



Appendix C to Staff Report on a Minimum Wage Policy

Listening Session Schedule

Date & Time	Location	Target Audience/Host	Attendance
January 24 6:00pm – 7:30 pm	Mercado Central	Latino Community	50
January 25 2:30pm – 3:30 pm	MPD 5th Precinct	Minneapolis Business Advisory Group	35
January 26 6:00pm – 7:30 pm	Brian Coyle Center	East African Community	30
January 30 3:00-5:00 pm	Day Block Brewing	East Town Business Partnership	45
February 7 5:30-7:00 pm	All My Relations Gallery	Native American Community	14
February 14 4:00-5:30 pm	Minneapolis Downtown Council	Minneapolis Downtown Council and Minneapolis Chamber of Commerce	32
February 15 3:00-5:00 pm	NEON	African American Community	17
February 21 6:00-7:30 pm	Sabathani Community Center	General Public	43
February 23 6:00-7:30 pm	Urban League	General Public	23
February 26 4:00-5:30 pm	Surly Brewing	Restaurant Industry	25
February 27 5:00-6:30 pm	Firefighters Hall and Museum	Small and Independent Businesses	27
March 2 6:00-7:30 pm	Mayflower Church	South Minneapolis Community	20
March 3 11:00 a.m.-noon	Harrison Recreation Center	Southeast Asian Community	25
March 15 12:00-2:00 pm	Jungle Theater	LynLake/Uptown/Whittier Businesses	30
March 16 6:00-7:00 pm	Central Library	Minneapolis Youth Congress	24
March 24 noon-1:00 pm	Minnesota Council of Nonprofits	Nonprofits	12

Total Attendance: 452

Latino Community Session Summary

January 24, 2017

General comments:

- We shouldn't build a city on poverty wages.
- If the minimum wage is raised to \$15 an hour, we'll help single mothers by giving them roughly \$800 extra a month.
- Managers will not give employees enough hours so employees are forced to get a second job. Raising the minimum wage would improve the quality of life for workers and would allow workers to have an easier time getting the hours and wages they need.
- It's not fair to have to work two jobs to earn what is needed to pay your mortgage. Increasing the minimum wage would allow workers more flexibility to pay their bills and meet their basic needs.
- Businesses are struggling to find workers to work at current minimum wage and some business owners don't have control over what they're able to pay their workers.
- When someone opens a business, they know that they need to have certain income/revenue to sustain the business. If I can't pay what it takes people to live on, I'm asking them to invest in my business without them receiving a return. Raising the minimum wage would also have a positive impact in that more people would have money to buy the goods sold in my business.
- As a woman, I have to endure people saying uncomfortable things to me because I rely on my tips. Tipped workers should earn a fair minimum wage and not be penalized for earning tips.
- People support raising the minimum wage, but there is always an inequality when it comes to tipped employees vs. those that don't receive tips. Unlike Europe, tips are a common thing in the US and you can't take away tips. There needs to be a wage balance for back of house staff and the front of house/servers. If servers are paid \$15 an hour plus tips then the back of house staff would need to be paid more than \$15 an hour. For the restaurant industry, most cooks work full-time and the business pays for their health insurance. If the minimum wage goes up they would have to either cut front of house

staff or raise prices (which wouldn't work) to factor in full time employees who receive health insurance.

- I hear from workers every day that they don't earn good wages and have to work two jobs. Those jobs don't support their families. They also have hard feelings in the sense that they have to hold two jobs and have to leave their kids home alone or they need to be taken care of by other people. Their children also complain because they are on the streets hanging out because there is no one at home to take care of them. Their kids, after going to school, also have to go to work to help supplement household income. There are also some employers who are stealing wages from their workers. One of the ways they do this is when workers work a 12 hour day and they pay them for 8 hours of work with a check and the remaining 4 hours are paid with cash. I supporting \$15 an hour so people can survive.
- I am a Latina, an immigrant, a fighter like you. We come here to raise our families and deserve a wage that is respectful. But many of the businesses on Lake Street worry that we aren't able to cover payroll with the current wage levels so how will they cover them if the minimum wage is raised? We won't be able to make payroll. Businesses are not only competing with minimum wage, but also competing with larger businesses (Aldi, Target, etc.) - why is it only Minneapolis that is fighting to raise the minimum wage? Our prices are going to go up and we have a lot of competition. We are already seeing the prices of produce go up and it'll only get worse with an increase in minimum wage.
- Those that support an increased minimum wage will continue to fight beyond Minneapolis for an increased minimum wage.
- Right now the price of food is high so if the minimum wage goes up, the price of rent and other things will also go up.
- I really believe that this proposal to raise the wage will destroy some of our businesses. If you raise the min wage to \$15 an hour you will make small businesses compete with larger businesses that can pay higher wages because they pay less for their products. Larger businesses also benefit from bulk purchasing and sales. If the wage passes, it will be like survival of the fittest. The benefits and the impact of an increased minimum wage need to be considered. The income of each business, and whether they can even afford to pay an increased wage, should be considered.

- Small businesses have every right to support themselves as well. There should be support in place for both businesses and workers. I depend on income, which includes tips, and even with an increased minimum wage it wouldn't be enough. Wages aren't meeting basic needs.
- We shouldn't pit businesses against workers in this discussion.
- If wages are raised to \$15 an hour and someone lives outside of Minneapolis, it creates unfair competition between workers that live in Minneapolis and those that live in surrounding areas.
- The study commissioned by the City showed raising the minimum wage would have a minimal impact on businesses in the city.
- We need to look at study that was commissioned to see what will actually happen, but also look at what's happened in other cities that have raised minimum wage. There hasn't been significant business loss. We have also seen states that have cities that raised the minimum wage followed suit.
- It's hard to have all aspects of life when your wage is so small. Coworkers need to work longer hours to earn a living and have seen that it has had a destabilizing impact on the community. There is a movement to get a statewide minimum wage increase passed. More money in workers pockets will translate into businesses doing better. That's a reason why some people would like to see the wage increase put on big business first and have smaller businesses increase wages in a longer phased approach.
- Has anyone in the City run a business? Probably not. I do and I can't support a minimum wage increase – I can barely make a living as it is with my restaurant.

Comments in response to what considerations the City should take into account if moving forward on a minimum wage policy:

- The amount of the increase is a trick question. The only way to get out of the trap is to offer benefits to the small businesses so they can offer higher wages to workers.
- There should be more support for businesses so that this can pass and support both workers and businesses alike.

Business Advisory Group Session Summary

January 25, 2017

General comments:

- Small businesses are assets to the city, but they struggle. Raising prices is not an option because of competition. Wages should be determined by businesses and are based on business income and expenses. We pay employees what we can. If the wage isn't enough, then an employee can find a new job.
- [If the minimum wage is raised] Building owners will have a hard time finding tenants as businesses relocate to cities where they are not required to pay a higher minimum wage.
- An increased minimum wage should not be implemented only in Minneapolis.
- Employers are already having a hard time finding employees. The city needs to look at its priorities.
- Comment regarding tipped employees: they are often the highest paid in restaurants and actual wage is much higher than minimum wage when you factor in tips. If the minimum wage is raised, the wage for back of house staff will need to be higher since they don't earn tips.
- The income of a business impacts its decision making. Large companies could still move to Minneapolis if they are required to pay a higher minimum wage, but an increase minimum wage would have a big impact on small businesses.
- Question posed to the City: is there any concern about automation as a result of raising the minimum wage and if an increase would speed this process along?
- There seems to be a lack of understanding about an employee's full wage. Tips count as wages for a business. That said, it is important to have strong wages and to fairly compensate employees.
- Some staff at my restaurant already make more than \$15 an hour. If the minimum wage goes up to \$15, I will have to raise everyone's wages.

- It will cost me an extra \$200,000 - \$250,000 per year to cover the increased wages. As a result, I will have to increase prices to cover the additional expenses and raised prices will impact my customers ability to eat at my restaurant.
- Don't forget to think about the impact this may have on our senior community: individuals on fixed incomes won't be able to afford the increased prices that businesses will have to charge.
- We are hearing from employees that they don't want the increase because it will make them ineligible for services like MnSure.
- Businesses on the boarder of the city will lose business to businesses in other cities b/c owners will need to raise prices in Minneapolis to cover the additional expenses.
- Youth workers will lose out if the minimum wage is increased because employers will want to hire more skilled workers to justify paying the increased wage.
- I will have to let my cleaning staff go because I won't be able to afford the wage increase. As a result my higher paid staff will be required to work longer hours and take on work previously handled by the cleaning staff.
- Nonprofits will not be able to absorb the wage increase because of their business model.
- Younger workers, and those with less experience, will be left out of the job market as it will be harder to overcome barriers to entry because businesses will have a preference for higher skilled workers.
- Employees are not under contract and can find a higher wage job if they aren't paid enough.
- The income of a business shouldn't be used to set the minimum wage. It should be determined based on profitability & the City can't determine that threshold.
- It's already hard to hire someone at the minimum wage if they aren't a tipped employee. The City should let the market determine the wage.
- Some businesses are labor intensive because they need more staff to execute so they have to have more staff and wouldn't be able to absorb the cost increase.

- Raising the minimum wage is not the province of the City Council.
- Economic borders are porous and Minneapolis businesses will have to start competing against other cities or businesses will find their customers simply turning to non-impacted businesses elsewhere.
- I'm concerned the conversation is worthless if the City Council is forced to vote approve a \$15 an hour minimum wage.
- I am only licensed [daycare business] to care for a specific number of kids so my revenue is set each year. I won't be able to absorb the cost to pay employees more. Please don't add another rule/regulation that I'll be required to follow.

Comments in response to what considerations the City should take into account if moving forward on a minimum wage policy:

- City should consider employee size and type (i.e. franchise & multi-location businesses)
- When determining business size, the City should only consider number of employees based in Minneapolis, not additional locations.
- The City Council should consider exemptions for businesses that have thin margins and serve people on the margins (i.e. food, childcare, transportation). If the minimum wage is increase businesses will have to increase prices which is negate any wage increase families would experience.
- The City should consider training wages for high school/new workers.

