

Richard Williams <richard.williams@lacity.org>

## Minimum Wage Statement for the Record

1 message

**Georgia Berkovich** <gberkovich@midnightmission.org> Tue, Mar 24, 2015 at 6:20 PM
To: "richard.williams@lacity.org" <richard.williams@lacity.org>
Cc: Martin Schlageter <martin.schlageter@lacity.org>

Mr. Williams,

We were at City Hall today to attend the Economic Development Committee meeting and make our comments for the record. We waited in a line of hundreds of people, but were unable to participate.

The following is our statement for the record:

**The Midnight Mission has been providing a way to self-sufficiency for 100 years. A significant part of that is our job preparedness program; where we offer our program participants not only a framework for structure and accountability but provide for them a skillset for long-term employment as well as a head start in self-sufficiency. This often takes place in the form of entry level employment opportunities. As a nonprofit that relies on funding from donors and private contributions, the increase of the minimum wage would greatly reduce our ability to provide these vital program opportunities to our clients. Further, it would have negative impacts on our ability to provide the daily services so many of the most needy in our community depend on. The Midnight Mission stands opposed to an immediate increase of the minimum wage. And would ask that this committee take the time to fully investigate and understand the impacts on organizations in our line of work, and perhaps consider exemptions for agencies such as ours that are privately funded.**

Thank you,

Georgia Berkovich | **Director of Public Affairs**

O 213.624-4588 | C 310-383-1795

601 South San Pedro Street | Los Angeles | CA 90014






HOLLYWOOD CHAMBER OF COMMERCE

Date: 3/24/15

Submitted in Econ. Dev. Committee

Council File No: 14-1371 - 14-1371-S1 14-1371-S2

Item No.: 1

~~Deputy~~: Communication from the public

## Constant Contact Survey Results

**Survey Name:** 031515-MinWageSurvey

**Response Status:** Partial & Completed

**Filter:** None

3/24/2015 9:48 AM PDT

### Do you support the proposed minimum wage hike by the City of Los Angeles?

| Answer | 0% 100% | Number of Response(s) | Response Ratio |
|---|---|---|---|
| Yes. | | 23 | 28.0 % |
| No. | | 44 | 53.6 % |
| No Response(s) | | 15 | 18.2 % |
| | **Totals** | **82** | **100%** |

### What is the total number of people that your firm employs?

| Answer | 0% 100% | Number of Response(s) | Response Ratio |
|---|---|---|---|
| 1 - 9 | | 18 | 21.9 % |
| 10 - 19 | | 6 | 7.3 % |
| 20 - 49 | | 17 | 20.7 % |
| 50 - 99 | | 10 | 12.1 % |
| 100 - 499 | | 16 | 19.5 % |
| Other | | 3 | 3.6 % |
| No Response(s) | | 12 | 14.6 % |
| | **Totals** | **82** | **100%** |

### How many minimum wage employees do you employ?

| Answer | 0% 100% | Number of Response(s) | Response Ratio |
|---|---|---|---|
| None. | | 32 | 39.0 % |
| 1 - 5 | | 9 | 10.9 % |
| 6 - 10 | | 3 | 3.6 % |
| 11 - 15 | | 7 | 8.5 % |
| Other | | 19 | 23.1 % |
| No Response(s) | | 12 | 14.6 % |
| | **Totals** | **82** | **100%** |

If the City of Los Angeles raises the minimum wage from the current $9/hour to $13.25/hour (or more), over a three-year period, do you anticipate that this would adversely impact your business?

| Answer | 0% 100% | Number of Response(s) | Response Ratio |
|---|---|---|---|
| Yes | | 29 | 35.3 % |
| No | | 11 | 13.4 % |
| No Response(s) | | 42 | 51.2 % |
| | **Totals** | **82** | **100%** |

If you answered "yes", what actions do you anticipate taking?

| Answer | 0% 100% | Number of Response(s) | Response Ratio |
|---|---|---|---|
| Lay off employees (please specify how many in the comment box) | | 11 | 55.0 % |
| Reduce employee hours | | 11 | 55.0 % |
| Close business | | 5 | 25.0 % |
| Move outside L.A. | | 6 | 30.0 % |
| Other | | 4 | 20.0 % |
| | **Totals** | **20** | **100%** |

**TextBlock:**

Please tell us more about your business. This information is needed to show the City Council what the specific impacts of a wage increase will be for the LA Business Community.

