



The Daily Dish

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Once again, [Congress is attempting to push the White House forward](#) in lifting the oil exports ban. Senator Cory Gardner said yesterday that “We have antiquated policies that were put in place in the 1970s that prohibit us from exporting our crude oil, yet we have allies around the globe asking the United States to provide them with a stable supply of energy.” [Lifting the disco-era ban could mean \\$21 billion in gross revenue for the United States.](#)

[One of the nation's largest health care insurance providers](#) may leave the Obamacare exchanges. UnitedHealthcare is looking into the future “viability” of their exchange plans after seeing more than half of the co-ops fail and higher risk in the exchange markets.

[ICYMI: Click here to watch the video from AAF's event yesterday](#) on “How Social Media Links Consumers with Emerging Entrepreneurs.” Speaking on the need to reform our labor laws and regulations, former Labor Secretary Elaine Chao said “The authors of our country's labor laws could have never imagined this 21st century digital economy...”

Eakinomics: New York State Policy — Building a Better Pennsylvania Step-by-Step

Governor Andrew Cuomo has announced his desire to raise the minimum wage in New York State to \$15. Yesterday, he launched a [defense](#) of the proposal that began by lambasting firms: “Cuomo accused businesses of 'stealing from taxpayers' by paying workers low wages knowing those same employees can also qualify for state welfare assistance.” Strong words. And 1000 percent wrong.

The reality (as I explain [here](#)) is that low-wage employers compete with income support programs for the time of workers. If those programs become more generous, the value of not working increases and employers have to raise wages to attract workers. Far from subsidizing the employers of low-wage workers, taxpayer provided support raises their cost of doing business. In the process, the income support programs may contribute to pricing low-skilled workers out of jobs and increasing the incentive to substitute modernization and technologies.

Turning to the minimum wage increase itself, the New York experience is likely to mirror the impacts of an increase in the [federal minimum wage](#): reduced job growth and lower employment, especially among the most vulnerable — the low-skilled and inexperienced — in the labor market. Indeed, AAF analyzed a New York State move to \$15 in a [recent report](#). The result would be hundreds of thousands of jobs lost. This likely understates the impact because — unlike a federal increase — a move in New York State alone would worsen the business climate and push future business expansion into neighboring states like Pennsylvania. Worse, the increased income from the minimum wage would not go to the most needy; only 6 percent of the additional income would accrue to those in poverty.

Advocates might be tempted to point toward the decision to increase the minimum wage among fast food workers for large chains operating in New York City. Not so fast. [New research](#) by AAF's Ben Gitis indicates

that sharp increases in the minimum wage in Chicago, Louisville, Seattle, Oakland, San Francisco, San Jose and Washington DC have taken a toll on restaurant industry employment in those cities. Specifically, “This year restaurant employment in the metropolitan areas with major cities that raised the minimum wage only grew 1.1 percent through September. In the surrounding state areas, however, restaurant employment grew 2.8 percent.”

The minimum wage is simply another tool of zero sum redistribution. Progressives attempt to make it palatable by first asserting that private enterprise does not “work” (companies “stealing from taxpayers”) and especially does not benefit the average worker. This provides a reason to pivot to having the government step into any policy issue like the minimum wage. The reverse is the reality. The minimum wage perversely hurts those least able to protect themselves, and delivers benefits inappropriately high in the income distribution. An excessive social safety net raises wages and harms employment prospects.

From the Forum

[2015 Local Minimum Wage Increases and Restaurant Employment Trends](#) by Ben Gitis, AAF Director of Labor Market Policy

[3 Questions on Terrorism Policy](#) by Doug Hochberg, AAF Press Secretary

[Still Marked by Uncertainty: 2016 Health Insurance Marketplace](#) by Jonathan Keisling, AAF Health Care Data Analyst

Fact of the Day

[Worldwide spending on medicines will reach \\$1.4 trillion in 2020](#)