

To the Honorable Members of the Pennsylvania General Assembly:

We write in our capacity as members of the Pennsylvania Minimum Wage Advisory Board (the Board) which was established in 2006 for the primary purpose of submitting an annual report to the legislature detailing demographic data of minimum wage earners in the Commonwealth. We understand a number of our fellow Board members intend to take the unusual step this year of proposing specific recommendations to the General Assembly in conjunction with the report. While it is our preference to maintain the Board's nonpartisan, fact-based focus, we are compelled to communicate our views this year as well, if only to demonstrate the variety of perspectives represented on the Board.

We derive two key conclusions from analyzing the demographic data outlined in the report, both this year's and previous reports, which we believe should guide lawmakers: 1) there are indeed low-income Pennsylvania families who likely need public support and 2) the minimum wage is inexact public policy for targeting support to those in need.

The report confirms the oft-cited narrative of single parents earning the minimum wage, which often dominates public discourse. This scenario is clearly untenable and lawmakers should ensure a safety net to protect these families and develop public policy that helps provide opportunities for upward mobility. However, the report also concludes that these individuals represent roughly one tenth of one percent of working Pennsylvanians. On the other hand, 75 percent of minimum wage earners have no children, most are 24 or younger and almost a third live in homes in which family income is \$100,000 or more.

When you consider the likely negative employment impacts of raising the minimum wage, as reported by nonpartisan analysts from the Congressional Budget Office and Pennsylvania's Independent Fiscal Office, among others, the natural question for lawmakers is whether more strategic and targeted public policy solutions ought to be pursued. After all, it should be considered a public policy failure to trigger a scenario in which wages increase for a young part-time worker from a middle- or upper-class family, while a low-income single parent is laid off.

Thank you for considering our views on this important matter.

Sincerely,

Scott D. Briggs
Vice President of Human Resources & Communications
Knouse Foods

Warren Hudak
President
Hudak & Company

Alex Halper
Director, Government Affairs
Pennsylvania Chamber of Business and Industry