



Opinion Poll

Small Businesses Support Increasing Minimum Wage

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Executive Summary

Small business owners nationwide are recovering from the Great Recession and slowly fortifying their businesses. However, they still need smart policies that help bolster their businesses and the consumer demand that underpins the economy. In communities across the United States, it is the jobs small businesses provide and the consumers they serve that keeps our recovery moving. Entrepreneurs nationwide recognize we need to foster this trend. According to a national scientific opinion poll conducted for Small Business Majority, small business owners widely agree our federal minimum wage should increase so that small business employees and consumers have more money in their pockets. This would go a long way to help boost customer demand at small businesses and grow the economy.

More than two-thirds of small business owners support increasing our federal minimum wage—up from the \$7.25 an hour rate that took full effect in 2009—and adjusting it yearly to keep pace with inflation. Nearly four in 10 (36%) strongly support doing this. What’s more, contrary to claims being made that increasing minimum wage will hurt small businesses because many can’t afford to pay their workers more, a sweeping 85% of small business owners already pay *all* of their employees more than the federal minimum wage. Only 15% pay *one or more* of their workers minimum wage.

Two-thirds of small business owners agree that increasing minimum wage would not only help the economy, it would also make low-income consumers more likely to spend money, driving up demand for small businesses’ goods and services. That’s exactly what small firms need to grow. In addition, two-thirds of respondents believe that increasing 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 not 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.

Increasing our federal minimum wage finds broad support among small business owners across a range of industries and political persuasions. The respondents were predominately Republican – with 46% of small business owners identifying as Republican, 35% as Democrat and 11% as independent.

Main Findings

- **More than two-thirds of small business owners support increasing the federal minimum wage, up from \$7.25 an hour, and adjusting it yearly to reflect the cost of living:**
A 67% majority of small business owners agree the current federal minimum wage of \$7.25 per hour should increase, and that it should be adjusted annually to keep pace with the cost of living. Moreover, almost four in 10 (36%) *strongly* agree.
- **The vast majority of respondents pay all of their employees more than minimum wage:**
A sweeping 85% of small business owners surveyed do not pay any of their employees the federal minimum wage of \$7.25.
- **Two-thirds of entrepreneurs believe increasing minimum wage will boost consumer demand for small businesses, helping them grow and hire:**
A 65% majority agrees with this statement: “Increasing the minimum wage will help the economy because the people with the lowest incomes are the most likely to spend any pay increases buying necessities they could not afford before, which will boost sales at businesses. This will increase the customer demand that businesses need to retain or hire more employees.” Moreover, one-third of owners *strongly* agree with this statement.
- **Two-thirds of small businesses agree increasing minimum wage would decrease the pressure on taxpayer-financed government assistance to make up for low wages:**
A 65% 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, 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. A one-third minority says, on the other hand, that we cannot afford to increase the minimum wage because it will increase labor costs and lead to lower profits, higher prices and job losses.

Demographics

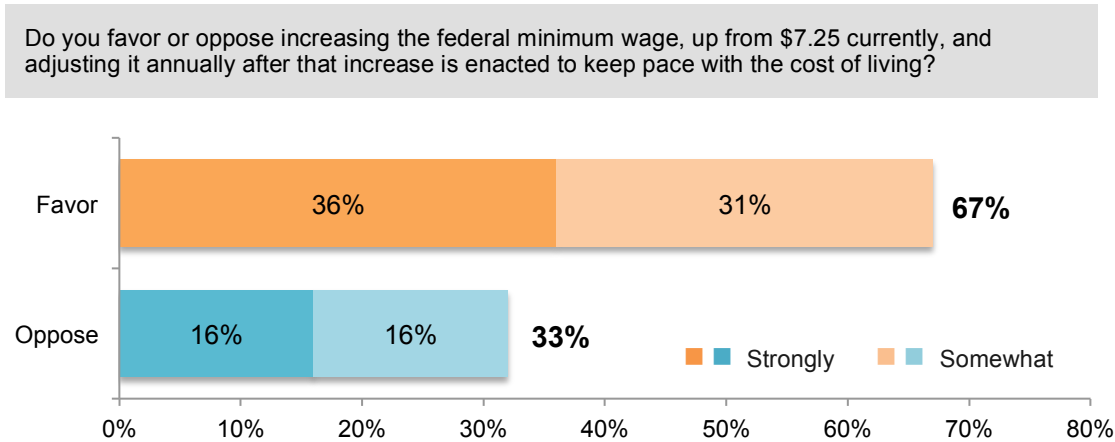
- **Respondents were predominantly Republican:**
46% of small business owners identified as Republican or independent-leaning Republican, 35% identified as Democrat or independent-leaning Democrat and 11% identified as independent.
- **Methodology:**
This poll reflects an Internet survey of 500 small business owners across the nation, drawn from Research Now, and conducted by Greenberg Quinlan Rosner Research for Small Business Majority. The survey was conducted from March 4-10, 2013. The overall margin of error is +/- 4.4%.

