


How much is an hour worth? The war over the minimum wage

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April 13, 2018

No idea in economics provokes more furious argument than the minimum wage. Every time a government debates whether to raise the lowest amount it is legal to pay for an hour of labour, a bitter and emotional battle is sure to follow – rife with charges of ignorance, cruelty and ideological bias. In order to understand this fight, it is necessary to understand that every minimum-wage law is about more than just money. To dictate how much a company must pay its workers is to tinker with the beating heart of the employer-employee relationship, a central component of life under capitalism. This is why the dispute over these laws and their effects – which has raged for decades – is so acrimonious: it is ultimately a clash between competing visions of politics and economics.

In the media, this debate almost always has two clearly defined sides. Those who support minimum-wage increases argue that when businesses are forced to pay a higher rate to workers on the lowest wages, those workers will earn more and have better lives as a result. Opponents of the minimum wage argue that increasing it will actually hurt low-wage workers: when labour becomes more expensive, they insist, businesses will purchase less of it. If minimum wages go up, some workers will lose their jobs, and others will lose hours in jobs they already have. Thanks to government intervention in the market, according to this argument, the workers struggling most will end up struggling even more.

This debate has flared up with new ferocity over the past year, as both sides have trained their firepower on the city of Seattle – where labour activists have won some of the most dramatic minimum-wage increases in decades, hiking the hourly pay for thousands of workers from \$9.47 to \$15, with future increases automatically pegged to inflation. Seattle's \$15 is the highest minimum wage in the US, and over double the federal minimum of \$7.25. This fact alone guaranteed that partisans from both sides of the great minimum-wage debate would be watching closely to see what happened.

But what turned the Seattle minimum wage into national news – and the subject of hundreds of articles – wasn't just the hourly rate. It was a controversial, inconclusive verdict on the impact of the new law – or, really, two verdicts, delivered in two competing academic papers that reached opposite conclusions. One study, by economists at the University of Washington (UW), suggested that the sharp increase in Seattle's minimum wage had reduced employment opportunities and lowered the average pay of the poorest workers, just as its critics had predicted. The other study, by economists at the University of California, Berkeley, claimed that a policy designed to boost worker income had done exactly that.

The duelling academic papers launched a flotilla of opinion columns, as pundits across the US picked over the economic studies to declare that the data was on their side – or that the data on their side was the better data, untainted by ideology or prejudice. In National

Review, the country's most prominent rightwing magazine, Kevin D Williamson wrote that the UW study had proven yet again "that the laws of supply and demand apply to the labor market". Of course, he added, "everyone already knew that".

Over on the left, a headline in the Nation declared: "No, Seattle's \$15 Minimum Wage Is Not Hurting Workers." Citing the Berkeley study, Michelle Chen wrote: "What happens when wages go up? Workers make more money." The business magazine Forbes ran two opposing articles: one criticising the UW study ("Why It's Utter BS"), and another criticising liberals for ignoring the UW study in favour of the Berkeley study ("These People are Shameless"). This kind of thing – furious announcements of vindication from both sides – was everywhere, and soon followed by yet another round of stories summarising the first round of arguments.

When historians of the future consider our 21st-century debates about the minimum wage, one of the first things they will notice is that, despite the bitterness of the disagreement, the background logic is almost identical. Some commentators think the minimum wage should obviously go up. Some think all minimum-wage laws are harmful. Others concede we may need a minimum wage, but disagree about how high it should be or whether it should be the same everywhere – or whether its goals could be better accomplished by other measures, such as tax rebates for low-income workers.

But beneath all this conflict, there is a single, widely shared assumption: that the only important measure of the success of a minimum wage is whether economic studies show that it has increased the total earnings of low-wage workers – without this increase being outweighed by a cost in jobs or hours.

It is no coincidence that this framing tracks closely with the way the minimum wage is typically discussed by academic economists. In the US's national organs of respectable public discourse – New York Times op-eds, Vox podcasts and Atlantic explainers – the minimum-wage debate is conducted almost entirely by economists or by journalists steeped in the economics literature. At first glance, this seems perfectly natural, just as it may seem completely natural that the debate is framed exclusively in terms of employment and pay. After all, the minimum wage is obviously an economic policy: shouldn't economists be the people best equipped to discuss its effects?