East African Community Session Summary

January 26, 2017

General comments:

- I'm in favor of the minimum wage - the City has spent money on a stadium and now they need to do something to benefit workers.
- I work with low income workers (elderly, single mothers, etc.) who aren't able to make ends meet. Poverty impacts social life, public life, etc. and leaves very unfavorable conditions in the community. The person who gets everything will never understand the pain of poverty. People who live well below the poverty level need to have a decent income. This issue needs a human face. If the minimum wage is not increased, there will be people who can't afford to live in MN or in US.
- I have a technical degree and work in a blue collar job. Not making a living wage eats away at your mental and physical health. We should have a \$15 an hour minimum wage. The cost of a lower wage eventually comes out in other ways such as poor health. Businesses are doing well enough. The City needs to stop giving subsidies to businesses and stadiums. There is too much business influence in City Hall already that prevents minimum wage from passing.
- How is small business owner defined? When you have a higher wage requirement, industry fails and no one can get work, we all fail. Need to consider the size and type of business.
- We go to work, leave early in the morning, but don't bring in enough money. We keep working hard, yet I don't hear companies raising wages. We make a wage, but have to make payments. I would support anyone that would do anything about this situation. We are tired of politicians getting our votes, but not doing anything for us. We are supporting politicians who work for us and advocate for us.
- Everyone can empathize with small businesses needing to make it, but what is frustrating is at what cost we favor small business struggles. What else can the City Council do to make sure that small businesses can survive and not starve workers?
- I support a \$15 an hour minimum wage. I'm a single mom who raised 5 kids on my own. I understand the struggle of supporting family, but not making high enough wages. \$15 an hour is still low but the proposed wage shouldn't be lower than that.

- City could be moving in the right direction with \$15 an hour minimum wage. Gentrification is a big issue and rents are increasing, but wages are not and low wage workers are being pushed out of the city. Someone would need to make \$17 - \$20 an hour to afford current rent levels. There is a conflict between raising housing prices and raising wages, and not supporting affordable housing - the City Council/elected officials are sending mix messages.
- This is a great cause that should be supported. We need to raise the wage to support the community. My business could support a higher minimum wage.
- People couldn't come to the session because they are working. There is a statewide ban on rent control so landlords can raise rents as much as they want and we're in a rent/housing crisis. Affordable housing is not in good condition and not raising the minimum wage is allowing for more homelessness and people living on the margins who can't make ends-meet.
- There is a myth spreading about raising the minimum wage will negatively impact the economy, but data shows that raising the wage actually stimulates the economy.
- If you give people enough money to live on they will take care of themselves. If you force people to live in poverty, then the city has to pay for more social services to support community members.
- My father owns a seasonal business and pays above the minimum wage. As a result, he saves money on re-training employees because he's able to retain workers. Youth workers are sometimes important contributors to household incomes so should not be exempt from making a higher minimum wage.
- If an increase minimum wage is phased in for small businesses it would have a lesser impact on their bottom line.
- Keeping wages consistent throughout industry would help to prevent loop holes.
- We need to value labor for what it.
- Workers living in cities or states that have a tip penalty are more likely to live in poverty.

- I only made more than minimum wage occasionally. Tips are very dependent on a number of outside factors and I would have rather been paid a higher wage then depend on tips.
- Tips can also be based on decisions of management and you're subject to if they like you, they put you in a good section etc. so they shouldn't count as wages.
- Having a higher minimum wage promotes investment back into the company.
- For contract workers, their wages will often mimic wages of people around them. If the minimum wage is low, they will be paid low. Work is not consistent and contract workers are often paid minimum wage.
- Minneapolis should take the first step to put pressure on other cities to raise their minimum wages.
- We have a moral opportunity to positively impact poverty. Minneapolis can be one of the first cities to make a statement about the importance of paying a fair wage.
- Why is it so hard for me to start a small business and get government support? We need better small business support. If Minneapolis was to raise the wage it would have a strong likelihood of becoming a statewide policy.
- I have seen the struggle with the minimum wage. The city should already have a higher wage.
- We use money to make statement about someone's worth, but we need to see money and wages as a tool.
- Having a Minneapolis only policy would attract better workers and community members who would have more money to invest in their business.
- I am a business owner in the West Bank and support a minimum wage increase because I know that if my customers have more money, they will spend more money. Community members in Cedar Riverside spend money in the community so a higher wage is better for business.
- It takes a lot to mobilize the community and change happens slowly so if a minimum wage increase is passed it should be a \$15 an hour instead of starting from a lower wage first.

- The City should frame the question around how we can help businesses to support them paying a \$15 an hour wage, not how a minimum wage policy will affect them.
- The study came out and showed that 71,000 workers would benefit from an increase the minimum wage and yet the City Council blocked a vote to increase the wage based on community member signatures, Instead it sent a directive to staff to explore the issue. City council needs to listen to community members.

Comments in response to what considerations the City should take into account if moving forward on a minimum wage policy:

- If there is difference in the wage types of businesses have to pay then it will allows small businesses to continue to perpetuate poverty. The City could consider offering incentives or assistance to small business.
- Consider including an exception that allows employers to pay youth workers a training wage, but allowing a training wage will allow big businesses to find a loop hole.

Downtown East Business Partnership Meeting

January 30, 2017

General comments:

- I would love to make \$15 an hour. I currently make \$9.50 an hour and make \$800 a month. My rent costs more than what I make in a month. I would need to make three times more a month to pay all of my bills.
- I'm concerned about the proposal, which we're hearing is more than a proposal already. From the restaurant perspective the big issue is tipped income. The only people that would benefit from a wage increase is tipped employees. Tipped employees are our highest paid employees when you factor in tips. Servers make \$25+ an hour. We love our servers, but we want to make it a more level playing field. If the minimum wage goes up we will either have to eliminate servers or add a service charge to make up expense.
- A proposal to raise the minimum wage is a concern. It's not just about \$15 an hour - it's also about creating a void between minimum wage earners and higher level staff. For my company, I would be looking at a \$200,000 plus increases in expenses. We would price ourselves out of the market because businesses will have to increase prices and travelers won't come to Minneapolis anymore.
- We are concerned about "wage compression" where we won't just have to increase wages to \$15 an hour, but raise those already making \$15 or more.
- The City might be looking at this issue the wrong way. The public, who will eventually be paying for this, needs to know what is going on and what the ramifications will be to them as consumers. People are going to have to change their mindset and know that the higher prices they would see would be a result of the increased minimum wage.
- I run a daycare/preschool and already had to increase my rates this year in preparation for implementing the mandatory sick time policy. My employees earn \$9–\$16 an hour and my budget is fixed based on number of kids enrolled. We would have to increase rates again to cover the additional expenses related to a minimum wage increase. Will parents still be able to afford to send their kids to daycare? There is already a 3 year wait for childcare assistance through the county.
- I've been business for 12 years and echo what others are saying. Speaking on behalf of small business owners, there is a big gap in pay between front of house and back of house staff. I'm an immigrant, we fought hard to achieve the American Dream, and we work hard to keep our business. Let's recognize that our tipped workers are the highest paid workers. People don't

want to work for anything near the minimum wage so we already have to pay people more. Some restaurants have done a wage survey and found that servers (with tips included) make about \$26 an hour while the back of house staff makes \$14 an hour. We can't find dishwashers for less than \$12 an hour. If we raise the wage to \$15 an hour without recognizing taxed income (meaning tips), there will ways be inequity.

- I feel like I'm a farmer, I never get paid enough for what I do. We like to take care of our community. When I go to support the local farmer, I feel like I'm creating a job for myself. We cut and prepare everything at our restaurant, and people love to pay a good price for quality food. I have to have a lot of back house staff to prepare food, and we will have to increase food prices if the minimum wage is increased. We also might have to eliminate some employee benefits.
- I'm approaching the topic from a community perspective and want to reiterate the housing need. Increase wages are a need and we need to look at the intersections of poverty and not as wages as the end all be all. If you have an affordable housing shortage, more wages won't matter for that. I would like to see the City redirect funds to help build more affordable housing in the city.
- The tax alone on wine and cocktails is way more expensive in downtown Minneapolis, which drives business to other cities. We'll be sending customers to St. Paul if we have to increase fees anymore.
- Nonprofits are the same and how will this impact them?
- We're pricing ourselves out of the market. Minnesota needs to get on board because people from the suburbs aren't going to come to Minneapolis and pay for parking, higher food prices, etc. They'll just stay home. For the restaurant industry, the labor market is horrific right now, and that won't get better. We still won't have the staff that we need to do the jobs.
- Most people think it should be implemented at a statewide level.
- My company has a certain number of hours that someone has to work to qualify for benefits. If wages are raised, we will have to cut hrs therefore eliminating people who previously qualified for benefits.
- From an employee attraction perspective would this help? Businesses are already competing against each other and still can't find the workers.
- If Minneapolis were to go to \$15 an hour minimum wage, people in suburbs would want to come to the city to earn a higher wage which would thus not benefit Minneapolis residents.
- This will create a disparity with companies that have workers that have multiple locations and where they assign staff.

- My family owns several restaurants and will not locate a business in Minneapolis if the City passes the ordinance.
- A lot of businesses are already paying \$12 an hour or more.
- We already went from \$7.75 an hour to \$9.50 an hour in three years. For front of house, we can't raise wages - \$12 an hour is absolutely the minimum you can pay anyone anymore. If you aren't a good restaurant, and don't treat your workers well, the business will close and workers won't stay. It won't work for the City to come in to mandate something that isn't sustainable.
- The City really needs to be looking at affordable housing, specifically in the context of all of the building that is happening.
- Why won't City Council Members say that total taxable income is considered in the increase?
- Are there other ways to address affordability in the city?
- Hotels have brand standards that they can't deviate from so everything they do is already running at bare minimum. New hotels are coming in and moving towards more automation (i.e. no front desk, just a person with an iPad).
- Is the issue about wages or about social services? I have an employee that can only work a set amount so that they still qualify for services. If the minimum wage is increased I would have to cut their hours so they don't lose benefits.
- I don't think the City is ready to pay me half a million dollars to compensate me for the business income I would lose. We are a capitalist society and the city needs to stay out of what we pay our employees. Do I need to reconsider offering employee benefits, do I need to move to St. Paul, or raise my prices? This would be a terrible mistake. This is outside of the City's jurisdiction.
- As part of \$15Now group, we want to emphasize that we are advocating for a **multi-year phase in** for the wage increase, not \$15 tomorrow.

