

# Pros and Cons of Minimum Wages

Minimum Wage	
Pros	Cons
<ul style="list-style-type: none"><li>▪ Higher wages for workers</li><li>▪ Higher employee satisfaction</li><li>▪ Motivation of workers might increase</li><li>▪ Employees might stay in companies for longer</li><li>▪ Lower risk for conflicts</li><li>▪ Reduction of wage differences and income inequality</li><li>▪ Better chances for children from poor families</li><li>▪ Reduction of the discrimination of minorities</li><li>▪ Might increase GDP and overall consumption</li><li>▪ Higher tax revenue</li><li>▪ Better chances to get out of poverty</li><li>▪ Reduction of government spending on welfare</li><li>▪ The overall wage level might increase</li><li>▪ Health improvements</li></ul>	<ul style="list-style-type: none"><li>▪ Restrictions for companies</li><li>▪ Potential job losses</li><li>▪ Less flexibility in difficult times for firms</li><li>▪ Higher structural unemployment</li><li>▪ Labor-intensive industries might lose competitiveness</li><li>▪ Outsourcing to foreign countries</li><li>▪ Higher income is often correlated with higher prices</li><li>▪ More workers may be replaced by machines</li><li>▪ Effectiveness depends on implementation</li><li>▪ Some groups of people may no longer find a job</li><li>▪ May trap people in poverty</li><li>▪ Adjustments to the local market might be necessary</li><li>▪ May be against the fundamental right of freedom</li><li>▪ May give people the incentive to drop out from school</li><li>▪ Minimum wage is still too low in some areas</li></ul>