

SMC Business Councils 2017 Minimum Wage Survey

In his 2017-2018 budget Governor Wolf calls for a mandated increase in the minimum wage from \$7.25 to \$12.00 per hour effective on July 1st, 2017 with no phase-in period. We believe this increase would impact the smaller business and manufacturers' community more than any other segment of the economy since they offer more entry-level positions. SMC extends sincere thanks to all of the organizations who participated in the survey. The results will assist SMC in determining where small employers stand on the minimum wage mandate.



2017 MINIMUM WAGE SURVEY

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To read this document online, go to <http://smc.org/services/issues-advocacy/>



**SMC Business Councils extends a special “Thank You”
to the associations that participated in the survey.**

African American Chamber of Commerce
Beaver County Chamber of Commerce
Butler County Chamber of Commerce
Ellwood City Area Chamber of Commerce
Indiana County Chamber of Commerce
Manufacturer and Business Association
Pittsburgh Airport Area Chamber of Commerce
Pittsburgh North Regional Chamber
Somerset County Chamber of Commerce
Westmoreland County Chamber of Commerce

I.

Minimum Wage Survey Executive Summary

Eileen Anderson, Director, Government Relations
May 8, 2017

WHO IS SMC BUSINESS COUNCILS?

At SMC Business Councils we believe small manufacturers and businesses drive the economy in the state of Pennsylvania. These companies represent 98.3% of businesses throughout Pennsylvania and employ over 48% of the private sector workforce. Their products and services are diverse and their sizes range from sole proprietors to manufacturers with several hundred employees. For over 70 years SMC Business Councils has served as trade association advocating on behalf of, and providing products and services to this community. They are the lifeblood of our economy and define the types of businesses we proudly call members of SMC.

WHY DID SMC CONDUCT THIS SURVEY?

In order for PA to prosper it is critical to take advantage of our assets. PA is in the Top 10 states for manufacturing and we have the world's largest unconventional natural gas field. Plentiful gas and manufacturing go hand-in-hand. If approached correctly PA can grow our way out of some of our fiscal problems. SMC Business Councils' 2017 State Position Papers "**Prescription to Grow PA's Economy: Align Government Policy to Capitalize on our Strengths to Make PA More Competitive and Attractive to Businesses**" are built on this over-arching theme.

In his 2017-2018 budget Governor Wolf calls for a mandated increase in the minimum wage from \$7.25 to \$12.00 per hour effective on July 1st, 2017 with no phase-in period. The question that must be asked is "Does the Governor's minimum wage mandate help PA capitalize on its strengths and make the state more competitive and attractive to businesses?"

In 2016 SMC opposed a mandated minimum wage increase, stating that employers should be allowed to set their own packages of wages and benefits to attract employees. Our premise was a wage increase would impact the smaller business and manufacturers' community more than any other segment of the economy since they offer more entry-level positions. SMC conducted this current wage survey to determine where small employers stand in regard to Governor Wolf's mandated increase to the minimum wage.

It's important for lawmakers to remember and consider in their decision-making that there are more than 226,000 small businesses in PA and according to the most recent U.S. Small Business Office of Advocacy profile (2013) these businesses employ nearly 47% of PA's private-sector labor force (2.4 million).

It is also important to note that according to the *Wall Street Journal* ("Minimum Wage Set to Increase in Many States", 12/30/2016) PA has a minimum wage lower than any surrounding state (NY; WVA; MD; NJ; DE; OH).

SURVEY RESULTS

This survey was completed by members of SMC Business Councils and affiliate organizations. It is not a scientific sampling but a representative view of members from the various organizations. Of the respondents 90% pay greater than the current minimum wage of \$7.25 per hour with the majority (55%) paying an entry wage of \$7.50 to \$10.75 per hour.

- Just over half of the respondents, 51%, agreed that the minimum wage should remain at \$7.25 per hour and that each employer should have the ability to design his or her own package of wages and benefits to attract employees; 34% disagreed and 15% had no opinion.
 - When asked about Governor Wolf's proposal to increase the minimum wage from \$7.25 to \$12.00 per hour effective July 1 with no phase-in period a whopping 85% disagreed, 11% agreed, and 5% had no opinion.
 - Alternatively, a three (3) year phase-in to increase the minimum wage by \$.50 per hour reaching \$8.75 per hour in 2019 was looked at more favorably with 48% agreeing, 37% disagreeing and 15% having no opinion.
 - A six (6) year phase-in to increase the minimum wage by \$.50 per hour every two (2) years reaching \$8.75 per hour by 2023 was not agreeable to the respondents with only 24% in agreement, 50% disagreeing and 26% having no opinion.
 - Half (50%) of the respondents agreed that a training wage for those 18 years and under was acceptable while 28% disagreed and 23% had no opinion.
 - A major job training and re-training effort was supported by 72%, while 28% said "no."
 - There were a variety of answers to actions employers would take if there is a mandated increase in the minimum wage. Out of 8 different actions, respondents could check all that applied. The top five (5) responses were within 5% points of each other. They include in the following order - highest to lowest:
 - will reduce hiring of unskilled, entry level workers (17%)
 - will reduce hours for employees (17%)
 - will decrease the benefits offered to employees (16%)
 - will eliminate jobs (16%)
 - will increase the pay but find ways to increase efficiency and productivity by outsourcing and/or automation (12%)
- Nine (9%) indicated they will increase the pay for other employees to create fairness while another nine (9%) responded they will not increase employees' pay as the minimum wage increases and deal with higher employee turnover. Four (4%) indicated that they will go out of business.

BIGGEST TAKEAWAY

The survey indicates that few small businesses will close if the minimum wage is increased to \$12.00 per hour on July 1. However the resulting actions that small employers may take appear to hurt workers more than help them. This indicates a higher minimum wage can have unintended consequences such as putting money into the pockets of fewer workers with less hours and benefits.

WHO TOOK THE SURVEY

Of the 446 responses, services businesses comprised 43% of the respondents, professionals were 23%, manufacturers were 15% and 9% identified themselves as “others.”

82% of the surveys were completed by the head of the company, a president, employer or CEO and 18% were completed by employees.

59% (262) of the businesses had 20 or less employees; 18% (81) had 21-50 employees; and 23% (103) had 51 or more employees. The single largest category of “number of employees” is 1-5’s at 30% of respondents.

