



New Jersey Gasoline, C-Store, and Automotive Association (**NJGCA**)
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FOR IMMEDIATE RELEASE

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How Are Small Business Owners Supposed to Afford a \$15/Hour Minimum Wage?

*Senate and Assembly Labor Committees approve small business-killing legislation;
Who is paying for this near-doubling of the minimum wage and the subsequent increase
in wages that all employees higher up the wage ladder will soon begin demanding?*

Sal Risalvato, Executive Director of the New Jersey Gasoline, Convenience Store, Automotive Association (NJGCA), released the following statement in response to recent movement in the NJ Legislature to raise the minimum wage to \$15/hour:

"Let me begin by stating that the idea of higher wages for workers is a laudable goal, because who amongst us does not want ALL people (both employers and employees) to do better and be more prosperous? With that said, my concerns about raising the minimum wage to \$15/hour revolve around a few simple, but very pressing, questions that the legislative sponsors and supporters of this proposal cannot seem to answer."

"My direct question to any legislator or supporter of this legislation is the following: 'Can you tell me how I (as a small business owner) am expected to find the money to increase my payroll? On day 1, when this new mandate is implemented, what is the first thing I should do to pay for this higher expense? Is this as simple as just changing everybody's wages and writing a larger check? Where is this money coming from? Do I take this additional cost from the profits that I am currently generating?' If the answer to that last question is yes, then I'd like to hear someone say that to me and my members directly. I'd like to finally hear legislators honestly say, 'Yes, I expect you to take money out of the profits that you currently use to support your family, put food on your table and send your kids to college, and instead use that money to give your summer help, your high-school and college employees and the people who work for you

part-time and in-between other jobs, \$15/hour to pump gas.' How much, then, should skilled employees, like mechanics and professionally-licensed repair technicians, earn?" asked Risalvato.

Risalvato continued, "Oh, and what if my business has not made a profit? Or what if my business is barely profitable now and struggling? Do I borrow more capital? Do I take money from my family's savings?"

"I still have a few more questions that I need answered before I can even begin to see how a \$15/hour minimum wage is remotely realistic," Risalvato continued. "Do supporters of a \$15/hour minimum wage think that small business owners make excess profits, and can just afford to shoulder extra expenses with no negative impact on any other aspects of their business? If that's not the case, and there isn't extra money just lying around, small business owners will be forced cut expenses in order to afford these increases. Would a reduction in the number of employees be a solution that the \$15/hour minimum wage supporters would find satisfactory? The other option would be to raise prices to make enough money to keep checkbooks in balance... and I frankly don't see how anyone wins in either one of those scenarios."

NJGCA member Joe Ocello who owns a BP gas station and repair shop attended Monday's Senate Labor Committee hearing and providing the following comment, "I know that if the minimum wage starts going up, I'll be sitting at my desk with my wife, my pencil and my calculator, trying to figure out what or who must get cut in order to find the money to pay the increase in wages."

Another member Jeff O'Connor who owns a Mobil Station also attended Monday's hearing, and said, "I've been in this business for 40 years and in order to be successful, and in order to feed my family, I have ALWAYS had to find creative ways to minimize expenses and keep costs low, for both myself and my customers. This drastic minimum wage increase will put me in a situation that I honestly don't see a way out of right now, I agree with the questions posed by Sal since they are the exact same questions that I am asking. They are tough questions but important questions."

"The picture painted by my members is grim, and I don't understand how supporters of this proposal don't see the consequences that a \$15/hour minimum wage could have. It is commonplace to go into a gas station and see orange cones blocking pump islands. Orange cones represent employees that the business owner would like to have, but already can't afford," Risalvato explained.

NJGCA member Craig Copeland who owns Craig's Service Center in Middletown summed it up best when he said, "investing in one or two more orange cones will be significantly less expensive than trying to cover the additional payroll expenses that a \$15/hour minimum wage would require."

"Monday's hearing featured many individuals in support of a \$15/hour minimum wage who described how they work multiple jobs in order to make ends meet. Why do people think that it is any different for small business owners? Do they work two or three jobs? No, instead they work one job for 16 hours or even 18 hours a day. And yes they work 7 days a week and don't get much time off. That's the equivalent of multiple jobs, and on top of that, they have the gut wrenching worry -- the sole responsibility -- of making sure that employees get paid, the taxes are paid, the lights stay on, and let's not forget that the bank gets paid," Risalvato noted. "I think about the sacrifices and the risks that my members have taken to get to where they are right now, and I think back to the TWO times in my 23 years as a small business owner that my parents allowed me to borrow against the family home in order to keep my business open. I'm going to go out on a limb and wonder if I even have **one member** who hasn't put their family's home up for collateral in order to borrow the necessary funds to either start their business, or keep the business alive in times when it hasn't been profitable."

"I urge my friends in the New Jersey Legislature to spend some time reflecting on these questions. If the answers don't come easy to you, just imagine being the business owner with the weight of the world on his shoulders, just trying to do right by his employees and his customers, and still make a living and support his family. The State of New Jersey should be working to create policy that will incentivize and encourage small businesses to hire and expand. Small businesses are the backbone of American society, and the gasoline service station is the quintessential small business. I shudder to think what our State economy will look like when a \$15/hour minimum wage is imposed in New Jersey," Risalvato wondered.

"I actually have one more question. Do legislators really think that small business owners don't wish that they could already pay their employees more?" Risalvato asked.

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