But to historians of the future, this may well appear as a telling artifact of our age. Just imagine, for a moment, combing through a pile of articles debating slavery, or child labour, in which almost every participant spoke primarily in the specialised language of market exchange and incentives, and buttressed their points by wielding competing spreadsheets, graphs and statistical formulas. This would be, I think we can all agree, a discussion that was limited to the point of irrelevance. Our contemporary minimum-wage debates are similarly blinkered. In its reflexive focus on just a few variables, it risks skipping over the fundamental question: how do we value work? And is the answer determined by us – by politics and politicians – or by the allegedly immutable laws of economics?

In the last four years, some of the most effective activists in America have been the 'Fight for \$15' campaigners pushing to raise the minimum wage – whose biggest victory so far had come in Seattle. Thanks to their efforts – widely viewed as a hopelessly lost cause

when they began – significant minimum-wage increases have been implemented in cities and states across the US. These same activists are laying plans to secure more increases in this November’s midterm elections. The Democratic party, following the lead of Bernie Sanders, has made a \$15 minimum part of its official national platform. US businesses and their lobbyists, historically hostile to all minimum-wage increases but well aware of their robust popularity, are gearing up to fight back with PR campaigns and political talking points that paint the minimum wage as harmful to low-wage workers, especially young workers in need of job experience.

In the UK, Jeremy Corbyn has pledged that a Labour government would raise the national minimum wage to £10 “within months” of taking office. (It is currently on schedule to rise slowly to £9 by 2020, which has been criticised by some on the right, [citing Seattle](#) as evidence that it will eliminate jobs.) In recent years, EU policymakers have raised the possibility of an EU-wide minimum-wage scheme. All this activity – combined with concern about rising economic inequality and stagnating wages – means the minimum wage is being studied and debated with an intensity not seen for years. But this is a debate unlikely to be resolved by economic studies, because it ultimately hinges on questions that transcend economics.

So what are we really talking about when we talk about the minimum wage?

The first minimum-wage laws of the modern industrial era were passed in New Zealand and Australia in the first decades of the 20th century, with the goal of improving the lives and working conditions of sweatshop workers. As news of these laws spread, reformers in the US sought to copy them. Like today’s minimum-wage proponents, these early reformers insisted that a minimum wage would increase the incomes of the poorest, most precarious workers. But they were also explicit about their desire to protect against capitalism’s worst tendencies. Without government regulation, they argued, there was nothing to stop companies from exploiting poor workers who needed jobs in order to eat – and had no unions to fight on their behalf.

In the field of economics, the concern that a state-administered minimum wage – also known as a wage floor – could backfire by reducing jobs or hours had been around since John Stuart Mill at least. But for many years, it was not necessarily the dominant view. Many mainstream economists supported the introduction of a minimum wage in the US, especially a group known as “institutionalists”, who felt economists should be less interested in abstract models and more focused on how businesses operated in the real world. At the time, many economists, institutionalist and otherwise, thought minimum-wage laws would likely boost worker health and efficiency, reduce turnover costs, and – by putting more cash in workers’ pockets – stimulate spending that would keep the wheels of the economy spinning.

During the Great Depression, these arguments found a prominent champion in President Franklin Roosevelt, who openly declared his desire to reshape the American economy by driving out “parasitic” firms that built worker penury into their business models. “No business which depends for existence on paying less than living wages to its workers has any right to continue in this country,” he said in 1933.

Inevitably, this vision had its dissenters, especially among business owners, for whom minimum-wage increases represented an immediate and unwelcome increase in costs, and more generally, a limit on their agency as profit-seekers. At a 1937 Congressional hearing on the proposed Fair Labor Standards Act (FLSA) – which enacted the first federal minimum wage, the 40-hour work week and the ban on child labour – a representative of one of the US's most powerful business lobby groups, the National Association of Manufacturers, testified that a minimum wage was the first step toward totalitarianism: “Call it Bolshevism or communism, if you will. Call it socialism, Nazism, fascism or what you will. Each says to the people that they must bow to the will of the state.”