(Note that there are 197,000 small businesses in PA that have 20 or less employees according to the U.S. Small Business Office of Advocacy’s most recent Pennsylvania profile.)

ABOUT THE SURVEY

SMC hopes this survey provides timely and useful information on how a mandated increase in the minimum wage could impact PA’s small businesses.

SMC extends sincere thanks to all of those who participated in the survey.

- SMC Business Councils members
- African American Chamber of Commerce
- Beaver County Chamber of Commerce
- Butler County Chamber of Commerce
- Ellwood City Area Chamber of Commerce
- Indiana County Chamber of Commerce
- Manufacturer and Business Association
- Pittsburgh Airport Area Chamber of Commerce
- Pittsburgh North Regional Chamber
- Somerset County Chamber of Commerce
- Westmoreland County Chamber of Commerce

The survey was conducted online from February 27 through April 7, 2017. During that time frame organizations were asked to send out the survey link to their members whenever it suited their communications schedules. They had the option of creating their own email introduction or using SMC’s introduction. The number of replies received was just over 455.

Note that SMC’s introduction included the following two statements:

- According to an article in the *Wall Street Journal*, 12/30/2016, “Minimum Wage Set to Increase in Many States” pay floors are set to rise in 20 states. PA’s minimum wage is \$7.25. Minimum wages in adjacent states are currently: New York - \$9.00, West Virginia - \$8.75, Maryland - \$8.50, New Jersey - \$8.38, Delaware - \$8.25 and Ohio - \$8.10.
- In his 2017-2018 budget address Governor Wolf called for a mandated increase in the minimum wage to \$12.00 per hour starting July 1, 2017 with no phase-in period.

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412-342-1606

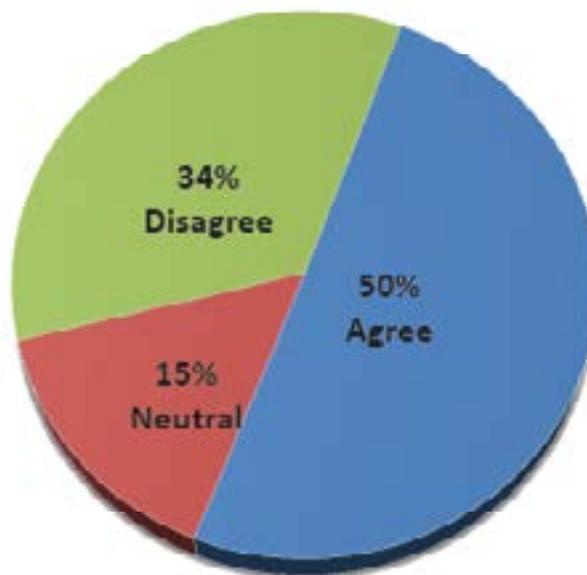
II.

Minimum Wage Survey Data Analysis

Minimum Wage Survey

1. Do not change the minimum wage. It should remain at \$7.25/hour, allowing each employer to design his/her own package of wages and benefits to attract employees.

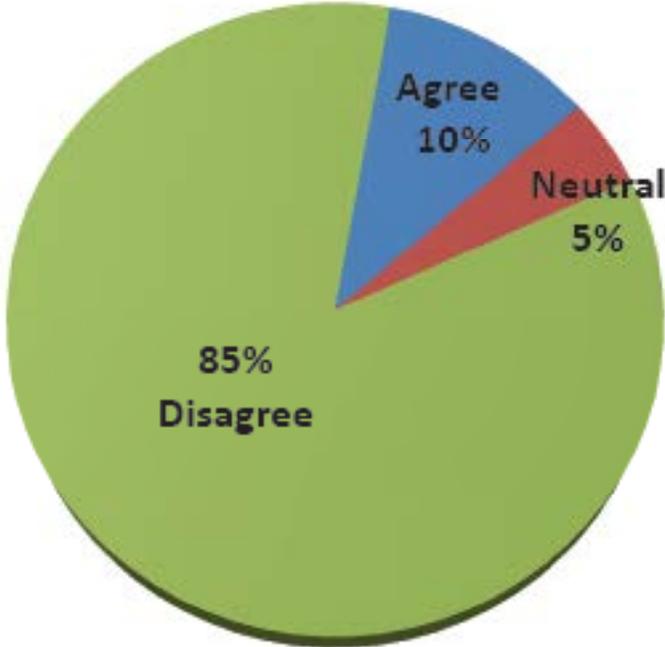
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total Responses
Grand Total	158 36%	64 15%	67 15%	49 11%	103 23%	441



Minimum Wage Survey

2. PA should mandate a minimum wage increase to \$12.00/hour starting July 1, 2017 with no phase-in period.

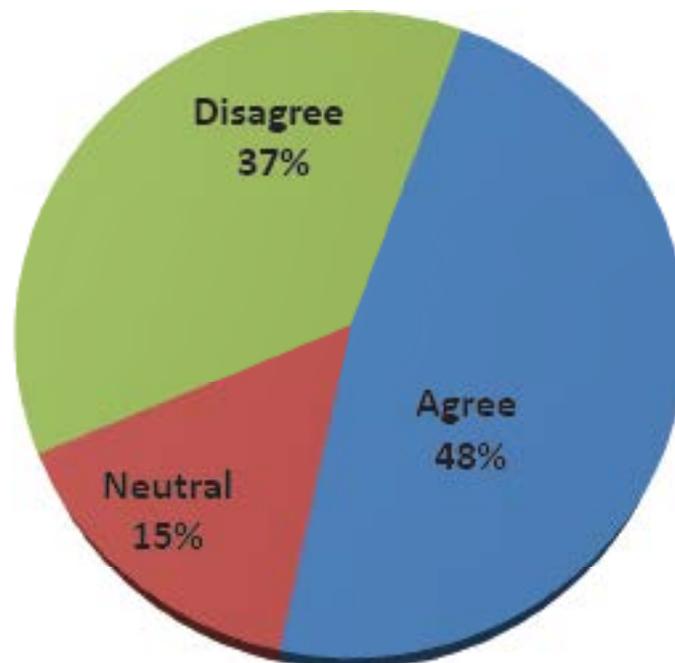
	Strongly Agree				Strongly Disagree	Total Responses
Grand Total	32	16	20	26	347	441
	7%	4%	5%	6%	79%	



Minimum Wage Survey

3. Phase-in an increase in the minimum wage. For example: a three year phase-in that increases the minimum wage by \$.50/hour to \$8.75/hour in 2019.

