



## MEMORANDUM IN OPPOSITION

S.6406-A (Budget Bill)/ A.9006-A (Budget Bill) – Part K

### Minimum Wage Increase

Enacts into law major components of legislation necessary to implement the state education, labor, housing and family assistance budget for the 2016-2017 state fiscal year.

The Capital Region Chamber, representing 2,800 businesses and organizations from throughout the Capital Region that employ more than 150,000 area residents, strongly opposes S.6406-A/A.9006-A, ELFA Article VII - Part K, a proposal to increase the minimum hourly wage to \$15. This is an unprecedented 67 percent wage mandate that will undermine any notion that New York is “Open for Business.”

Under this budget proposal the minimum wage would increase as follows:

New York City		Statewide (excluding NYC)	
Min. Wage	Effective Date	Min. Wage	Effective Date
\$12.00	12/31/2016	\$10.75	12/31/2016
\$13.50	12/31/2017	\$11.75	12/31/2017
\$15.00	12/31/2018	\$12.75	12/31/2018
		\$13.75	12/31/2019
		\$14.50	12/31/2020
		\$15.00	7/1/2021

Businesses, both small and large, have been required to adjust to a number of additional costs over the past year including the final phase-in the most recent minimum wage increase. We believe that as the minimum wage increases, job growth declines. An increase in the minimum wage fails to accomplish its intended public policy goals; it does little to reduce poverty and inequality.

The fact of the matter is a higher minimum wage forces unskilled and inexperienced workers out of the job market and dampens the demand for new employees. Two recent *Economic Letters* by a Federal Reserve Bank of San Francisco visiting scholar entitled “The Effects of Minimum Wages on Employment” and “Reducing Poverty via Minimum Wages, Alternatives” support these facts. A higher minimum wage only serves to increase the cost of goods and services for consumers while limiting the ability of businesses to survive and grow in New York State.

For these stated reasons, the Capital Region Chamber strongly opposes this Executive Budget proposal.

At the Center of New York’s Tech Valley  
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