

HAWAII CAN'T AFFORD ANOTHER MINIMUM WAGE INCREASE

Who We Are

Small businesses are the backbone of the Chamber of Commerce Hawaii's membership and Hawaii's economy.



or **more than 128,000** of Hawaii businesses are small businesses

*U.S. Small Business Administration



or **more than 271,000** of employees in Hawaii are employed by small businesses

*U.S. Small Business Administration



of Hawaii exporters are small businesses. In 2015, they generated nearly **70% of exports**

*U.S. Small Business Administration



Small businesses donate **250% more on average** to non-profit organizations.

* Seattle Good Business Network



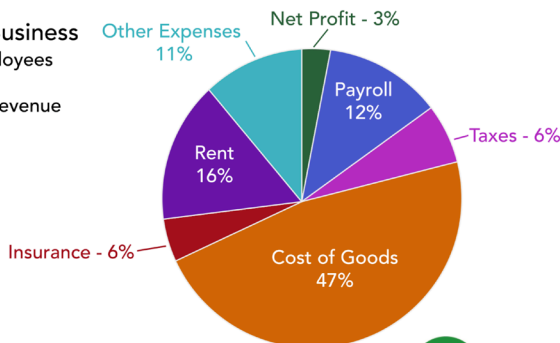
U.S. small businesses would have a GDP of \$4.8 trillion, equivalent to the world's **3rd largest economy.**

* American Express

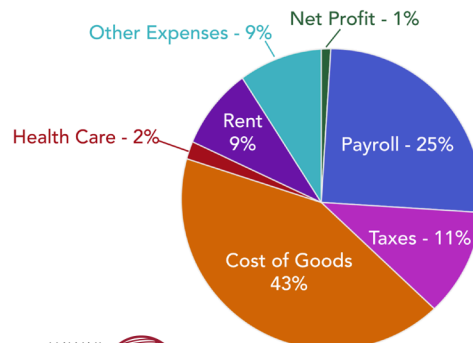
The Truth About Profits

We are not greedy corporate interests. Two members who shared their books with us reported annual profits between 1 and 3 percent.

Oahu Small Business
5 part-time employees
About \$500,000
in annual gross revenue



Oahu Small Business
15 full-time employees
5 part-time employees
Nearly \$3 million
in annual gross revenue



Chamber of Commerce HAWAII
ACCE
STATE CHAMBER OF THE YEAR
2018



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Skyrocketing Expenses

Businesses in Hawaii face drastically higher expenses than peers in other states. The negative impacts of a minimum wage increase would only compound these expenses.



Hawaii businesses paid **30.64 cents/kWh** for commercial electricity in January 2019. This is nearly **three times** the national average of **10.29 cents/kWh**.

* U.S. Energy Information Administration



In 2016, annual family health care premiums were **\$22,642**. By 2026, they could rise to **\$42,503**, an **87% increase**. Hawaii is the only state to mandate employer-sponsored health care.

* Department of Commerce & Consumer Affairs



The average net asking rent for retail space in Hawaii is **\$5.31 per square foot per month**. Experts predict that this price will continue to rise as availability decreases.

* CBRE Group

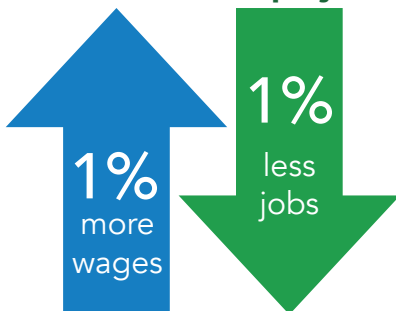


Businesses in Hawaii also must pay Workers' Compensation insurance, unemployment insurance, temporary disability insurance, payroll taxes, property taxes and general excise tax.

Increases Would Hurt Hawaii

Studies show that increases in the minimum wage lead to job losses and decreased hours for employees. Our members have also shared that this proposed increase could put them out of business.

Over 10 years, every **1% increase in wages** will lead to as high as a **1% decrease in employment**.



* American Economic Review



of restaurants in New York City say they will **cut employee hours** because of a minimum wage increase. **47% will eliminate jobs**.

*New York Hospitality Alliance

By 2024, a small business with 10 minimum wage employees would incur additional labor costs of

\$48,412 under SB 789 SD2 HD1 for employees who work 19 hours a week
*HD2 removed rates

\$49,920 under SB 789 SD2 HD1 for full-time employees
*HD2 removed rates

\$51,920 under HB1191 HD1 SD2 for full-time employees after tax credit

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In Their Own Words

Star Advertiser

Editorial Board

"More broadly, it is at least debatable whether unskilled minimum-wage jobs should be considered living-wage employment...The public-policy goal should be to **educate the workforce in preparation for better jobs**, and to encourage businesses that can offer them."

-April 7, 2019



"Raising the minimum wage is not the answer and will cause more harm than good to those it intended to help. One of the top priorities as a small business owner is to enhance the lives of our employees through training, experience or economic means. **Raising the minimum wage, will create a domino effect that will ultimately hurt our employees** by forcing us to reduce hours, cut benefits and possibly lead to layoffs."

-Kurt Osaki, President of Kauai Ice Distributors



"Any business is going to suffer. It means that the business might have to start doing things like making less overtime available and shifting to more part-time to save on medical expenses. Given everything that as a business owner you sacrifice and put into your business, **it almost makes it not worth operating.**"

-Jimmy Chan, Owner of Hawaiian Chip Company

"We do give small raises as we can afford to. We try to meet with our staff once a quarter to check in, evaluate and give a small raise, if we can. **We will not survive a minimum wage raise.** To continue our business growth, we would need to look at co-packing options on the mainland, where the costs of goods and labor is lower or just close our business all together."

-Maui Manufacturer