Comments in response to what considerations the City should take into account if moving forward on a minimum wage policy:

- A training wage should be considered as part of any policy. If I have to pay high school student \$15 an hour we will have to eliminate those types of jobs. Automation is also a big issue and jobs are being eliminated. A higher minimum wage will push the restaurant industry to automation and will likely need to the elimination of jobs.

- Minneapolis has a great program called Step-Up (young student's intern at companies and kids get \$10 an hour) - would this proposal impact that program so essentially companies won't be able to hire as many interns? The City should think about exempting employees who participate in training programs like Step-Up.
- Ethically, it would be great to raise the minimum wage. Instead of us changing the way that we do business, can the City find a way to compensate businesses for the change? Could the City lower the sales tax, property taxes, business fees, etc. to help offset the cost increase? Could they consider very targeted compensation for businesses that will be impacted by the wage increase?
- The City should consider a renter's credit for small businesses.
- When gas prices were high people wouldn't travel to Eat Street so a tax break would be great.
- Could the implementation be phased in and/or offer special rate for offering benefits? How can we not just displace the burden back on people at the bottom of the wage scale?
- Would City consider tax breaks for businesses located in the city because they are creating the economy/benefiting the economy?
- San Francisco has a 7 year phase in, and we are not San Francisco or New York. Our standard of living is much lower here. We would need a longer phase in period in Minnesota.
- Thinking of this as an incentive versus a mandate would help. If the city wants to create a better community, then they should have some skin in the game.

Native American Community Session Summary

February 7, 2017

General comments:

- Is this action expected to raise the min from \$9.50 to \$15 all at once?
- The proposal that was on the table last summer would have phased in a wage increase over 3-5 years.
- As a large employer, we're supportive of an increase. We know what it costs to live, and think people shouldn't suffer.
- As representative for a union, we need to ensure that existing collective bargaining agreements are honored. Tipped workers should also be exempt.
- Tipped wages are taxable income to employees. They should be counted as "wages" for employers, as well.
- Training wages (or a youth wage) should also be incorporated into a proposal.
- Most people being served are going to be those in low-paying jobs in retail and food service. I support the idea of a training or youth wage so that those "first jobs" don't go away.
- Might need to consider separating youth and training wages.
- If a youth wage exemption is considered, identifying youth should be consistent with County's age limit at 21.
- Minimum wage increase is meant for those who are at the bottom of the wage scale and who most need social supports to make housing and other basic needs affordable. Isn't that the intention of having (and raising) a minimum wage?
- As a policymaker, the intention of an increased minimum wage is to ensure that people can keep up with their own expenses.
- I make \$15.28/hr which equals \$32,000 a year. That works out to \$348 for food, \$740 for housing, and other expenses. If you want to live a fiscally responsible life, you should be earning at least \$65,000.

- United States has 64% of wealth in the world, and in the US the top 1% have most of that wealth. Who's benefitting?
- We need to be cautious about benefit cliffs. We have people working and eligible for SNAP and other benefits because their housing costs are so high, and their wages are insufficient.
- Don't let a policy get in the way of taking advantage of needed benefits.
- There needs to be a holistic approach where many segments of our City are working cooperatively to support our lowest-wage workers.
- Seattle's restaurant worker population used to average 22 workers per restaurant and now the industry now has more like 18 per restaurant due to their wage increase.
- Tipped employees are the ones who benefit most from a wage increase, is that the intention?
- What about the inflation of the cost of living? How do we account for that?
- I'm concerned as well about addressing these issues statewide – so we're clear about our mutual dependency; and, so that it would be less heated politically.
- A statewide policy would be better, of course, but Minneapolis City Council has the ability to make this change now. They should.
- There is a direct link between poverty and health effects so we need to raise the minimum wage to ensure people can meet their basic needs.

Downtown Improvement District/Minneapolis Downtown Council

Session Summary

February 14, 2017

General comments:

- Low-income people and people of color would be hurt by a higher minimum wage.
- There is vagueness in the study and its findings. This could turn into a huge effort with the potential for possibly no result. Look at University of Washington study about Seattle, will we really raise earnings?
- If the goal is upward mobility, maybe we're approaching the problem backwards. Let's elevate the skill level of people at the bottom of the ladder, rather than set a floor.
- Raising the minimum wage to \$15 would substantially influence wages for Latino and African-American workers. This has been confirmed in a study from the Berkeley Policy Center.
- Reimbursement rates for PCAs are set by regulatory bodies so companies can't absorb a minimum wage increase.
- There are 700 paid interns in Minneapolis. Youth employment would be adversely affected. The current expectation of employers is that Step-Up Interns will be paid \$10/hr. I'm not sure the program can absorb an increase without a youth/training wage exception. Studies seem to show there is a decrease in youth employment when the minimum wage is raised.
- Consider a time-bound rule – anyone working less than 120 days, wouldn't be subject to a minimum wage increase.
- Be cautious about benefit cliffs. Make sure any wage increase is high enough to overcome a loss of other benefits (LA Times article).
- A higher minimum wage would cause people living outside of Minneapolis to come to the city to work – missing the opportunity to increase wages for Minneapolis residents. Also, be cautious about wage compression – all wages must increase – and that is a deal breaker.

- For my restaurant, total taxable income for tipped staff is about \$35,000 - \$55,000 annually at 25 hrs/week. Taxable income needs to be considered and not just base wages. We would need to increase our prices by about 11% to accommodate a wage increase. The city should consider a survey of businesses about likely/expected cost increases if a policy were adopted.
- We need to also look at ownership of businesses as well if we're trying to address inequality.
- A basic income guarantee should be considered.
- A business common sense approach should be taken. What's the impact to businesses? Let's ease into a policy. Starting at \$15 would break the bank.
- Did this process begin with Council asking "how do we reduce poverty?" If so, what about other tools, e.g., EITC and others? If the underlying issue is economic disparities, there are a range of ways to address those disparities. Minimum wage could be one of them.
- Payroll for my restaurants would increase 25% in a year. 35% of my employees are highly tipped. Because of wage compression, lower-paid employees who would suffer. The impacts of a policy would include: price increases, less charitable activities, etc. Really need to consider Total Taxable Income to level the playing field.
- The moral imperative seems like the key. Consider a slow easing in to a policy, and have large businesses lead. If I had a chance of removing 90% of cancer in society, I'd be willing to take the 3% risk to get to that 90% reduction.
- We need a full-rounded effort in which businesses, city, and others are part of the solution. I know we have the intelligence and the good intention to address this issue.
- An exception for gambling/charity should be considered because I'm already paying a huge chunk of my income to the stat, sick time pay, and other taxes.
- Detail of the proposal that was developed for the ballot measure in November 2016. 20,000 Minneapolis voters approved a proposal to be put on the ballot.
- Minimum wage earners spend 90% of their income. So, an increased wage seems like a good stimulant to the local economy.
- This would be chaotic to implement. I'd have to cascade the implementation of this to all my employees regardless of work location in all likelihood. The irony is that the

initiative is likely intended to impact the outcomes of people of color, of which I am one, but I'm also a business owner. Seems like conflicting principles.

- City-only policy would be difficult to enforce.
- Tipped employees in restaurants seem like a good example of people making a decent living for themselves. If we're trying to address a decent wage, let's not sacrifice their well-being along the way.
- I set a budget for summer work and interns. I'd likely keep my budget and employ fewer people and/or employ the same number of people for fewer hours.
- If the goal is to address lowest-income earners, let's be sure that we meet that objective in whatever policy approach we adopt.
- What's the goal of a minimum wage? Is the intention to allow a single person to live on a salary? Has the City Council thought through these issues?
- What about considering incentives for companies hiring from high-unemployment zip codes?

African American Community Session Summary

February 15, 2017

General comments:

- At what level does an increase become impactful for people?
- We should be clear that nowhere in the 30 cities/counties has there been a decrease in employment. In Seattle, business is booming, and now they have the first wave of workers making \$15. Businesses have already adjusted to an increased minimum wage, and it's likely with a 6 year phase in, that we'll have positive impacts as well.
- To clarify from the Roy Wilkins study, it's likely that there would be slower hiring, but it's probably due to workers staying in their jobs longer because they are making more money.
- Small business owners are concerned that the wage increase would put them out of business, but they also understand that if people are making more money they'll have more money to spend at their businesses. That's why 15 Now has proposed raising the wage slowly by 2020 and would be implemented first with big businesses. There is also an issue in my neighborhood with rents going up due to the light rail line and if we don't make more money we will have to move.
- Our organization is really pushing for an increased wage from a public health perspective. There are so many correlations between increased wages and positive health outcomes. Socio-economic status is the most important predictive measure in determining health outcomes and wages/income are one of the biggest determinants. There are links between race, wages, and public health. One of our nurse's was working with a father and son who both had diabetes and they had to share insulin because the son didn't have health insurance and couldn't afford his own. People aren't able to afford to pay for prescriptions that are needed to treat chronic diseases.
- Do we really want to build a city that is based on 30-40% of people making less than what it takes to live? Isn't the end product of that destabilizing for the city/region? I worked for Delta Airlines, that year Delta made \$4 Billion in profit and Minnesota received 25% of that profit. Profits are being taken out of cities and put into offshore accounts. Part of the reason why there should be a faster ramp up for big businesses is so that you cut off that extractive process and keep more money in the city.