Despite these objections, the FLSA passed in 1938, setting a nationwide minimum wage of \$0.25 per hour (the equivalent of \$4.45 today). Many industries were exempt at first, including those central to the southern economy, and those that employed high proportions of racial minorities and women. In subsequent decades, more and more of these loopholes were closed.

Illustration: The Project Twins

But as the age of Roosevelt and his New Deal gave way to that of Reagan, the field of economics turned decisively against the minimum wage – one part of a much larger political and cultural tilt toward all things “free market”. A central factor in this shift was the increasing prominence of neoclassical price theory, a set of powerful models that illuminated how well-functioning markets respond to the forces of supply and demand, to generate prices that strike, under ideal conditions, the most efficient balance possible between the preferences of consumers and producers, buyers and sellers.

Viewed through the lens of the basic neoclassical model, to set a minimum wage is to interfere with the “natural” marriage of market forces, and therefore to legislatively eliminate jobs that free agents would otherwise have been perfectly willing to take. Low-wage workers could lose income, teenagers could lose opportunities for work experience, consumer prices could rise and the overall output of the economy could be reduced. The temptation to shackle the invisible hand might be powerful, but was to be resisted, for the good of all.

Throughout the 70s, studies of the minimum wage's effects were few and far between – certainly just a small fraction of today's vast literature on the subject. Hardly anyone thought it was a topic that required much study. Economists understood that there were indeed rare conditions in which employers could get away with paying workers less than the “natural” market price of their labour, due to insufficiently high competition among employers. Under these conditions (known as monopsonies), raising the minimum wage could actually increase employment, by drawing more people into the workforce. But monopsonies were widely thought to be exceptionally unusual – only found in markets for very specialised labour, such as professional athletes or college professors. Economists knew the minimum wage as one thing only: a job killer.

In 1976, the prominent economist George Stigler, a longtime critic of the minimum wage on neoclassical grounds, boasted that “one evidence of the professional integrity of the economist is the fact that it is not possible to enlist good economists to defend protectionist

programs or minimum wage laws”. He was right. According to a 1979 study in the *American Economic Review*, the main journal of the American Economic Association, 90% of economists identified minimum-wage laws as a source of unemployment.

“The minimum wage has caused more misery and unemployment than anything since the Great Depression,” claimed Reagan during his 1980 presidential campaign. In many ways, Reagan’s governing philosophy (like Margaret Thatcher’s) was a grossly simplified, selectively applied version of neoclassical price theory, slapped with a broad brush on to any aspect of American life that Republicans wanted to set free from regulatory interference or union pressure. Since becoming law in 1938, the US federal minimum wage had been raised by Congress 15 times, generally keeping pace with inflation. Once Reagan was president, he blocked any new increases, letting the nationwide minimum be eroded by inflation. By the time he left office, the federal minimum was \$3.35, and stood at its lowest value to date, relative to the median national income.

Today, invectives against Reaganomics (and support for minimum-wage increases) are a commonplace in liberal outlets such as the *New York Times*. But in 1987, the *Times* ran an editorial titled “The Right Minimum Wage: \$0.00”, informing its readers – not inaccurately, at the time – that “there’s a virtual consensus among economists that the minimum wage is an idea whose time has passed”. Minimum-wage increases, the paper’s editorial board argued, “would price working poor people out of the job market”. In service of this conclusion, they cited not a single study.

But the neoclassical consensus was eventually shattered. The first crack in the facade was a series of studies published in the mid-90s by two young economists, David Card and Alan Krueger. Through the 1980s and into the 90s, many US states had responded to the stagnant federal minimum wage by passing laws that boosted their local minimum wages above what national law required. Card and Krueger conducted what they called “natural experiments” to investigate the impact of these state-level increases. In their most well-known study, they investigated hiring and firing decisions at fast-food restaurants located along both sides of the border separating New Jersey, which had just raised its wage floor, and Pennsylvania, which had not. Their controversial conclusion was that New Jersey’s higher wage had not caused any decrease in employment.

