

[Who carries the cost of the minimum wage?](#) [1]

Written by [Tim Worstall](#) [2] | Sunday 1 April 2012

There are two standard answers to this question of who carries the cost of the minimum wage. The first is our one, the one from the economic realists, that the true pain is felt by those who cannot get a job at all as a result of employers economising on the newly higher priced labour. The second is the answer from the woolly dreamers that of course it is the capitalist running pig dogs who just have lower exploitative profits as a result of having to pay for the sweat of the workers' brows.

There is a third partial answer [as well](#) [3]:

The catchy Subway sandwich shop jingle involving a variety of foot-long sandwiches available for \$5 doesn't apply in San Francisco.

The sandwich-making chain stopped selling the five-dollar footlongs in San Francisco due to the "high cost of doing business," [according to SF Weekly](#). [4]

Signs posted at Subway sandwich shops sadly inform San Francisco patrons -- we hear Willie Brown is a big fan -- that "all SUBWAY Restaurants in SF County DO NOT PARTICIPATE IN Subway National \$5.00 Promotions," according to the newspaper.

Customers can still buy the sub of the month for \$5, according to an employee at Subway on Market and Castro streets.

Apparently, the city's new minimum wage, raised to \$10.24 as of Jan. 1, make \$5 footlongs an impossible business model.

Yes, it's the consumers of products made with minimum wage labour that bear some of the burden. As it tends to be the low paid who themselves consume the products of minimum wage labour this just makes the poor poorer in consumption terms: the only terms in which poverty ought to be measured.

This whole minimum wage malarkey just doesn't look like a very good idea, does it?

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Links:

[1] <http://www.adamsmith.org/blog/economics/who-carries-the-cost-of-the-minimum-wage>

[2] <http://www.adamsmith.org/taxonomy/term/5778>

[3] <http://www.nbcbayarea.com/news/local/No-Subway-5-Footlongs-In-SF-Cost-of-Doing-Business-Too-High-144709445.html>

[4] http://blogs.sfweekly.com/thesnitch/2012/03/subway_5_footlong_san_francisc.php

[5] http://disqus.com/?ref_noscript

[6] <http://disqus.com>