



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?**

*How much will gas prices rise to accommodate a near-doubling of the minimum wage?  
This proposed increase will not only affect minimum wage workers, but will pervade the  
business environment such that all employees will begin demanding higher wages.*

Sal Risalvato, Executive Director of the New Jersey Gasoline, Convenience Store, Automotive Association (**NJGCA**), released the following statement in response to a recent press conference held by Governor-elect Murphy and other supporters of a \$15/hour minimum wage:

"Let me start by saying that raising the minimum wage is a laudable goal, because who amongst us does not want **ALL** people (both employers and employees) to 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, which the supporters of this proposal cannot seem to answer directly."

"I believe that this effort is grounded in the belief that small business owners are sitting on piles of cash, and they can afford to simply double their payroll expenditures in accordance with the government's whim," Risalvato continued. "My direct question to any legislator or supporter of this legislation is the following: 'How am I (as a small business owner) expected to afford this payroll increase? Policymakers are not so naïve as to think that this is as simple as just changing everybody's wages and writing larger checks... Where is this money coming from? Do they suppose that the profits I currently generate should be enough to cover these new expenses?' If the answer is yes, I'd like to hear someone say that. I'd like to finally hear someone honestly say, 'Yes, I expect you to take money out of the profits that you currently use to support your family, put food on the table and send your kids to college, and 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, do skilled employees, like mechanics and professionally-licensed repair technicians, deserve?" asked Risalvato.

"I have a few more questions that I need answered before I can even begin to understand 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 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 to cut expenses or raise prices in order to afford these increases. Would a reduction in the number of employees be a solution that \$15/hour minimum wage supporters would find satisfactory? The other option is to raise prices to make enough money to keep checkbooks in balance... and I frankly don't see how anyone benefits in either one of those scenarios."

NJGCA members have been so concerned about the impact that this proposal would have on their businesses that they have gone on record each time it has been debated in Trenton, in an effort to infuse some clarity and reality into the discussion. For example, NJGCA Vice President Joe Ocello recently commented, "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. If we can't find any extra money lying around, we have to decide between cutting hours, cutting benefits, or eliminating employees, or raising prices at the pump."

NJGCA member Jeff O'Connor is also on record. "I've been in this business for 40 years, and in order to be successful, 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, and that's why I am so thankful that Sal is representing small business owners and asking these tough, 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, especially on the heels of a 23¢ gas tax increase in New Jersey. It is already common-place to go into a gas station and see orange cones blocking pump islands, forcing consumers to wait in line. No, those pumps didn't run out of gas, and that equipment isn't out-of-order... The orange cone represents an employee that the business owner would like to have, but cannot afford," Risalvato explained.

NJGCA member Craig Copeland 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."

"Legislative hearings and public testimony in the past have 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 believe it is any different for small business owners? Do they work

two or three jobs? No, they work one job for 16 hours a day. That's the equivalent of multiple jobs, and on top of that, they have the worry -- the sole responsibility -- of making sure that bills get paid and the lights stay on," Risalvato noted. "When I think about the sacrifices and the risks that my members have taken to get to where they are right now, I remember the TWO times in my 22 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 would be hard-pressed to find even **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 policy-makers to spend some time reflecting on these questions. If the answers don't come easy to you, just imagine being a business owner with the weight of the world on his shoulders, trying to do right by his employees and 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 industry is a quintessential part of that. I shudder to think what our State economy will look like, and how much prices at the pump will increase, when a \$15/hour minimum wage is imposed in New Jersey," Risalvato concluded.

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