In *Myth and Measurement*, the duo’s book summarising their findings, they assailed the existing body of minimum-wage research, arguing that serious flaws had been overlooked by a field eager to confirm the broad reach of neoclassical price theory, and willing to ignore the many ways in which the labour market might differ from markets in consumer goods. (For one thing, they suggested, it was likely that monopsony conditions were much more common in the low-wage labour market than had been previously assumed – allowing employers, rather than “the market”, to dictate wages). The book was dedicated to Richard Lester, an economist from the institutionalist school who argued in the 1940s that neoclassical models often failed to accurately describe how businesses behave in the real world.

Card and Krueger's work went off like a bomb in the field of economics. The Clinton administration was happy to cite their findings in support of a push, which was eventually successful, to raise the federal minimum to \$5.15. But defenders of the old consensus fought back.

In the *Wall Street Journal*, the Nobel prize-winning economist James M Buchanan asserted that people willing to give credence to the Myth and Measurement studies were "camp-following whores". For economists to advance such heretical claims about the minimum wage, Buchanan argued, was the equivalent of a physicist arguing that "water runs uphill" (which, I must note, is not uncommon in man-made plumbing and irrigation systems). High-pitched public denunciations like Buchanan's were just the tip of the disciplinary iceberg. More than a decade later, Card recalled that he subsequently avoided the subject, in part because many of his fellow economists "became very angry or disappointed. They thought that in publishing our work we were being traitors to the cause of economics as a whole."

There were some shortcomings in Card and Krueger's initial work, but their findings inspired droves of economists to start conducting empirical studies of minimum-wage increases. Over time, they developed new statistical techniques to make those studies more precise and robust. After several generations of such studies, there is now considerable agreement among economists that, in available historical examples, increases in the minimum wage have not substantially reduced employment. But this newer consensus is far short of the near-unanimity of the 1980s. There are prominent dissenters who insist that the field's new tolerance for minimum wages is politically expedient wishful thinking – that the data, when properly analysed, still confirms the old predictions of neoclassical theory. And every new study from one side of the debate still generates a rapid response from the other team, in both the specialist academic literature and the wider media.

What has returned the minimum wage to the foreground of US politics is not the slowly shifting discourse of academic economists, but the efforts of the Fight for \$15 and its new brand of labour activism. The traditional template for US labour organising was centred on unions – on workers pooling their power to collectively negotiate better contracts with their employers. But in the past four decades, the weakening of US labour law and the loss of jobs in industries that were once bastions of union strength have made traditional unions harder to form, less powerful and easier to break, especially in low-wage service industries.

These conditions have given birth to what is often called "alt-labour": a wide variety of groups and campaigns (many of them funded or supported by traditional unions) that look more like activist movements. Campaigns such as the Fight for \$15 often voice support for unionisation as an ideal (and their union backers would like the additional members), but in the meantime, alt-labour groups seek to address worker grievances through more public means, including the courts, elections and protest actions, including "wildcat" strikes.

In November 2012, some 200 non-unionised workers at fast-food chain restaurants in New York City walked off the job and marched through the streets to broadcast two central demands: the ability to form a union and a \$15 minimum wage. (At the time, New York's minimum wage was \$7.25, the same as the national minimum.) The marches also sought to emphasise the fact that, contrary to persistent stereotype, minimum-wage jobs are not

held exclusively, or even primarily, by teenagers working for pocket money or job experience; many of the participants were adults attempting to provide for families. The march, the largest of its kind in fast-food history, was coordinated with help from one of the US's largest and most politically active unions, the Service Employees International Union. Soon the SEIU was helping fast-food workers stage similar walkouts across the country. The Fight for \$15 had begun.

As the campaign gathered steam – earning widespread media coverage, helping secure minimum-wage increases in many cities and states, and putting the issue back into the national political conversation – the media turned to economists for their opinion. Their responses illustrated the extent to which the old neoclassical consensus had been upended, but also the ways in which it remained the same.

