



COMMITTEE ON
EDUCATION & LABOR
REPUBLICANS

COMMITTEE
STATEMENT

**Opening Statement for Rep. Virginia Foxx (R-NC)
Republican Leader, Committee on Education and Labor
Full Committee Hearing on "Gradually Raising the Minimum Wage to
\$15: Good for Workers, Good for Businesses, and Good for the
Economy"
Thursday, February 7, 2019**

Over the last several years, the far-left has begun to call for extreme social policies that were, until recently, considered too radical for the mainstream. But as the far-left has become more frenetic, they have begun to demand headline-grabbing but unworkable policies like free college, universal health care, and a more than doubling of the federal minimum wage from \$7.25 an hour to \$15 an hour.

Liberal activists are trying to sell a radical minimum wage hike as a benefit to working class Americans. They claim that it will redistribute wealth and provide poor Americans with a "living wage." This is an empty promise the likes of which we have not heard since the famous healthcare sales job of 2009: "if you like the plan you have, you can keep it." Raising the federal minimum wage to \$15 will not help anyone make ends meet. It will redistribute poverty, eliminate jobs, and deeply harm American workers, businesses, and the U.S. economy at large.

When the comparatively less-extreme proposal of a federal minimum wage hike to \$10.10 was on the table in 2014, the nonpartisan Congressional Budget Office estimated that the difference — \$2.85 — would cost 500,000 jobs and could have destroyed up to 1 million jobs. The CBO has yet to determine what the \$7.75 hike under discussion today would do, but logic follows that the consequences for workers and small businesses would be even more severe.

Economists, including those who have graciously given us so much of their time today, can provide the numbers and projections and graphs we all need to see to have an informed discussion. But we must keep in mind that we're talking about people. We're talking about the very people that Members of Congress on both sides of the aisle claim they want to serve. Workers in entry-level jobs, workers without a GED or skills certificate, and tipped employees would bear the brunt of job losses caused by this mandate.

A recent study by the National Federation of Independent Business found that raising the minimum wage to \$15 would destroy 1.6 million jobs, and 615,000 able-bodied individuals would be pushed out of the workforce by the year 2029. This is not the future Americans want, and they deserve to know the truth behind the talking point.

More than half of the private sector workforce goes to work each day at a small business, and these are the workplaces that would struggle the most under this mandate. Many job creators would be forced to reduce workers' hours, let employees go, or close their doors for good. It would also lead to accelerated workplace automation, something that many Democrats oppose.

The NFIB study also found that raising the minimum wage to \$15 an hour would result in a \$2 trillion reduction in real economic output, a \$980 billion reduction in real GDP, and a \$103 billion reduction in personal disposable income.

The title of this hearing aims to focus this discussion on the impact this mandate would have on workers, businesses, and the economy. It conveniently leaves out students, and with good reason. Eighty-three percent of economists agree that raising the minimum wage to \$15 an hour would have a negative impact on youth employment.

According to the Bureau of Labor Statistics, 2.3 percent of hourly workers are paid at or below minimum wage. Almost half of those workers are under the age of 25. These are individuals at the start of their careers or filling part-time or summer jobs. With the Democrats' proposal, we run the risk of seeing these types of jobs eliminated altogether. That means even fewer young Americans will leave educational institutions or join the workforce with minimal work experience.

Not every kid is lucky enough to have a parent who pays for his or her cell phone and other expenses. We need to give them the chance to build their skills, build a life, and hope that someday very soon, they run for Congress.

Since January 2017, the number of job opportunities available across the country has swelled from 5.6 million to more than 7 million. And thanks to the Republican *Tax Cuts and Jobs Act*, wages are up and experiencing sustainable, organic growth.

We want that strong economic growth to continue. Mandating a \$15 minimum wage would have serious negative consequences for students, workers, and small businesses.

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