- How do we share and/or spread needs in our city? Aren't low-wage workers already shouldering enough of the responsibility in the public health arena?
- Health outcomes and educational outcomes all relate to the opportunity gap and we need solutions to fill that. If we pay a living wage, we'll all benefit in the long run.
- What about contractors who come in to the city to provide services? For example, lawn services, would they need to pay a worker different wages for when they work inside/outside the city? What about businesses that are based in the city? Maybe the city shouldn't allow outside companies to come into the city and compete with Minneapolis-based businesses? What about businesses that operate on the periphery of the city? Consider restrictions for businesses not based in Minneapolis, but providing services inside the city.
- What we've seen in other states is that the state often follows when a city passes an ordinance.
- \$15 is an important number an earlier ballot measure received enough signatures from community members, but was blocked by City Council, which is why we are where we are now.
- Let's be real that people are living and working in poverty at \$9.50/hr.
- My mom makes \$11.50 an hour and doesn't qualify for food stamps, but needs benefits.
- I'm excited at the possibility that I can live in a city that matches my values because that won't happen at the federal or state level.
- The Roy Wilkins study showed that workers are making poverty wages that have a college education. It really grabs you at a statistical level that its working class families that are most impacted by this issue. Businesses are really removed from the crisis of families living in poverty and don't understand the struggles.
- A blue collar worker can't be a salaried employee in salary MN.

Sabathani Community Center General Session Summary

February 21, 2017

General comments:

- Disparities cause wars and I'm concerned that we're going to lose Keith Ellison to a larger role and I think that we'll lose the momentum for a minimum wage increase. We need to change the language from minimum wage to living wage. When we talk about the bottom and low wages, we need to include high wages. Why is the CEO of a large company making \$100,000 a year and taxpayers have to take care for their employees?
- I work with poor and homeless individuals. One of the problems with a higher minimum wage is that poor people will not be able to get jobs and/or will lose jobs. In the market, I'm probably not worth more than \$10/hr. We have an earned income credit and could have guaranteed yearly earnings. Workers could take over business and buy out public and private partnerships.
- I'm self-employed, and I do think that we should consider this as something we should do regionally. We (businesses) don't necessarily exist within city limits. I used to live outside of city and had no access to transportation and rent was high, as low income workers we have to be mindful that we aren't restricted to city limits.
- I work for McDonalds in Minneapolis, I've never made minimum wage and never been given a raise. I've seen people come and go because they aren't making enough money. Some of us are lucky that we have social security to fall back on, but we should put that to bed and put people back to work. I can never seem to get enough. You're offering \$12 for my day and for me to come and take care of your customers. It's my responsibility to make sure customers receive good service. If you give me \$12/hr, I'll be happier, but not happy. \$15 would be better. We've heard about how people can't afford to do this, but why are you talking about opening a 3rd store or taking vacations. These paid sick days that we fought hard to earn are now hard to find and we don't get a response when we ask for them. If you are Christians, maybe we need to get like Daniel and hit the giant in the head with the rock. I think we deserve this wage of \$15/hr, right now, right here, as we stand.
- I'm a housing access supervisor, and work to find folks with mental illness housing. I'm very aware of the rents in Hennepin County and wages are not keeping up with rents. I'm very aware of the cost people are paying. A lot of our lower wage workers - disproportionately the poor and adult women - are struggling to get by. \$15 would be

preferred because at a lower wage people can't get by if working multiple jobs, going to school, etc. That's not the type of service we want to offer our most vulnerable adults.

- Affordability of housing could be a bench mark for setting the minimum wage.
- Contextualize what's going on with the listening sessions and Minneapolis/St. Paul. We live in the Trump area – trump nominated the CEO of Hardee's whose company has been sued multiple times for sexual harassment and wage theft. Allan Greenspan, head of the FED, has kept the economy growing by keeping workers unstabilized. We're at the highest level of income disparities in the US. Many of us can feel it, but it's not addressed. We're at a crucial point in our city and in our country. We can decide if we want to keep exploiting workers and have taxpayers pay to support them, or we can pay workers a higher wage. We've tried to do that at a state level. The state right now is trying to take away your paid sick time, with the preemption bill, we need to keep the pressure on our elected officials and not assume that they're not on our side. We need to stay vigilant. We need a higher wage now and are tired of these games where we are not listened to by the people we elected.
- I work in a retail store and I make \$9.52 an hr. I've been working there for a year, and last week I got a \$0.02 raise. Our store has record sales, and is one of the top stores. I've receive reviews and they were outstanding and I still only got \$0.02. The biggest raise I've received was when the minimum wage went up. The company could easily afford it and is still be making money. I think we get really bogged down in the number, and data, I think it's important to understand where it's coming from. I don't think you can put a number on someone's life or livelihood. I think business will always be against paying a higher wage. The questions (in the presentation) are geared towards businesses when we need to talk to workers. Do you want to put a number on our lives? The tears we've cried? We need to be able to support ourselves in a job where we work 40 hrs a week. For those working minimum wage, working 40 hrs a week sounds like a vacation. I would love to be able to pay my rent, eat out at a restaurant, etc. We need to remember that we're workers and not a number.
- In my work doing housing access, we always talk about this is how you can get someone a low cost bus pass, how you can get rent subsidies, etc. At a certain point it just becomes that you need to pay people a living wage. I think this is something we can do in Minneapolis and need to do in Minneapolis. It would be great if it spread to the region, state, nation, but I think it's realistic in our city and where we need to start.
- Why are all of the questions so business focused? Why isn't this the people's meeting. I work in the healthcare profession. I'm really concerned about the health of my neighbors, my children, etc. I had a chance to listen to the MN Department of Health present their white paper. This paper is published and repeated everywhere. The more money you make the healthier you are. The less money you make the more sick you are. Yet we continue to have people argue about paying people a higher wage. The Roy

Wilkins study, says if we pay people more it will move 4 -7% of families out of the food insecure status. That's a huge deal if you're in the 4-7%. I strongly support a \$15 wage and we need to stop listening to the fear tactics that are being thrown out.

- How do you change the mindset of business community that is against this? If we look at the early 20th century and how we got to a minimum wage and a 40 hr week. It happened begrudgingly. Even the arguments that business are using to counter raising the wage. None of the data backs up their arguments and their lost on the moral argument as well. No number is ever going to be high enough. Until we have business that care about more than just their profits. Nothing will change. Don't wait for their support.
- My mom is college educated and doesn't make minimum wage. I make \$15/hr and don't have kids and am just scraping by. Parents need to be able to take care of their kids.
- It's a scary thing to look at. When I told my boss about this raise, we brought up the price of a big mac and the cost having to go up. There are people who are going to complain about prices going up, but that's always the case. There are people who are homeless, and struggling who will benefit from this. His excuse for not paying the wage is that he has to hire people who don't know how to sweep. If you are going to raise the prices, raise our wages so we can come to your restaurant, so we can afford to buy new shoes since we stand on our feet for 12 hrs a day. We go home and we're dead and we're worked to the bone. I don't mind coming out for these conversations, but it's getting more expensive to come out. We need to go over the top issues so we can save more money. If we have lower income workers making more money at bigger corporations they can be the light to the lower wage workers at small companies.
- I've worked McDonalds for 4 yrs. I'm in this fight to raise the minimum wage because it's not enough especially when CEO's are making millions of dollars a year. While owners and bosses are saying there isn't enough money, and they are on vacation, we're at the business doing the job. While we're there trying to get the job done and doing what we can. The boss is only paying us the very minimum. They're short staffed and we're still there trying to get the work done. I'm in this fight because there are a lot of families out there struggling, while my boss is out on vacation, my son is asking me when we'll be able to do something like that. It's not fair. We deserve to have access to things like that. My boss is out driving a luxury car, and we're out here struggling. If they can afford that why can't they pay me a higher wage? My boss knows that I'm in this fight, because I've stood up for myself, she actually treats me a bit better, but we deserve dignity.
- I'm an organizer working with fast food workers, people can't be here because they are working 2 jobs and trying to be involved in their kids' lives. When the city council was elected they ran on racial equity and we have some of the worst racial equity in the state. People working close to fulltime, and are homeless, is not okay. I know a person

that was homeless working 2 shifts a day on \$8/hr and she died. This is a health crisis, people living on minimum wage live on average 8 years less than those making more. If business can't afford to pay more, what kind of business are they running? People are human and we deserve more. We should raise the wage to \$15/hr because of the sexual harassment implications. We need to make sure that we're taking care of our most vulnerable workers.

- It's pretty clear that as part of a holistic solution to the problems people suggested, we need to do something to make sure that small business is able to survive. Small businesses have far fewer avenues to explore to raise wages than large companies. Part of the problem with the presentation is that it's geared towards businesses. We (\$15 Now) have the Roy Wilkins study and a proposal on the table, most studies said no bad impact or maybe a small impact, \$15 Now has a proposal for a 5 year phase in for small businesses so that small businesses could survive. Give large businesses a 3 year phase in because they can afford it. As a small business owner, one that is now paying workers \$15/hr has them moving towards \$15/hr, I had to analyze my business model and I feel like I was forced to build a strong businesses as a result.
- We do need to look at caps at the top proportionally. If you are fast food company working in Minnesota, or a large retailer, if you have a CEO pulling in a million dollars then you need to support our workers in our state because we aren't going to finance your company by paying for your slave force. When you make people poor, you make them hungry, you make them desperate, and when you make them poor and you can't afford car insurance, you get pulled over and now you're the bad guy. You have legal fines you can't handle and a criminal record. We've got to have imagination as we think about this topic.
- Being poor is very expensive. I'm a tipped worker, I do end up making more than minimum wage after tips, now that I'm making more, and I'm working to fight for justice for others. My roommate also makes more than minimum wage, but struggles to pay for her medicine/medical bills. She can't afford to buy healthy food which makes the problem worse. We need to consider intersectionality, you can't just have a focus on one issue without considering the others. I think we need \$15 now, for everyone. The increase would make an extraordinary difference.
- Minimum wage is a misnomer because its only minimum wage if you are working. The wage increase would disproportionately hurt young, black, youth. The minimum wage doesn't work, it just makes poverty worse. I agree that CEO's are making too much money. We need collective businesses were workers own the business. If we have a guaranteed base income then profit just goes on top of your income. The min wage is a hurdle I have to jump over. If I don't have a high school education, if I'm a youth.

