Minimum Wage Increase Would Harm Michigan's Economy, Says Michigan Chamber Of Commerce

LANSING, Mich., Jan. 27, 2014 /PRNewswire/ -- The Michigan Chamber of Commerce today announced its strong opposition to a minimum wage increase being proposed by union organizers for the 2014 General Election.

"Proponents of this proposal hope to use strikes and public protests as the means of generating public support for this issue and to increase voter turnout in an election year, but we are confident the voters in this state will understand the damaging economic realities of this proposal," said Wendy Block, Director of Health Policy and Human Resources for the Michigan Chamber of Commerce. "If Michigan increases the cost of employing entry-level workers, lower-skilled workers will see less job opportunities because employers will be forced to hire higher-skilled job applicants to fill multiple roles or cut jobs to absorb the costs associated with the increase."

"Currently, Michigan is one of 21 states that has a minimum wage rate higher than the federal minimum wage," said Jim Holcomb, Senior Vice President of Business Advocacy & General Counsel for the Michigan Chamber. "Michigan job providers are doing their best to provide the highest wage possible to their workers because they know it is the best way to attract and retain a quality workforce."

"Employers and employees across the country are currently struggling to afford the costs associated with government-mandated health insurance, otherwise known as Obamacare," noted Block. "Michigan job providers and workers simply cannot absorb another government-mandated cost increase."

"Labor economists estimate that for every 10 percent increase in the minimum wage rate, employment among those affected drops by five percent," said Holcomb. "Given that Michigan currently has an 8.4 percent unemployment rate, we believe government and voters should be focused on policies to help workers get jobs, not actively increasing the cost of hiring workers and creating barriers to entry."

The Michigan Chamber of Commerce is a statewide business organization representing approximately 6,400 employers, trade associations and local chambers of commerce. The Michigan Chamber represents businesses of every size and type in all 83 counties of the state. Michigan Chamber member businesses provide jobs to 1.5 million residents. One of every 2.6 employees in Michigan works for a Chamber member firm. The Michigan Chamber was established in 1959 to be an advocate for Michigan's job providers in the legislative, political and legal process. It is one of only six state chambers accredited by the U.S. Chamber and one of only four state chambers accredited with distinction.

SOURCE Michigan Chamber of Commerce

For further information: Wendy Block, Michigan Chamber of Commerce, (517) 927-5135

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