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Boardwalk's Best Inc. in North Wildwood, New Jersey.

Sep. 04, 2013

Ines Sinko has spent the summer helping tourists pick out gifts and beach apparel at Boardwalk's Best Inc. in North Wildwood, New Jersey.

Sinko, 21, a foreign student from Belgrade, Serbia, makes \$8 per hour at the seasonal Boardwalk store and has racked up lots of overtime this year, she said. Slightly better than the \$7.25-per-hour minimum wage, this is the going rate for many summer workers on the North Wildwood Boardwalk.

New Jersey is considering whether to increase the pay of its lowest-paid workers. A Nov. 5 referendum will decide whether to boost the state minimum wage by \$1 and tie future increases to inflation.

Sinko said any raise would be welcome. She started at \$7.25 last year and had a difficult time making enough money over the summer before she returned to Serbia, where she is studying hospitality management. Sinko said she wants to start her own Wildwood Boardwalk business some day.

Her 75-cent increase this year made a big difference, she said.

"I'm satisfied with my salary. And I get overtime," she said. "But \$7.25 was not enough. It's so much better now."

Gov. Chris Christie, who visited the North Wildwood Boardwalk last week, vetoed a bill that would have raised New Jersey's minimum wage to \$8.50 with annual increases tied to the Consumer Price Index, the nation's gauge of inflation. Christie, along with many business groups, balked at the automatic increases.

New Jersey's state minimum wage is supported by an underlying philosophy that

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said.

But Van Drew, of Dennis Township, said he was opposed to language calling for automatic increases tied to inflation.

"It was one of the hardest votes I ever had to make. But I had a good number of employers come to me and say without question they would reduce hours and possibly reduce employees," he said. "That concerned me because our unemployment rate (in South Jersey) is already so high."

Former state Assemblyman Matt Milam, D-Cape May, Cumberland, Atlantic, also bucked his party by voting against it.

Milam, who owns a trucking company in Vineland, said his employees make well above minimum wage. But he talked to many business owners who expressed concern about cost increases for mandatory health insurance, increasing the minimum wage and the lingering effects off the recession.

"At the time of the vote, there were a lot of things that were bad timing," Milam said. "From an employer standpoint, it was too much at one fell swoop. That dollar increase should be phased in over three years."

Milam said increasing the minimum wage likely will drive up wages for other workers as well.

"When you look at an employer with an employee at \$8.75, now he has to increase that person's wages to \$10," he said.

The increase could have a disproportionate impact on South Jersey's tourism economy, he said.

“It could affect tourism when you have hotel workers who are paid minimum wage.

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minimum wage sounds like a good idea, but economic research shows it actually hurts those it's intended to help,” the ads conclude.

Spokesman Michael Saltsman said the move most affects the retail industry followed by entertainment, recreation and restaurant businesses, which could lose an estimated 2,500 jobs in total from the wage increase.

“That's a conservative estimate. But one of the biggest industries affected would be tourism,” he said.

Saltsman said the vast majority of minimum-wage workers have other means of financial support. About 7 percent are single working mothers or fathers, he said.

“If raising the minimum wage would make it more difficult for low-skilled workers to find work, would you still support it?” he said. “If it was as easy as raising prices and customers would pay it, there would never be a debate about the minimum wage. Businesses would just raise prices accordingly. But employers can't do that.”

The proposed increase does not keep pace with the cost of living since 2006, when the state last raised the minimum wage, said Gordon MacInnes, president of New Jersey Policy Perspective, a liberal nonprofit research group based in Trenton.

“With inflation, the minimum wage would be \$8.40,” he said. “In a very high-cost state, we have families that are struggling mightily to survive. The idea that \$7.25 is adequate — anyone would know that's not the case.”

His group disputes the idea that raising the minimum wage would lead to higher unemployment.

He points to the decreasing unemployment in the nine states that raised their minimum wages in 2012.

“This is a contention that has gone on for years. The impact of the minimum wage is

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small businesses out of business,” he said. “I’m all for a higher minimum wage. It makes sense.”

Local employers said the wage issue is just one of several challenges for small business.

“It’s a touchy situation,” said Darren Staffieri, of Mullica Hill, owner of the Amish Market of North Wildwood.

“Any business only makes so much money. They can only afford so much in their payroll. And the government takes so much in taxes from you,” he said.

His employees start at \$8 per hour, so the increase would have little impact on his books, he said. And he sympathizes with low-wage workers, he said.

“On the one hand, you want to get as much as you can for your fellow Americans. I’d like to see the median salary in this country go up,” he said. “For that reason, I say yes, raise it. But then you might have fewer people hired or see hours cut.”

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