

THE GALEN TIMES

If people are doubting how far you can go, go so far that you can't hear them anymore.” – Michele Ruiz



Finish line ahead, hang in there!

Even though it is hard to find motivation during the end of the semester, remember that hard work pays off, you got this! As finals approach, consider that after the heavy work, Easter break awaits. During the break, let your body rest and your brain breathe. Wishing you a holiday celebration filled with family, friends, love, and laughter. See you all for Summer Semester, we are excited to welcome you back to campus!

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Different Perspectives: The Minimum Wage

In this section of The Galen Times, we will discuss critical issues, challenges, and events that relate to Belize.

Have a perspective on a current issue? Send your opinions and views to apalma@galen.edu.bz
(Economic, Education, Criminal Justice, International Business etc)

The minimum wage laws restricts companies from paying their employees anything less than a fixed amount of dollars per hour of work. In Belize, workers are entitled by law to be paid an amount equal to or more than \$3.30 an hour. The minimum wage in Belize was last raised (to \$3.30) in May of 2012, almost ten years ago. Currently, the government of Belize has established a Minimum Wage Task Force to oversee the implementation of the five dollar minimum wage. For years, Belizeans have pleaded for the government to raise the minimum wage so that the working poor can have more money in their pockets. The Prime Minister of Belize said, in his budget presentation for fiscal year 2022-2023, that he believes the minimum wage will be raised to \$5 before the end of this fiscal year. Do you agree with the Prime Minister that the minimum wage should be raised from \$3.30 an hour to \$5 in the course of several months or should the increase happen gradually over a period of several years? What justification do you have for your perspective? How will raising the minimum wage affect the supply and demand of labor in the economy? In any economy, we know that once the minimum wage increases, business owners will have to find ways to cut costs. Firms may fire employees or adjust the prices of products to cover the additional costs. These adjustments can lead to inflation in an economy. Unfortunately, the small businesses suffer the most from an increase in the minimum wage and might not be able to survive because of high costs. Hence, raising the minimum wage could lead to unemployment and bankruptcy for small businesses. Do you believe that consumers are able to prevent small businesses from shutting down after a minimum wage increase? If yes, how can consumers do so? What policies do you believe the government can enforce to reduce or mitigate the effects of increasing the minimum wage? What can the productive sectors of Belize do to reduce the negative effects of a \$5 minimum wage?

Joint response by **Reyhan Rosado, Celina Gongora and Emily Ferrufino,**
Galen students

Raising the minimum wage is a complex issue that affects unemployment, the labor market, and, most importantly, your pocket. This article will attempt to answer the following questions:

- A) Why are we raising the minimum wage?
- B) What can we expect after raising the minimum wage?
- C) Are our policy makers increasing the minimum wage in a responsible way?

Before analyzing the policy of raising the minimum wage, it's important to understand the basic theory of how wages are set.

In a nutshell, in a perfectly competitive market, wages are set by simple supply and demand. Workers supply their labor and firms demand labor. These two lines of supply and demand intersect and create an equilibrium wage and level of employment. This model is useful for providing us with a basic framework of how wages are determined and also allows us to make fairly reliable predictions. It is generally thought that, assuming there is a perfectly competitive market, this market mechanism can lead to an efficient outcome for all.

Now that we understand how wages are determined, we can ask the question of how a minimum wage is set. The minimum wage is a price floor put in place through legislation. That is, it sets a minimum price that labor can be sold for. When discussing these topics, textbooks often make the prediction that putting in place a price floor will lead to surplus supply – in our case, increased unemployment. Another common prediction based on the simple supply and demand model is that raising the minimum wage will lead to inflation. The reason for this latter claim is that wages are factored into prices. Therefore, if the cost of a factor increases, the price of goods will increase – in other words, inflation may occur.

With our basic theoretical explanations out of the way, we can now address the two questions mentioned earlier. The minimum wage exists to protect employees from “unduly low pay”. This can be useful as often markets are imperfect, as in cases where there is a single employer in an industry, and the market wage might be unduly low. This makes minimum wages essential to protecting workers from unnecessary exploitation.

This also protects workers from the effects of recessions to a certain extent and can help promote economic growth. After all, in the United States the first minimum wage was implemented in 1938 as part of the New Deal.

The problem with the minimum wage as currently mandated is that it does not keep pace with inflation. This can lead to a situation where the real value of the minimum wage is decreasing. As such, the minimum wage has to be periodically increased to ensure that workers are able to maintain a constant real wage. This seems to currently be the case in Belize. We have seen record high inflation over the last two years while the minimum wage has stayed constant. This means that those individuals who are on the minimum wage are effectively making less money than they did in 2012. In theory, by raising the minimum wage we are helping the workers on minimum wage maintain a decent standard of living.

