

Washington Restaurant Association Expresses Concern About Minimum Wage Hike During Economic Slump

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The Washington Restaurant Association reacted today to the state's Department of Labor & Industries' announcement of a 5.9 percent minimum wage increase, effective Jan. 1, 2009. The hike comes at a time when the restaurant industry already is navigating the uncertain terrain of an economy in danger.

'The combination of the rising minimum wage and increases in the cost of food, gas and delivery charges are taking a toll on the state's largest private employer,' said Anthony Anton, WRA president and CEO. 'This is the time for steady leadership and an understanding of the issues crippling our small businesses statewide. Without strong leadership, we could find restaurants closing their doors and employees being laid off.'

'The restaurant industry is a high-volume, low-margin industry that cannot afford to continually raise prices on its customers. A 5.9 percent increase in wages is impossible to absorb in an industry that averages a profit margin of only 4.5 percent.'

Another unintended consequence of our state's minimum wage laws has been its negative impact on teen employment. With the highest minimum wage in the country, employers in Washington are looking to older, more experienced workers to fill open positions, rather than taking on a teens who need training and support. This deprives this age group of a valuable life experience.

The Washington Restaurant Association, in its 78th year, is the leading business association for the restaurant industry, which is the largest private employer in the state with a workforce of 186,000 employees. In Washington, the 12,000 restaurants annually contribute \$9.4 billion to the state economy, generate \$555 million in state taxes, and pay employees more than \$2.6 billion each year. Washington restaurants are the cornerstones of the economy, community and careers.

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