



Opinion Poll

Small Businesses Support Increasing the Minimum Wage to \$10.10

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Executive Summary

Small business owners are still recovering from the Great Recession and doing everything they can to fortify their businesses, and with them, the economy. In communities across the country, it is the jobs small businesses provide and the consumers they serve that keep our recovery moving. In order to grow and thrive, entrepreneurs need smart policies that help bolster their bottom lines and fuel the consumer demand that underpins economic success. They believe increasing the federal minimum wage will help do this. According to a national scientific opinion poll conducted for Small Business Majority, small business owners agree policymakers should raise the federal minimum wage so low-paid workers and consumers have more money in their pockets. In fact, 57% of small businesses support raising the minimum wage—up from the \$7.25 an hour rate that took full effect in 2009— in three steps over two and a half years to \$10.10 an hour and adjusting it annually to keep pace with the cost of living. What’s more, 61% of small business owners in the retail/restaurant industries support the increase. Small employers believe this would help boost customer demand at small businesses and grow the economy.

A sweeping 82% already pay all of their employees more than the federal minimum wage, with only 18% paying one or more of their workers minimum wage.

More than half of small business owners (52%) agree that increasing the minimum wage would not only help the economy, it would make low-income consumers more likely to spend money, driving up demand for small businesses’ goods and services. In addition, 54% of respondents believe that increasing the minimum wage would help decrease pressure on taxpayer-financed government assistance that’s needed to make up for low wages, as it would help people afford basic necessities that might otherwise be out of their financial reach.

These small employers also believe it’s simply the right thing to do. They don’t think it’s right that people working full time earn just \$15,080 a year at the minimum wage, which is significantly lower than in the 1960s, adjusting for inflation. Additionally, more than one-third (35%) say raising the minimum wage would help make their businesses more competitive because business competitors won’t be able to undercut them on labor costs.

Increasing our federal minimum wage finds broad support among small business owners across a range of industries and political persuasions, showing small businesses do not view the issue through an ideological lens. The respondents were predominately Republican—with 47% of small business owners identifying as Republican, 35% as Democrat and 18% as independent.

Main Findings

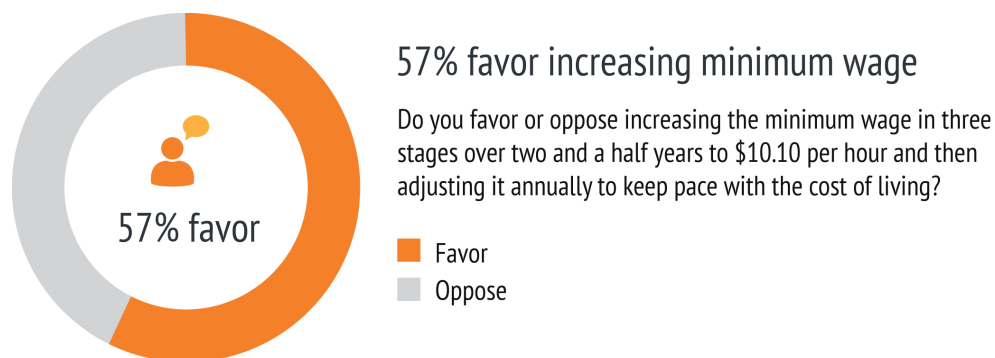
- **The majority of small business owners support increasing the federal minimum wage to \$10.10 per hour and adjusting it yearly to reflect the cost of living:** 57% of small business owners support increasing the federal minimum wage of \$7.25 in three stages over two and a half years to \$10.10, and believe that it should be adjusted annually to keep pace with the cost of living.
- **The majority of small business owners in the retail/restaurant industries support increasing the minimum wage:** 61% of small business owners in the retail/restaurant industries support increasing the federal minimum wage of \$7.25 in three stages over two and a half years to \$10.10, and believe that it should be adjusted annually to keep pace with the cost of living.
- **The vast majority of respondents pay all of their employees more than minimum wage:** A sweeping 82% of small business owners surveyed do not pay any of their employees the federal minimum wage of \$7.25. Only 18% pay their employees the federal minimum wage of \$7.25 an hour.
- **More than half of entrepreneurs believe increasing the minimum wage will boost consumer demand for small businesses, helping them grow and hire:** 52% of small business owners agree increasing the minimum wage would be good for small businesses, and that people will have a higher percentage of their income to spend on goods and services because low-wage earners tend to spend money at local businesses—which will be able to grow and hire new workers. More than a third (35%) say raising the minimum wage would help make their business more competitive because competitors won't be able to undercut them on labor costs.
- **Small businesses agree raising minimum wage would decrease the pressure on taxpayer-financed government assistance to make up for low wages:** 54% agree that increasing the minimum wage would allow people to afford basic necessities and decrease the pressure on taxpayer-financed government assistance to make up for the low wages paid by some employers, and say it's not right that people working full time earn just \$15,080 a year at the minimum wage—significantly lower than it was in the 1960s, adjusting for inflation.
- **Respondents lean Republican:** 47% identified as Republican, 35% as Democrat and 18% as independent or other.

