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Minimum wage is on the rise in the United States.

While the federal government mandates a national minimum wage of \$7.25 per hour, local and state governments have taken matters into their own hands; the city of Seattle was one of the first jurisdictions to set their minimum wage at \$15 per hour.

[[From LendEDU](#)]

California, New York, and Washington, D.C., are following suit and have implemented statewide schedules to reach \$15 an hour in the coming years.

It is too early to tell what kind of impact a \$15 minimum wage will have on local economies, especially [small businesses](#) that are most pertinent to these policy changes.

However, LendEDU sought out small business owners from the aforementioned places to get a firsthand account of what they think a \$15 minimum wage means for their business and other small businesses.

Surveying 500 small business owners, we came away with these key takeaways:

- 67.6% of small business owners in the impacted locations are supportive of the \$15 minimum wage increase, 17% are not, and 15.4% are undecided
- 41.8% of small business owners believe the minimum wage increase will have a positive impact on their small business, while 27.4% believe it will have a negative impact, and 30.8% believe there will be no impact
- 18.6% of small business owners stated they will relocate their business due to the changes, while 24.2% will consider relocation, 45.6% are staying put, and 11.6% are unsure

# Full Survey Results

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2. Are you supportive of the \$15 minimum wage increase?

- a. 67.6% of respondents answered "yes"
- b. 17% of respondents answered "no"
- c. 15.4% of respondents answered "unsure"

3. What changes are you most likely to make to your small business as a result of the \$15 minimum wage increase?

- a. 18.8% of respondents answered "more hires"
- b. 15.6% of respondents answered "less hires"
- c. 25.6% of respondents answered "raise the price of my small business' products/services"
- d. 4.8% of respondents answered "lower the price of my small business' products/services"
- e. 3.2% of respondents answered "lay off some of my employees"
- f. 6.2% of respondents answered "more hours for my employees"
- g. 6.2% of respondents answered "less hours for my employees"
- h. 19.6% of respondents answered "other"

4. (Asked only to those who answered B, E, or G to Q3) Will you be relying more on technology (i.e. automated ordering kiosks) to run your small business' day-to-day operations and less on manpower?

- a. 31.2% of respondents answered "yes"
- b. 25.6% of respondents answered "no"
- c. 28.8% of respondents answered "most likely"
- d. 4.8% of respondents answered "most likely not"
- e. 6% of respondents answered "unsure"

5. Ultimately, how do you think the \$15 minimum wage increase will impact your

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6. (Asked only to those who answered D or E to Q5) Do you think your small business will survive as a result of the \$15 minimum wage increase?

- a. 38.69% of respondents answered "yes"
- b. 18.25% of respondents answered "no"
- c. 43.07% of respondents answered "unsure"

7. Ultimately, how do you think the \$15 minimum wage increase will impact your employees and other small business employees?

- a. 44% of respondents answered "it will be better for employees because they will have more money in their pocket"
- b. 13.6% of respondents answered "it will be better for another reason not listed"
- c. 18% of respondents answered "no impact"
- d. 19.4% of respondents answered "it will be worse for employees because there will be layoffs and/or less hours or another reason"
- e. 5% of respondents answered "it will be worse for another reason not listed"

8. Ultimately, how do you think the \$15 minimum wage increase will impact the overall health of the economy?

- a. 35% of respondents answered "it will be better for the economy by giving more workers more disposable income"
- b. 17.6% of respondents answered "it will be better for the economy because it will force small businesses to innovate"
- c. 9.6% of respondents answered "it will be better for the economy for another reason not listed"
- d. 12.8% of respondents answered "no impact"
- e. 11.4% of respondents answered "it will be worse for the economy because more workers will be without jobs"

f. 8.2% of respondents answered “it will be worse for the economy because more

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impacted by the \$15 minimum wage increase as a result of the minimum wage increase?

- a. 18.6% of respondents answered “yes, I am going to relocate”
- b. 24.2% of respondents answered “not yet, but I will definitely consider it”
- c. 45.6% of respondents answered “no, I am staying where I am”
- d. 11.6% of respondents answered “unsure”

## Observations & Analysis

### Among Small Business Owners, Support for Minimum Wage Increase Is High Despite Some Lack of Awareness

Considering that the minimum wage increase to the eventual target of \$15 could have considerable effects on small business owners in the impacted areas, one might think there would be a heightened sense of awareness among this group.