Small Businesses Resoundingly Support Increasing Minimum Wage; Believe it will Help Business, Economy

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

More than two-thirds (67%) agree the current federal minimum wage of \$7.25 per hour should increase, and on top of that, should be adjusted annually to keep pace with the cost of living. Moreover, almost four in 10 (36%) *strongly* agree with this.

■ **Figure 1: Two-thirds support increasing minimum wage, adjusting it yearly with cost of living**

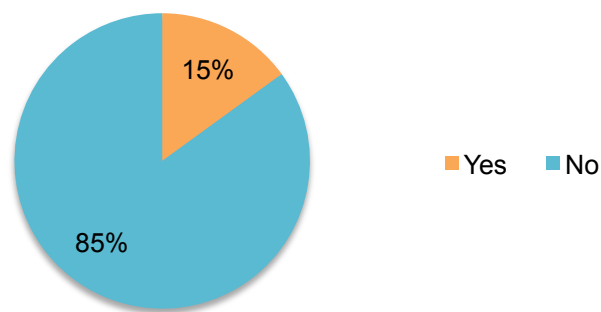


While some people have been saying that increasing the federal minimum wage would put an undue burden on small businesses because they can't afford to pay their employees more, the truth is that the vast majority of them already pay more than minimum wage.

An overwhelming 85% of employers surveyed pay all of their workers more than minimum wage, while just 15% pay one or more workers the federal minimum wage of \$7.25 an hour.

■ **Figure 2: Vast majority of small businesses pay employees more than minimum wage**

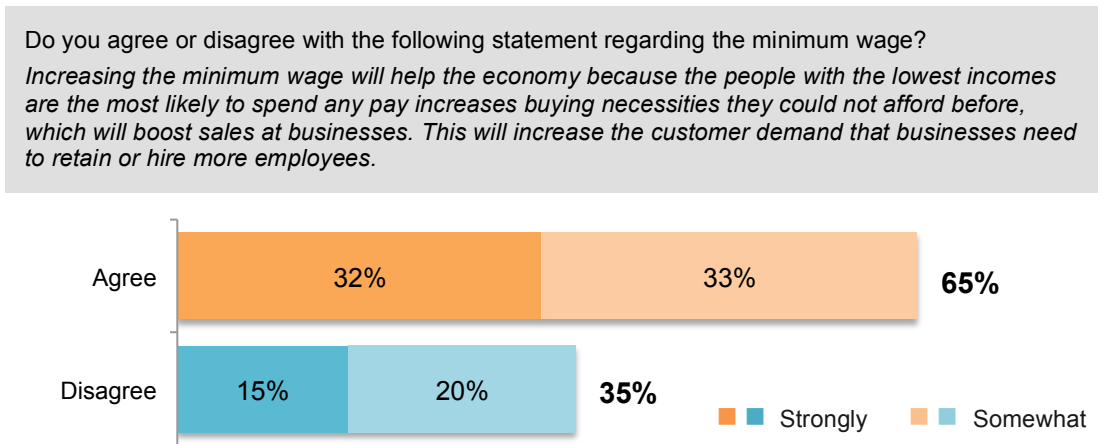
Changing subjects to other issues facing the country and small businesses, do you pay any of your employees the minimum wage?



