

July 15, 2015

COUNTY OF LOS ANGELES BOARD OF SUPERVISORS
Kenneth Hahn Hall of Administration
500 W. Temple St. Room 358, Los Angeles 90012

Mike Antonovich
Don Knabe
Sheila Kuehl
Mark Ridley-Thomas
Hilda Solis

RE: OPPOSITION - Los Angeles County Proposed Minimum Wage Increase

As a business owner in the South Bay region of Los Angeles County, I am deeply concerned about Los Angeles County Board of Supervisor Shelia Keuhl's motion to increase the minimum wage to \$15 an hour by 2020. Although my business would not be directly subject to the ordinance, it will cost my business greatly. In fact, there is very much at stake for the County's incorporated cities with this vote and I am disheartened over the lack of consideration for the economic impacts this ordinance will have on my customers and my business.

Should the LACBOS vote to raise minimum wage, the increase will certainly not be isolated to the County's unincorporated areas. A recent study conducted by the Los Angeles Economic Development Corporation (LAEDC), which analyzed data from a survey of 1,000 of the County's businesses, found that of the businesses not directly impacted by the ordinance (i.e., Torrance and other incorporated cities), 66 percent plan to match the wage increase to prevent labor defect to higher wage paying areas. I am very concerned over the "shock" this ordinance will have on the region's labor market--an impact that will cut across city boundaries.

Raising the minimum wage to \$15 an hour is a 60 percent cost increase for businesses, which will cause many businesses to raise prices to absorb the dramatic increase in labor costs. In fact, LAEDC's study found that 96 percent of businesses surveyed with minimum wage workers plan to raise their prices to absorb the added costs, a telling statistic signaling significant pressures for regional inflation that will be detrimental to the local economy. LAEDC's study also revealed that 87 percent of these businesses forecast to absorb the ordinance's added costs through reduced profits. In an economy with surging prices and stagnant economic growth, I fear my customers will not be able to keep pace with the rising price levels. In the long run, jobs will be at risk in both unincorporated areas and incorporated cities in the County.

The small business community will be most negatively impacted by the adoption of this proposal. The county should look to create a climate that encourages and fosters entrepreneurship, while keeping in mind that other labor related laws and regulations are also dramatically increasing the cost of doing business in the state. The recently implemented state law to require three days of paid sick leave for *all* workers is especially difficult for small businesses to adjust to. This ordinance will exacerbate these costs to an even higher degree in a very short period of time.

In closing, I respectfully oppose Supervisor Keuhl's ordinance for its lack of consideration towards the tremendous economic impacts it will have on businesses and consumers in the incorporated cities of Los Angeles County. I encourage your "Noe" vote when this motion is brought forth. Thank you.

Sincerely,