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Minimum wage hurts business? Ask Walmart

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For years, critics of raising the minimum wage have maintained it hurts business and reduces the number of jobs available. Some contend the marketplace sets wages, and government can no more do that than it can impose terms on physical laws. Remember how one-term Congressman Bill Sali, R-Idaho, so famously likened the 2007 three-tiered boost in the national minimum wage to repealing the law of gravity and then proposed to do precisely that?

Yet, Walmart is expanding one of its operations into Clarkston, where Washington has the nation's highest minimum wage. In doing so, it is leaving behind a store in Lewiston, where Idaho has one of the lowest minimum wages.

Pegged to the federal minimum wage, Idaho pays \$6.55 an hour. That's set to rise to \$7.25 an hour this week.

But Washington sets its minimum wage at \$8.55. Even after the federal increase, it will remain among 14 states that exceed the federal base. That puts the minimum wage gap between Washington and Idaho at \$1.30. Before Congress increased the federal minimum wage for the first time in a decade, the gap had been more than twice that amount.

And it will continue to edge upward because each year, the Evergreen State indexes its minimum wage for inflation.

Walmart operates a Lewiston store with 170 employees. In early September, it will close that operation and open its Supercenter in Clarkston with 300 workers. The chain also plans to open a store in Pullman.

Walmart spokesperson Karianne Fallow said her company chose Clarkston because it couldn't find a piece of land in Lewiston it could afford to develop.

An economist will tell you that the retailer also may desire to locate near Costco's store in Clarkston.

Or it may simply reflect the fact that Washington exempts groceries from its sales tax while Idaho does not.

Whatever is driving Walmart's decision, it's not labor costs.

Not everybody working at Walmart earns minimum wage, but you can see how the law ratchets up pay scales. In Idaho, Walmart's average full-time hourly wage is \$10.93. In Washington, it's \$12 an hour.

Other minimum wage myths include:

I Only teenagers earn the minimum wage. Three-quarters of minimum-wage earners are at least 20 years old. More than half live in families with incomes below \$35,000.

I It leads to inflation. Even with this latest increase, the federal minimum wage still falls about 17 percent short of its buying power in 1968.

I Wages are adequate. The new federal minimum falls \$6,350 short of what it takes to keep a family of four above the federal poverty line.

Walmart made its reputation by holding down costs. If paying more to Washington workers is a secondary consideration to this Goliath built on efficiency, what does that tell you about the people screaming against the minimum wage? - M.T.