
Examining the Minimum Wage

Videos:

“Robert Reich Destroys Minimum Wage Myths”

https://www.youtube.com/watch?v=_meHGGcZGFo (7:25 minutes)

“The Cruelty of the \$15 Minimum Wage”

<https://www.youtube.com/watch?v=kBjsQL7ZFvc> (5:01 minutes)

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. What are the opposing ideas in these two videos?
2. Should one of the arguments we heard carry more weight than the other? If so, which one? Why?
3. Don Boudreaux said that the ability to work for a wage lower than the minimum is an “important bargaining chip” for workers. What did he mean by this?
4. Robert Reich said: “If your business model depends on paying your workers starvation wages, you should not be in business.” What is a “starvation wage”?
5. Nick Gillespie said that raising the minimum wage to \$15 is “a high stakes bet that the law of supply and demand does not apply to human labor.” In basic terms, what is the law of supply and demand? Does it apply to human labor?
6. Robert Reich said that the federal minimum wage has not been raised since 2009, “meaning today’s minimum wage is actually worth far less than it was in 2009.” Why is it worth less now than 2009?
7. Don Boudreaux said the unskilled labor market is highly competitive because there are a lot of things low-skilled workers can do. What are some examples of jobs that unskilled workers can do? Do you think there are enough jobs for which low-skilled workers are qualified? Why/Why not?
8. Robert Reich said the federal minimum wage would be much higher if it kept pace with workers’ productivity increases. Should wages go up as productivity rises? Why/Why not?

9. Don Boudreaux said: “[W]hen technology advances and some workers lose their jobs, they are not necessarily excluded from the workforce forever if they can find other employers who are willing to employ them at a wage at which they are profitable to employ.” How does the minimum wage affect that?
10. Robert Reich said a higher minimum wage can actually lower the costs to small businesses, because it attracts more workers and allows employers to hire more productive workers. How might this impact low-skilled workers?
11. Don Boudreaux and Nick Gillespie discussed how important it can be for unskilled workers to learn on-the-job and become skilled workers. How does the minimum wage affect that?
12. Robert Reich said that Henry Ford called raising wages “his best cost-cutting strategy.” What was Robert Reich’s explanation for this?
13. Don Boudreaux said: “Businesses don’t regard good workers as expendable.” Do you think businesses value their workers properly? Why/Why not?
14. Robert Reich said “our tax dollars are subsidizing corporations that don’t pay a living wage.” What did he mean by this?
15. Don Boudreaux said that there are things we could do to help low-skilled workers, but that “they pretty much all involve removing the government from the economy to open up the forces of competition and entrepreneurship and innovation.” What did he mean by this?
16. Robert Reich said: “[W]e must treat our workers with the dignity and respect they deserve; that starts with paying them a living wage.” What is a living wage? Should every job pay a living wage? Why/Why not?
17. Robert Reich and Don Boudreaux both cited studies that support their respective arguments. How should we navigate opposing arguments when they’re both supported by scientific research? Should we look to theory, as Don Boudreaux suggested? Why/Why not?
18. Robert Reich and Don Boudreaux both seem to want low-skilled workers to succeed, but Reich believes the government needs to do more, while Boudreaux believes the government needs to do less. Despite their common goal, do their proposed strategies make their positions irreconcilable, or is there room for compromise? Why/Why not?
19. Did you have an opinion on this topic before watching these videos? If so, what was it? Has your opinion changed? If so, how? What did you learn from these videos that affects your views on this topic?
20. What else would you like to learn about this topic?