Based on the previous paragraph, it may seem like an obviously correct decision to increase the minimum wage; after all, who doesn't want people to make enough money to survive? With that said, it's important to keep in mind some of the potential downsides of raising the minimum wage. The first downside is that it may lead to an increase in the unemployment rate. Using our model described earlier, we can predict that by increasing wages, businesses may have to fire a few people to maintain a healthy profit margin. This is the excess supply problem discussed in the previous paragraphs. Luckily, there is a substantial amount of research on this specific prediction, and reality does not seem so clear-cut.

For example, Arindrajit Dub in his study "Minimum Wage Effects Across State Borders: Estimates Using Contiguous Counties", which compared various contiguous American states and the effects after raising their minimum wages, stated: "estimates suggest no detectable employment losses from the kind of minimum wage increases we have seen in the United States" This finding is supported by Cengiz in his paper The Effect of the Minimum Wage on Low-Wage Jobs, who writes "Our main estimates show that the number of excess jobs at and slightly above the minimum wage closely matches the number of missing jobs just below the minimum wage, and we find no evidence for employment changes at or more than \$4 above the minimum wage". This general finding was also found by David Card in his pioneering study Minimum Wages and Employment: A Case Study of the Fast Food Industry in New Jersey and Pennsylvania. Therefore, based on the literature and contrary to the basic supply and demand model, it seems unlikely that moderate increases in the minimum wage are likely to cause any significant increase in the unemployment rate.

However, what about inflation? Won't increasing the minimum wage make certain goods more expensive? Well, the literature on this is slightly less clear cut. While the effects of the minimum wage on employment have been studied, inflation has been slightly ignored. Looking at the studies available, it seems to be the case that slight minimum wage increases have little effect on inflation while large increases can. As Daniel MacDonald and Eric Nilsson write in their 2016 working paper: "small minimum wage hikes do not lead to higher prices, and they might actually lead to lower prices... large minimum wage hikes have clear positive effects on output prices." Therefore, based on the literature, it seems like the important question we should be asking is: How did the Government come up with \$5 an hour and is it too much?

The Government proposed the \$5 wage in their manifesto. For all we know, it may have even been one of the reasons many people voted for them. As such, it's important to ask how they came up with the figure. After all, minimum wages should be set in consultation with all relevant partners. At the moment it does not seem like there is much evidence to suggest that social partners – the business community, NGOs, or unions – were consulted on this matter when it was first suggested.

This is not to say that it is a bad policy; in fact, it seems to be a very good policy. However, the issue of consultation becomes important once we realize that it is the private sector that will have to pay these increased wages. Large businesses, and especially small ones, may be vulnerable to the increased costs and public consultation should be done with the community to ensure that firms are able to absorb the additional costs. Employees should also be consulted; after all, the minimum wage generally affects lower skilled workers and their needs should be taken into account. Consultation with these bodies would ensure that however the increase occurs, it would reduce the possible negative effects on employment and inflation.

There is also a broader economic discussion that we should be having. Ten years is a long time to wait before increasing the minimum wage. Should Belize consider indexing the minimum wage instead, that is, regularly adjusting it for inflation? Or should Belize adopt a mathematical formula to increase the minimum wage, as Brazil, Costa Rica and Malaysia do? This would help ensure that real wages stay relatively constant and avoid a lot of the political influence that surrounds the topic.

Student Testimonial

By Raul Castillo



My name is Raul Castillo. I am from Orange Walk Town in the Orange Walk District. I was born to parents who shaped me into the person I am today. My father taught me about sports, fishing, and my love for the environment, and my mother taught me the value of education and academic competition. They both instilled the importance of family, friends and always approach life with a positive attitude. I now value time and the importance of giving back to your community. My love for the environment was fostered at a very young age. I can vividly recall being astounded by the flora and fauna on various fishing trip expeditions with my father. My passion only grew further as I decided to pursue my Associate's Degree at St. John's Junior College in Environmental Science. Although my time at St. John's was a bit challenging due to a change of scenery and lack of prioritization, I would redeem myself in my further educational endeavors.

I enrolled at Galen University in 2020 and my life changed for the better. My academic journey at Galen University has shaped me into the person I am today. Like any new endeavor, it came with its ups and downs. For the most part, my educational journey was positive. Galen University granted me the opportunity to grow as a student but most importantly as a leader. I also adopted a mindset of redemption and purpose; I was cognizant that I wanted to dedicate my life to the environment and to developing myself as a person. During my first weeks as a Galen Eagle I set the bar high for myself, a 4.0. I recall setting this bar high because I knew I could achieve it through my new mindset. Through the various student-oriented programs at Galen University, I easily transitioned to university life and the requirements of the school. The pandemic had initially caused a major paradigm shift in our daily lives and had unfortunately constricted us to online classes.

I had never taken classes online, so this was also new to me. Galen's online platform and preparation allowed me to have an easy time transitioning. Throughout my two years at Galen University, I had the opportunity to pursue my bachelor's endeavor under the tutelage of impressive and knowledgeable professors. The level of professionalism that Galen University offers throughout the various courses stood out the most to me. Galen has now provided me with a great foundation and a new purpose. This further transitioned into my following semesters.