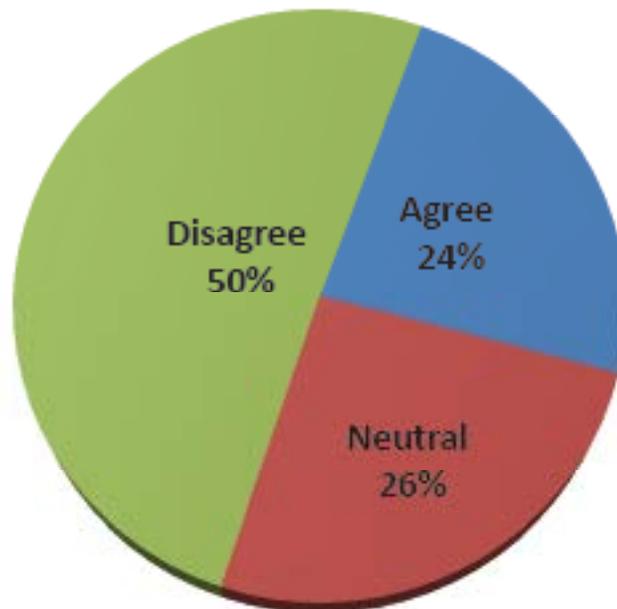
	Strongly Agree	Disagree	Neutral	Agree	Strongly Disagree	Total Responses
Grand Total	104 24%	106 24%	67 15%	60 14%	103 23%	440



Minimum Wage Survey

4. Phase-in an increase the minimum wage. For example: a six year phase-in program that increases the minimum wage by \$.50/hour every two years reaching \$8.75 in 2023.

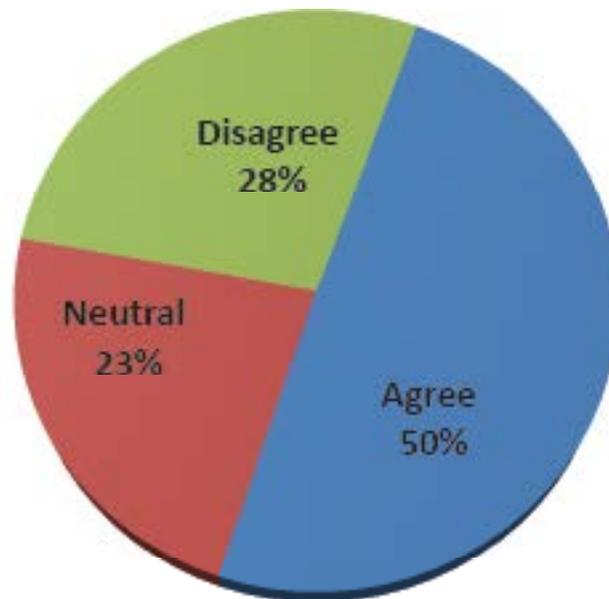
	Strongly Agree				Strongly Disagree	Total Responses
Grand Total	34	68	112	76	142	432
	8%	16%	26%	18%	33%	



Minimum Wage Survey

5. An increase in the minimum wage should include a training wage for everyone 18 and under.

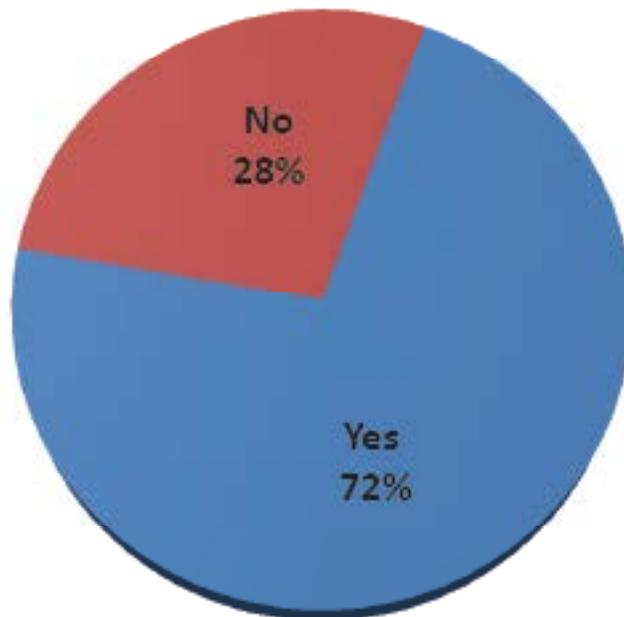
	Strongly Agree				Strongly Disagree	Total Responses
Grand Total	140	75	99	31	89	434
	32%	17%	23%	7%	21%	



Minimum Wage Survey

6. Would you support a major job training and re-training effort?

	YES	NO	Total Responses
Grand Total	322 72%	124 28%	446



Minimum Wage Survey

7. If there is a mandate to increase the minimum wage

I will take the following actions:

(Check all that apply)

