

Assemblyman says New Jersey minimum wage hike would hurt state

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Though widely supported in polls, New Jersey's proposal on Tuesday's ballot to raise the minimum wage got a cool reception at a roundtable discussion Thursday in Phillipsburg.

Assemblyman Erik Peterson warned that if voters approve an amendment raising the minimum wage by \$1 to \$8.25, employers will have four options to deal with it:

- Pass on costs to the consumer.
- Reduce hours.
- Cut employees.
- Absorb the cost and make less profit.

Peterson, a Republican whose district covers parts of Warren and Hunterdon counties, also said "the state will lose, based on the minimum wage increase, up to 31,000 jobs over a 10-year period."

The ballot question proposes subsequent automatic annual increases in the minimum wage increase based on the Consumer Price Index.

Peterson and members of the **Phillipsburg Area** and Greater **Lehigh Valley** chambers of commerce gathered at **Atlantic States** Cast Iron Pipe Co. in Phillipsburg for Thursday's discussion on the proposed constitutional amendment to raise the minimum wage.

Supporters of the measure argue it would help people raise their standard of living.

A recent Monmouth University poll found 64 percent of New Jerseyans support the increase, The Star-Ledger reported; a Rutgers-Eggleton poll put support at 76 percent.

Political debate

It's emerged as an issue in the gubernatorial race, with state Sen. Barbara Buono, D-Middlesex, rallying for the ballot to be passed in her campaign against incumbent Republican Gov. Chris Christie. Christie in January vetoed an increase in the minimum wage, advocating instead for a \$1 raise in the wage over three years.

Peterson and fellow incumbent Assemblyman John DiMaio voted against that bill, A2162. **They seek re-election Tuesday against Democratic challengers Ralph Drake and John Valentine** in New Jersey's 23rd Legislative District.

DiMaio said Thursday the ballot question comes at a bad time, when New Jersey's economy is just beginning to recover from the recession. He predicts the proposal would lead to fewer entry-level jobs.

"I just think it's a job killer," he said.

Drake and Valentine said Thursday they strongly support the ballot initiative.

"No one in New Jersey who works 40 hours a week should be below the poverty line," Drake said, adding that the increase would boost worker productivity and give families the chance to pull themselves out of poverty and rely less on public assistance.



Erik Peterson, from left, John DiMaio, Ralph Drake and John Valentine

Valentine said, "We need a livable minimum wage."

Mike Dowd, president of the Lehigh Valley chamber's Phillipsburg area division, said he isn't against the increase but said it shouldn't be tied to the state constitution. He also said the decision shouldn't be up to the voters.

"It's the state Legislature's job to say what the minimum wage is," he said. "In this case, they forgot that. They're taking the easy way out."

Business fears

Businesses would also be in a bad situation if inflation rises but company profits become stagnant, he said.

Peterson said many employers would not want to come to New Jersey because the minimum wage may change over the next 10 years. He said business owners like to have control and know what their costs are going to be.

The state needs to be a place where high-tech businesses that offer high pay want to come to, Peterson said. If New Jersey only gets restaurants and dry cleaners, he said, "then we all suffer."

Phillipsburg Mayor Harry Wyant Jr. echoed Dowd and Peterson. He said the minimum wage issue should be resolved without altering the state's constitution.

"It's absolutely wrong," he said.

He said New Jersey needs to find a way to create and maintain jobs in the state because many would rather set up shop in Pennsylvania due to incentives. It's hard to keep companies in the state because of the regulations, he said.

"It's easier for them to go across the river," Wyant said. "We need to do something."

Regional Editor Kurt Bresswein contributed to this report.

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