I also had the opportunity to meet amazing individuals. I was blessed with the opportunity to get to know faculty and staff through participating in different extra-curricular activities online. I wouldn't be the student that I am today without the help of Ms. Monica Manzur, Ms. Sherry Gibbs, and the wonderful faculty and staff of Galen University. In my third semester, I had the opportunity to be a part of the Student Government Association with 4 other amazing Eagles. Through the SGA I grew as a leader and worked in tandem with the University to provide a memorable experience for students. Through the Peer Mentorship program, I had the honor to meet incredible incoming Eagles.

Never give up, is my counsel to students. Life isn't always easy, but I think that if you approach it with a positive attitude, the possibilities are limitless. It's normal to have doubts about yourself since self-doubt is a survival skill that comes in at times of transition and drives us to work harder and be more resilient. Don't let the pressure get to you, be that diamond. Don't be afraid of stepping out of your comfort zone at times, that's where you'd find enjoyment in life and grow as a person!

The Charge of a Woman

By Monique Moguel



The journey of life has many turns. It is a road that keeps on winding and unexpected shifts always seem to pop up. Successfully navigating life's turns can be quite a challenge for anyone, especially women.

We all know the pressures that tend to hover over females; pressures to look good, work hard and be a caregiver. These roles of course are broken down into many other roles that often do not give space for the female's own preferences.

As a child females are expected to learn to care for a home and tend to siblings. Growing up they are ushered into a domestic role that supersedes any personal desires they may have. If they wish to pursue other things it would have to be done around their preassigned duties. This immediately puts added pressures on females to be multitaskers and teaches them to put the expectations of others ahead of their own. As they get older the pressures extend from the home to society. Shallow and selfish expectations regarding appearances and interactions are thrown around, influences that if females are not taught to handle, can cause emotional stress that can affect them in many ways.

There is a strength that is needed to manage life as a female; a strength that women often need to tap into when they are dealing with issues that no one understands. Times when family and friends are not supportive but everything still needs to get done, and they do!

It is a strength that is built in. It is a silent reminder for females that they can handle anything that comes along. It is truly one of the qualities that make women great; but it shouldn't have to. When we celebrate women we often mention the many hats they wear and the many roles they play. We talk about how they make things happen despite not having support, while pushing past gender disparities. We are fully aware of the obstacles that society places on females yet we continue to be okay with it. If we truly consider, so many things are dependent on the capabilities and competence of women: A functioning home, well raised kids, good meals, a supported spouse..... the list is endless.

Whether it is our mom, sister, friend or even the lady we grew up knowing, we naturally seek support from the females in our lives. We are aware that they keep the wheels turning and when we can't make it happen, they always do! But who makes it happen for them? Who gives them that type of support? The unfortunate answer is that they often need to be that support for themselves. To know all that women face and overcome while remaining sensitive and caring is a testament to their virtue. They rise without help and naturally push others up, often higher than themselves. Knowing this, imagine how much more a supported and empowered woman could do. We cannot change the past but we can change the present and set the pace for the future. Females have thoughts, talents and opinions..... let's ask about them and support them. They have goals and dreams of their own.... let's help them to achieve them. They face challenges and need help at times let's check on them and offer our help. Every single act adds up!

Hue She is by Journalism Club

Passionate and strong! She stands firm in who she is.
She is connected and sure of her power within.

She is red.

She paints her truth and designs at will
Her expressions are a reflection of her innermost things.

Her orange is unique and captivates.

She knows! She glows! She is a divine being.
Her age is a plaque of knowledge gained and wisdom earned.

She is yellow and bright, Such a glorious sight!

She feels, she heals She lives and loves.
She forgives and is forgiven. Her heart is open.

Her green grows.

Her voice is steady and strong.
She speaks her truth and knows exactly where she stands.
She is sure of her message and boldly declares

Her blue is confident and clear.

Her indigo glare
Her inner self stare She is seated in purpose, Her vision she shares.
She understands, she is connected

Her violet glow is still and centered.

She is, SHE IS

Important Dates

March 22-27: Mandatory “Selection of Courses for
2021-3 Summer semester

April 1: Eagle Day (Expo and Fun Day)

Events

Women in Leadership

WHAT DOES IT TAKE?

March
30

5:00pm - 6:00pm



Via
Google Meets

Benefits

- Live Talk
- Panel Discussion
- Be inspired, empowered, and equipped with valuable skills



Dr. Kiesha Warren-Gordon
Professor - Ball State University
Adjunct Lecturer - Galen University



**GALEN
UNIVERSITY**

Office of Student Affairs
www.galen.edu.bz



Events



Eagle Day 2022

Expo & Fun Day

APRIL 1 2022 | 9 AM - 2 PM

Galen University, 64 Miles George Price Highway

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Events



EAGLE DAY *Challenge*

**WIN A PRIZE!
BRING FIVE FRIENDS!**

Each eagle you bring gets a ticket to win a grand prize.

**FOR MORE INFORMATION
CONTACT US AT**
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APPLIES TO EAGLE STUDENTS ONLY

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