

# Wyoming Liberty Index

## 62<sup>nd</sup> Wyoming Legislature ★ 2014 Budget Session

### **HB0045, Minimum wage.**

Sponsors: Representative(s) Byrd and Senator(s) Esquibel, F.

#### **Comments**

Very bad, as it will increase unemployment. Worse, it will increase unemployment among the unskilled, exactly the people who should be able to work -- at any wage -- in order to gain skills. Furthermore, this is a direct assault on the right to contract.

N: No significant fiscal or personnel impact at the State level. Raises the minimum wage and repeals the section that allows persons under 20 years of age to be hired at a lower wage than the minimum for what amounts to a 90 day probationary period. PROs: A majority of minimum wage workers will see their wages increase. It enables supporters of the minimum wage to feel good about themselves for forcing employers to be "more charitable." Repeal of 27-4-202 (c) reduces the complexity of the legal code. CONs: A minority of minimum wage workers will see their jobs eliminated. The number of jobs available to young, inexperienced and untrained persons will be decreased. Consumers will see an increase in prices for unchanged products and/or services from businesses employing minimum wage workers. A minimum wage contributes to inflation across the entire economy. A minimum wage is a drag on an economy until such time as inflation catches up as happened in WWII and shortly thereafter. The wage negotiating flexibility for both employers and employees will be decreased. CONCLUSION: The minimum wage is a well-intentioned exercise in price fixing usually used to purchase votes when job markets are tight and/or the economy fails to respond to government efforts to stimulate it. In virtually any form, price fixing is deleterious to an economy and the people in the long run. There seem to be excellent self-satisfaction/humanitarian and political reasons for supporting a minimum wage. There appear to be excellent economic reasons for not supporting a minimum wage. From a liberty viewpoint, a minimum wage is bad due to its distortion of the market and the consequent decrease in contract flexibility suffered by both employers and employees. For all other reasons, the minimum wage could be viewed as either wonderful or horrible, but just bad from the liberty viewpoint.

Weighted Rating: -1.50. Unweighted Rating: 1.00.

#### **Categories**

Education, Free Market, Individual Rights, and Limited Government

For more information on the categories:

<http://wyominglibertyindex.info/2014/methodology.html#thecategories>

#### **Document Status**

Final