

FOR IMMEDIATE RELEASE

Minimum wage hike wrong policy but right approach

Vancouver (March 16, 2011) – Today’s announcement of a 28% minimum wage hike will have a negative impact on BC small businesses and entry-level jobs, but was structured in a way to blunt the full force of its job-killing impact, said the Coalition of BC Businesses.

“The research is clear that minimum wage hikes put entry-level jobs in jeopardy,” said Mark von Schellwitz, Chair of the Coalition of BC Businesses. “Employers on tight margins will have to roll back hours or hold-off new hires due to increased payroll costs as well as expectations for cascading wage hikes for non-minimum wage employees.”

The Coalition has consistently opposed minimum wage increases.

“We recognize the BC government for consulting with the business community in advance of today’s announcement and for incorporating some of the Coalition’s prescribed steps for any potential rate increase,” said von Schellwitz.

The Coalition recommended to the Ministry of Labour in December 2010 no increase but a detailed policy framework should such an increase take place, namely:

- Affordable wage increases measured in small increments (single wage increases not to exceed \$.50 cents/hour)
- Small increases staggered over six month intervals
- Implement a gratuity wage differential that recognizes significant income earned by liquor servers
- Minimum wage changes that take into account BC’s wider economic strategy to provide relief for low income earners

“In the big picture, today’s announcement changes the debate from job creation to wage inflation. We look forward to seeing economic announcements from the new government that will help BC prosper and recover from today’s economic uncertainty.”

The Coalition of BC Businesses (coalitionbcbusiness.ca) represents 16 BC business associations and over 50,000 small and medium-sized businesses active in all sectors of BC's diverse economy. The Coalition's principal focus is the development of labour and employment policies that will help foster a positive relationship between employers and employees and a climate for new economic growth, opportunities and jobs.

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