- I'm a small business owner. I pay far above the minimum wage and pay health insurance. I work 60– 70 hrs a week because this is something I did because I loved what I was doing, but I missed out on my kids growing up. I don't like the blanket approach that the city should be able to tell a business owner what to do with their business. Please don't continue to create a divide, I'm part of this city, and a community member, but don't think the city should apply a blanket approach to everyone.
- I understand that some businesses won't survive with a higher wage, but if I'm told I should go find a job to make more money, then you can also go find a job where you make more money. People deserve to make a living wage.
- Having healthcare tied to business should be looked at. I don't think our health should be tied to our employers.
- I want to reiterate one important point that the state is currently considering a preemption bill that could make all of this null and void. This would prevent cities from passing things like minimum wage and paid sick time just like we've done in Minneapolis.

Minneapolis Urban League General Session Summary

February 23, 2017

General comments:

- The term minimum wage is a misnomer. It's more of a hurdle you have to jump. Previous studies in Seattle show more negative effects from the increase in minimum wage. An increased minimum wage would lead to more robots and automation. Resulting unemployment will be felt most acutely by undereducated, teens, and women. Young African Americans will be most affected. People with criminal records as well.
- Employers are going to charge higher prices and businesses will move to other cities.
- A guaranteed income is an alternative approach. Martin Luther King supported this idea. We could also consider an increase in the earned income tax credit.
- I'm a Northeast resident and work at u of m. I think it's a moral imperative that when people put in 8 hours of work, they deserve a decent life. I think a \$15 minimum wage is a start. I work as an academic advisor and would love for the people I work with to make more and have more opportunities to pursue education.
- As a person that advises young people, they are so concerned about the world they're entering. People are really afraid of entering the world without a profession. I think we should build a world where people can go to college or not and feel comfortable they could lead a good life regardless of their decision.
- What's become a little frustrating for me is that the city spent a lot of money on an income study and we're not seeing these horrifying results that happened in other cities. What are we doing to educate people that this will have a good impact? So that businesses will relax and know that they won't go out of business.
- I'm someone who disputes the study. I just checked the economic policy institutes numbers and there is no growth in the real minimum wage. We could change the nominal minimum wage to \$15/hr but it would only buy you what \$9.50 gets you now.
- Restaurants spend about 33% of their income on salaries. A \$15/hr wage would raise expenditures by 20%. Restaurants run on a very thin margin, and prices will have to go up.

- I work in the hospitality industry. Personally, I think \$15/hr wage is great. But that money has to come from somewhere. A lot of restaurants have talked about switching to no tipping. That will cripple the earnings of a lot of waiters. Nobody will go out to eat anymore. Having something specifically in Minneapolis will push people out. That happened with the smoking ban.
- I'm a musician by trade. I hear this argument often that the restaurant industry will be most impacted. But there are people who don't have enough money to eat.
- I want to live in Minneapolis because it's on the front line of progressive ideals. It's about distribution of wealth. There are very wealthy people in this city who will still buy a \$25 dollar hamburger. They will have to pay a little more in order for others to live better.
- The city needs to help. So many people are hurting. This city can be a leader.
- I'm a supporter of \$15/hr minimum wage. Based off the sea of research, I would like to see this apocalypse actually be validated in the cities where this has been implemented. I think a more productive conversation is how can the city provide resources to help businesses accommodate to a higher wage.
- We need to think about the difference between big and small businesses.
- I've never seen people rake in \$50,000 a year as a waiter. We need to have some common sense around why people need a higher wage in this city.
- We need to invite Betsy Hodges to participate in thinking about how business owners can accommodate a higher wage and invest in their employees.
- When I imagine living on \$15 an hour, it seems extremely difficult. People need to have enough to live fairly comfortably in this community. And if they're paid more, they'll spend more.
- Part of the reason that \$15 Now, and I'm one of the organizers, decided to do separate phase in for big and small businesses is, for example, a lot of the East African community works at the airport. Delta extracts a lot of money from the Twin Cities here. A quicker phase in for big businesses mean more money is kept in the metro area.
- As far as restaurants go, Minneapolis has the most vibrant rest scene in the country. Here's the interesting thing, the minimum wage already increased. And the restaurant industry is doing fabulous. That's a fact. Seattle also has a vibrant economy. So there does come a time when you can't say that the world is flat anymore. That's what happened when the city council denied this report even though it's carried out by the

best economists in the country. That report has to be the starting point for this conversation.

- There's this assumption that businesses have a right to keep wages at a certain level, even when everything else gets more expensive. We need to treat wages like a market force like everything else.
- Back to the service industry, I know there's a lot of servers who get paid well. But there's baristas who don't make enough tips, servers at Denny's and whatnot. There's people in my neighborhood who will be kicked out of their houses as rent goes up. Giving them a higher wage will help them keep their houses.
- If we really want to help small businesses, we should offer subsidies like we do to Target and others.
- I work at Abbot NW Hospital. I'm here to talk about health impacts of people living in poverty. I'm speaking in favor of a \$15 wage. People I see on a daily basis, working two jobs, is a perfect storm for crisis, people ending up sick in hospital, ending in cycle of not getting ahead in their lives.
- When you're worried about rent and putting food on the table, you're not able to plan and get preventative health care. These are things that people can do when they can take time out of work. But when people are scraping by get sick, they find things out too late.
- People are coming in sicker and sicker all the time.
- I wonder how many people are working tonight and are unable to be here. And can't have their voices heard. This cycle of poverty is hurting everyone. It's about Minnesotan values, we need to take care of each other.
- This is more of a question. I'm also in support of a wage increase. There's a lot of conversation that the cost gets put onto the consumer. But doesn't that cost get put onto us anyhow? Like in healthcare. People going to the ER costs way more than preventative care. It's a moral imperative, but there's also a social/cost benefit.
- I wonder if there's ever been a conversation about the impact of taxes on low wage earners. Are there conversations that you don't have to pay taxes below a certain wage level? That you're not putting in money to a government that's not supporting you.
- I'm a student at the U of M. I think one place where you're losing a lot of people in explaining this process is that the transition period is not well understood. A lot of people my age think the jump is too aggressive without the transition period.

- As an organizer around the ballot initiative, we did a study that showed 60% approval of a phased in proposal. Which is similar to a lot of cities who have raised their minimum wage. The city should build on that support when they pitch their recommendations.
- I wanted to clear up that there was a proposal that Minneapolis residents supported and was blocked by city council because they're lobbied by big business.
- How does this affect businesses who operate both in and out of Minneapolis? If you have a contractor who works in multiple cities, you're at a competitive disadvantage.
 - I'm a little familiar with construction companies, and how they pay union and non-union employees. It doesn't seem to affect them too much.
- It is true that if Mpls were the only city for an extended period of time paying \$15 that would be a problem. But what we've seen in other locations is that once the economic center moves ahead, the rest of the cities and/or the state fall behind.
- It's important to remember that this impacts disproportionately women and people of color. And in caretaking and service industries. We're talking about specific groups and functions, not people all across the board.
- I want to touch on how this isn't about workers against businesses. It's about workers vs. workers. People who can value their work more competitively will get more work. That's the reason nothing is manufactured in the US.
- Even in two years of this campaign, we've seen a huge movement of sectors already raising their wages. Organizations taking the position of spreading equity. And Shakopee, raising the wage to \$19 dollars. There already is momentum. And we're not seeing this rapid decay that business owners are raising. It's an old argument. If we really want to talk about what drove businesses away, look at federal deregulation.
- I don't think of corporate capitalism as a law of physics. Part of living in a democracy is fashioning an economic system that meets our needs. I believe in the power of our citizenry to create a better world, and I hope people will join me and have imagination on how to solve problems. If businesses are struggling, let's deal with it. Let's not just pass this and look away.
- Do you think businesses that are in Minneapolis because they get a lot of customers, do you think they'll move?
- New businesses will move to other areas if the minimum wage is increased.
- I think hospitality is in favor of \$15, but with a tip credit.

- There's something very unique about operating a business in Minneapolis, and the vast majority of businesses need to be in Minneapolis, and will stay in Minneapolis.
- I want to recap that there was a ballot initiative that had a phase in over 4 years for big businesses and 6 years for small businesses.
- In a lot of my work with small businesses, I hear that people can't hire a dishwasher for \$11 dollars. So you ask them, in 6 years can you imagine raising that to \$15? Then people say yes, that sounds natural.

Surly Brewery Restaurant Industry

February 26, 2017

General comments:

- I would encourage the City Council to take a long, hard look at Detroit. The failure of that city spread for hundreds of miles. Some of the key levers to that were the increased cost of business. I've own a small business for over three years. There isn't a single cost that's gotten cheaper in that time. It becomes continually challenging to figure that out. A policy like this is like a tsunami that hits every part of that industry.
- I'm here because I haven't made up my mind yet. I have friends on both sides. I want to know how this policy would affect them.
- I'm also semi-undecided. My biggest question is, how are we supposed to compensate higher talent if the bottom is already higher?
- When I was in retail, I was managing a warehouse. Raising warehouse staff costs would drive up our shipping and receiving prices and make us not competitive.
- Why would larger businesses be enticed to stay here?
- Once again, I'm on the lower end of the pay scale. And I don't see any of the businesses I've worked for in the past making this work without finding some loophole. For instance, I'd be making more but I'd be getting less hours.
- I work in St. Paul and I've recently moved into a salary position. But before that, the restaurant was trying to find a loophole so our pay wouldn't really go up if the minimum wage went up.
- I sit on the board of the SW Business Association in Minneapolis. This has obviously been a hot topic for months. One thing I've found incredibly interesting is that no one I've come across is saying anything but how they offset other costs to keep the same percentages they have right now. I will kill myself to keep my 10-12 percent revenue.
- I just had a couple of questions: 1) Do you see indications in other places that the type of business changes? Like small businesses get replace by larger ones? 2) Is there a conversation around pricing people out of county benefits?