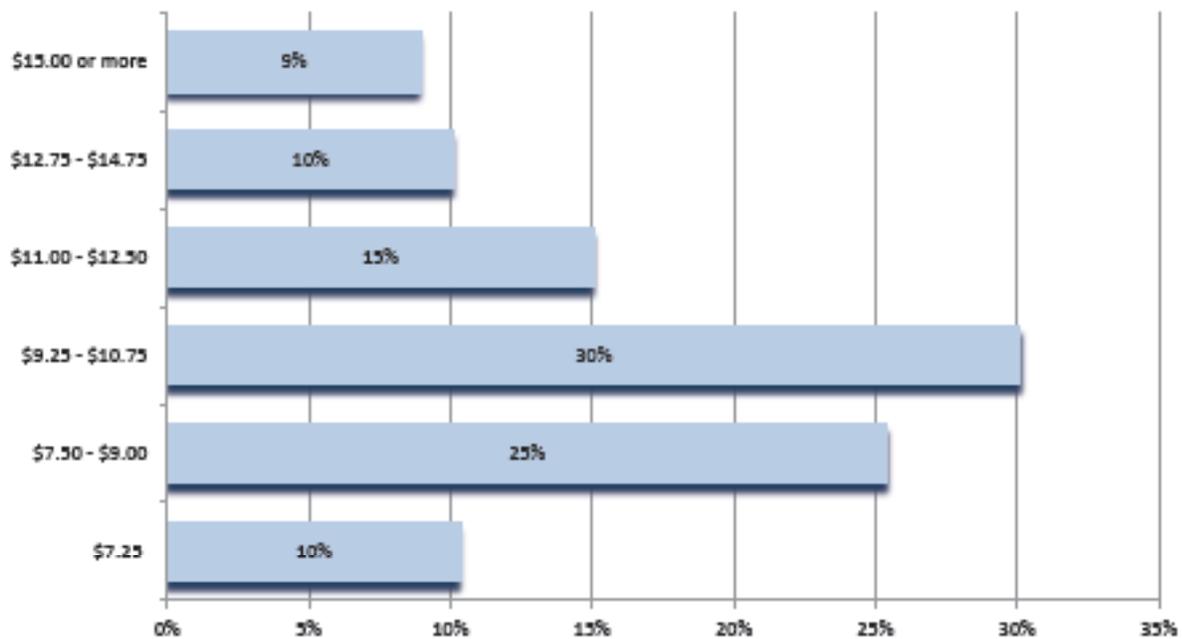
	Increase the pay for other employees to create fairness	Will not increase employees' pay as the minimum wage increases and deal with higher employee turnover	Go out of business	Decrease the benefits offered to employees	Increase the pay but find ways to increase efficiency and productivity by outsourcing and/or automation	Eliminate jobs	Reduce hours for employees	Reduce hiring of unskilled, entry level workers	Total Responses
Count	87	93	41	163	126	165	171	174	1817
Percentage	5%	5%	4%	10%	7%	9%	9%	10%	



Minimum Wage Survey

B. What do you pay entry level employees per hour?

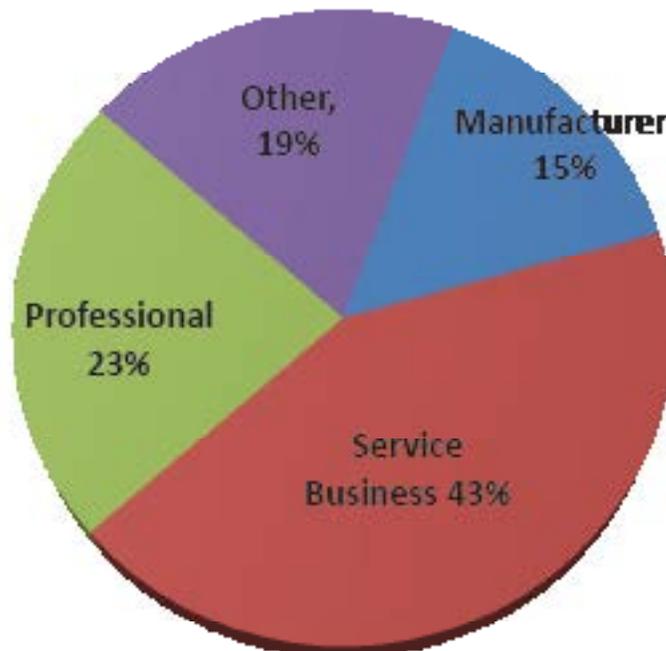
	\$7.25	\$7.50 - \$9.00	\$9.25 - \$10.75	\$11.00 - \$12.50	\$12.75 - \$14.75	\$15.00 or more	Total responses
Grand Total	44 10%	108 25%	128 30%	64 15%	43 10%	38 9%	425



Minimum Wage Survey

9. Are you a...

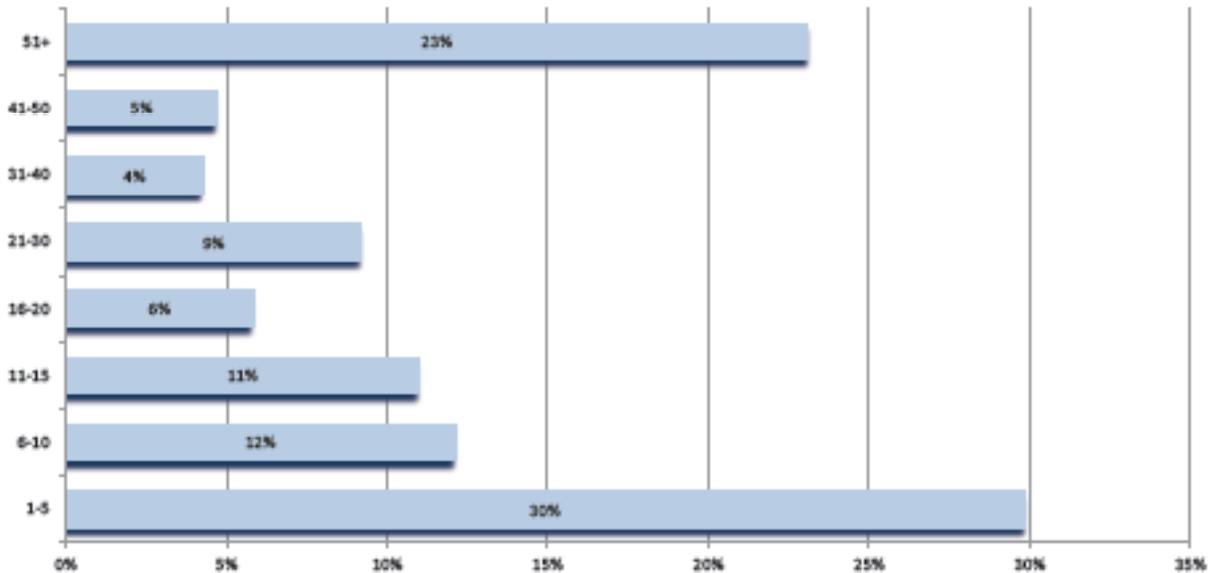
	Manufacturer	Service Business	Professional	Other	Total responses
Grand Total	72 15%	205 43%	110 23%	91 19%	478



