these laws’ birth.

It’s not fair to say these laws are the only cause of higher minority unemployment or that all those advocating them today have bigoted motives. But many are demagogues who callously use minimum-wage appeals to gain power. Moreover, we could wonder if some understand the effect these laws have — but want higher minority unemployment so that they can blame “white supremacy” and portray themselves as saviors of minority America.



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At best, reflected in minimum-wage laws is minimal thinking.

Photo of Rep. Alexandria Ocasio-Cortez: AP Images



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