The old economic consensus insisted that the only good minimum wage was no minimum wage; the new consensus recognises that this is not the case. Increasingly, following Card and Krueger, economists recognise that monopsonistic conditions, in which there is little competition among purchasers of labour, are more common than once thought. If competition among low-wage employers is not as high as it “should” be, wages – like those of fast-food workers – can be “unnaturally” suppressed. Therefore, a minimum wage is accepted as a tweak necessary to correct this flaw. For economists, the “correct” minimum wage is the one calculated, on the basis of past studies, to give the average worker more money without significantly reducing the number of available jobs.

But this meant that almost no economists, even staunch defenders of minimum-wage increases, would endorse the central demand of the Fight for \$15. A hike of that size, they pointed out, was considerably more drastic than any increase in the minimum wage they had previously analysed – and therefore, by the standards of the field, too risky to be endorsed. Arindrajit Dube, a professor at the University of Massachusetts, and perhaps contemporary economics' most prominent defender of minimum-wage increases, cautioned that \$15 might be fine for a prosperous coastal city, but it could end up incurring dangerously high costs in poorer parts of the country. Alan Krueger himself came out against setting a federal target of \$15, arguing in a New York Times op-ed that such a high wage floor was “beyond the range studied in past research”, and therefore “could well be counterproductive”.

Of course, these economists may be right. But if all minimum-wage policy had been held to this standard, the US federal minimum wage would not exist to begin with – since the initial jump, from \$0 to \$0.25, was certainly well “beyond the range studied in past research”.

Almost exactly a year after fast-food workers first walked off the job in New York City, launching the Fight for \$15, the country's first \$15 minimum wage became law in SeaTac, Washington, a city of fewer than 30,000 people, known mostly (if at all) as the home of Seattle's major airport, Seattle-Tacoma International. It was an emblematic victory for “alt-labour”: for years, poorly paid airport ground-crew workers had been trying and failing to form a union, stymied by legal technicalities. With SEIU help, these workers launched a campaign to hold a public referendum on a \$15 wage – not expecting to win, but in the

hope that the negative publicity would put pressure on the airlines that flew through SeaTac. But in November 2013, the city's residents – by a slim margin of 77 votes – passed the country's highest minimum wage.

That same day, a socialist economist named Kshama Sawant won a seat on Seattle's City Council. Sawant had made a \$15 minimum wage a central plank of her campaign. Afraid of being outflanked from the left in one of the most proudly liberal cities in the US, most of her fellow council candidates and both major mayoral candidates endorsed the idea, too. (At the time, the city's minimum wage was \$9.47.) On 2 June 2014, the city council – hoping to avoid a public referendum on the matter – unanimously approved the increase to \$15, to be phased in over three years, with future increases pegged to inflation.

The furious Seattle minimum-wage debate of last summer was ostensibly about the \$15 rate. But the subject of those competing studies was actually the city's intermediate increase, at the start of 2016, from the 2015 minimum of \$11, to either \$13 – for large businesses with more than 500 employees – or \$12, for smaller ones. (Businesses that provided their employees with healthcare were allowed to pay less.)

When a group of researchers at the University of Washington (UW) released a paper analysing this incremental hike in June 2017, their conclusion appeared to uphold the predictions of neoclassical theory and throw cold water on the Fight for \$15. Yes, low-wage Seattle workers now earned more per hour in 2016 than in 2015. But, the paper argued, having become more expensive to hire, they were being hired less often, and for fewer hours, with the overall reduction in hours outweighing the jump in hourly rates. According to their calculations, the average low-wage worker in Seattle made \$1,500 less in 2016 than the year before, even though the city was experiencing an economic boom.

