

## Business owners welcome minimum wage increase

Written by  
Tuesday, 21 July 2009 14:27

---

July 21, 2009, Boston, MA - Business owners across the nation are welcoming the July 24 increase in the federal minimum wage from \$6.55 to \$7.25. National business leaders and small business owners in states where workers are getting a raise say the increase will boost consumer buying power and promote economic recovery.

"A minimum wage increase at this time could be the most important factor in powering our economy out of the recession," said Camille Caramor, owner of a paralegal service and Christmas tree farm in Louisiana. "The higher the wage an employee receives, the more income he or she has to purchase goods and services for their family, which is indeed 'the best medicine' for our economy." More than 8% of workers will be affected by the minimum wage increase in Louisiana.

Richard Ketring, president of VHS Cleaning Services in Ashland, Wisconsin said, "When we raise the incomes of the lowest paid employees the money is immediately spent and flows instantly into the economy. The increased income can also make for more reliable workers as it reduces the stress that many minimum wage workers experience as they work extra jobs, juggle day care, work when sick or don't receive needed medical care -- causing further distress later. I support the minimum wage increase not only because it is the right thing to do, but it is good for business." More than 7% of Wisconsin workers will receive a raise.

U.S. Women's Chamber of Commerce CEO Margot Dorfman said, "Now, more than ever, it's imperative that employees are paid a fair minimum wage. It is an unsustainable and dangerous downward spiral to push American workers into poverty and expect taxpayers to pick up the bill for the consequences. Minimum wage laws guarantee to taxpayers that businesses are playing fair and compensating workers at responsible levels."

One out of ten workers will be affected by the minimum wage increase in Texas. "I cannot understand how we expect families to exist without a national wage scale that is a livable wage. Workers' families have to eat too," said Bernard Rapoport, founder and chairman emeritus of American Income Life Insurance Company, headquartered in Waco, TX.

Richard Johnson, president of Associated Merchant Services in Nashville, Tenn. said, "I'm for a higher minimum wage. There is no rational reason why our society should allow some people to earn enough to own five mansions while those who pick their fruit, do their laundry and pick up their garbage can't even afford a small house. Picking fruit and picking up garbage is hard work, and why shouldn't someone who is willing to do that be rewarded with enough income to enjoy a decent lifestyle?" More than 6% of Tenn. workers will get a raise with the minimum wage increase.

Nearly 1,000 business owners and executives including Costco CEO Jim Sinegal, U.S. Women's Chamber of Commerce CEO Margot Dorfman, ABC Home CEO and 2009 Home Fashion Products Association Retailer of the Year Paulette Cole, Addus Healthcare CEO Mark Heaney, Credo Mobile President Michael Kieschnick, Business Alliance for Local Living Economies Co-Founder Doug Hammond, and small business owners from all 50 states -- have signed a statement supporting the minimum wage increase. As the Business For a Fair Minimum Wage statement points out, "Higher wages benefit business by increasing consumer

## Business owners welcome minimum wage increase

Written by

Tuesday, 21 July 2009 14:27

---

purchasing power, reducing costly employee turnover, raising productivity, and improving product quality, customer satisfaction and company reputation."

With more than 60 local networks in the U.S. representing tens of thousands of locally owned businesses, the Business Alliance for Local Living Economies (BALLE) is the world's fastest growing network of economically and environmentally sustainable businesses. Michael Shuman, BALLE director of research and public policy, said, "In the view of our members, raising the minimum wage to \$7.25 is an overdue step in providing a decent, fair livelihood to American workers and creating a truly 'living economy.'"

"Anyone who thinks the minimum wage shouldn't be raised should try living on it," said Phillip Rubin, CEO of Computer Software for Professionals in Oakland, CA.