Small Businesses Support Increasing Minimum Wage to \$10.10 an Hour

Scientific opinion polling reveals small business owners of all industries and political affiliations believe we should make significant adjustments to our federal minimum wage.

A 57% majority support increasing the current federal minimum wage of \$7.25 per hour in three steps over two and a half years to \$10.10 per hour, and they also believe it should be adjusted annually to keep pace with inflation.

■ **Figure 1: The majority of small business owners support raising the minimum wage to \$10.10 per hour and adjusting it annually to keep pace with the cost of living**

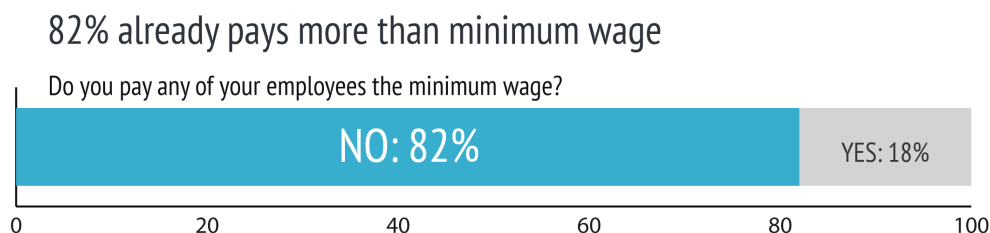


Small business owners in the retail/restaurant industries also support increasing the minimum wage. Sixty-one percent of employers in the retail/restaurant industries support increasing the federal minimum wage of \$7.25 in three stages over two and a half years to \$10.10, and believe that it should be adjusted annually to keep pace with the cost of living.

While some have argued that increasing the federal minimum wage would put an undue burden on small businesses because they can't afford to pay their employees more, the vast majority of them already pay more than minimum wage.

A staggering 82% of those polled pay all of their workers more than the minimum wage, while just 18% pay their employees the federal minimum wage of \$7.25 an hour.

■ **Figure 2: Most small business owners already pay their workers more than the minimum wage**



Entrepreneurs Believe Raising the Minimum Wage Will Benefit Small Businesses, Economy

Polling revealed that small business owners' support for increasing minimum wage may stem from several different things they believe about consumers' role in our economy. First off, small business owners recognize that increasing minimum wage can help boost consumer demand, which would be good for their companies and the economy.

More than half of small business owners (52%) agree with this statement: "Increasing the minimum wage would be good for small businesses. It means people will have a higher percentage of their income to spend on goods and services and it is proven that low-wage earners tend to spend money at local businesses who will be able to grow and hire new workers." What's more, more than one-third (35%) say raising the minimum wage would help make their business more competitive because business competitors won't be able to undercut them on labor costs.

■ **Figure 3: Small business owners believe increasing the minimum wage is good for businesses and the economy**



52%
More than half agree

Increasing the minimum wage would be good for small businesses. It means people will have a higher percentage of their income to spend on goods and services and it is proven that low-wage earners tend to spend money at local neighborhood businesses who will be able to grow and hire new workers.

■ **Figure 4: Small business owners agree raising the minimum wage would help their business become more competitive**



1/3 agree

If the minimum wage is raised, my business competitors won't be able to undercut me on labor costs, which will make my business more competitive.

