Aloha Legislators,

The Hawai‘i Island Chamber of Commerce, based in Hilo, represents nearly 300 member businesses, professionals and non-profit organizations. Our community, like all others around our State has been hard hit by the pandemic and our restaurants, retail establishments, supermarkets and service providers are feeling the domino effects brought on by this economic downturn. Much like the devastation brought upon Hilo by the 1960 tsunami, which spurred efforts focused on economic recovery, our focus now should be on saving small business and reducing the burdens placed on them by government mandates. Now is NOT the time to increase the minimum wage.

Our businesses are required to provide prepaid healthcare for employees that work 20 hours or more, costing on average $6,000 annually for each employee which equates to adding a minimum of $3 per hour to each employee’s hourly wage. As an employer ourselves, the Chamber sees healthcare costs continue to rise. An increase in wages is tied to increased costs for other mandates, such as workers’ compensation, temporary disability, unemployment insurance, payroll taxes and other voluntary benefit programs.

The financial burden placed on businesses is increased further by a pay increase for those employees currently at the minimum wage level. Businesses may be faced with longer-term, highly-skilled and higher paid employees at pay levels close to, or at, minimum wage levels. In order to retain those employees, businesses may need to offer incrementally higher wages, placing a huge burden on payroll budgets as businesses strive to provide increases to keep and maintain their workforce.

The impacts from COVID-19 on our businesses will continue to be a concern. As businesses look at their expenses amidst these economic challenges, payroll is and will always be the biggest expense that is focused on first. We cannot afford to lose our workforce to unemployment. Help our businesses survive during this time with thoughtful, calculated and informed legislation. We ask you not to increase the minimum wage.

Sincerely,

Miles Yoshioka, Executive Officer