

Higher minimum wages seem to be good for unemployment

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This image is dedicated to all those Tory small business owners who appear on election programmes to claim that paying a higher minimum wage will mean they can't afford the new VAT charge on their children's school fee (yes, it really happened):

This [is the source](#).

And I stress, whilst correlation does not prove causation, what that downward sloping line suggests is that as minimum wages increase unemployment rates go down. Undertaking such analyses is always difficult, but let's be clear that purchasing power parity has been taken into account in this case. And that makes the link look significant to me.