- I would like to see what the city could propose to make a better city that doesn't just put the burden on businesses, but on everyone.
- There are a lot of people in our community who won't be affected by this. Why is that? A small business might not be able to give employees what they need. Our community needs to take responsibility for providing people what they need.
- There are a lot of publicly traded companies that call Minneapolis home. If their prices go up, what's to entice them to stay? And then Minneapolis will lose its tax revenue.
- I came here with open ears because I wanted to learn. I would like to know what people's opinion is on Pathway to 15.
- I don't want a policy that's not complied with. Supposedly there's an 84% no compliance when employers consider tips within the \$15 an hour compensation.
- There are restaurants that have tried to do away with tips and that hasn't worked.
- What about making tip pooling legal? The other idea is to raise your prices to account for tipping. That only works in theory.
- I'm pretty 50-50 on tipping. But if you punish your good servers, you're going to lose them. I think tip pooling is a bad idea.
- I think you also have to take into account time-frame. In a tip position, the money you take in fluctuates highly.
- As a front of the house employee, if my employer needs to pay money to get someone up to \$15, I want it to be back of the house.
- We've seen that in states that do have a tip penalty, we don't see reduced disparities between back and front of the house.

How many of you as consumers are price-conscious enough that you think this could be a tipping point for you?

- I'm not really sure. I'm a business owner, and we're supposed to predict sales. I think more people are price-conscious than they actually think. But I don't think people are that good predictors of themselves.
- I think sometimes people forget that small businesses are both part of the community and businesses. Sometimes, people forget that. Big businesses are different.

- With the state minimum wage increasing, and sick leave policy, to look at another expectation on the employer's side seems impractical.
- There's a vast inequity between tipped staff and kitchen staff in our business. And people ask, why don't you pay your kitchen more, I come back and ask why you don't pay more to eat out. It's in the structure of the industry. But no one in our kitchen makes \$9.50. So, this increased minimum wage will benefit the tipped staff, who are already making more.

How do we address pay inequity?

- You can encourage people to get better on their own.
- In a tipped industry, we have a situation where a first-month server can make more than a veteran cook. And that's because there are laws that say that a server's tips are their own. Is there a way to redistribute that?

Comments in response to what considerations the City should take into account if moving forward on a minimum wage policy:

- I do believe the minimum wage has to go up in some way. However, the idea of going to \$15 on Monday, there's no way for any industry to accommodate that. For restaurants, you need to raise anyone who's already making \$15 to something higher to keep competitive. So I need to raise prices, and then people don't eat out in Minneapolis, they go to St. Paul.
- Same goes with salary employees, I have to raise their salary too.
- I think it's silly to think that there aren't changes that should happen as a result. If we're going to increase to \$15, that just can't hold true through all industries. I think we have to treat the hospitality industry differently.
- I don't think it's a ripple effect, it's a tsunami effect. We need to raise the minimum wage, it has to be over a long period that you can absorb those changes over time.
- This is viewed as a solution. And we do believe that everyone in our community deserves a good life. But is this the way to do it? How about supportive childcare, housing?
- I work in a tip position. My concern is that since consumers are paying for an increased price, they won't pay me as much. And that would be a huge pay cut to me. I don't have

health insurance. I don't have paid time off. And I'm making that decision because of what I make from tips.

- I know Mayor Hodges has made this a feminist issue. As a woman in this industry, a higher minimum wage isn't going to address the pay gap.
- An issue that comes to mind for me as a kitchen person, is this is going to drive up menu prices. We're going to go to bigger distributors for worse product. It would be hard for anyone working in a kitchen to see that happen, for people who do this work because they're passionate about it.

Small and Independent Businesses

February 27, 2017

General comments:

- Why isn't the service industry involved in the process? Why does the City feel the need to start conversations without including people that are directly impacted by the issue? We need to be involved in a more interactive way in the process. We need to have an active voice and active participation.
- There is a lumping together of all jobs – tipped workers are not the same as people who work in a hospital setting or youth workers.
- You'll see companies turn to self-checkout because companies are not going to be able to afford employees. So instead of having 4 people working at \$15/hr companies are going to move toward automation which will eliminate at least 2 jobs.
- The IRS considers tip taxable income and that should be considered in this conversation. It will cost our business \$200,000 or more to make this change which is more than we take-in in a year. We would completely lose the restaurant/service industry in Minneapolis as we know it. We support pathway to \$15 proposal because it includes slow implementation period.
- Our staff couldn't care less about their base pay. They make \$20 to \$30 an hour in tips. Our workers will go out to the suburbs. They depend on their tips as wages.
- To do a 57% minimum wage increase overnight just can't happen. The Mayor's talk is tone deaf and it's not accurate.
- There should be a concern, for a long time there was a perception that the welfare was more in this state, I think having a \$15 wage will have a similar impact in encouraging more people to come to Minneapolis to work because of higher wages. Everything you do creates a perception and this is huge in creating a perception.
- Using \$15 as a wage marker, not sure where it came from, but not sure that was from an economist or from a wage study, \$15 in Minneapolis is very different than in New York or Seattle. \$15 is the same as \$10.38 in New York and in San Francisco it's closer to \$10 as well. Because Minnesota has implemented an increase in the minimum wage,

and it happened very fast, also the safe and sick time ordinance, has been a lot in the recent past and has had a big impact on businesses.

- As a restaurant owners in Minneapolis are proud that it's become a great restaurant city, but we would have to close our restaurant if there wasn't some kind of consideration for tipped employees. We would either have to completely change our business concept, and our charm, to become a recession proof restaurant. We would have to either close or move to another city. If we leave the city loses food and beverage taxes and that is huge.
- I want to lay some foundation, my wife and I see what everyone sees this great disproportion of wages/income that's playing out in America with Big Business CEO's taking home lots of money. That's not the case for small business. Increasing the minimum wage will be a very different scenario, often the amount of increase is not as drastic as it would be hear. I also see a difference in automation, and what a small business vs. a big business could automate. The impact on the small and independent business in Minneapolis vs. the big box companies is very different. What big business spends on services is a lot less then in small businesses. There isn't one of us that isn't constantly thinking about what we can do to raise the wage of our workers to help recruit and retain them, but to have the city require this is a big turn off.
- Speak to the fact that the studies aren't conclusive, there isn't one of us that doesn't know our books and see that this will be catastrophic.
- It's outrageous to think that a 15 or 16 year old will come in and make the same wage as someone that has worked for us for a long time busting himself in the business.
- Everyone that works for us is a tipped employee, this policy with respect to small businesses is a solution without a problem. This problem is really more with the Target Fields, I'm a proponent of a living wage, but don't like the way this is being approached. The regulatory environment is already difficult, and this is just an added expense. We're already competing with the market and have to pay more to recruit qualified workers. If this isn't a statewide initiative why would you come to the West Bank for a drink when you could go to the suburbs and spend less?
- I don't understand why they are thinking about doing this. It's really hard for small businesses to make it. The taxes only are hard to pay at the current level. If we have to pay our workers \$15/hr, how much will the employer/owner be able to make? How much will we need to cut our wages?

- I work for one of the big companies' downtown and then I spend my money in my neighborhood. One of the reasons we still live here and spend here is because we need these businesses. I would hate to not be able to host family/friends in my neighborhood. I know that all these people provide great places for their workers to work. Workers seem jazzed to be there. People stay in the same space/neighborhood. As a resident, I wouldn't support anything that would jeopardize my community.
- For a lot of small business owners, we get into our business because it's something we're skilled at or have a passion for it. Often times when these situations arise, it requires us to utilize skills we might not be familiar with. For a lot of business owners, you wind up being pulled in other ways. We don't have HR, we don't have bookkeepers, that's us. Part of my frustration is that we're small businesses and we want to provide what we know to what our customers want. We don't have the buffer of large corporations to tackle these issues. A lot of this is the hospitality industry - we're just scratching the surface with this, we come to this with a passion that then provides an economic base for our city and then we're asked to handle more than we can.
- It feels like an unfunded band aide. How many people in this room think it would be enforced? It's impossible to enforce this and it will be an unfunded/unfair playing field. You'll have to check every business to make sure they are paying every employee a minimum wage.
- This is about family. When I was looking at the categories in the presentation, the \$500,000 distinction is a falsehood, I've never paid my employees minimum wage, and sometimes it means that I don't get paid. I get nailed by the city every time I turn around.
- You're going to lose servers because they aren't going to be paying their employees.
- This will never help any server, ever, it will hurt them.
- We are our own human resources department. Most of my employees are making above minimum wage because I have to hire really qualified people to do the job because we don't have the capacity. We hire immigrants, and there are so many regulations and checks we have to do, it's so much because we don't have a human resource department. I go to coffee shops and restaurants to do my business, if they have to pay more, then I have to pay more, and we need to think about all of the consequences.
- If wage goes up, then tips go down, I'll lose my job and I live alone and have to support myself.

- People forget that we're also the people, we're buying gas/groceries, etc. If we lose money we have to start dipping into savings, we had to take out a second mortgage on the entirety of our home. If the risks of starting a business become even greater then less people will start businesses. One thing this conversation does it pit business against workers – that is a false dichotomy – there is a benefit to business and to workers. If benefits come to everyone then why is it that only the low wage worker, or the small businesses, that have to bear the burden of the decision? We need lower childcare costs. Raising the wage doesn't take care of this.
- I'm concerned about the number of retail stores that have come into the area, they have certain retail wages that they need to make to sell their products. I would hate to see independent businesses lose. If those stores go away then I'll have to go to the mall or big box stores. It seems like it's the big box stores that should have more responsibility. If they are getting tax credits that aren't provided to small businesses that is unfortunate.
- The \$15 mark has been set by people that are angry by big box companies and now they're trying to penalize small businesses. Why the proposed minimum wage based on profit, revenue isn't fair.
- Very few remodeler contractors are located in the cities, it's a harder business. What happens when they get job offers in the city, I'm going to pass on the opportunity, because it's not worth the added wage expense. I think that is going to have an effect on the economy.
- When you see how the changes have been handled in other places, like Seattle, when they decided who it applied to, they said if you have 40 businesses or more throughout the country then it applies to you. The \$500,000 revenue mark has no correlation to your ability to pay.
- It feels like there is really a drive within the city to push the \$15 wage since all of us voiced our concerns about this last year.
- Going back to Safe and Sick Leave and the proposed 30 day calendar, there was talk about tailoring it to certain revenue thresholds, but we lost sight (people in govt) that it should be tailored to industry as well. It seems like its cursory interest that you want to talk about tailoring to industry. The hospitality industry is really unique in terms of scheduling, pay, and economic distribution. I don't think we can create a blanket wage scenario without considering industry.

