

Proposed Minimum Wage Hike 'A Job Killer,' Says Michigan Chamber of Commerce

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Raising the state minimum wage will increase the cost of doing business in Michigan and reduce low-skill, low-paying jobs in the state, the Michigan Chamber of Commerce announced today in response to a legislative proposal unveiled by House and Senate Democratic lawmakers to hike the state minimum wage to \$7.15 per hour and tie future increases to the rate of inflation. Michigan's minimum wage rate is now \$5.15 an hour.

"This proposal is a job killer," said Wendy Hofmeyer, Director of Health Policy & Human Resources for the Michigan Chamber. "Labor economists estimate that for every 10 percent increase in the minimum wage rate, employment among those affected drops by five percent. Increasing Michigan's minimum wage to \$7.15 per hour -- a 38 percent increase -- would place Michigan among the highest minimum wage rate states in the nation."

Currently, Michigan is one of 28 states that has a minimum wage rate the same as the federal government.

"Michigan continues to lag behind the rest of the nation in job growth and economic recovery. This is not the time to be talking about proposals that will result in a net loss of thousands of jobs and make it more difficult for low wage workers to escape poverty," Hofmeyer concluded.

The Michigan Chamber is a statewide business organization which represents more than 6,500 employers, trade associations and local chambers of commerce. The Michigan Chamber was established in 1959 to be an advocate for Michigan's job providers in the legislative, political and legal process.

SOURCE: Michigan Chamber of Commerce

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