Some of the funding for the University of Washington researchers had come from the Seattle city council. (The group has released several other papers tracking the minimum wage's effects, and plans to release at least 20 more in the years to come.) But after city officials read a draft of the study, they sought a second opinion from the Center on Wage and Employment Dynamics at the University of California, Berkeley – a research group long associated with support for minimum-wage increases. The Berkeley economists had been preparing their own study of Seattle's minimum wage, which reached very different conclusions. At the city's request, they accelerated its release, so it would come out before the more negative UW paper. And after the UW paper was released, Michael Reich, one of the Berkeley study's lead authors, published a letter directly criticising its methods and dismissing its conclusions.

Illustration: The Project Twins

It was around this point that the op-ed salvos started flying in both directions. The conditions for widespread, contentious coverage could hardly have been more perfect: supporters of the Fight for \$15 and its detractors each had one study to trumpet and one to dismiss.

Conservatives leaped to portray liberals as delusional utopians who would keep commissioning scientific findings until they got one they liked. Some proponents of the Fight for \$15, meanwhile, scoured the internet for any sign that Jacob Vigdor, who led the UW study, had a previous bias against the minimum wage.

Critics of the UW study pointed out that it had only used payroll data from businesses with a single location – thus excluding larger businesses and chains such as Domino’s and Starbucks, which were most likely to cope with the short-term local shock in labour costs (and, plausibly, to absorb some of the work that may have been lost at smaller businesses). The Berkeley study, on the other hand, relied solely on data from the restaurant industry, and critics contended this did not fully represent the city’s whole low-wage economy.

But on one point, almost everyone agreed. Both studies were measuring the one thing that really mattered: whether the higher minimum wage led to fewer working hours for low-wage workers, and if so, whether the loss in hours had counteracted the increase in pay.

This approach revealed a fundamental continuity between the post-Card and Krueger consensus and the neoclassical orthodoxy it had replaced. When Roosevelt pushed for America’s first minimum wage, he was confident that capitalists would deal with the temporary price shock by doing what capitalists do best: relentlessly seeking out new ways to save costs elsewhere. He rejected the idea that a functioning economy simply must contain certain types of jobs, or that particular industries were intrinsically required to be poorly compensated or exploitative.

Economies and jobs are, to some extent, what we decide to make them. In developed economies like the US and the UK, it is common to lament the disappearance of “good jobs” in manufacturing and their replacement by “bad” low-wage work in service industries. But much of what was “good” about those manufacturing jobs was made that way over time by concessions won and regulations demanded by labour activists. Today, there is no natural reason that the exploding class of service jobs must be as “bad” as they often are.

The Fight for \$15 has not notched its victories by convincing libertarian economists that they are wrong; it has won because more and more Americans work bad jobs – poorly paid jobs, unrewarding jobs, insecure jobs – and they are willing to try voting some of that badness out of existence.

This willingness is not the product of hours spent reading the post-Card and Krueger economic literature. It has much more to do with an intuitive understanding that – in an economy defined by historically high levels of worker productivity on the one hand, and skyrocketing but unevenly distributed profit on the other – some significantly better arrangement must be possible, and that new rules might help nudge us in the right direction, steering employers’ profit-seeking energies towards other methods of cutting costs besides miserably low pay. But we should not expect that there will be a study that proves ahead of time how this will work – just as Roosevelt could not prove his conjecture that the US economy did not have an existential dependence on impoverished sweatshop labour.

Last November, I spent several days in Seattle, mostly talking with labour activists and low-wage workers, including fast-food employees, restaurant waiters and seasonal employees at CenturyLink Field, the city's American football (and soccer) stadium. In all of these conversations, people talked about the higher minimum wage with palpable pride and enthusiasm. Crystal Thompson, a 36-year-old Domino's supervisor (she was recently promoted from phone operator), told me she still loved looking at pictures from Seattle's Fight for \$15 marches: proof that even the poorest workers could shut down traffic across a major city and make their demands heard. "I wasn't even a voter before," she told me. In fact, more than one person said that since the higher wage had passed, they were on the lookout for the next fight to join.

