

MINIMUM WAGE

SAF's "Ask":

Congress should not increase the federal minimum wage to \$15 per hour while small businesses are still trying to recover from the economic impact of COVID-19.

The recently introduced Raise the Wage Act of 2021 would increase the federal minimum wage to \$15 per hour over five years and provide further increases in subsequent years. Congress should not saddle small business owners with this significant cost increase, especially not at a time when small businesses are confronted with the worst pandemic in more than 100 years. One in four owners report that they will have to close their doors if current economic conditions do not improve.

The nonpartisan Congressional Budget Office (CBO) recently published a report concluding that boosting the minimum wage would result in 1.4 million fewer Americans working in 2025, just as the wage hits \$15 per hour. In addition, the report found that raising the minimum wage to \$15 per hour would balloon the federal deficit by \$54 billion over the next decade.

If passed, cumulative pay for workers would jump by as much as \$509 billion over the next 10 years. Facing higher labor costs, companies would pass some of those costs on to consumers in the form of higher prices, which could mean a decline in sales and services, according to the CBO.

Floral business owners know that more than doubling the federal minimum wage will require many to reduce their labor force, cut business investments and for some, cause them to close their doors. This is not the right time to increase the federal minimum wage and will only stunt the recovery of the floriculture industry.