Small businesses agree increasing the minimum wage would also benefit the economy by decreasing the pressure on taxpayer-financed government assistance to make up for low wages. A 54% majority agrees that increasing the minimum wage would allow people to afford basic necessities and decrease the pressure on taxpayer-financed government assistance to make up for the low wages paid by some employers. What's more, they believe it's not right that people working full time earn just \$15,080 a year at the minimum wage, which is significantly lower than it was in the 1960s, adjusting for inflation.

- **Figure 5: Small business owners believe it's not right for people working full time earn just \$15,080 per year, and that increasing the minimum wage would decrease pressure on taxpayer-financed government assistance**



54% agree

It is not right that people working full time earn just \$15,080 a year at the minimum wage, which is significantly lower than it was in the 1960s, adjusting for inflation. Increasing the minimum wage would allow people to afford basic necessities and decrease pressure on taxpayer-financed government assistance to make up for the low wages paid by some employers.

Conclusion

Entrepreneurs understand the economic benefits raising the minimum wage can deliver, and they believe it will be good for business and the economy. The vast majority of small business owners already pay all of their employees more than minimum wage, indicating that small businesses recognize the benefits of investing in higher wages for a more productive and stable workforce.

On top of the fact that small businesses agree we need to raise the minimum wage to \$10.10 per hour and move forward with yearly adjustments based on inflation, they also believe that doing so will positively impact small firms by providing consumers with more purchasing power. More demand for small businesses' goods and services is the driving force behind their growth, and if we can provide small firms with increased demand, they will be more likely to expand and create new jobs.

Methodology

This poll reflects an Internet survey of 500 small business owners across the nation, conducted by Greenberg Quinlan Rosner Research for Small Business Majority. The sample was drawn from Research Now and has a margin of error of +/-4.0%. The survey was conducted from February 18-25, 2014.

Poll Toplines

February 18 – February 25, 2014

600 small business owners of 100 or less employees

Q 1. Do you own your own business?

| | |
|---------------|-----|
| Yes | 100 |
| No | - |
| Not sure..... | - |

Q 2. How many people are directly employed by your business or company, including yourself?

| | |
|--------------------|----|
| 1 - | - |
| 2-5 | 67 |
| 6-10..... | 16 |
| 11-25 | 8 |
| 26-50 | 5 |
| 51-100..... | 4 |
| More than 100..... | - |
| No Answer..... | - |

Q 3. Do you favor or oppose increasing the minimum wage in three stages over two and a half years to \$10.10 per hour and then adjusting it annually to keep pace with the cost of living?

| | |
|---------------------------------|----|
| Strongly favor..... | 27 |
| Somewhat favor | 30 |
| Somewhat oppose | 17 |
| Strongly oppose..... | 26 |
| Not Sure/Prefer Not to Say..... | - |

Total favor57

Total oppose43

Favor - Oppose.....14

Retail/restaurant industry

Total favor61

Total oppose39

Q 4. Do you pay any of your employees the minimum wage?

| | |
|-------------------------------------|----|
| Yes | 18 |
| No | 82 |
| Does not apply to my business | - |
| Not sure..... | - |
| Prefer not to say | - |

Below you will find several statements about the minimum wage. Please indicate whether you agree or disagree with each statement.

| | Agree | Dis | | | | | Total | Total | Agree |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|--------------|-------------|--------------|-------------|--------------|--------------|--------------|
| Agree | Not | Not | Dis | Nei- | Not | Not | Agree | Dis | - |
| Strng | Strng | Strng | Strng | ther | Apply | Sure | | | Dis |
| Q 5. Increasing the minimum wage would be good for small businesses. It means people will have a higher percentage of their income to spend on goods and services and it is proven that low-wage earners tend to spend money at local neighborhood businesses who will be able to grow and hire new workers. | | | | | | | | | |
| 21 | 30 | 20 | 28 | - | - | - | 52 | 48 | 3 |

Q 6. If the minimum wage is raised, my business competitors won't be able to undercut me on labor costs, which will make my business more competitive.

| | | | | | | | | | |
|----|----|----|----|---|---|---|-----------|-----------|------------|
| 13 | 22 | 27 | 38 | 0 | 1 | - | 35 | 65 | -30 |
|----|----|----|----|---|---|---|-----------|-----------|------------|

Below you will find a pair of statements about the minimum wage. Please indicate whether the FIRST statement or the SECOND statement comes closer to your own view, even if neither is exactly right.

| 1st | 1st | 2nd | 2nd | | | Does | | Total | Total |
|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|--------------|--------------|
| Stmt | Stmt | Stmt | Stmt | Both | Nei- | Not | Not | 1st | 2nd |
| Much | Smwt | Smwt | Much | | ther | Apply | Sure | Stmt | Stmt |

Q 7. It is not right that people working full time earn just \$15,080 a year at the minimum wage, which is significantly lower than it was in the 1960s, adjusting for inflation. Increasing the minimum wage would allow people to afford basic necessities and decrease the pressure on taxpayer-financed government assistance to make up for the low wages paid by some employers.