"I am a small business owner in Boise, Idaho who strongly supports the increased minimum wage," said Scot McGavin, owner of Puentes Language Programs. "Every person should have enough incentive that investing of themselves in their work will allow them to provide for themselves and their family. This extra income will benefit many in our society since it will be reinvested back into the economy." According to the Economic Policy Institute, nearly 9% of Idaho workers will get a raise when the minimum wage goes up.

Beverly Johnson, legislative chair of Kansas Business and Professional Women said, "We are all in this together. People working hard and responsibly should be paid an amount valuing their personal human dignity. For example, we need 'ditch diggers.' I don't want to dig ditches. If I want my ditches to be dug, then I should not be paying the least amount that a 'desperate' person will work for. I must pay fairly in a way that will assure he can afford necessities and preserve his human dignity -- even if it means I earn a little less." More than 8% of Kansas workers will receive a raise.

"It's a myth that a minimum wage increase kills job development," said Lya Sorano, founder of Atlanta Women in Business. "To get out of this recession, we need more money to circulate. That happens when people get bigger paychecks, who today can't afford to buy the goods and services they need -- goods and services from some of the same people who seem to be opposed to the increase." Nearly 7% of workers will see a raise in Georgia.

"The stress of poverty puts the mind in a place of worry instead of work," said Nancy Denker, owner of Focus Ink in Albuquerque, NM. "Living on a shoestring is not the best incentive for workers. Business owners must realize that as our community prospers, so will business."

The first federal minimum wage was legislated during the Great Depression to boost wages to ease the hardship of workers and increase the consumer purchasing power needed for job creation and economic recovery. With the economy in the worst crisis since the Depression, the minimum wage increase plays the same role today. Business leaders say that putting a stronger wage floor under workers will put a stronger foundation under our economy and our country.

"History has proven time and again that increasing the minimum wage increases purchasing power among people who are living hand to mouth and must therefore spend the additional

## Business owners welcome minimum wage increase

Written by

Tuesday, 21 July 2009 14:27

---

income on necessities -- food, clothing, transportation and so on," said Arnold Hiatt, chairman of the Stride Rite Foundation and former CEO of the Stride Rite Corporation. "What better way to increase demand for the goods and services that businesses urgently need."

The minimum wage was not increased for ten years from 1997 to 2007 -- the longest period in history without a raise. Even with the raise to \$7.25, workers will still make less than the \$7.86 they made in 1956, adjusting for inflation.

Miranda Magagnini, Co-Ceo of IceStone, the award-winning Brooklyn, NY-based manufacturer of sustainable durable surfaces, said, "We pay living wages at IceStone plus medical benefits because we do not believe folks can 'live' on minimum wage -- especially without health insurance. A raise in the minimum is a move in the right direction, but \$7.25 an hour is \$2.75 lower than it should be."

"We cannot build a strong 21st century economy on a 1950s' wage floor. We cannot build a strong 21st century economy when more and more hardworking Americans struggle to make ends meet," business leaders say in the statement at [www.businessforafairminimumwage.org](http://www.businessforafairminimumwage.org) . "A fair minimum wage is a sound investment in the future of our communities and our nation."

"A fair minimum wage protects the middle class and gives entry level workers some economic breathing room," said Lew Prince, CEO and co-owner of Vintage Vinyl in St. Louis, MO. "When everyone is feeling insecure, rebuilding our economy starts with showing hard-working Americans that their time has value and their work will be rewarded. If we want to put the great American success story back on track, all of us need to feel that we have access to that opportunity."

The statement supporting the minimum wage increase and a List of Signatories By State is available at <http://www.businessforafairminimumwage.org/signatories> . To arrange interviews with businesspeople, contact Bob Keener at 617-610-6766, [bobkeener@comcast.net](mailto:bobkeener@comcast.net)

Business for a Fair Minimum Wage is a project of Business for Shared Prosperity, which mobilizes business support for policies that expand opportunity, reduce inequality, promote innovation, entrepreneurship and sustainability, and rebuild our nation's infrastructure for enduring progress.