Minimum Wage Survey

10. Number of employees:

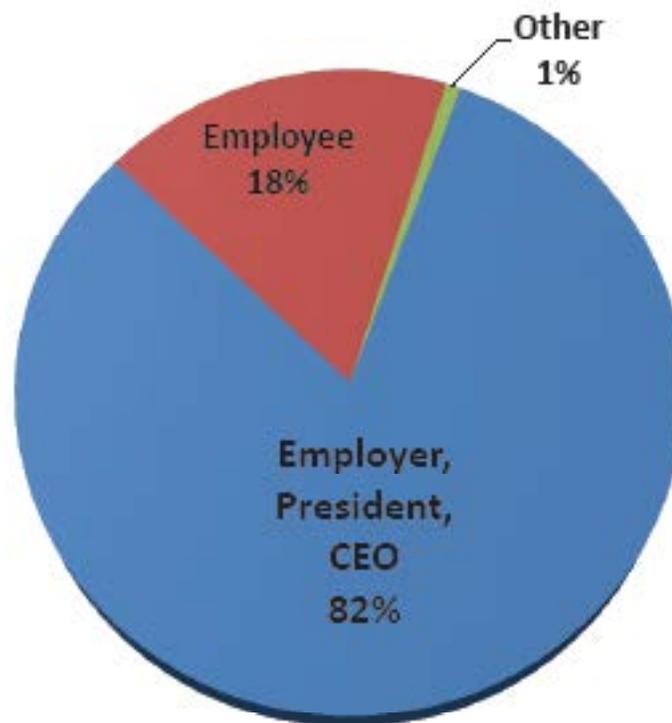
	1-5	6-10	11-15	16-20	21-30	31-40	41-50	51+	Total responses
General Total	133	54	49	26	41	19	21	163	406
	30%	12%	11%	6%	9%	4%	5%	23%	



Minimum Wage Survey

11. Are you an...

	Employer, President, CEO	Employee	Other	Total responses
Grand Total	331 82%	71 18%	3 1%	405



III. Minimum Wage Survey

Observations Distilled from Comments

Question #9

“Please share any of your concerns/comments about the minimum wage and the impact on your business.”

This part of the survey was an open-ended question that invited unstructured response. There were more than 185 responses to this question. Respondents’ comments often touched on several different concepts and where possible each was viewed as a separate response. What follows is an attempt to distill that information highlighting trends and common threads of the responses.

What was observed is that small businesses are very diverse in products, size, markets and employees. Business types range from manufacturing companies, high-tech companies, to pet grooming, janitorial, car washes and non-profits. A one-size fits all solution appears to be risky.

An increase to \$12.00/hour on July 1, 2017 with no phase-in period could be very disruptive especially for smaller businesses. It represents an overnight 65% increase. Full-time minimum wage workers’ pay without benefits would go from \$15,080/year to \$24,960/year.

Employers indicate that they will react by taking a variety of actions from cutting back hours, eliminating positions, moving to automation, and hiring higher value employees, leaving fewer entry level jobs for the less skilled, trainees, high school students and part-time employees.

Employers see workers as an important asset that needs to be treated well. They like the entry level wage because it starts a pathway where increased pay and responsibility are tied to ability, training, education, and job performance.

Many survey respondents now pay above the minimum wage. The market rate is \$9.00-\$10.00/ hour. Some employers wondered how anyone could get a person to work for \$7.25/hour in a tight labor market. One employer had 70 full time openings paying \$11.00/hour with generous benefits and still couldn’t compete with fast food and retail because of the nature of the work, home care for the elderly.

Non-profits and especially those that rely on payments from the state and federal government for most of their revenue indicated that they would be especially hard hit. In some cases those payment rates have not increased over the past 8 years. They stated an increase in the minimum wage will mean an increase in employers’ costs and a reduction or elimination of services.

Some businesses such as campgrounds, recreational programs and other seasonal businesses rely on unskilled/low-skilled entry level workers. They stated an increase in the minimum wage would adversely affect their hiring.

Many employers commented that wages are driven by the marketplace and in many cases employers pay above minimum wage.

The ripple effect on the pay scale for other employees was often cited as a problem. A new unskilled, entry level worker making a wage comparable to a skilled employee would put upward pressure on wages and result in less hours, layoffs, elimination of positions and more in order to increase wages for other employees, or disgruntled employees if no increase was given.

Another common theme was that employers understand philosophically that minimum wage should be increased because they know that all are part of the entire economy. If someone is not making adequate income they depend on government to make up the difference which is a tax that all pay.

It is a challenge for some small start-ups, individuals and sole proprietors to expand and hire with a \$12.00 minimum wage. In one case an owner stated that they were not making minimum wage.

IV. Minimum Wage Survey Direct Quotes from Respondents Question #9

“Please share any of your concerns/comments about the minimum wage and the impact on your business.”

There were more than 185 responses to this open-ended request. The following comments are listed in no particular order and represent those who agreed to have their name, company and quote published. Note that the opinions expressed are strictly those of the authors and do not necessarily reflect those of the SMC Business Councils or its management.

Cletus Scalo

TTI

“The government should stay out of the wage setting functions. The market will decide.”

Paul Adametz

Valencia Sports Park

“There is a mountain of evidence that minimum wage increases reduce employment levels in certain segments of the economy.

This proposed increase to \$12.00 per hour in Pennsylvania will absolutely reduce opportunities for teenagers who haven’t developed work skills yet. It will make PA even less competitive compared to states with lower mandated regulatory costs.

If I am forced to pay \$12.00 per hour for work that I am currently paying \$9.00 per hour for, I will be likely to automate as much of the work as possible. I will also seek more mature, experienced workers instead of taking a chance on someone with no work history.

I also own a manufacturing business where most of the production workers are in the \$18-\$20 range, but we

have two entry level part-time positions that we pay \$9.00 per hour. I would likely convert those two positions into one full-time position at \$12.00 per hour.”

Karen Katz

Fish Window Cleaning

“We compete with individuals who are in business for themselves and who are not required to comply with labor laws such as these.”

Greg Colker

Colker Company Janitorial Supplies

“I agree with it. If enacted, I would be more particular about who I hire to make sure I had a better chance of getting my monies worth and would be quicker to let a staff member go if he/she was not doing a good job.”

William Ridge

Ridge Insurance Agency, Inc

“A better economy will naturally increase wages. Lower taxes and robust growth will do more for employees than any mandated increase.”

Mona McGraw

NuReIm

“There would be very little direct impact on my business. My employees make about what I do, with some making up to 50K a year more than me, and the lowest entry level salaries starting around 50K a year at my firm.