- This issue is multi-faceted, I work as a server who works in fine dining, I don't care about my paycheck, give the pay to the kid at Wendy's or the back of house staff. I have great employers, but let's talk about those employers that are stealing wages and not good employers.
- We need to pull PCA's out of the conversation and wage discussion. We don't have enough PCA's.
- Minneapolis has a history of not being hospital to small businesses. My parents owned a business and finally had enough and closed. You are going to put businesses in the situation, where the results don't translate to our community. There are so many things to consider, I don't think a blanket solution is going to solve anything.
- How should the recommendation are worded, and how they're laid-out, is really important. If we are specifically talking about service industry, if you're an owner making a 5% profit is great, making 10% doesn't happen.
- In terms of the dollar level of sales and revenue – it doesn't say a lot about their ability to pay. Let's say you are in a 3% margin restaurant, and that it was million dollar restaurant, but more than 97% went to other people. There really seems to be a lack of understanding about the economic engine these businesses are. It's mind boggling to see how many other industries restaurants touch.
- I'm looking to buy a shop for my business, but I'm not sure I want to locate in Minneapolis, because it's like the city is business hostile. I don't ever feel like – "Oh, the city just did something great for my business". Is the city willing to pony up and share some of these costs?
- I have chosen to be in the service industry since 1993. I'm definitely not in it for the money. I can't think about making \$15 an hour. If we lose my restaurant I would be heart broken. I've seen restaurants expanded and I would hate to see us loose them.
- I saw Mayor Hodges blog post and found it to be very misinformed when she mentioned a tip penalty. To take that tone really makes me angry. The language about sexual harassment, and slavery is very untrue. If a tip credit is considered they should know that what Mayor Hodges said is not true.
- The challenge to staff is that the City Council and Mayor have already taken a position on the issue. I wish they wouldn't have said anything because does it really matter what staff says? In the hardware business, if you make 2% profit, it's a good year. This is lower than the grocery industry. I looked at our numbers and moved everyone up to \$15 and

then proportionally up. It would mean a 21% increase in payroll (in addition to sick time). I would have to increase my prices by 5%. I don't think the retail stores have that option because people have options on where to go to buy products and the small stores will lose.

- The general feeling that I'm getting, is that most of the council is supportive of this. Knowing that this is an election year, and that many have come out aggressively supporting this makes me nervous. So this really is on the table right now and something is going to happen it's just a matter of when.

Comments in response to what considerations the City should take into account if moving forward on a minimum wage policy:

- We have a cook that has been with the restaurant since day one. He makes a dollar over \$15 an hour. He's earned his raise every year he's been with us. We love this employee like family, to basically have "Johnny we don't know if you are going to work", making a dollar less than this cook is not fair. The guys in the back of the house are earning and deserving of their rate. As businesses, we're always looking for ways to pay our employees more.
- One way you could address it is by pooling of tips, but that is illegal, and I don't think it's a good idea. I think we're the only state that doesn't have a tip credit and allow pooling of tips.
- We live essentially in a non-franchise environment, we are our everything. We can't rely on the franchise to cover a loss for us.

Mayflower Church – South Minneapolis Community

March 2, 2017

General comments:

- I make \$8.25/hr and have seen the horrible impacts on people working multiple jobs to pay their debt and make rent. One person had a child die and they couldn't take time off. The horror of people working low wage jobs is terrible. There are limited opportunities for people with limited qualifications.
- When you make drastic and large changes to the fundamental cost structure of a business you will lose business. I have turned down opportunities to have restaurants in Minneapolis and moved businesses to St. Paul. Loans require cost information that has to be upheld and new requirements make this hard to predict. We've lost a lot of great restaurants this year because people don't want to sign 10 year leases in Minneapolis. This will impact business decisions that I make. We just move to paying \$9.50/hr. My employees make more than that. We also have tipped employees who make the minimum wage, but make more because of their tips. Each industry has needs and things that need to be considered. Tips need to be considered in a policy. People who work for me our highly educated, in school, and work for us because it's flexible, they can work less hours, etc. If we do this we'll move to more automation. Service jobs need to be looked at closely. All taxable wages should be considered when calculating wages.
- I'm a business owner and understand the bad side of low wages, but there is no magic pot of money small businesses can access. Other cities have increased the minimum wage, but scaled up. Small businesses are an entry point to work and learn. It's hard to pay students a lot for low skill jobs. Some policies use the age of the employee to determine the wage while others set a time period, like 90 days, I would urge the longer time period.
- I support a state increase in the minimum wage, but as of today, I wouldn't make a business investment in Minneapolis. I can move your people to my business, but I wouldn't invest in Minneapolis with these questions.
- We share clients between cities and to have two cost structures 10 minutes apart is confusing for our workers and customers.
- Attracting skilled workers is a challenge and servers are skilled. An increase in the minimum wage is going to impact servers because restaurants have to add service charge which caps what servers can make. Servers can go to other cities for work. This is

going to increase our costs. Servers are afraid of the impact an increase in the minimum wage could have.

- I'm always battle costs and my minimum wage is already creeping up without regulation. So we are moving this direction any way. Different types of employees should be able to make less based on job, skill/age, and tips.
- If everything went up tomorrow, my payroll would go from \$6,000 every two weeks to \$9,000 so there is a real impact on the bottom line. We're all fighting inflation and value of the dollar. There is only so far we can go. Small businesses are not the enemy.
- In other places, restaurants pay workers versus having the customers pay staff.
- Restaurants have tried to go to a no-tipping model, specifically in New York, and there are positives and negatives. Restaurants in our markets that have tried it have failed. They lost service staff to other jobs where they did receive tips. There are social norms at play and a cultural component. As a restaurateur, I have the right to preserve our culture. Tips are a motivation that elevates service. Anyone can take orders, machines do that, servers create an experience for customers. The restaurant industry is based on the commission model.
- I don't like bills at restaurants being based on tips. It's demeaning to me.
- There are some industries that are not optional for people to go to and they are areas where there are already shortages. How will we support those businesses with conflicting regulations and less opportunities to cut costs to accommodate the increased wage?
- As a worker, if I take home a salary of \$50,000 a year my wage won't increase but cost of goods and services will go up. Daycare expenses will increase. There are a large pocket of people who won't benefit from an increase minimum wage, but will be punished by it.
- I'm retired, but have thought about starting a business which would be in South Minneapolis. With all of the recent regulations in Minneapolis I wouldn't open a business in Minneapolis at all. If the minimum wage is increase at the state level then I might change my mind. A change at the federal level would be even better.
- I come from a human services background and see how the increase wage would be helpful. In my current life, I'm about building up communities and I'm concerned about mom and pop shops and having access to services. Some people are able to go to other jurisdictions, but what about people who aren't mobile. I'm also supportive of a youth wage.

- I own a business and want to know who will buy my business if the increased wage is passed. High school kids are sad about the proposal because they'll lose access to jobs.
- It will be important to address the unintended consequences of people losing benefits. It seems like an issue would be to determine how a policy would impact state level benefits.
- I like small businesses, but don't like big businesses getting corporate welfare. Why can't we offer assistance to small businesses?

What kinds of considerations should be thought of, if any, for small/micro businesses, startups or particular industries?

- People who work at Manny's will make more than servers who work at less fancy restaurants. If we have an increased minimum wage people will have more money to put into the economy.

What kinds of considerations should be thought of, if any, for specific categories of employees?

- Some employees use their job as supplemental income while others use it as their primary income. Most businesses take into account life situation when setting wages and hours. Can we account for different types of employees with a Minneapolis only policy? At the city level, can we accommodate these types of situations? We want to do this together and work together to build a better community.

Harrison Recreation Center - Southeast Asian Community

March 3, 2017

General comments:

- The question is if the goes up to \$12/hr and the gas goes up \$2.00 or more are we going to survive?
- We have too many people so the cost of living is not enough. There are too many expenses. We don't make enough to make a living.
- There are a lot of people out there complaining about the wages, but they don't have the guts to bring it to City Council.
- I take care of my children for \$14 an hour, but gas and utilities, insurance and other bills are so expense.
- I'm retired, I get a check once a month, housing costs and living cost are so much and even the doctors cost so much. How are we going to live?
- Like in Europe, they have a subway so people can travel to work, we do have some transportation but not for everyone. In the Twin Cities, we have light rail, but it doesn't go everywhere. We stores like in Aldi were we can bring our own bags and pack our own food, but at other places the food is prepackaged and you just have to take and buy what is packaged so there is a lot of waste. Finding ways to eliminate the waste could help lower expenses.
- I work for \$15 now and we had a petition to put the minimum wage on the ballot, but it was blocked by City Council because big business lobbied City Council. McDonalds can afford to pay \$15/hr, but they don't want to. We took the city to court and were able to get the initiative put on the ballot for a week, but the Minnesota Supreme Court overturned the original ruling. I'm an immigrant and I understand what it's like to have to work 2 jobs just to try to make ends meet. We know that \$15/hr would lift a lot of people out of poverty.
- I'll present an alternative view - when the issue came to City Council, we were following the law. We have a charter and were doing what we could do to follow the law. The idea that the big boxes were coming in to lobby City Council isn't accurate. I

didn't meet with Target. I was simply following the law. I think in the end, what the Supreme Court did was interpret the law as what they thought the law is. The idea that raising the minimum wage will lift people up is certainly a perspective, but we also have to take into consideration our small businesses in North Minneapolis and our geography. We may end up losing business to some of our neighbors if Minneapolis raises the minimum wage. The idea of 71,000 people being raised up is good, but they could lose their jobs and be displaced, and lose their jobs to the suburbs. So I want to say that I'm an immigrant too and I don't think that matters in terms of how the minimum wage will impact a person. There is more that needs to be considered about the positive and negative impacts.

