



\$15 Minimum Wage Leaves NJGCA Executive Director with Many Questions

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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 the country. The legislature and governor have ignored the Small Business Community and DO NOT BELIEVE small business owners when they express how burdensome this will be. NJGCA opposes A-15 and would like reporters to ask Legislators and the governor the questions posed by NJGCA Executive Director Sal Risalvato when he testified last week before the Assembly Labor Committee.

Risalvato asked these questions, “Do the legislature and the governor believe business owners when they express that one of the solutions that they must consider when figuring out how to pay for a new \$15 minimum wage is to reduce employees?”

Risalvato continued to ask, “On the day the new minimum wage goes in to effect, and a business owner is inserting the key in the front door, what are his/her options, and what decision should be made?”

The legislators on the committee did not respond to this question, “Do legislators and the governor simply believe that small business owners make whopping amounts of money and therefore should simply take the extra cost of the new minimum wage out of their pockets? Do legislators and Governor Murphy believe that small business owners simply should make less? Or do legislators and Governor Murphy believe that small business owners will figure it out and find another as of yet unknown solution to balance their books?”

Risalvato continued, “Mr. or Mrs. Legislator, Mr. Governor, you tell us what we should do. I am listening. Here are the only choices we are aware of: 1) Reduce staff and the number of employees. 2) Reduce the number of hours that employees work. 3) Raise the price of goods and services to cover the additional cost of labor, which scares us to death because bigger competitors may not raise their prices and then take customers away from us. 4) Take the additional costs out of our pockets and off of our bottom line. Please legislature and Governor Murphy, which of these options should we choose?”

“In the three years that this debate has been discussed in the legislature, not one legislator has offered what they think a small business owner should do on the day that the minimum wage increase goes in to effect,” Risalvato said.

Risalvato emphatically repeated, “Not one! I have never heard a legislator say ‘lay off employees,’ I have never heard a legislator say ‘raise your prices,’ and I have never heard a legislator say ‘you make enough money so take the additional expense out of your family’s pocket.’ It is obvious to me that legislators and our governor just don’t believe us when we list our options, or just think we make too much money and should redistribute the excess funds in our checking accounts to our employees. The only thing they say is – raise your wages.”

NJGCA member experiences indicate that most small business owners have borrowed funds using their homes as collateral. Most small business owners have invested in their businesses and have calculated the money needed to pay business loans, rent, utilities, insurance, supplies, and PAYROLL. Most small business owners have calculated how much money would be left over in order to pay their own mortgages and feed their own families. Most small businesses struggle to choose what must be paid at the end of every month in order to continue employing people and still provide for their own families.

Risalvato asked again, “Do the legislature and our governor believe that small business owners should take this money out of their own pockets? Do they believe that simply owning a business means that a business owner makes too much money? Do the legislature and our governor think that small business owners are being alarmists? Or crybabies? Or not telling the truth about this new wage cost dilemma? What are their solutions to this new mathematical problem that they have now created for us?”

Bewildered and somewhat annoyed, Risalvato ended by stating, “I have never heard of one legislator, or Governor Murphy offer a single solution to this problem. I guess this would be less confusing if they were just honest and told business owners – you make enough money so take the increase costs out of your pocket.”

Risalvato thought he had concluded but exasperated had several more questions to ask the legislature and Governor Murphy, “Do legislators and Governor Murphy believe that business owners don’t desire to pay their employees more? Don’t they believe us when we say that our employees are like family and that we care about them and their wellbeing?”