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.

A two-thirds majority (65%) agrees with this statement: “Increasing the minimum wage will help the economy because the people with the lowest incomes are the most likely to spend any pay increases buying necessities they could not afford before, which will boost sales at businesses. This will increase the customer demand that businesses need to retain or hire more employees.” Further, one-third of owners *strongly* agree with this statement.

Figure 3: Two-thirds of small business owners believe increasing minimum wage will boost consumer demand and the economy

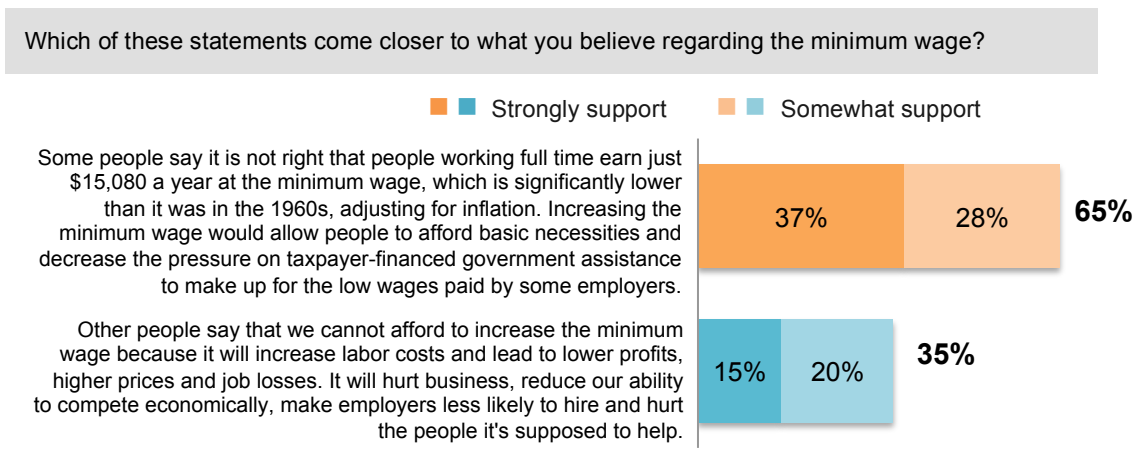


By a 2:1 ratio, small business owners believe increasing the minimum wage will have positive effects on the economy: two-thirds agree increasing the minimum wage will help reduce pressure on taxpayer-financed government assistance that’s needed to make up for wages that are so low they don’t cover basic necessities, versus increasing labor costs and causing job losses.

Sixty-five percent of small business owners agree with this statement: “Some people say 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.”

On the other hand, a one-third minority agrees with this opposing statement: “Other people say that 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.”

Figure 4: Two-thirds say increasing minimum wage would decrease pressure on taxpayer-financed government assistance to make up for low wages



Conclusion

Small business owners' views clearly underscore our nation's need for a federal minimum wage that is more in line with today's cost of living. Entrepreneurs understand the economic benefits raising minimum wage can deliver, and they believe it will be good for business and the economy, plain and simple. The vast majority of small business owners already pay all of their employees more than minimum wage, so the argument that raising our federal minimum wage will hurt small businesses simply doesn't hold water.

On top of the fact that small businesses agree we need to raise minimum wage 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. It's time for our federal minimum wage to more accurately reflect the needs of the economy we're all a part of today. As pragmatic, bottom-line oriented individuals, small business owners agree.

Methodology

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Poll Toplines

March 4 - 10, 2013

500 Small Business Owners with 100 or fewer employees

Q.1 Do you own your own business?

	Total
Yes	100
No	-
Not sure.....	-

Q.2 Do you pay any of your employees the minimum wage?

	Total
Yes	15
No	85
(PREFER NOT TO ANSWER).....	0

Q.3 Do you favor or oppose increasing the federal minimum wage, up from \$7.25 currently, and adjusting it annually after that increase is enacted to keep pace with the cost of living?

