

## Should the Minimum wage be raised?

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Minimum wage is the least amount that an employer is mandated to pay an employee for the task performed. This is the minimum amount that an employer can pay an employee for the task completed. This term was first introduced in 1938, and during those days, the minimum wage was at the rate of \$0.25 per hour (Stigler 359). However, this amount has increased 22 times to the current generation. This has been depicted in the minimum wage rate released in 2009 which indicated these standards to be at \$7.25 per hour (Katz, Lawrence & Alan 7). Conversely, it was established that more than 20 states had a higher minimum wage as compared with the federal rate. Therefore, when the country and the national minimum wage rates have different monetary values, the employees are entitled to the higher percentage of the two. Besides these variations, this paper will evaluate the reasons why the minimum wage rates should be raised together with elaborating on some objections to this subject.

Various reasons support the raising of the minimum wage paid to workers in any economy or state. The first reason why the minimum wage rate should be raised is that it improves the living standards of all the impoverished workers. This wage should be increased to liberate the American economy from languishing. This is because the minimum wages paid to workers necessitate poverty among the workers alongside other adverse effects which are brought by the growth and expansion of the low-wage economy (Katz, Lawrence & Alan 10).

Therefore, increasing the minimum wage rate in the American society and other states in the world is beneficial since it brings to reality the American's reputation for rags-to-riches (Stigler 360). Besides this, the raising of the minimum wage rate will also result in financial stability of the poor and hence encourage them to marry, have children, and take good care of them by providing for all their basic needs of life. This will create peace and harmony within the society.

Additionally, an increase in the minimum pay will help in reducing the gender- and race-based income inequality. This has gained roots in the American society whereby women are earning less than their male counterparts. Also, the racial and ethnic minorities are paid less as compared to the skilled white workers (Stigler 363). This kind of inequality will only be solved through increasing the minimum wages paid to employees. Besides the gender-based income inequality, the minimum fees are being paid to those individuals who are of a different race in the American state. For instance, the few women within the society receive the least income alongside poor working conditions. Furthermore, the implementation of the minimum wage laws and the laws that prohibit affirmative actions are all based gender and race-based (Neumark, David & William 57). Therefore, a rise in the minimum wage will reduce the negative impacts of income inequality within the American society and other nations within the world.

Likewise, a rise in the least wage rates paid to employees will hardly cause increased unemployment. An increase in the amount paid to workers can scarcely result in increased unemployment. The number of posts within an institution of the organization will not change with salary increment of the employees. For example, if a company has twenty posts, these number of jobs will not reduce because of increasing the amount paid to each employee. Instead, the organization will realize maximum profitability since the workers will be motivated to offer

their best to the organization. This will increase the reputation of the institution alongside expanding its customer base.

Despite the points enumerated above, the increase in employee wages will enable the government to reduce its expenditure on social programs that are directed towards the poor (Neumark, David & William 73). This is because the poor people within the society will be financially stable and hence they will not need full financial aid. In case of any financial support to be offered by the government, it will be minimal and thus enable the government to save the funds that it could have used if the minimum wage rates were constant. The amount collected can be used in the growth and development of the other sectors of the economy (Neumark, David & William 75). This will thus result in a balance among all the areas of the economy and hence make the lives of the citizens to be more comfortable.

Even though an increase in wages would be the most preferred alternative, there are some objections to this perspective. The first opposition is that an increase would force some companies to lay off some workers (Dube et al. 947). These groups include those with a fixed compensation budget. This is because such companies typically prepare a budget for all the activities that will take place during a financial year. This is usually arrived at using available records, market research and reviewing with resource constraints (Dube et al. 949). Therefore, since these companies cannot have a supplementary budget for the increase in the minimum wage, they should downsize in such a way that they have just enough number of workers at their premises. This will cause havoc and hence result in the increased robbery, theft, and murder cases in the society (Dube et al. 957). This is because those who will have been fired will resort to malicious activities with a goal of acquiring their basic needs of life.

Those opposing the increase in the minimum wage claim that this move will act as an incentive for the employers to automate their processes. This is because, if it is a long-term business, many employers will opt to use machinery and the latest technology in executing various functions. This is because automation will increase the speed of processing, production of quality products and hence increasing the sales made by the company (Dube et al. 961). The third objection is that this issues will cause some companies to outsource some resources such as labor from foreign countries. This will result in unemployment of the citizens and hence increasing the crime rates within the state.

Conclusively, there is common ground that the frontiers of either opinion must accept. This field is that the least wages should be raised in a manner that the domestic companies can be able to cope up with. For instance, the best possible way through which the payments could be increased is through the formulation of the policy which outlines the procedure that a company or employee should follow in case of a salary increase (Dube et al. 963). Also, the benefits of complying with this policy should be highlighted apparently to increase the urge for companies to improve their minimum wage. The implementation of this plan will cause a peaceful co-existence between the company and the workers and hence necessitating maximum profitability.

Works Cited

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