I already pay workers that I hire for personal projects a minimum of \$13/hr., and I have provided no interest loans to them on occasion, with liberal pay back terms, just so they could survive on what they make.

I am willing to pay more at fast food restaurants and other businesses that rely on minimum wage workers in order for those workers to earn a (still very modest) living wage.

I believe that it is our obligation to lift up the less fortunate. I was taught this from an early age by my parents, who were small business owners in an economically depressed area, and who showed me by example that you always pay people a living wage, for the good of your community and society.”

It is a proven fact that economies with a higher minimum wage do better economically, and have lower crime rates. Raising the minimum wage to a living wage is a no brainer, and should have been addressed long ago, as the current minimum wage has not kept pace with inflation.

The conservatives want to lower taxes? Well, how about paying people enough so that they don't qualify for food stamps and other types of government subsidies? Seems to me like that would work.”

Vic Conrad

PINNACLE Financial Strategies, LLC

“Let the free market and competition decide. An employer can't get away with paying below market rates for long.”

Neil Ackerman**Express Employment Professionals**

"I own a staffing company so any significant increase in the minimum wage would have a negative impact on my business. A modest increase, however, would be reasonable. I think it is reasonable to raise the state minimum wage to between \$8-\$8.75/hour phased in over a few years."

Marilyn Landis**Basic Business Concepts, Inc.**

"Quality labor is already in tight supply - a fact that will drive wages up naturally as employers compete for good employees. Mandating a dramatic increase in the minimum wage hurts less skilled entry level employees and uses cash resources employers need to offer wage, benefit and training packages that would benefit not only the employee but new hire's ability to gain promotion."

Jeffrey Stewart**Hyper-Kinetix, Inc.**

"Legislators need to deal with the real problem. The real problem is NOT that a 35 year old male head of household with 2 kids at home working at McDonalds is only making 7.25/hr. The problem is that the only job that person can find is working at McDonalds. In a thriving business environment, wages go up because there are more jobs than workers. Create that environment and everything will be fine."

Mark Knobil**BigBuilding LLC**

"Work has to pay. Sub minimum wage workers depend on government programs that we all pay for. If you can't pay a proper wage for labor, then you don't have a good business plan, and are, in effect taking a government hand out. I don't want to pay for your bad business plan!"

Kathy Serenko**Kathy Serenko LLC**

"It is fine to increase the minimum wage, but to impose an increase from \$7.25 to \$12 with or without a phase-in period is unreasonable. Not only will it add one more strain to small businesses that are struggling to absorb healthcare and taxes, but it also begins to blur the line between unskilled and more skilled labor. The US trend is that fewer people want to become doctors/surgeons because the financial incentive does not justify years of sacrifice. Do we really want to remove incentive at the base pay level as well?"

NY has a much higher cost of living than PA, so to increase our minimum wage beyond NY's makes little sense.

A phase in of \$.50/hour is painfully slow. I would be more agreeable to an increase to \$9 at the start of 2018 to give employers a bit of time to absorb costs. But the state should re-evaluate the bigger picture for small business and consider offsetting wage increases with tax breaks.

It is imperative that existing employees benefit from the increase."

HenryLane**K&D Factory Service, Inc.**

"Minimum wage is designed to be an entry level wage for trainees, students, and part time employees."

Don Gutwald

Penn Metal Fabricators, Inc.

“If minimum wage were to increase up to \$9.00 per hour, it would not affect our business as we are a union manufacturing shop.”

Christal Miller-Boone

fayetteville-116.comfortkeepers.com

“Non-Medical agencies like ourselves provide care to the elderly while they remain in their home. This is something that most consumers want/need vs nursing homes. 70% of our consumers are government consumers. We are reimbursed at a rate of \$17.14 per hour. Therefore if we pay employee’s \$12/hour, taxes, training, WC, and travel time @ minimum wage, we would no longer service any government employee’s. We couldn’t afford to do so without a major increase in government reimbursement.

Example: 1 hour client we collect \$17.14

PAY OUT:

\$12.00 for 1 hour of care

\$6.00 for 1/2 hour of travel to get to client

\$3.00 (approx.) for employer taxes

TOTAL:

\$21.00 and received \$17.14????

We would be out of business in a day. This leaves no money for administrative staff, owner, benefits, and training. So not only would a significant amount of caregivers lose their jobs, but the elderly would lose care.”

Ted Rogers

Aero Tech Designs

“This initiative is only going to expedite the eventual replacement of human workers for robotics. If a robot costs \$75,000 to do a task that a minimum wage worker currently does (\$14,500/YR) and the pay of the worker increases as planned (\$24,000/YR). There is a 3 year pay off for a robot rather than a 5 year pay off and after that point the robot is creating major efficiency. This is a major incentive to robotize processes. Robots don’t get sick, take days off, need insurance, or complain about working conditions. Robots can work 24/7 without any overtime, they do not need to sleep, eat, or socialize. You could buy the robot, run it for 3 shifts per day and pay it off in one year in the first scenario from above. Look at Wendy’s and McDonald’s replacing workers with kiosks. This is a dangerous game of chicken and many low income positions are at risk. It’s not the business owners that will lose in the long run. Products will still be made and sold but by who...or what.”

David Benfield

Clearview Car Wash, Inc.

“My business will survive by reducing the number of employees, reducing employee benefits, and adding more automation.

The minimum hourly wage should not be dictated or legislated by government law. The starting wage should be based on market conditions. The starting wage should be based on ability, skill, and experience.

As an example, one major retail grocery chain in Pennsylvania is offering a starting hourly wage of \$11.50 per hour. There is no federal or state law requiring 11.50 per hour. The 11.50 per hour is being offered to attract a certain quality of worker, however this is the starting hourly rate.

Mandating a higher hourly wage will reduce the employee work force, encourage more automation, and discourage hiring entry level employees.”

Cathleen Erb

My Dog's Care Center

"A fast or large increase in the minimum wage will cause and contribute my business to: lessen hours to employees; lessen available services; cause worsening cash flow problems; potentially cause us to go out of business due to high overhead (payroll costs).

My dog care business relies on mostly unskilled employees. Higher pay does not cause better employee productivity or change turnover. We have tried. A quick and/or mandatory increase will raise overhead and cause lay-offs and/or reduction of services to stay afloat. Then revenue will be down and we will have even more difficulty paying our bills.

