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**FOR IMMEDIATE RELEASE**

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**Proposed minimum wage increase would harm consumers & business owners:**

*Small businesses will be unable to absorb the burden of these increased costs;  
As a result, businesses will be forced to lay off employees or eventually shut their doors*

Sal Risalvato, Executive Director of the New Jersey Gasoline, Convenience, Automotive Association (**NJGCA**), released the following statement today regarding the New Jersey Minimum Wage Amendment that voters will consider on November 5, 2013:

“On November 5, 2013, voters in the State of New Jersey will make a number of critical decisions. Not only will we elect our State Legislature and a Governor, but we will be faced with the question of whether or not the NJ Constitution should be amended to increase the State’s current minimum wage, and allow for automatic increases each year in the future. I am not in the business of telling either my members, or the general public, how to vote, but I do believe that I have a responsibility to educate and inform people of the negative impacts that an increased minimum wage would have on them and the small businesses in their communities.”

Risalvato stated, “My first concern is that this decision is being taken out of the hands of the Legislature and the Governor – the very people that we elect to make our laws, and to amend or repeal existing laws. The method used to increase the minimum wage will determine the process required to change or alter it in the future. **The chief function of the Legislature is to enact laws.** Legislators introduce proposals to make a new law, or to change or repeal an existing law, and present these proposals to their colleagues in the Legislature as a bill. To become law, a bill must pass both Houses by a majority vote and be approved and signed by the Governor. If the minimum wage is increased using this method, future Legislatures will still have the opportunity to amend or repeal

the law if economic conditions change, if an increased minimum wage proves to have negative impacts on the public and small businesses, or if a majority of Legislators deem that increasing the minimum wage was indeed bad public policy.”

“However,” Risalvato continued, “raising the minimum wage by changing the Constitution does not allow future legislators the same opportunity to amend or repeal. If voters approve a constitutional amendment on November 5, there is no Legislator or Governor in the State, now or in the future, that can change the amendment. The only way that an amendment can ever be reversed is by another ballot vote by the citizens of New Jersey. While a law passed by the Legislature and signed by the Governor can be amended or repealed in exactly the same fashion, a change to the Constitution requires a much more involved process.”

“My second concern is that citizens do not understand how an increased minimum wage will affect them, and the small business owners in their communities,” Risalvato said. “To demonstrate this, I’d like to present a simple mathematic equation... If the law forces a small business to increase its hourly wage by \$1.00, that will equal \$40/week for every full time employee. If every worker makes \$40 more per week, a business with only five employees will need \$800/month to make up that difference. Where does a small business come up with an additional \$800 each month?”

Risalvato further illustrated his point, “I want you to recall the times that you have driven into a gas station and had to wait behind a line of other cars filling up with gas, while just 20 feet away, there are pumps blocked off with orange cones, because there aren’t any employees to pump gas at that island. The consumer waits to be served, and becomes especially agitated looking at the many available pumps that aren’t being used because the station owner simply can’t afford to hire another employee to operate them.”

Risalvato provided additional insight into the gasoline industry in particular, explaining, “Gasoline is a product that is sold at retail for very small margins. So if, overnight, new laws mandate that employers have to pay their employees more, small business owners are not left with many options. Once payroll expenses become too large for the employer to absorb, mathematically, the station owner must consider reducing the size of the workforce at the location.”

Risalvato concluded, “Small businesses have yet to recover completely from the difficult economic times of the past few years, and it would be especially wrong to burden them now.”

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