- My sister and I have been running our business for 7 years, we're still working for our own paycheck, so we aren't making a lot of money. The city has passed a lot of laws and ordinances lately that are raising my costs, my to-go orders have gone down because people don't like the taste of food in cardboard (had to move to cardboard to-go boxes when the Styrofoam and plastic bags ordinance passed). My orders went from 100 down to 45. The problem that I see is that big companies would not be as impacted as small businesses. As a small business, I would have to close. I understand the sick time ordinance, because I don't want my employees to come to work sick, but with a \$15/hr minimum wage plus the other ordinances it's killing small businesses. If I close, I have 7 employees that would lose their jobs, including my sister and I because we still work for our paychecks.

Comments in response to what considerations the City should take into account if moving forward on a minimum wage policy:

- What about exemptions for specific types of businesses? If everyone is going to get a raise then everyone should get a raise. For example, the gas station, if they have to pay their employees a higher wage, they are going to raise gas prices, how are they going to get things in balance?
- For larger business it's no problem, but for small businesses it's a problem. Every year the cost of living is going up, but every year the wages don't go up.
- For small business, can city hall collect lower taxes, and lower fees, so they can live?

Jungle Theater – LynLake/Uptown/Whittier Businesses

March 15, 2017

General comments:

- Was wage compression addressed in the study?
- We moved to \$15/hr for non-tipped employees and increased across the board. Actual sales went down, and we had to take out a loan to cover the increases. Really important to consider tipped income as part of the model.
- This will have an inflationary effect – costs are going to get pushed up all around – if you increase wages then will the cost of living go up? Can't we just let the free market move forward?
- Cost would be about \$24,000 to implement a minimum wage increase to \$15.00. There is disdain for "big corps" who can handle an increase like this, but small businesses can't absorb.
- We should leave wages to the free market – let people handle as they wish. This would be a 52% increase in my payroll and would be like the song "Killing Me Softly". We are not Russia yet. We are not a communist country. We are a capitalist country, and I want to be able to pay good people more. If I have to pay even my worst employee \$15/hr, what can I pay my best employee? I won't ever think about opening another business in Minneapolis until we see how this works out. If you want to kill our business, at least do it for the whole state – not only in Minneapolis. I will exit this market if Minneapolis does this alone.
- If people were making more in wages, you'd have a whole group of people spending more in Minneapolis. Anyone making \$9.50 now isn't going out much. \$15.00 allows them to be better consumers – it creates more demand for food, clothing and other basic services.
- In a two-tier system, how would we enforce the "Missing" wages? And, would the tipped minimum rise along with the non-tipped minimum?
- Enforcement of a tip credit. Aloha POS can fix this with a software fix. I own a little sandwich shop. This would add 100% or 200% to the cost of me making a sandwich, resulting in a 30-40% price increase in my menu. Let's be clear that an additional

\$5.00 in wages yields only \$0.75 to the worker with the balance going to federal taxes and state taxes.

- Many of the people we are talking about – who would benefit from this – aren't necessarily living in the City. So, the additional spending they may do won't necessarily be in the city. Having Minneapolis do this alone seems like a pretty big risk of lost income to the City. Are there are other elements the City could address – in addition to a wage increase – affordable housing costs? Job training? Transportation?
- If the minimum wage was raised and no tipping involved, my income would be cut in half. I'd barely be able to get by. If the minimum wage was raised to \$15/hr in Minneapolis, with no tipping, I'd go work in Saint Paul. Agree that we should let the free market work as it's intended to. As a front-of-house server, you really have the opportunity to earn more if you hustle.
- I've been in business for 50 years, with some employees with my company as long as 30 years. We are contributing to our communities in lots of ways – including supporting our employees. The last two raises to the minimum wage (which didn't exempt tipped employees) directly affected the higher-paid employees (because other folks were already at minimum wage). So, it had a slightly perverse effect from what was intended. If this moves forward, table service restaurants will then need to require pooled tips and/or getting rid of tipping in favor of higher prices.
- Every benefit that is available to the management family is available to all other employees.
- I perceive this as negligent – what we pay our tipped employees is available on our tax returns. It's been kind of heart-breaking to be part of this discussion.
- We're missing personal responsibility in this conversation. If not a minimum wage, could we coach/support people to advance in their careers? What about helping people paying off student loans? Additional disposable income is important, but it won't necessarily help people move to higher-paying positions.
- Tip pooling seems like the just thing to do. People in front aren't working any harder than the back. Tips made my day-to-day income possible/valuable. If wages are raised, tips shouldn't go away, but they should be pooled.
- Lake Street Council: Summary of what we heard – consistent from our business members, we heard –
 - At \$15/hr, the increase to costs would exceed the typical annual profit margin, thus needing to cut staff.

- Business owners are doing their best to support their people
 - Include tips in calculation – it is real income.
 - Non-tipped environments – worry about ability to make this happen
 - Timing sucks – immigration policy is a worry for immigrant owners. This adds to the stress.
 - Competition with neighboring cities and online retailers is real and would be the serious implication of businesses leaving.
 - Fixed income – regulated environments (child care, etc.)
 - Businesses said they could handle \$12/hr, not \$15/hr.
 - If job loss, won't that hit the people most in need of work and experience?
- We acknowledge that everyone *wants* people to make \$15/hr. The \$9.50 we've talked about for servers doesn't exist. Front-of-house staff average \$29/hr. And, everyone in my restaurant earns much more than \$9.50/hr.
 - Have to work toward a tip credit that guarantees \$15/hr for everyone, including tips. Arguing against the tip credit will slam the employer and endanger other jobs.

Central Library – Minneapolis Youth Congress

March 16, 2017

General comments:

- Only a few in the room work. Of those who work, most stated they contribute to their household income.
- Most of the youth who worked earned an average of \$8.00/hour.

The conversation opened with questions of concern upon learning this was Minneapolis only:

- Companies would “dodge out” and move their corporate headquarters/businesses out of Minneapolis.
- The job market would be oversaturated because no one would want to work in other cities.
- There will be job loss.
- I’m worried. This means undocumented workers would be even more exploited.
- On the positive side, a Minneapolis only wage may increase pressure on other cities to raise wages due to employee recruitment and retention issues.
- This will work better if it’s statewide.

Other comments and concerns:

- I’m worried that companies will turn to automation.
- I’m concerned that tips will go away and we need our tips.
- If wages go up, the prices of goods will increase and there will be no benefit (still in same situation).
- Seems like prices will always go up, but wages don’t keep up.

- Jobs will be harder to get for us because other people in neighboring cities will come to Minneapolis for the \$15 and we'll get squeezed out.

The conversation also brought several suggestions for solutions:

- The suggested wage increase isn't enough to lift people out of poverty. More needs to be done.
- A universal based income should be considered – is there a way to provide subsidy to those in need?
- The City should provide incentives for businesses to increase wages – provide subsidy or tax break or other.
- This needs to be a holistic approach. If it's done with other solutions for families in place the payoff is less reliance on social services. It could be a “budgetary tradeoff.”
- The City should consider a rent control or rent cap.

The participants were asked specifically how they felt about a “youth wage” or training wage, etc.

- There should be a “cut out” or lower wage but not a significant one. For example, if the minimum wage is \$15 a youth wage might be \$14.
- Wages should be based on experience with periodic raises.
- A youth wage should be age based. Conversely, a youth wage should not be age based.
- There are ways to ensure that youth who contribute to the household get the wage increase (\$15 was used). A suggestion was to somehow report household income to employer.
- There was a concern that reporting household income would cause more paperwork for everyone.
- Another suggestion was that if reporting income, it should come after the hire so there is no discrimination.

- There should be a way to ensure those who need income support get it and those who don't would get the lower wage. The example offered was a single mom is needing it more than a youth who has support at home.
- There was still concern expressed that raising the minimum wage won't lift people out of poverty.

Minnesota Council of Nonprofits – Nonprofits

March 24, 2017

General comments:

- My organizations works with kids starting at 14. I have seen negative impacts since the state's minimum wage increase. 40% fewer youth are able to get jobs because funding has not increased with the minimum wage increases. There is a training wage exemption in state law, but we are not eligible because we receive state funds. A training wage for non-profits that offer internship opportunities should be considered.
- My organizations works with adults who are getting into the job market and an increase in the minimum would be make us less effective in getting people into the job market.
- There been studies that show a training wage encourages a high turnover model, as businesses want to keep new workers so they can pay them less.
- Job training programs are not intended to be a long-term employment. They are typically the first job for someone, usually over the summer.
- As a Medicaid funded non-profit, we have a set amount of money we can pay. By law we cannot pay more. Non-profits have a static budget, there is no fat that can be cut.
- There were concerns raised about fairness and morale issues if a non-profit has multiple locations and some workers would be paid more inside Minneapolis.
- If raising the wage moves forward, it needs to be a stepped implementation. Maybe exclude non-profits for some time so that they have time to work with their funders to calibrate for the changes.
- If implemented, the City should be considering working with the University of Minnesota to undertake a longitudinal study of the impacts. Look to Seattle and the University of Washington for an example. There must be metrics, what does success look like, etc.
- The City should look at total compensation rather than minimum wage. For example, if an employer makes contributions to an HAS or retirement account, that should be counted toward an employee's wages.

Thoughts regarding exemptions for some types of employees or businesses:

- Could be done by size of the business, either based on number of full-time employees or profit.
- An exemption for non-profits was considered, but many were concerned that it may have the unintended consequence of driving workers away from job training because they could get paid more at for profit jobs.
- Daycare - Child care aides would go from \$12/hr to \$15/hr, this would mean that lead teachers would need to be paid closer to \$16/hr to \$18/hr. Daycare costs would go up and lead to child care that isn't affordable for many residents. Even with a sliding scale used for low income families, many would be priced out.

What would a minimum wage increase mean for your organization:

- Health insurance will need to be cut to pay for increased wages
- Another option is to cut the number of workers, especially low skilled workers.
- There is a difference between what we want to do versus what we can do.

Other policies or ideas that should be considered:

- Healthcare is too expensive.
- Support companies that have to pay the higher wage. Consider a tax break.
- Avoid minimum wage increases that would prevent residents from receiving government benefits.