This change will cause the payroll to increase of my already labor intensive (but low skilled) workforce to the point of 60-75% of every dollar going to payroll.

How can I increase my business (size/revenue) while keeping payroll at a manageable level if 70 cents on every dollar is going to payroll (+ taxes, worker's comp insurance etc.)?"

Jay Jarrell

"Encourage training & retraining programs provided by employers and/or employer groups that could benefit from such trained personnel. Avoid "knee jerk" reactions to call for public funds to support such programs."

Nicholas Dunphy

Caddy Shack Restaurant

"First off no one makes minimum wage other than those who are uneducated or first time jobs. I would say the real minimum wage right now for a full time employee or over \$10 but entry level employees are the only ones making \$7.25. The worker shortage right now is tight and most would hire if we could find employees. The public education system is not providing enough skilled workers and for those that can work it's better to stay unemployed than to lose the benefits they get for being paid. I have no idea who is paying min. wage and finding employees they have too many choices if they really want to work."

Joseph DeSimone

Verizon / Wireless Zone

"I pay minimum wage plus commissions. My lowest earners make about \$20,000/yr. my top earners \$80,000/yr. With 60 employees, my entire compensation will be put in its ear if minimum wage is imposed!"

Pamela Taylor

Priority Proofreading

"I am currently a one-person operation but I have considered hiring another person to help with my freelance proofreading work. I would not be able to pay \$12 per hour as I only earn an average of \$10.00 per hour myself!

Governor Wolf is being very unrealistic in expecting such a high minimum wage. I think businesses in PA will suffer a great deal from this. Let the free market dictate the wage. Tell government to stay out of our lives and businesses. Their purpose is only to provide what the individual or the community cannot provide. (Ex. roads, bridges, parks, defense and rescue) Wage earners must allow the employers to determine the rate that they can afford to pay their employees.

I also work as a home caregiver part time and I can't imagine how the elderly clients would pay for our services if my employer had to increase my wage from \$9.75 per hour to \$12 and pass along some of the cost to the

client.

Thank you for asking!”

David Staab

The Progress News

“Our government is the biggest creator of unemployment and job loss that we have. When the government puts their nose in private business, jobs are lost.”

Wendy Bennett

Bennett Associates Wealth Management

“The proposed increase is a 65.5% increase. That is not only unreasonable but is a ridiculous proposal. The cost of living in Pennsylvania is nowhere near the top of the scale within our nation, so why would it ever be considered that we should pay the highest minimum wage rate in the nation. This is detrimental to not only small businesses, but to ALL businesses. It will serve as the baseline for all other pay scales and will cost far too much for employers to implement. As a business owner, I am insulted by the proposal and view it as an indication that the Governor is far out of touch with the struggles of Pennsylvania business owners.”

Susan Tack Beardsley

IQuality Life Services

“We are in an industry that doesn’t control our own pricing. Governor Wolf is proposing a flat Medicaid reimburse line next year. The inability to increase revenue with the guarantee of spending significantly more on our highest expense line is a recipe for disaster.”

Chris Young

Prima Capelli Salon Inc

“A small increase in pa state minimum wage is overdue. BUT we Must take into account our small businesses in rural areas cannot accept a large increase. Anything over \$8.50/hr. will be detrimental to these small businesses.”

Connie Stauber

Quality Life Services

“I am an employee and this could be a great impact on the company I work for. I think that based on what we do in a skilled long term company we are already strapped with cost and very little reimbursement.”

John D. Laslavic, LPBC

ThistleSea Business Development, LLC

“For the most part, our client businesses use a diverse set of models for employee wage and compensation based upon the economics of each business and market. Finding other ways to fund the government that would not hurt small business and allow employee value for the business to drive compensation would be a better approach overall. Allow the employer to do the right things for their businesses.”

No Name No Company/Can be Published

“I pay minimum wage to entry-level high school students and to mentally-disabled older employees. I increase wages for part-time college students up to \$10.50 per hour. If minimum wages are increased even to \$8 per hour, I will no longer employ mentally disabled employees. I will probably hire high school students and reduce the total number of both HS and college employees who will be demanding an increase in pay.”

Tim Maloney

Dirt Doctors Cleaning Services

"I have no problem with an increase in the minimum wage. It is ridiculously low at this point. I have been starting people at \$10/hour or more for over 10 years now. I think they should do a \$1 per year increase until 2020.

I do have a problem with a jump right to \$12 per hour with no phase in period. It's going to hurt a lot of small businesses to make that drastic a leap."

Bryan Paff

Paff Custom Welding, LLC

"Unskilled and unverified prospects are started near a minimum wage level. As soon as their abilities, work ethic, dependability are assessed, they are quickly elevated in responsibility and compensation, based on their value," generally to a tier greatly surpassing the minimum. A mandated increase at this level will diminish our willingness to take a chance on questionable applicants and will force us to refrain from hiring below a verifiable, skilled level.

Also, "entry-level" or "minimum wage" jobs are not intended to be long-term career choices for those in the workforce. These jobs are intended to be a starting point for young people and those entering the workforce. Raising the minimum wage is merely a Band-Aid in an effort to disguise the fact that, on a large scale, unemployed workers have become underemployed workers after having positions downsized or eliminated as a result of a recessed and still-slumping economy and an expiration of unemployment compensation."

Cookie Driscoll

C Cookie Driscoll

"I believe if we pay our employees well they will be better advocates for my business, perform at a higher and happier level, thus improving my customer's satisfaction. It's a win/win/win situation. I was paying my office staff \$9.00 per hour 6 years ago, well above the minimum wage and it produced all of the benefits I listed above. I find the reluctance to pay more stunningly foolish."

Sara Turkovich

Sara's Professional Pet Services

"A \$12 minimum wage, even with no phase-in period, has been shown to be both beneficial to workers and unlikely to result in significant job loss. I support this moderate increase in the state minimum wage because a worker making the current minimum wage is still essentially in poverty. Raising the minimum wage will lift more people out of poverty through work and will decrease dependence on our meager, frayed social safety net."

Renee Suhr

Stray Cat Studio

"My business is just simply too small, and our income is still growing. The lower minimum wage allows me to hire unskilled workers to do menial tasks and for me to put any extra money toward retaining my skilled workers. If the minimum wage rises, it will put considerable stress on the skilled workers to compensate for the work the unskilled would've done, as we won't be able to afford to hire them any longer. New and very small businesses simply cannot handle those kinds of pay requirements."

