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July 15, 2019

Dear Representative:

On behalf of NFIB, the nation's leading small business advocacy organization, I write in opposition to H.R. 582, the *Raise the Wage Act*. This legislation dramatically increases the federal minimum wage to \$15.00 per hour over the next five years and automatically increases the threshold every subsequent year. **H.R. 582 will be considered an NFIB Key Vote for the 116<sup>th</sup> Congress.**

The *Raise the Wage Act* will eliminate hundreds of thousands of small business jobs. The non-partisan Congressional Budget Office confirms that this legislation will damage the small business economy, estimating that 1.3 million workers will become jobless and total real income will be reduced by \$9 billion by 2025.<sup>1</sup>

NFIB's own Research Center estimates this legislation will cost the economy 1.6 million jobs, reduce real GDP by over \$980 billion, and reduce economic output by more than \$2 trillion by 2029.<sup>2</sup> The negative effects of the proposed legislation will fall disproportionately on small employers and their workers as businesses with fewer than 500 employees will account for 57 percent of job losses (over 900,000 lost jobs) and businesses with fewer than 100 employees will account for 43 percent of job losses (nearly 700,000 jobs).<sup>3</sup> Small businesses are far less likely than larger businesses to have cash reserves or profit margins to absorb the increase in labor costs.

Small businesses employ nearly half of the private-sector workforce. More than doubling the federal minimum wage over a short period will have real and significant consequences for small business owners and employees. In an NFIB member ballot, 92 percent of small businesses opposed an increase in the federal minimum wage to \$15.00 per hour.<sup>4</sup>

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<sup>1</sup> Congressional Budget Office, *The Effects on Employment and Family Income of Increasing the Federal Minimum Wage*, July 2019.

<sup>2</sup> NFIB Research Center, *Economic Effects of Enacting the Raise the Wage Act on Small Businesses and the U.S. Economy*, January 25, 2019.

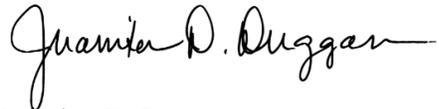
<sup>3</sup> Ibid.

<sup>4</sup> NFIB Member Ballot, Vol. 569, July 2016.

The NFIB Small Business Optimism Index remains near historically high levels, and both small business owners and employees are benefitting with 28 percent of all small businesses reporting increases in employee compensation last month.<sup>5</sup>

**NFIB is strongly opposed to H.R. 582, the *Raise the Wage Act*, and will consider it a Key Vote for the 116<sup>th</sup> Congress.**

Sincerely,

A handwritten signature in black ink that reads "Juanita D. Duggan". The signature is written in a cursive style with a horizontal line at the end.

Juanita D. Duggan  
President & CEO  
NFIB

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<sup>5</sup> NFIB Research Center, *Small Business Economic Trends*, July 9, 2019.