

Main Street Coalition for Economic Growth, Inc

Members include:

Alliance of Wisconsin Retailers

Association of Wisconsin
Tourism Attractions

Golf Course Owners
Association of Wisconsin

Midwest Equipment Dealers
Association

Midwest Hardware Association

National Federation of
Independent Businesses

Tavern League of Wisconsin

Tourism Federation of
Wisconsin

Wisconsin Association of
Campground Owners

Wisconsin Association of
Convention and Visitors
Bureaus

Wisconsin Automotive
Aftermarket Association

Wisconsin Automotive Parts
Association

Wisconsin Grocers Association,
Inc

Wisconsin Innkeepers
Association

Wisconsin Restaurant
Association

To: Members of the Wisconsin Legislature

From: Main Street Coalition for Economic Growth

The Main Street Coalition strongly opposes Senate Bill 1 which would do the following:

1. Raise the state minimum wage to \$7.60 per hour
2. Require DWD to annually increase the wage on June 1st of each year to reflect the difference between CPI for the preceding year and the current year (indexing)
3. Permit any city, village, town or county to enact and administer an ordinance establishing a living wage.

Unemployment rates remain at historic highs. The economy is still in a recession and retail (Main Street) sales are sluggish. There is still a great deal of economic uncertainty. This is no time to pass a minimum wage increase that will surely discourage employment, eliminate job growth, and stifle job creation.

Small business owners oppose SB 1 because they are on the front line of trying to create jobs, grow their businesses, invest in their communities, provide young people with their first real job experience, and provide meaningful employment opportunities for those individuals with fewer job skills. We remind those who support this legislation that small business already had to absorb a raise in the minimum wage to \$7.25 that went into effect in July of 2009. Senate Bill 1 will have unintended consequences on small business and their employees.

The indexing provision in SB 1 will severely restrict the ability for small business to grow and hire more workers. Imagine what would happen to wages if the United States returned to double digit inflation as we experienced in the early 1980's as many economists forecast we might. Do we really want to be on auto-pilot? We strongly oppose this provision.

For over 90 years, the state has preemptively established, regulated and enforced a minimum wage rate for Wisconsin workers. This long-standing historical precedent became law when Governor Doyle signed legislation which gives the state the sole authority to establish a minimum wage rate for all Wisconsin workers. This important legislation, backed by small business, and approved with bipartisan support in the Assembly and Senate became law in June, 2005.

Senate Bill 1 would repeal that law and allow local units of government to set their own minimum wage rates, creating wage islands and the economic chaos that goes with it. It is obvious from both a historical and statutory perspective that the establishment of a minimum wage is a matter of statewide interest. We strongly oppose the language in SB-1 that would eliminate the state's exclusive authority to establish a minimum wage.

In conclusion, this is a very challenging time in our economy for workers and employers alike. This is no time to pass legislation that puts employment opportunities at risk and places our state's small businesses in even deeper jeopardy.

For additional information, please contact Ed Lump at 608.270.9950 or Bill Smith at 608.255.6083.