

Seattle's \$15 Minimum Wage Law Caused Workers' Wages to Drop

written by GEG | June 27, 2017



Seattle passed a law setting the minimum wage at \$15 per hour, which is a 3% increase. This caused many employers to cut the hours of their unskilled workers by 9% in order to stay in business. [9% rather than 3% is because, when the minimum wage goes up, it forces other wages up also to keep skilled workers at a higher pay scale than minimum. There is a ripple effect all the way up to middle management. To cover this extra cost, employers were compelled to cut back the working hours of unskilled workers by 9%. Working fewer hours caused a lower income of minimum-wage workers by \$125 per month. Political intervention in the free market always hurts lower-income workers.] —GEG