



New Hampshire Senate News Release

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Sen. Bragdon Statement on House Bill 1403

Concord, NH - Senator Peter Bragdon, R-Milford, issued the following statement today on the Senate vote on House Bill 1403, relative to the minimum wage:

"Over the last three years, under Republican leadership in the State Senate, the unemployment rate in New Hampshire has dropped to 4.5-percent. As a result of our efforts to reduce government intervention in the business decisions of our employers, we've given our businesses the confidence they need to locate, expand, and create jobs in our state. As a result, nearly 24,000 more New Hampshire residents are employed today than in January of 2011.

"House Bill 1403 runs contrary to more than three years worth of policies designed to strengthen our economy and create jobs for hardworking New Hampshire residents. In fact, the Congressional Budget Office found that passage of similar legislation at the federal level would result in the loss of more than half a million jobs. House Bill 1403 is feel good legislation that would undermine the successes we have had to date, and would hurt most the people it claims to help."

Senator Bragdon's remarks during the Senate debate on House Bill 1403 are available in full below, as prepared for delivery:

Thank you Mr. President. I move HB 1403 Inexpedient to Legislate.

This bill would decouple New Hampshire's minimum wage from the federal minimum wage, and increase it from \$7.25 per hour to \$8.25 and then index increases automatically every year after that.

Whether or not to increase the cost of doing business in New Hampshire is an important question, and we should never abandon that responsibility by locking in automatic increases in any tax, fee, or regulation.

The Bureau of Labor Statistics reports that hourly workers are much more likely to earn the minimum wage if they are under 25, work part-time, and lack a high school diploma. The vast majority of hourly workers earn more than the minimum wage and employees hired at the minimum wage can soon earn more once they've proven their reliability to their employers.

People earning the minimum wage are concentrated in the food service and hospitality industry, with 60% in service occupations, mostly food preparation. The BLS goes on to explain that "for many of these workers, tips and commissions supplement the hourly wages received."

Of the 370 Thousand workers paid hourly in New Hampshire, just 13 Thousand are at or below the federal minimum. These are primarily young people, just entering the work force. Increasing the cost of hiring these young people for their job will cut off the first rung in the economic ladder. Employers will offer more hours to more experienced workers, and turn to automation and self-service.

The Congressional Budget Office projects that a minimum wage hike being considered in Congress would reduce total employment by half a million jobs. When government increases costs through taxes, it reduces demand. Increasing the minimum wage reduces demand for entry-level workers. It's a hidden tax on employment, and it's paid by people trying hard to get their first jobs.

I want to echo "Foster's Daily Democrat," which ran an editorial yesterday entitled "Wage Bill Inexpedient to Legislate." The paper argued that increasing the minimum wage would do more harm than good.

"What is needed is more and better jobs," Foster's concluded.

We need to get New Hampshire's economy growing again. We don't need feel-good legislation that will hurt the people it claims to help. Let's get young people into the workforce, and starting up the economic ladder. I urge my colleagues to join me in voting ITL on HB 1403.

Thank you Mr. President.

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