

"Enough talk about the Fat Cat Business Owner..."

By: **Stuart Harrison, President & CEO, Greater Peterborough Chamber of Commerce**

The decision behind last week's announcement to increase the minimum wage to \$15 per hour appears to have been made with scant evidence and little or no consultation.

The Changing Workplaces Review Committee had been meeting for two years, enjoyed broad stakeholder input and explicitly excluded minimum wage from the discussion. Indeed, the process for establishing minimum wage was just introduced two years ago, tying the minimum wage to the Consumer Price Index. This was to avoid what had become the pattern – no minimum wage increases for years, followed by a dramatic increase, with no warning, for political purposes.

The Chamber of Commerce network is calling for some evidence based thinking. In the few days following last week's announcement, dramatic and overwhelming evidence has been provided by local small business people, members of both the Peterborough Chamber of Commerce and the Kawartha Chamber of Commerce & Tourism:

Local Manufacturers - "I've just won a contract to supply another local company with my product. This is a major order that will require an expansion of my business, including a building addition and hiring more people. At \$15/hr, I am no longer competitive and will have to walk away from the work. I thought hydro rates, now my largest business expense, were hard enough to deal with. This is impossible." /

"We do agree with wage increases over time but such a large one up front will definitely hurt our small business. We are a new business of only 7 years and will have to cut hours to stay competitive in the market we are in. Yes, people will receive more, but they will also be paying for taxes back to the government. Someone has to pay for all this, and sadly it will be the consumer."

Local Not for Profit – "with 35 employees during the summer, our labour costs just went up 30%! We will use a combination of hiring fewer people, shortening shifts and increasing prices to adapt. Unfortunately, hiring fewer students for the summer will be the first move."

Local Restaurants – "Our payroll will increase by over \$90,000 dollars... I see hiring fewer people, increasing prices, automation, and phasing out employee benefits. This is the most devastating cost to hit the hospitality industry – ever..." / "Higher hydro bills and propane prices, and now a \$15 minimum wage? I will decrease my operating hours, cut down hours for current staff members; I will not hire new staff, but instead have my family work with me for longer hours, and I will raise menu prices - which is my least favorite option, since I run the risk of becoming unaffordable for my customers. Without customers, we'll be closed."

Local Retailers – "At this point we have estimated that this increase will cost us upwards of \$50,000.00 a year. Where is that coming from, profit, which is used to grow our business." / "Every single one of my employees makes more money than I do... Enough talk about the fat-cat business owner..." / "The government continually praises small business as being the backbone of the economy, yet measures like this increase the burden on small business. This legislation would increase my payroll costs by approximately 20%. I will have to choose between significant price increases, reducing staff or closing the door." / "Increasing

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minimum wage to \$15 will affect our entire pay scale. An employee currently making \$15 an hour has earned it through experience, training and proving themselves." / "This drastic jump will be financial suicide for many small businesses. Price increases, a hiring freeze, a cut back in operating hours. This new minimum wage strategy will without a doubt increase unemployment!" / "We are still in shock – why so fast? The previous increases were gradual and better able to be factored into our business models." / "More than half of my business is serving the other local businesses in Peterborough. If those businesses are suffering and feeling the pinch my store will be negatively impacted by this as well. Honestly, I fear that there will be very few winners - one of them possibly being the government, through increased tax revenues - and way too many losers."

Local Farmers - "We will have to condense our Pick Your Own business to one farm only, cutting out 4-6 seasonal jobs each year, at a minimum. We will almost certainly have to raise our prices as our margins are already so small that there are years we come close to only breaking even. One of our biggest worries is the 48-hour rule for cancelling staff. If we have in the peak of our season 30 people regularly scheduled for work and have to cancel them because of the weather...that means we are still paying out 90 hours of work for one cancelled day. This will certainly break us, as well as many other farmers."

Local Accommodation/Hospitality - "We will need to seriously consider the viability of our tourism product, with projected increases needed in the 5 – 10% range to cover not only the immediate wage increase but all the other liability increases that will go along with it. It may not be feasible for us to operate past December, which will result in the layoff of 5-8 full time employees." / "In order to maintain remuneration integrity I will have to increase everyone's wage by 23%. In my business' case that would represent a \$50,000 extra annual cost. I would have to increase my consumer rates by 12% to offset the wage increase. I have not been able to increase rates since 2001, so I will be forced to cut back on labour, hire fewer employees, reduce hours, increase prices, sell the business, or simply shut down."