Daniel Leiss

Jenny Products, Inc.

"This is a bad idea. It will cause more plant automation and more outsourcing to low cost countries, and com-

panies moving out of the state which is something this state cannot afford.

Overall, it will cost PA a large number of jobs and the subsequent tax dollars, increase welfare dependence, and force many people to move out of PA which in turn will cause a necessary increase in taxes to make up the deficit and ultimately spiral out of control.

Considering that the PA is already a business unfriendly state, how much more unfriendly can PA get?

““Liberalism always generates the exact opposite of its stated intent.”” Quinn’s First Law””

Karl Chapple

Minuteman Press

“An increase in minimum wage only increases employers’ costs. These costs must be passed on to consumers, increasing costs of goods and services. This after a period of time results in the buying power of employees’ wages to return to the same level as before the increase.”

Increasing wages impacts my business by making me less likely to hire additional employees, makes me more likely to invest in automation to reduce employee hours, and pass on cost increases to my customers, which diminishes my competitiveness.”

John Morey

Erie NFS Inc. dba Save A Lot food stores

“I currently pay a year-end bonus to all hourly employees for all hours worked to the employees that have one full year of service. I also reward for longevity. Currently some employees are receiving more than \$12 per hour.

If the mandate would become law I would discontinue my plan.”

Thomas Chido

Chido’s Dry Cleaners, INC.

“First, the minimum wage should be market driven, not mandated.

Second, I would certainly automate as much as possible. This would probably eliminate 5-6 full and part time positions. This equates to about 30% of my work force.

Third, minimum wage is only an entry level, training level and/or a second job concept. Minimum wage was never designed to be a family sustaining wage. Do a good job, then advance or move on.

If McDonald’s increases their minimum wage, how much will a hamburger cost? Who buys those hamburgers?”

Monty Kunes

Kurtz Bros., Inc.

“We are a very seasonal business (June-July-August) where more than 50% of our seasonal workers are students (high school and college). If the Governor’s \$12.00 (65% increase) immediate wage hike is enacted, it could literally jeopardize our survival. We are one of the oldest businesses in the State having survived for over 120 years.”

Gary Barnes

Barens, Inc.

“The minimum wage is for the person that has absolutely no ambition. There are many good people that should be paid a higher minimum wage up to \$12.00 in PA, but not overnight. An overnight increase would

only eliminate jobs. Anybody that is worth more than \$12.00 is already working.”

Ken Kane

Generations Forestry Inc.

“Minimum wage is not designed as a living wage. Minimum wage is designed to provide an individual an opportunity to enter the workforce to develop skills and value as an employee at a rate affordable to employers.

Dan Davies

4 Ways Sales and Service, Inc.

“I CAN UNDERSTAND THE NEED TO RAISE THE MINIMUM WAGE, HOWEVER, IT MUST BE IN A “PHASE-IN” PROGRAM TO ALLOW IT TO “TRICKLE” AROUND THE CIRCLE AND COME BACK TO THE MERCHANT (THRU SALES) TO OFF-SET THE PAY INCREASE. IT IS A KNOWN FACT THAT WHEN YOU GET A PAY RAISE, THE AVERAGE PERSON WILL SPEND MORE, SO IT BECOMES A VICIOUS CIRCLE.”

Georgetta Rue

Deloje LLC

“If you have ever tried to live on 7.25 an hour beyond a high school after school job, we would not be having this debate. Too many people are working two jobs or requiring their children to contribute to the family income to reach a normal living standard. Increase minimum wage.”

Frank E. Telesz, Jr.

I.B.E.W.

“I expect to pay my employees to earn a respectful wage. We have to give people buying power to keep the economy going.”

Shawn Leopardi

CORE 3 GROUP

“Although I do not typically enlist minimum-wage employees, I understand the challenges from both sides (employee and employer). This could:

- force some companies to enlist more 1099 and 3rd party support
- be an opportunity for consultants to provide options forward
- encourage business owners to become more efficient
- drive up costs for fast-food industry -- leading to less consumer spending”

Arthur Smilek

Steele Print

“ With higher overhead already going out of sight it would be impossible to pay that increase. We are already living in a depressed area.”

Terri Stramba

Stramba Farm & Fiber Mill

“I don’t feel you can address minimum wage without addressing health care. If the burden of health care is on the employer than benefits package should be considered as part of fair compensation.

Those employers that pay more will have the best pool to draw from. Imposing high min wage for no skill work is only keeping people in dead end jobs - fast food for example that was never meant to be a career or a living wage it is part time unskilled work.”

Arthur Stewart

Cameron Energy Company

“I would also like to see it made a federal law that you cannot drop out of high school. If you do you are ineligible for any public assistance. We should be more worried about education which will naturally move people up the ladder.”

“We employ high school and college students in temporary summer positions, partly to afford them experience and partly to attend to needs of the company. We pay less than \$12/hr. for these temporary positions. The minimum wage hike would discourage our company from making these positions available. We regard providing these positions as part of our civic duty. Frankly, the high school and college students require a lot of supervision and employing them is not our most efficient alternative. The proposed wage hike would make it an even less efficient alternative.”

Diana Walters

Vallonia Industries, Inc.

“We work with individuals with intellectual disabilities. We hold a special certificate to pay piece rate to individuals based on their productivity. Time studies are done using a prevailing wage in our area. Prevailing wage cannot be minimum wage but rather the first increase given which at \$12.00 / hour would be at least \$12.25. In order to pay these types of wages we would have to increase our rates to all of our contracts, they in turn would increase the costs of their goods etc....

Individuals with disabilities rely on social security benefits such as their medical card; if they begin making more money, they will lose their benefits. The idea of raising minimum wage will adversely affect our most vulnerable population.

I believe businesses should be encouraged to pay a fair wage but I strongly oppose the government dictating those wages.”

Andrew C. Renkey

Harmony Castings, LLC

“Our workforce is highly skilled and the work required is very strenuous. Employees performing this kind of work will be paid a premium compared to other work. An increase to \$12/hour for unskilled workers would therefore increase wages for all our employees, and this higher wage would make us less competitive in both the US and global marketplace.”



*Where PA
Businesses
Go to Grow*

NOTES

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