

NJ biz owners brace for \$15 minimum wage fight

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New Jersey business owners are planning for better sales, bigger profits and more hiring next year, a survey released Monday by the New Jersey Business and Industry Association found.

But the business lobby group said it is wary of Gov-elect Phil Murphy's plan to hike the state's minimum wage to \$15 an hour.

"The biggest threat is uncertainty in policies under a new administration," said Michele Siekerka, president and chief executive officer of the New Jersey Business and Industry Association. "We have a governor-elect who ran on a very transparent campaign that has items within its campaign — and policies to come — that could be a challenge for New Jersey business."

The assessment was part of the association's annual business outlook survey that both provides a hint about prospects for the coming year and highlights members' concerns.

The 2018 survey lands at a crossroads. In Washington, President Donald Trump is trying to reverse the course set by his predecessor, Barack Obama. And in Trenton, Murphy, a Democrat, is preparing to replace Gov. Chris Christie, a Republican.

New Jersey's economy has been trailing the nation. It grew 2.3 percent in the second quarter, ranking 33rd nationwide. And its employment from October 2016 to September 2017 grew 0.7 percent, ranking 39th.

Still, the New Jersey Business and Industry Association and the New Jersey Chamber of Commerce have chalked up legislative victories. Among them: They advocated bills that increased the gas tax, eliminated the estate tax and lowered the sales tax.

In the survey, business owners gave their highest marks since at least the Great Recession in part, it seems, due to the Trump Administration.

Some 54 percent said the nation's economic outlook is better, compared with 29 percent who said the same last year.

Other findings:

- 58 percent expect more sales, up from 54 percent last year.
- 55 percent expect higher profits, up from 48 percent last year.
- 31 percent expect more employment, up from 29 percent last year.
- 69 percent plan to provide raises, up from 67 percent last year.

A fight, however, is brewing over Murphy's plan to increase the state's minimum wage from \$8.60 an hour in 2018 to as high as \$15 an hour.

About two-thirds of the business owners surveyed said a dramatic minimum wage increase would force them to cut staff, reduce hours or raise prices.

"Investing in one or two more orange cones will be significantly less expensive than trying to cover the additional payroll expenses that a \$15 an hour minimum wage would require," Craig Copeland, owner of Craig's Service Center in Middletown, said in a statement.

Copeland is a member of the New Jersey Gasoline, C-Store and Automotive Association, another business trade group opposing the higher minimum wage.

Lt. Gov. Kim Guadagno says we'll be pumping our own gas if the minimum wage is raised to \$15.

Not everyone agrees. New Jersey Policy Perspective, a research group, said about one in four New Jersey workers, or 1.2 million, would benefit from a gradual increase to \$15 an hour, and even then it would fall short of providing a living wage in high-cost New Jersey.

The research group noted that minimum wage workers are typically adults working full-time jobs, a far cry from a stereotypical teenager working at the Shore.

Siekerka said her group would work with the Murphy Administration to ease the impact. Among the suggestions: Improve work force training programs so that pay is in line with workers' skills, and exempt from the minimum wage hike industries like tourism that provide entry-level jobs.

"We have been working diligently, very hard, around the issues that this governor said are important to him, and we have been working on strategies that ensure New Jersey businesses can be strong and competitive as we address the priorities of the next administration," Siekerka said.