The more people I talked to, the more difficult it was to keep seeing the minimum-wage debate through the narrow lens of the economics literature – where it is analysed as a discrete policy option, a dial to be turned up or down, with the correct level to be determined by experts. Again and again, my conversations with workers naturally drifted from the minimum wage to other battles about work and pay in Seattle. Since passing the \$15 minimum wage, the city had instituted new laws mandating paid sick and family leave, set legal limits on unpredictable shift scheduling, and funded the creation of an office of labour investigators to track down violators of these new rules. (One dark footnote to any conversation about the minimum wage is the fact that, without effective enforcement, many employers regularly opt not to pay it. Another dark footnote is that minimum wage law does not apply to the rapidly growing number of workers classified as "independent contractors", many of whom toil in the gig economy.)

It was obvious in Seattle that all these victories were intertwined – that victory in one battle had provided energy and momentum for the next – and that all of these advances for labour took the form of limits, imposed by politics, on the latitude allowed to employers in the name of profit-seeking.

Toward the end of my visit, I went to see Jacob Vigdor, the economist who was the lead author of the UW study arguing that Seattle's minimum wage was actually costing low-wage workers money. He told me he hadn't ever expected to find himself at the centre of a national storm about wage policy. "I managed to spend 18 years of my career successfully staying away from the minimum wage," he said. "And then for a while there it kind of took over my life."

He wanted to defend the study from its critics on the economic left – but he also wanted to stress that his group's findings were tentative, and insufficiently detailed to make a final ruling about the impact of the minimum wage in Seattle or anywhere else. "This is not enough information to really make a normative call about this minimum-wage policy," he said.

The UW paper itself is equally explicit on this front, something its many public proponents have been all too willing to forget. But it wasn't just pundits who took liberties with interpreting the results: in August 2017, the Republican governor of Illinois explicitly cited the paper when vetoing a \$15 minimum-wage bill. That same month, the Republican governor of Missouri also cited the UW study, while signing a law to block cities within the state from raising their own minimum wages. Thanks in large part to efforts of business

lobbyists, 27 states have passed “pre-emption” laws that stop states and counties from raising their wage floors. (Vigdor has since acknowledged, on Twitter, that it was disingenuous for the governors to cite his study to justify their “politically motivated” decisions.)

Much like my conversations with low-wage workers across the city, talking to Vigdor ultimately left me feeling that, when examined closely, the minimum-wage discourse playing out in the field of economics – and, by extension, across the media landscape – had startlingly little direct relevance to anything at all other than itself. I mentioned to Vigdor that, walking around Seattle, I’d seen a surprising number of restaurants advertising an immediate, urgent need for basic help: dishwashers, busboys, kitchen staff. This had motivated me to go digging in state employment statistics, where I learned that in 2016 and 2017, restaurants across Seattle recorded a consistent need for several thousand more employees than they could find. How did this square with the idea that the higher minimum wage had led to low-wage workers losing work?

“That’s a story about labour supply,” Vigdor said. “Our labour supply is drying up.” Amazon and other tech companies, he said, were drawing in lots of high-skilled, high-wage workers. These transplants were rapidly driving up rents, making the city unlivable for workers at the bottom of the economic food chain, a dynamic exacerbated by the city’s relatively small stock of publicly subsidised low-income housing.

These downward pressures on the labour supply, Vigdor pointed out, were essentially independent of the minimum wage. “The minimum wage [increase] is maybe just accelerating something that was bound to happen anyway,” he said.

This was not the sort of thing I had expected to hear from the author of the study that launched a hundred vitriolic assaults on the \$15 minimum wage. “A million online op-ed writers’ heads just exploded,” I said.

Vigdor laughed ruefully. “Well, we’re going to be studying this for a long time.”

A few days earlier, I met with Kshama Sawant, the socialist economist who had been so instrumental in passing the \$15 wage. She was eager to make sure I had read the Berkeley study, and that I had seen all the criticisms of the UW study. But her most impassioned argument wasn’t about the studies – and it was one that Roosevelt would have found very familiar.

“Look, if it were true that the economic system we have today can’t even bring our most poverty-stricken workers to a semi-decent standard of living – and \$15 is not even a living wage, by the way – then why would we defend it?” She paused. “That would be straightforward evidence that we need a better system.”

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