Is Pete Buttigieg Right That Opposing a \$15 Minimum Wage 'Taunts' God?

Are those who oppose raising the minimum wage to \$15 an hour transgressing the Scripture and mocking the Lord God Almighty? One might get that impression from watching Tuesday night's Democratic presidential debate, when one of the participants explicitly made that argument.

The allegation came when South Bend Mayor Pete Buttigieg offered his exegesis of Proverbs 14:31. "[T]he minimum wage is just too low," Buttigieg said. "And so-called conservative Christian senators right now in the Senate are blocking a bill to raise the minimum wage, when Scripture says that 'whoever oppresses the poor taunts their Maker.'"

The Old Testament, which Buttigieg cites, primarily defines oppressing the poor as refusing to pay their wages. <u>Deuteronomy 24:14-15</u> says, "You shall not oppress a hired servant who is poor and needy ... Each day you shall give him his wages." Another form of oppression consisted of failing to provide a uniform level of justice (<u>Leviticus</u> <u>19:13-15</u>). Rulers were not to favor the rich or take bribes, nor were they to "show partiality to a poor man" (<u>Exodus</u> <u>23:3</u>).

The Hebrew Bible knows of no minimum wage provision. And although it is not primarily economic, Jesus' <u>Parable of the</u> <u>Laborers in the Vineyard</u> concludes with the landowner telling workers who are disgruntled over their pay, "Is it not lawful for me to do what I wish with my own things?"

The rate of wages and remuneration deemed "biblical" is not so clear cut that one should begin hurling anathemas over it. The minimum wage is a prudential issue commended to those who are both thoughtful and faithful. There are at least four reasons raising the federal minimum wage to \$15 an hour, as Buttigieg <u>advocates</u>, is likely to have harmful effects.

It increases unemployment. First, the "Raise the Wage Act" will offer a small boost to some in exchange for depriving some people of all opportunity. The Congressional Budget Office's analysis finds that, by 2025, a \$15 minimum wage would give the average person (who keeps his job) an extra \$50 a month. The CBO estimates this may reduce the number of people living beneath the U.S. poverty level by 1.3 million. However, this comes as a steep cost. It would throw another 1.3 million people - and possibly as many as 3.7 million Americans _ out of work altogether. This will <u>fall</u> disproportionately on those most in need: the poor, minorities, the young, and those looking to enter the labor force.

It destroys wealth. Second, raising the minimum wage to \$15 an hour will make the nation poorer as a whole. The CBO concludes that raising the minimum wage would cost the overall U.S. economy a total of \$9 billion. Reducing the total amount of resources available to society does not aid the poor and needy.

It reduces the long-term earnings of the poor. Third, a higher minimum wage makes it less likely for workers to move up the economic ladder. The CBO report notes in passing: "A higher minimum wage might draw some workers who would otherwise attend school into the labor force. Those potential effects on family income are not accounted for in this analysis."

It's no surprise that higher wages may stimulate labor participation. The Bureau of Labor Statistics found that the average worker with a high school diploma <u>earns</u> \$192 a week, or \$9,984 a year, more than someone without a diploma; and someone with a four-year college degree makes \$23,972 a year more than a high school graduate. A high minimum wage tantalizes workers in late adolescence with the immediate gratification of what seems to be "good money." But it locks them into lower income strata for life. This is no small issue, since young people are the largest cohort of people affected by the minimum wage: Nearly 98 percent of people earning the minimum wage are 24 or younger, according to Dave Hebert, professor of economics at Aquinas College, who addressed the topic on this week's edition of the <u>"Acton Line" podcast</u>.

This leads to the greatest harm done by an excessively high minimum wage.

It squanders young people's personal potential. Finally, encouraging young people to forego higher education robs them – and society – of the blessings that flow from reaching their full potential. A 1995 <u>study</u>, which confirmed previous studies, found that increasing "minimum wages lead to a decline in the school enrollment rate and an increase in the proportion of teenagers who are neither employed nor enrolled" in school.

To be sure, the rise of <u>NEETs</u> – those Neither Employed nor in Education or Training – has a detrimental impact on society. "The male retreat from the labor force has exacerbated family breakdown, promoted welfare dependence, and recast viable 'disability' into alternative а lifestyle," wrote Nicholas Eberstadt of AEI. "Among these men the death of work seems to mean also the death of civic engagement, community participation, and voluntary association." (The problem of NEETs is a transatlantic problem, with <u>one-sixth</u> of young people in the EU caught in stasis. The lowest level of NEETs is in Sweden, which has no statutory minimum wage.)

But the greatest victim of wasted potential is the worker himself or herself. Unlike other losses, the retreat of young people into idleness is incalculable. Only the full development of one's intellectual faculties allows young men and women to <u>become</u> "truly outstanding in their training, ready to undertake weighty responsibilities in society and witness to the faith in the world."

A minimum wage job usually serves as the beginning, rather than the end, of that process. By refusing further development, the person ends a regret-filled life wondering what might have been.

Buttigieg <u>told</u> The Washington Post that the nation has the opportunity for "religion to be not so much used as a cudgel but invoked as a way of calling us to a higher value."

A nation gets no closer to understanding the Heart of our Maker, or encouraging human flourishing and civil discourse, by distorting the Bible or classifying everyone who dissents from the statist economic agenda as blasphemers.

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