March 29, 2016

Open Letter from the Lemoore Chamber of Commerce Board of Directors

Re: Chamber Board Opposition to Statewide $15 Minimum Wage

The Lemoore Chamber of Commerce Board of Directors strongly oppose the potential $15 an hour minimum wage hike being currently considered by California State lawmakers. The Chamber believes the choice to raise minimum wages should be handled regionally, not at the State level. California’s incredibly diverse cost of living and wage comparisons demand this type of legislation be handled by the individual cities which the increase would impact. In urban areas such as Los Angeles and San Francisco, the cost of living is more than 55% more than here in Kings County. To even make a comparison is difficult, because the disparity is so great. Not to mention, the incredible burden this increase would have on local small businesses. $10 to $15 an hour constitutes a **50% raise**. Most employers would be forced to hire fewer employees, cut worker’s hours, cut operation hours and/or days, make large layoffs, push agricultural manufacturing companies to further explore automation, raise prices, or some shut to down their operation all together. Local economic development will stall as it will become extremely difficult to attract new businesses. Also, at a time when agricultural unemployment has befallen a large portion of our population due to drought, this legislation would have a devastating effect. On a wider scale, when minimum wage increases, the compression factor makes all other wages increase. Larger companies will start looking to other states and even other countries to do business. Currently the US dollar is strong, so we are already facing stiff competition from China and the EU. An increase in salaries is going to push that even further out. With US companies trying to compete against China, this is a business killer. “My business has already felt the effects of the $10/hour increase earlier this year,” says General Manager of Best Western Inn & Suites Lemoore, Frances Perkins. “Operating costs have increased and I had no choice but to raise rates by 15-18% - something I have not done since 2008.  Larger cities with similar quality hotels can get away with charging room rates upwards of $150+ per night and they are in a better position to pass on the costs to the customer.  There are limits to how much we can raise the price locally.”  The Lemoore Chamber not only feels this increase would be a gross error on behalf of our State legislators, but also pleads local business leaders to join together in opposition of this issue. We implore you to call and send letters to your representatives, explaining how this action would impact the life of your business. We ask that you talk to your local elected officials, other business owners, and your friends and neighbors to raise awareness. Most importantly, take action.