What are your total operating costs? (approx.)

10 Response(s)

What percentage of your total operating costs go towards:

1 = 1-5, 2 = 6-10, 3 = 11-20, 4 = 21-30, 5 = 31-40, 6 = 41-50, 7 = 51-60, 8 = 61-70, 9 = 71-80, 10 = 81-90, 11 = 91-100

| Answer | 1 2 3 4 5 6 7 8 9 10 11 | Number of Response(s) | Rating Score* |
|---|---|---|---|
| Labor | | 18 | 5.8 |
| Materials, Supplies, etc | | 17 | 4.8 |
| Rent/Overhead/Equipment/Capital Costs | | 17 | 4.5 |

*The Rating Score is the weighted average calculated by dividing the sum of all weighted ratings by the number of total responses.

## What is the overall profit margin for your business?

1 = 1-5, 2 = 6-10, 3 = 11-20, 4 = 21-30, 5 = 31-40, 6 = 41-50, 7 = 51-60, 8 = 61-70, 9 = 71-80, 10 = 81-90, 11 = 91-100

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | Number of Response(s) | Rating Score* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | 17 | 2.3 |

*The Rating Score is the weighted average calculated by dividing the sum of all weighted ratings by the number of total responses.

## Please tell us what the impact of a $13.25/hour minimum wage would be to your business:

1 = 1-5, 2 = 6-10, 3 = 11-20, 4 = 21-30, 5 = 31-40, 6 = 41-50, 7 = 51-60, 8 = 61-70, 9 = 71-80, 10 = 81-90, 11 = 91-100

| Answer | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | Number of Response(s) | Rating Score* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| By what percentage do you anticipate your total operating costs would increase? | | | | | | | | | | | | 17 | 4.1 |
| What percentage of your total operating costs do you anticipate labor would be? | | | | | | | | | | | | 17 | 6.0 |
| By what percentage do you anticipate your profit margin would be reduced? | | | | | | | | | | | | 17 | 2.8 |

*The Rating Score is the weighted average calculated by dividing the sum of all weighted ratings by the number of total responses.

## If the $13.25 wage increase passes, by what percentage do you expect the following to also increase?

1 = 1-5, 2 = 6-10, 3 = 11-20, 4 = 21-30, 5 = 61-40, 6 = 41-50, 7 = 51-60, 8 = 61-70, 9 = 71-80, 10 = 81-90, 11 = 91-100

| Answer | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | Number of Response(s) | Rating Score* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Unemployment insurance | | | | | | | | | | | | 15 | 3.5 |
| Workers Comp insurance | | | | | | | | | | | | 15 | 3.8 |
| Social Security insurance | | | | | | | | | | | | 15 | 3.2 |
| Health insurance | | | | | | | | | | | | 15 | 3.1 |
| The costs of goods and services purchased for the business | | | | | | | | | | | | 14 | 3.4 |

*The Rating Score is the weighted average calculated by dividing the sum of all weighted ratings by the number of total responses.

## What additional costs do you anticipate increasing if the minimum wage rises?

5 Response(s)

After the most recent increase in the State minimum wage implemented this past July from the previous $8 to the current $9, did you take any actions to reduce costs?

| Answer | 0% 100% | Number of Response(s) | Response Ratio |
|---|---|---|---|
| Yes | | 15 | 18.2 % |
| No | | 6 | 7.3 % |
| No Response(s) | | 61 | 74.3 % |
| | Totals | 82 | 100% |

If you answered "yes," what actions did you take?

| Answer | 0% 100% | Number of Response(s) | Response Ratio |
|---|---|---|---|
| Laid off employees | | 5 | 31.2 % |
| Reduced employee hours | | 15 | 93.7 % |
| Closed business | | 0 | 0.0 % |
| Other | | 2 | 12.5 % |
| | Totals | 16 | 100% |

What actions could the City take to make the minimum wage increase more acceptable to your business? (Please check all that apply)

| Answer | 0% 100% | Number of Response(s) | Response Ratio |
|---|---|---|---|
| Spread the increase over a lengthier period of time | | 9 | 45.0 % |
| Reduce the size of the increase | | 13 | 65.0 % |
| Get the state to exclude tipped employees from the minimum wage increase | | 9 | 45.0 % |
| Reduce or eliminate the Gross Receipts Tax | | 12 | 60.0 % |
| Other | | 5 | 25.0 % |
| | Totals | 20 | 100% |