



NJGCA: \$15 Minimum Wage Bad for Gas Prices, Bad for Small Business

By: NJGCA Communications, January 24, 2019

\$15 Minimum Wage Bad for Gas Prices, Bad for Small Business

Raising the minimum wage to \$15 per hour will not only harm small businesses throughout the state, but will result in an increase in gas prices in one of the most expensive states to live in in the country. The legislature is moving quickly to enact A-15, allowing for a \$15 minimum wage in New Jersey, NJGCA opposes A-15 for the following reasons:

- We are disappointed to see the amendment changing the definition of “small business” from under 9 employees to 5.
- Raising the minimum wage will make it difficult on small businesses to retain a workforce and compete with larger chains when larger chains can afford to scale up more quickly than a small business.
- Since the last hike which took place in 2014, this state has already more than doubled the minimum wage in ten years.

As a result of these increases to the minimum wage, station owners will have no choice but to pass almost the entirety of this cost increase on to motorists in the form of higher gas prices by 10¢ or more, lay off a large portion of their workforce, and may even be forced to close down. Further, because New Jersey is the last statewide prohibition on self-service stations in the country, our members are unable to take some of the measures other businesses in other states can do by automating, because it is illegal in this state.

Sal Risalvato, Executive Director of the New Jersey Gasoline, Convenience Store, Automotive Association (NJGCA), released the following statement following the Assembly Labor Committee hearing on increasing the statewide minimum wage to \$15 per hour:

“Our members would love to be able to pay their employees more, they view them as their family. But they would also like to pay their mortgage and utilities as well. Many times, that mortgage is being guaranteed by their family home. A-15 will have an adverse effect on the average middle-class family in New Jersey, who will have to pay more for practically every single thing they spend money on as a result of this legislation.”

NJGCA member Jeff O'Connor described the future with a \$15 minimum wage best for small business owners: "Price goes up or employees go down, unfortunately."

###