



Governor Signs \$15-per-hour Minimum Wage Bill

By: Cape May County Herald, February 4, 2019

TRENTON -- Gov. Phil Murphy signed into law Feb. 4 a bill to raise the state's minimum wage to \$15 per hour by 2024.

The current \$8.85 per hour minimum wage will increase to \$10 per hour in July.

Seasonal workers, employees of firms with fewer than six employees and farm workers will get an increase to \$10.30 per hour starting next year.

The minimum wage will increase by \$1 each Jan. 1 until \$15 is reached in 2024.

The following was issued by Murphy, Senate President Steve Sweeney and Assembly Speaker Craig Coughlin:

Today our state took the most dramatic step it has taken in decades to create a real path for more New Jerseyans to enter the middle class and to strengthen the economy for those already there. This morning, Gov. Phil Murphy signed legislation prime sponsored by Senate President Steve Sweeney and Assembly Speaker Craig Coughlin, along with

nearly all Democrats in the State Legislature, to raise the minimum wage to \$15 per hour. This landmark law will boost paychecks, support working families, make New Jersey more affordable, and grow New Jersey's economy.

A responsible path to a \$15 per hour minimum wage will help raise pay for over a million hardworking New Jerseyans. The bill signed today will reliably and gradually increase wages to \$15 per hour over the next few years, with an immediate increase starting July 1st. That change alone means an extra \$1,200 in the pockets of over a million residents over the last six months of 2019, and the benefits to working families will increase each year moving forward.

Higher wages have been proven to be a boon for the economy as a whole. More money in people's pockets means consumers will be able to buy more to provide for their families, save for retirement, provide for their children's education and live more productive, more dignified lives.

This legislation was made through honest compromise and an understanding that we must protect the small businesses who are the backbone of our state's economy. The increased wages will be phased in over time, allowing for advance planning and adjustment. And the legislation is particularly sensitive to small business, farm workers, tip wage earners and seasonal workers to make sure that an appropriate increase and phase-in occurs for these sectors. Make no mistake – today's action will benefit all New Jerseyans by pushing wages up and supporting our economy, our businesses, and our people.

As elected leaders within our state government, we all could not be more proud to have reached this historic day. We would like to thank the many advocates and legislators who have fought this fight for years on behalf of working families who should know that New Jersey is behind them and working to lift them up.

In the wake of the signing, the New Jersey Business and Industry Association, which represents a large number of businesses throughout the state, issued the following from President and CEO Michele N. Siekerka:

"After calling for a responsible, slow and predictive pathway to increasing the minimum wage, we are disappointed that our policymakers have put into place a plan that will result in a 35 percent cost increase to New Jersey's small businesses, when including the increased wage and payroll taxes, within just 11 months.

"These job creators have told us that this action will increase their labor costs both in the short and long term; impacting the slim profit margins they already face given their need to contend with the highest taxes and worst business climate in the nation.

"We anticipate corrective legislation that will make this law more fiscally responsible, including an economic analysis that could serve as an off-ramp from this policy in the event of an economic downturn and incentives for the hiring of youth workers who will undoubtedly be challenged to find work at a higher wage.

"We also hope there are also considerations for Medicaid providers who currently reimburse less than \$15 an hour for services and those businesses which are currently in contracts for products or services that they cannot now renegotiate.

"Additionally, we need legislation to address structural reforms that cause New Jersey to be an extreme outlier on costs of doing business and living, not more taxes and mandates."

The following release was issued later Feb. 4:

Measure Provides Incremental Increases for Workers

Setting gradual minimum wage thresholds to reach \$15 in five years, the bill (A-15), sponsored by Assembly Speaker Craig Coughlin, and members Cleopatra Tucker, Britnee Timberlake, Gabriela Mosquera, Angela McKnight, Joseph Egan, Daniel Benson, Paul Moriarty, and Thomas Giblin, was signed into law Monday.

The bill establishes an oversight panel and takes into account concerns of New Jersey businesses.

“New Jerseyans deserve a livable wage. I thank my Assembly colleagues for joining me in moving our state forward against inequality and boosting low wages for hard-working men and women. Raising the minimum wage makes New Jersey more affordable and improves the quality of life for over a million residents,” stated Coughlin (D-Middlesex). “This is not only good for workers, but for businesses and our economy.”

