



NEW YORK STATE SENATOR

Thomas F. O'Mara

O'Mara, Senate GOP call for delaying minimum wage hike in order to save small businesses and jobs: Urges Cuomo to exercise 'common sense' to protect local economies

THOMAS F. O'MARA December 9, 2020

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The state must avoid inflicting additional economic hardship on businesses and causing many small and medium size businesses to go out of business entirely – hurting businesses and workers alike.

Elmira, N.Y., December 9—State Senator Tom O'Mara (R,C,I-Big Flats) today joined Senate Republican colleagues to call on Governor Andrew Cuomo to temporarily pause a minimum

wage increase scheduled to take effect on December 31.

The wage is set to increase from \$11.80 to \$12.50 per hour across the Upstate New York region.

O'Mara and his colleagues stress that thousands of small and medium-sized businesses across Upstate and throughout New York have barely survived the current COVID-19 economic shutdowns and a wage increase now would lead to more lost businesses, more job losses, and fewer economic opportunities for workers.

O'Mara said, "The small- and medium-sized business segment of our local economies has been among the hardest hit throughout this COVID-19 response. Many businesses are barely hanging on and simply would not survive a minimum wage increase now. That action would produce even more job losses, fewer short- and long-term economic opportunities for workers, and an ongoing devastation throughout local and regional economies across the Upstate region. Governor Cuomo needs to practice some common sense here and temporarily pause the scheduled wage increase until we have found our way through this pandemic. We need to be doing everything we possibly can to save our small businesses and the livelihoods that thousands of our local workers depend on to support their families and communities."

Small and medium-sized businesses across New York State continue to face unprecedented challenges this year and are struggling to keep their doors open while keeping their employees on the payroll. In order to keep employees and customers safe, these struggling businesses have made significant investments, but they are barely making it.

In a letter today to Cuomo (see attached copy above), O'Mara and his colleagues wrote, in part, "We believe that increasing the minimum wage in the middle of the COVID-19 pandemic would do more harm than good to those we represent. The state must avoid

inflicting additional economic hardship on businesses and causing many small and medium size businesses...to go out of business entirely – hurting businesses and workers alike.”

The National Federation of Independent Businesses (NFIB) found that 90% of small businesses which received Paycheck Protection Program (PPP) loans have entirely spent down those funds and are ready to begin the loan forgiveness process. The federal loan program was created to keep employees on the payroll, but even with this assistance and other programs, NFIB says 20% of small businesses believe they will shut down within six months. About 19% believe they will close within a year.

The scheduled increase to the minimum wage could worsen this crisis. The law, however, allows for the temporary suspension of the increases based on a report and recommendation from the Governor’s Director of Budget.

Postponing the increases until small and mid-sized businesses are on a sturdy, post-pandemic financial footing will save jobs across the state, the senators said.