Our recommendations include:

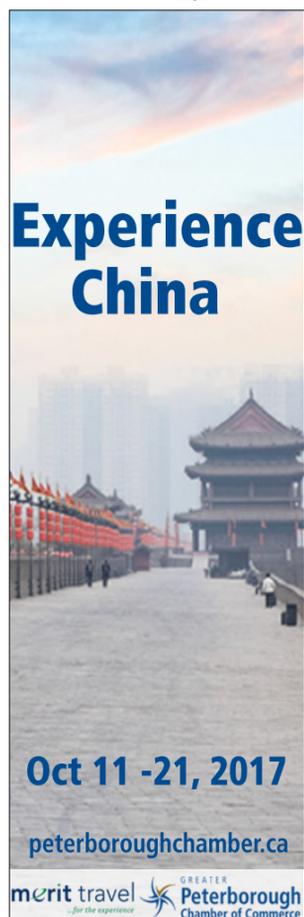
- Conduct a comprehensive economic impact analysis
- Explore alternatives, such as minimum income vs minimum wage, or income tax measures

The Premier's own 2014 Minimum Wage Panel concluded that for every 10% rise in Minimum Wage, teen employment drops by 3 – 6%.

The citizens of Ontario are already reeling from the loss of some 300,000 manufacturing jobs in the last ten years. The economy is in transition and under tremendous competitive stress.

This increase will be a shock to the economy, with unintended consequences. The Provincial Government needs to prove their case with well-researched evidence.

" Our payroll will increase by over \$90,000... I see hiring fewer people, increasing prices, automation, and phasing out benefits. "



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Peterborough Sport & Wellness Centre

SENIORS SHOWCASE

Wednesday, June 14 9:30 AM - 4:30 PM

Event Calendar

CHAMBER AM TUESDAY June 13th, 2017

Chamber AM Meet Up: Building Your Brand with Neil Morton

The Carousel
116 Lansdowne Street East

Coffee's on at 7:00am
Speakers from 7:30-8:30am

Speaker: Neil Morton, PTBOCanada

Details: Learn about building a brand that speaks to your audience and some of the key pieces of successful brands.

Be ready with your 30 second elevator pitch to tell others what's going on in your business.

Cost: Pay for your breakfast

SENIORS SHOWCASE WEDNESDAY, June 14th, 2017

Peterborough Sport and Wellness Centre
775 Brealey Drive

9:30am – 4:30pm

Details: The 5th Annual Seniors Showcase brings together over 100+ exhibitors that offer products and services for seniors and their families all under one roof.

Cost: Free admission and parking

Show Sponsor:



Agency Village Sponsor:



LUNCHBOX LEARNING WEDNESDAY June 21st, 2017 (Chamber & WBN members only)

Cyber Securing Your Business

Chamber Boardroom
175 George Street North

12:00pm – 1:00pm

Speaker: Amy Simpson, MicroAge Peterborough



Details: MicroAge will explain the top 3 methods hackers use to gain access and the 5 things you can do to minimize the risk and recover quickly if you do have an attack.

Cost: Free (bring your own lunch)

Sponsor: Bell

Note: Pre-registration is required; space is limited



PTBO CHAMBER MEMBER

STRENGTHENING BUSINESS

Congratulations to #TeamPtbo's Faith Dickinson

Cuddles for Cancer's Faith Dickinson was honoured by Prince William and Prince Harry with a Legacy Award. The inaugural awards were handed out last month in London, England and recognize youth making a difference with their

charitable efforts. The awards are in memoriam of Princess Diana.

In the past five years, Cuddles for Cancer has made over 3,000 fleece blankets for cancer patients around the world.



Faith Dickinson via Facebook

More: facebook.com/cuddlesforcancer

Local artisan food shop celebrates first anniversary

Congratulations to Delectable Fine Foods on your one year in business. Here's to many more!

Delectable Fine Foods offers an expertly crafted range of fine cheeses and specialty foods from right here in Peterborough and around the world.

More: delectablefinefoods.ca



Delectable Fine Foods via Facebook



#LOVE LOCALPTBO

STRENGTHENING BUSINESS

Peterborough County and 1 other Retweeted

Ptbo Public Health @Ptbohealth · 19h
June 5–11 is Local Food Week. Celebrate healthy eating with local producers and food innovators #loveONTfood #loveLocalPtbo @ptbocounty

LOCAL

Celebrate Local Food Week! June 5 to 11, 2017

www.peterboroughchamber.ca

WDB Local Employment Planning Council
Conseil de planification de l'emploi local

Have a Question About Labour Market Information?

This update is brought to you by Workforce Development Board

It is our goal to help you with any of the questions you have related to local labour market information, and other topics related to your information search.

Please feel free to browse our online resources at: www.wdb.ca/labour-market-info

Not Sure What You Are Looking For? Have more questions?

For those who want to search, feel free to email your questions to us at HelpDesk@wdb.ca, or to speak to us directly, please contact either of the following:

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