OR

We cannot afford to increase the minimum wage because it will increase labor costs and lead to lower profits, higher prices and job losses. It will hurt business, reduce our ability to compete economically, make employers less likely to hire and hurt the people it's supposed to help and increase unemployment among young people who are already struggling.

| | | | | | | | | | |
|----|----|----|----|---|---|---|---|-----------|-----------|
| 32 | 22 | 19 | 27 | - | - | - | - | 54 | 46 |
|----|----|----|----|---|---|---|---|-----------|-----------|

Q 8. These last questions are for statistical purposes only: Which ONE of the following categories best describes your business?

| | |
|----------------------------------------------------------------------|----|
| Retail (such as a shop or store) | 14 |
| Finance and insurance | 11 |
| Arts, entertainment and recreation | 9 |
| Real estate..... | 9 |
| Retail services (such as car repair, home repair, landscaping) | 8 |
| Whole sale trade | 8 |
| Information technology..... | 7 |
| Scientific and technical services..... | 7 |
| Administrative support and accounting | 6 |
| Construction | 6 |
| Manufacturing..... | 5 |
| Restaurant | 5 |
| Legal..... | 2 |
| Medical or dental..... | 2 |
| Agriculture..... | 1 |
| Other | 1 |
| Not Sure/Prefer Not to Say | - |

Q 9. In what year were you born?

| | |
|-------------------|----|
| 18 - 24 | 0 |
| 25 - 29 | 2 |
| 30 - 34..... | 5 |
| 35 - 39 | 8 |
| 40 - 44..... | 13 |
| 45 - 49 | 13 |
| 50 - 54 | 17 |
| 55 - 59 | 16 |
| 60 - 64..... | 10 |
| 65 and over | 16 |
| (No answer) | - |

Q 10. Generally speaking, do you think of yourself as a Republican, a Democrat, or an Independent?

| | |
|----------------------------------|----|
| Democrat | 22 |
| Independent-lean Democrat | 13 |
| Independent | 18 |
| Independent-lean Republican..... | 16 |
| Republican | 31 |
| Other | - |
| (Don't know/Refused)..... | 0 |

Q 11. For statistical purposes only, indicate which of the categories below best describes the gross revenue of your business in 2013?

| | |
|----------------------------------------|-----------|
| Less than \$100,000 | 26 |
| \$100,000 to under \$250,000 | 23 |
| \$250,000 to under \$500,000 | 18 |
| \$500,000 to under \$1 million | 13 |
| \$1 million to under \$2 million | 9 |
| \$2 million or under \$5 million | 7 |
| \$5 million or more | 5 |
| Don't know | 0 |
| Prefer not to say | 0 |
| Under \$500K | 66 |
| \$500K or more | 33 |

Q 12. For statistical purposes only, which of the categories below best describes your family's personal income-including any pass through income from your business- in 2013?

| | |
|----------------------------------|-----------|
| Less than \$50,000 | 16 |
| \$50,000-\$99,999 | 30 |
| \$100,000-\$249,999 | 41 |
| \$250,000-\$999,999 | 11 |
| Over \$1 million | 1 |
| Don't know | 0 |
| Prefer not to say | 0 |
| Under \$100,000 | 47 |
| \$100,000-\$999,999 | 53 |

Q 13. What is your race?

| | |
|------------------------------------------|----|
| White | 78 |
| African American or Black | 5 |
| Hispanic or Latino | 7 |
| Asian or Pacific Islander | 6 |
| American Indian or Native American | 1 |
| Other | 2 |
| Biracial or multiracial | 1 |
| Prefer Not to Say | - |

Q 14. What is your gender?

| | |
|--------------|----|
| Male | 63 |
| Female | 37 |