A study by the United Way ALICE (Asset Limited, Income Constrained, Employed) project found that through 2016, out of New Jersey’s over 3 million households, 10.5 percent earn below the Federal Poverty Level (334,182 households) and 28 (895,879 households) percent qualify as ALICE households. The total number of New Jersey households that cannot afford basic needs increased 15 percent between 2010 and 2016.

“If a New Jersey resident making the current minimum wage works 40 hours every week of the year, their income would equal \$18,408,” stated Tucker (D-Essex). “This amount makes it tremendously difficult to support yourself and a family in New Jersey. I am proud of the efforts of the Assembly Speaker and our caucus to create a more economically fair New Jersey for working families.”

The cost of basic household expenses—which United Way calls the “Household Survival Budget”—in New Jersey increased steadily to \$74,748 for a family of four and \$26,640 for a single adult. The cost of a family budget saw an increase of 28 percent from 2010 to 2016.

“Low-wage jobs continue to dominate the landscape in New Jersey, with 51 percent of all jobs paying less than \$20 per hour,” stated Timberlake (D-Essex). “Although unemployment rates have fallen during recent years, wages have remained low for many occupations. More people are working now yet many are barely earning enough to make ends meet.”

“Raising New Jersey’s minimum wage to \$15 an hour is key to reducing overall poverty and giving working people the ability to make enough money to provide for their families,” stated Mosquera (D-Camden, Gloucester). “We realize that New Jersey is still slowly emerging from the Great Recession. This is the boost working families sorely need. In a time where wages remained stagnate, providing economic security is important to our residents.”

“With more contract work and on-demand jobs, job stability has decreased. This makes it difficult for some lower-income workers to meet regular monthly expenses or even to save money,” stated McKnight (D-Hudson). “Raising the minimum wage was long overdue in New Jersey. This will provide working class residents another opportunity to climb up the economic ladder.”

“Individuals and families are struggling and it’s time New Jersey raises its base minimum wage to help them,” stated Egan (D-Middlesex Somerset). “While addressing the concerns of New Jersey’s business community, this new law does what is right by the working people of New Jersey.”

“Raising the minimum wage goes beyond putting more money in the pockets of workers,” stated Benson (D-Mercer, Middlesex). “It will strengthen our economy and provide better quality of life for many residents in our state. New Jersey workers deserve nothing less than to be fairly compensated for a hard day’s work.”

"Setting New Jersey on the path toward a higher minimum wage will go a long way to help even the playing field in an ever-changing economy for our hard-working residents," stated Moriarty (D-Camden, Gloucester). "Today is a win for New Jersey families."

“The increased minimum wage will allow many New Jersey families to thrive and move forward,” stated Giblin (D-Essex, Passaic). “Futures will be much brighter and hopeful for millions of hardworking families thanks to a more livable wage.”

The new state mandate will gradually and fairly raises the minimum wage to \$15.00 per hour, providing further increases in the minimum wage beyond what is required by the state constitution:

Increases Minimum Wage from the current \$8.85 to \$15 per hour for the majority of workers over a 5-year period beginning July 2019.

Addresses New Jersey business concerns by establishing a moderate time table for a select group of workers over a period of 7 years beginning January 2020. The select group includes workers of very small businesses (less than 6 employees), farm workers, and seasonal workers.

Increases the state's tipped minimum wage from \$2.13 to \$5.13 over a period of 5 years beginning January 2019. It has been two and half decades since the last tipped wage increase.

Establishes the "Task Force on Wages and State Benefits" to annually report about the impact of the minimum wage on eligibility for state services and benefits and the impact working families.

Establishes a Training Wage As of, January 1, 2020, the law establishes a training wage of not less than 90% of the minimum wage for the first 120 hours to be paid to an employee enrolled in a qualified training program.

Does not interrupt minimum wage increases provided by the Constitution based on CPI-W increases will continue to be applied in all cases in any year in which the increase set by the new law are less than the CPI-W increase, including all years after 2024. It also provides, as a constitutional provision, that if the federal minimum wage exceeds the state

minimum wage it will be adopted as the new minimum for the state subject to CPI increases.

Statement on the \$15 minimum wage by the Sal Risalvato, executive director of the New Jersey Gasoline, C-Store, Automotive Association (NJGCA)

(Formerly New Jersey Gasoline Retailers Association)

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?”