



**Greater East Aurora Chamber of Commerce
Position Statement
March 24, 2016
Minimum Wage Hike Would Cost Jobs!**

Increasing the New York State minimum wage by 67% is the wrong approach for promoting the economic well-being of New Yorkers. The costs will fall most heavily on small businesses at a time when most business income is flat. State-imposed costs, such as a higher minimum wage, will result in increased prices, less investment and fewer job opportunities for New Yorkers.

We are currently seeing the impact of the raise in minimum wages this fall for tipped and fast food workers. Locally we've experienced a restaurant closing in addition to other restaurants increasing their prices to maintain a sustainable margin to insure their ability to continue to do business. What will the consumer bear when considering how much of their expendable income will be used to dine out?

On a full-time basis, raising the minimum wage to \$15.00 an hour will cost significantly more when all costs - direct wages, social security, workers' comp and others - are factored in.

For a small business with a handful of employees, these costs will add up fast, and would come at a time when the economy is producing little in the way of new business income.

Importantly, the impact of a minimum wage increase goes way beyond those employers and workers directly affected. "Wage compression" caused by a minimum wage increase will force up wages - and employer costs - in higher tiered employment as well, driving up the price tag on merchandise and services.

A minimum wage increase is likely to adversely impact the very workers it is intended to help. In addition to forcing up food and other retail costs (which consume a higher percentage of low-earners' paychecks), it will also impact low-wage, low-skilled jobs. A 2008 Cornell/American University study showed that raising the minimum wage from \$5.15 to \$6.75 (which occurred in 2005 and 2006) reduced employment of less skilled 16- to 29-year-olds by 12.2 percent.

Even with these impacts, increased wages will not predominately go to low-wage families. National data shows that most minimum wage earners are single, young and part-time workers.

This proposed minimum wage increase will impact all industries - retail, commercial, agriculture, not-for-profit organizations, manufacturing, health care, schools and taxpayers in the end when local municipalities, who offer minimum wage positions to youth during the summer, have to pay increased use fees for summer activities for their children.

Enacting legislation to raise the minimum wage, however, would serve as yet another tax on these businesses, organizations and municipalities who are already struggling to stay afloat and keep New Yorkers working.