
Raising the Minimum Wage

Segment Length: 3:46 minutes; 3:27 minutes

Videos:

“Should We Raise the Minimum Wage?”

<https://www.youtube.com/watch?v=ZI9aDHLptMk>

“Is Raising the Minimum Wage a Bad Idea?”

<https://www.youtube.com/watch?v=9aCpaON5NyE>

Guide:

The questions below will help students achieve a better understanding of the arguments made on either side of a contentious topic. Because these questions often touch upon statements made briefly in the videos, we recommend reading the questions before watching each video.

Students are encouraged to take notes during the videos, and it may be helpful for students to break into groups, each taking responsibility for only a few questions, before coming together for discussion.

Analysis Questions:

1. In the first video, John Green says that actual labor markets are more complex than the models of economics 101 classrooms. How does the typical model use supply and demand to show that raising the minimum wage has harmful effects?
2. John Green argues that increasing the minimum wage can actually create jobs. What’s his argument?
3. Pointing at the costs of a minimum wage hike, how might Don Boudreaux respond to John Green’s argument that increasing the minimum wage creates jobs.
4. According to Don Boudreaux, the most disadvantaged workers suffer the most when minimum wage increases. Why would that be the case?
5. John Green admits to a downside to raising the minimum wage. What is it? How would raising the minimum wage cause this?
6. Employees who are paid higher wages are happier and more productive, says John Green. How does he argue in favor of a minimum wage hike based on this? Does Don Boudreaux disagree? How could he use this point to argue against the minimum wage?
7. John Green and Don Boudreaux both discuss the effect higher wages have on an employer’s willingness to hire. Boudreaux also mentions that a higher minimum wage would increase the supply of minimum wage laborers. Why would this happen? What would be the effect of this increased labor supply?

8. Don Boudreaux points out that most workers earn more than minimum wage. How does he explain this to argue that raising the minimum wage is not necessary?
9. John Green says raising minimum wage will cause inflation at some point. How could higher wages cause inflation?