	Total
Strongly favor.....	36
Somewhat favor	31
Somewhat oppose	16
Strongly oppose.....	16
(Don't know)	-
Total favor	67
Total oppose	33

Q.4 Which of these statements come closer to what you believe regarding the minimum wage?

Some people say 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.

Other people say that 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.

	Total
Strongly support first statement.....	37
Somewhat support first statement	28
Somewhat support second statement.....	20
Strongly support second statement.....	15
(Don't know)	-
Total first statement	65
Total second statement	35

[250 Respondents]

Q.5 (SPLIT A) Do you agree or disagree with the following statement regarding the minimum wage?

Increasing the minimum wage will help the economy because the people with the lowest incomes are the most likely to spend any pay increases buying necessities they could not afford before, which will boost sales at businesses.

	Total
Strongly agree	29
Somewhat agree	37
Somewhat disagree	19
Strongly disagree.....	14
(Don't know/refused)	-
Total agree	66
Total disagree	34

[250 Respondents]

Q.6 (SPLIT B) Do you agree or disagree with the following statement regarding the minimum wage?

Increasing the minimum wage will help the economy because the people with the lowest incomes are the most likely to spend any pay increases buying necessities they could not afford before, which will boost sales at businesses. This will increase the customer demand that businesses need to retain or hire more employees.

	Total
Strongly agree	32
Somewhat agree	33
Somewhat disagree	20
Strongly disagree.....	15
(Don't know/refused)	-
Total agree	65
Total disagree	35

Q.7 These last questions are for statistical purposes only: Which ONE of the following categories best describes your business?

	Total
Retail (such as a shop or store).....	12
Finance and insurance.....	9
Real estate	9
Administrative support and accounting.....	6
Whole sale trade.....	6
Construction.....	5
Manufacturing	5
Retail services (such as car repair, home repair, landscaping).....	5
Arts, entertainment and recreation.....	4
Information technology	4
Restaurant.....	3
Scientific and technical services	3
Agriculture	2
Legal	1
Medical or dental	1
Other	25
(Prefer not to say)	-

Q.8 In what year were you born?

	Total
18 - 24.....	1
25 - 29.....	3
30 - 34	5
35 - 39.....	8
40 - 44	10
45 - 49.....	11
50 - 54	16
55 - 59.....	15
60 - 64	13
65 and over.....	16
(No answer).....	2

Q.9 Generally speaking, do you think of yourself as a Republican, a Democrat, an Independent, or something else?

	Total
Democrat.....	27
Independent-lean Democrat	8
Independent.....	11
Independent-lean Republican	12
Republican	34
Other	2
Don't know/Refused.....	6

Q.10 For statistical purposes only, which of these categories best describes the gross revenue of your business in 2012?

	Total
Less than \$100,000	33
\$100,000 to under \$250,000.....	25
\$250,000 to under \$500,000	11
\$500,000 to under \$1 million	9
\$1 million to under \$2 million.....	5
\$2 million or under \$5 million	4
\$5 million or more	2
Don't know	0
Prefer not to say	12
Under \$500K.....	69
\$500K or more	17

Q.11 For statistical purposes only, which of these categories best describes your family's personal income- including any pass through income from your business- in 2011? Just stop me when I get to the right category.

	Total
Less than \$50,000	16
\$50,000-\$99,999	30
\$100,000-\$249,999	33
\$250,000-\$999,999	6
Over \$1 million.....	1
Don't know	1
Prefer not to say	14
Under \$100,000	46
\$100,000-\$999,999	39

Q.12 What is your race?

	Total
White	80
African American or Black.....	9
Hispanic or Latino	5
Asian or Pacific Islander	4
American Indian or Native American	-
Other	1
Biracial or multiracial	0
Prefer not to say	1

Q.13 Before you begin, please answer a few questions about yourself to ensure that the survey has a representative sample. What is your gender?

	Total
Male.....	60
Female	40