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## A Better Battle to Raise Wages for U.S. Workforce

*By Alfredo Ortiz*

If there's one political issue that crosses party lines, it's stagnating wages. Median family income, adjusted for inflation, dropped from \$55,987 in 2000 to \$53,657 in 2014.

To address the problem, activists have pushed to raise the minimum wage to \$15 an hour. Though they have failed at the federal level, they have had success at the state and local level, with 16 municipalities in the U.S. introducing such a wage rate last year alone.

The media attention surrounding the so-called "Fight for \$15" has been disproportionate, given that only 1.7 percent of hourly employees earn the minimum, most of whom are young employees earning entry-level wages for entry-level work.

And, while helping the working poor is a noble goal, dramatically raising the entry-level wage would make entry-level jobs – which allow America's newest workers to acquire the skills needed to climb the career ladder – much more difficult to secure. The overwhelming majority of economic research – including new studies by the San Francisco Federal Reserve Bank and the National Bureau of Economic Research – concludes that wage hikes reduce en-

try-level job opportunities.

Enter the "Fight for 50."

While some propose raising the income floor, a better approach is to raise the ceiling. (No, it's not about raising the incomes of the "one percent.") The Fight for 50 is about helping employees gain the skills to climb the career ladder and find \$50,000-a-year career opportunities – allowing them to save more money and better support their families.

So what do these \$50,000 careers look like? According to a study from JPMorgan Chase, there are projected to be about 2.5 million middle-skill job openings next year. These career opportunities require more than a high school degree but less than a four-year college degree, boasting a median salary of \$50,000 per year – an ideal stepping stone for an entry-level employee. This includes about 100,000 automotive technician openings, which boast an average industry salary of \$46,000, and roughly 1.6 million openings for registered nurse, which pay a median \$70,000.

It's a similar story for truck driver jobs: 48,000 openings are expected next year, with a median salary of \$40,000.

And while entry-level employees do not have the necessary skills to succeed right away in such high-paying roles, research shows they quickly learn them. One study from Miami University of Ohio and Florida State University found that two-thirds of entry-level employees receive a raise within their first year. This shows that, once employees have a foundation, they are rapidly able to build on it.

In other words, the entry-level wage should be thought of as a training wage, where employees with no skills learn what it takes to secure a \$50,000-a-year career. Entry-level jobs teach employees a work ethic, problem-solving techniques and how to interact with members of a team.

But raising the wage floor effectively places a firewall in front of those looking for entry into the workforce to gain the skills for a lucrative career.

So let's leave the Fight for \$15 to activists and take up the mantle of the Fight for 50, the real wage hike America's workforce deserves.

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