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March 29, 2014

The Honorable John Coghill
The Honorable Wes Keller
Senate and House Judiciary Committee
Alaska State Capitol
Juneau, Alaska 99801-1182

Re: "An Act to Increase Alaska's Minimum Wage"

Dear Senate and House Judiciary Committee Members:

The Juneau Chamber of Commerce, representing over 400 business members, the majority of which are small business owners with less than 25 employees, strongly opposes Proposition 4 on the August 19, Primary Election Ballot titled "An Act to Increase Alaska's Minimum Wage."

Increasing the minimum wage reduces entry level jobs and hinders entry into the workforce by unskilled workers including students earning for college, seniors seeking supplemental income, disabled workers developing skills and gaining dignity, poorly educated individuals attempting to gain marketable skills, and individuals with a poor work history attempting to improve their work potential. In fact, employees between 16-24 years old account for 50% of all minimum wage earners. This statistic clearly demonstrates Alaska's minimum wage is an entry-level wage, not a long term wage. The minimum wage is meant to be a "stepping stone" wage and should encourage employees to strive for better skills and work history to gain greater skills and responsibilities and the resulting higher wages to go with them.

Increases in the minimum wage force employers toward more mechanization and greater use of technology to replace low skill, entry-level jobs. Further, it creates salary inflation as employees with wages above the current minimum would expect increases as a demonstration that their positions are not entry-level.

The prices of products and services in many industries will be forced upward causing inflation. Higher prices will negatively impact consumers and put further economic burdens on the low-income consumer. Higher prices slow the economy and reduce operating revenues for many businesses, resulting in the reduction of opportunities for entry-level jobs.

Government mandated minimum wages fundamentally alter the free market exchange between employers and employees. Employers should be free to determine the value of the work they offer and employees should be free to accept or reject the wage. Regulation of wages has interfered in this freedom of exchange and has contributed to the overall cost increases in goods and services and reduced job opportunities for those who most need it.

Respectfully,

A handwritten signature in dark ink, appearing to read "Cathie Roemmich". The signature is fluid and cursive, with the first name "Cathie" written in a larger, more prominent script than the last name "Roemmich".

Cathie Roemmich, CEO
Juneau Chamber of Commerce