

Conservative Solutions for a 'Just' Wage

There is much talk and action right now on the issue of a minimum or "just" wage. Typically, those who favor raising the minimum wage tend to the liberal camp. However, some of those who want to raise the minimum wage are social conservatives or have conservative sympathies. They are concerned about those people who are working long hours at honest work, perhaps even achieving supervisory positions while still earning less than \$15 an hour. There are too many people working jobs that would have once been careers who do not earn a living wage, and this has consequences.

Those of us who value family formation need to promote high-wage jobs so couples can afford to have children. Earning a good living from one job gives people time to be involved in their communities, while those needing to work multiple jobs do not have that time. People of faith must acknowledge that the cause of just wages is a moral issue. Some who cite these compelling arguments in favor of raising the minimum wage acknowledge that raising the minimum wage will result in people losing their jobs to automation. They call out for a conservative solution to the problem of low wages but see none.

Well, the truth is that there are indeed conservative solutions. However, the conservative path to higher wages is less direct than mandating that wages be increased. Even well-informed people may not recognize the goal of better wages in common conservative policy proposals. The conservative method to raise wages is to create conditions in which businesses can be more profitable. Profit has become a dirty word in this era of the politics of envy and greed, but only higher profits allow for larger payrolls.

Consider the corporate income tax. In Pennsylvania, where I live, the corporate income tax is 9.9 percent. There are also local corporate income taxes and the federal rate of 35 percent. We are getting close to a 50 percent corporate income tax rate, and we have not considered property taxes, cell phone taxes, etc. Every dollar that is paid in tax is a dollar that cannot be paid to employees. When conservatives say they want lower corporate taxes, one reason is to enable businesses to offer better compensation. Who do you think would spend the money better—hard-working regular people or politicians?

Consider tort reform: A lawyer in my region advertises, “If you trip and fall, do not assume it is your fault!” The implication is that if you hurt yourself, someone else is to blame and should pay you boatloads of money. Businesses have to have insurance to cover the most ludicrous of claims or risk losing everything. Every dollar spent to protect against frivolous law suits is a dollar that cannot be paid in wages.

We have a labyrinth of laws and regulations. In many localities, kids cannot have profitable lemonade stands due to regulations and permitting requirements. When lemonade stands are regulated out of existence, it becomes nearly impossible to profitably run a business with well-paid employees. All the time that business people must spend to understand and follow regulations is time that cannot be devoted to actually running the business. When conservatives want regulatory reform, it is not advocating for dirty air or water, it is to allow people to be free to run their businesses, make more money and pay higher wages.

These conservative ideas to promote prosperity and higher wages are not rocket science. There are three reasons why politicians from both parties fail to implement them:

First, there are political points to be scored by criticizing entrepreneurs and businesses. It is easy to make people feel envious and to desire harming those who have more.

Second, businesspeople would not be compelled to share any additional wealth with employees. Having demonized business people as greedy, it becomes hard for some to imagine that any business owner cares about paying employees just wages, but businesspeople care about their communities just like the rest of us.

Finally, politicians from both sides of the aisle like to be able to claim credit for positive changes. Simply creating an environment that allows for more prosperity does not allow politicians to get the credit for better-paying jobs.

Wages can, and should, be higher. We do not have to choose between higher pay and the inevitable job losses that would come from raising the minimum wage. Wages will be higher and jobs more plentiful in a thriving economy with profitable businesses. In sports, we admire players who care more about the success of the team than about their personal statistics. Political leaders who are truly compassionate will do what is right even when they do not get credit for all of the good that follows. {eoa}

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