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## **RAISING MINIMUM WAGE DURING ECONOMIC CRISIS PUTS SMALL BUSINESSES AT RISK**

*Unprecedented times require regulatory relief not increased costs and burden.*

IRVINE, CA — Governor Newsom has announced he will decline his authority to pause the increase in minimum wage, moving to \$13 per hour for companies with 25 or fewer employees and \$14 per hour for companies with 25 or more employees in January 2021. Small businesses, especially, that are struggling to remain open amid a severe economic downturn and unprecedented closures, will be faced with significant increases in operating costs beginning January 2021.

Orange County Business Council knows that the best way to a speedy recovery, increased employment, retaining jobs and keeping struggling businesses alive, is for economic growth to occur – not more taxes or more regulations. With the recent spike in unemployment, especially among the service industry, and improvements in COVID-19 rates uncertain at best, a minimum wage increase less than 6 months from now is the worst possible timing. Similar arguments were made against raising minimum wage during the staggering unemployment experienced under the Great Recession. We are deeply disappointed in this decision as without employers, workers have no jobs.

“We are sensitive to the concerns of supporting frontline workers across the state however, many small businesses are on the verge of collapse, struggling just to keep doors open, and a significant increase in operating costs will further push them towards closing permanently,” said Lucy Dunn, OCBC President and CEO. “Now is the time to rally behind small businesses in California, especially restaurants, who provide significant employment opportunities and are already struggling to keep up with COVID-19 regulations.”

OCBC will continue to advocate for a delay in minimum wage implementation, for liability protections, for workers' compensation reform and numerous other pro-economic growth ideas. We encourage the Governor to respond more favorably and partner with the business community during these unprecedented times.

***About OCBC:***

*Orange County Business Council represents and promotes the business community, working with government and academia, to enhance Orange County's economic development and prosperity in order to preserve a high quality of life. OCBC is comprised of the region's most influential global businesses and organizations in the region, working to assure effective investment in infrastructure, an advanced education system that produces skilled workers, growth of venture capital and high-tech companies, and housing solutions for the workforce. OCBC membership is comprised of some of the world's largest global corporate leaders as well as representation from local government and academia. For more information, visit <http://www.ocbc.org>.*

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