However, one-fifth (20.6 percent) of our small business-owning respondents admitted that they were not aware of the \$15 minimum wage increase that will soon become a reality in the location of their small businesses. On the other hand, 79.4 percent of poll participants stated that they were aware.

As the above graphic depicts, the vast majority of small business owners support the \$15 minimum wage increase, with only 17 percent opposing it. Yet 15.4 percent are unsure if they endorse the policy or not, which might be directly attributed to some owners not even being aware of the new policy.

The minimum wage hike, for better or worse, will likely have a considerable impact on the livelihood of these business owners. Many would do well to develop a more

in-depth understanding of the change so that they can formulate an opinion that

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For any business, outside changes out of your control often force you to adapt within your business, which is always key for survival.

The looming \$15 minimum wage increase will pressure small business owners to tweak their model and make adjustments in order to thrive. We wanted to find out what employee changes are most likely to come to small businesses as a result of the wage hike.

To compensate for higher wages, the plurality (25.6 percent) of small business owners will be raising the prices of their products or services. This is not surprising; money that was once profit will now be used to pay employees. To make up for that loss, business owners expect to try to make more revenue off of each sale.

This raises two big questions: Will these small businesses lose consumers who are looking for cheaper products and will increased prices be able to compensate for less customer traffic?

Interestingly, most small business owners are not expecting to lay off employees, which was selected by only 3.2 percent of respondents. In fact, 18.8 percent of small business owners are projecting to make more hires as a result of the minimum wage increase. Many experts [have predicted](#) the opposite outcome resulting from a \$15 minimum wage: less hires, more fires. However, a decent contingent of poll participants (15.6 percent) indicated that they will simply make less hires, a more likely scenario than simply laying people off.

The rise of artificial intelligence (AI) has continued to progress at a rapid pace in 2018. With employees becoming more costly as a result of the \$15 minimum wage increase, one could expect AI to become more prominent for small businesses. Was that the case with our respondents?

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## **The Absolute Impact of the \$15 Minimum Wage**

Since we have already discussed how employment might be effected by the minimum wage hike, it is time to look at the more black-and-white changes that could happen as a result of the policy.

Will small businesses survive? Will they perform better or worse?

We asked 500 small business owners what they think the ultimate impact of the minimum wage hike will be and the results were quite encouraging.

A combined 41.8 percent of small business owners indicated that the \$15 minimum wage hike will either be “great” or make things “slightly better” for their small business. In comparison, only 27.4 percent of poll participants believed the policy change will make things either “slightly worse” or “very bad” for their operation.

While a good number of respondents believed there would be no impact as a result of the \$15 minimum wage, these results have to be welcomed by those who championed a minimum wage increase because they are coming directly from the source: small business owners.

In terms of those who think the impact will be negative, we proposed a follow-up question that asked them if they think their small business will survive.

These results were not as encouraging. Despite 38.69 percent of respondents thinking their small business will survive, 18.25 percent believe it will not, and 43.07 percent lack the confidence to make a decision either way.



It is certainly not a good sign that so many small business owners think the life of

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If a small business is seriously worried about how a \$15 minimum wage will impact the operation, one simple fix would be to relocate said small business to a place where the minimum wage is lower than \$15.

We asked all 500 small business owners if they were considering making a move.

Despite nearly half of all respondents (45.6 percent) affirming that they are not relocating their small businesses, the other half was not so certain.

Nearly one-fifth of small business owners indicated that they are “going to relocate,” while 24.2 percent will “definitely consider it,” and 11.6 percent are unsure.

Losing small businesses is never good. They are the backbone of any local economy because they offer employment to residents and they encourage folks to spend their money locally, having a trickle-down effect on the area as a whole.

As a small business owner that is perhaps just scraping by, paying employees \$10 in one city instead of \$15 in a city where it is mandatory could make a world of difference.

## Methodology

All data that is found within this report comes from an online poll commissioned by LendEDU and conducted online by polling company Pollfish. In total, 500 small business owners from either the city of Seattle, the states of California or New York, or Washington, D.C., were surveyed. These desired respondents were found via Pollfish's location filtering feature. Using a screener question, LendEDU was able to assure that respondents owned a small business in the same location of their residence. The desired respondents were then selected at random from Pollfish's user

panel to complete the survey. The poll ran over a 14-day span, starting on Mar. 19,

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