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Santa Clara County Minimum Wage Employer Survey

A Study Conducted by BW Research Partnership

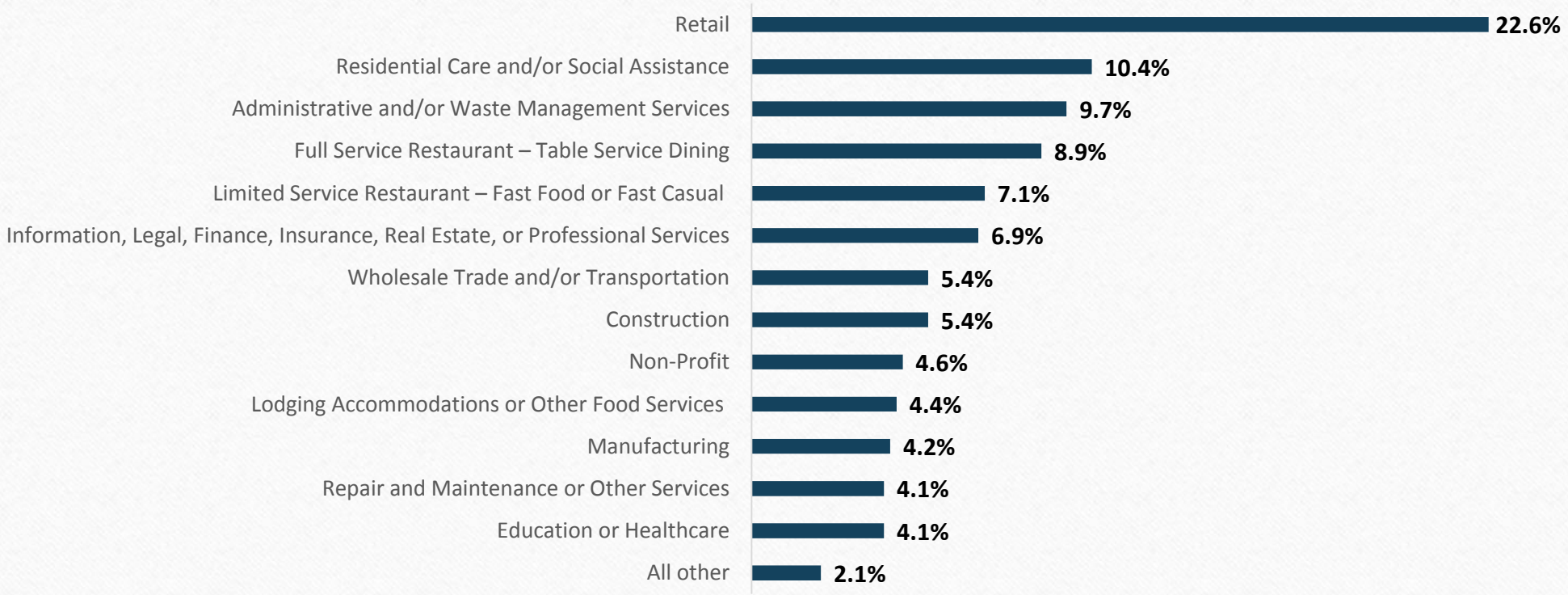
In Collaboration with City of San Jose and Institute for Research on Labor and Employment (IRLE)

April 2016

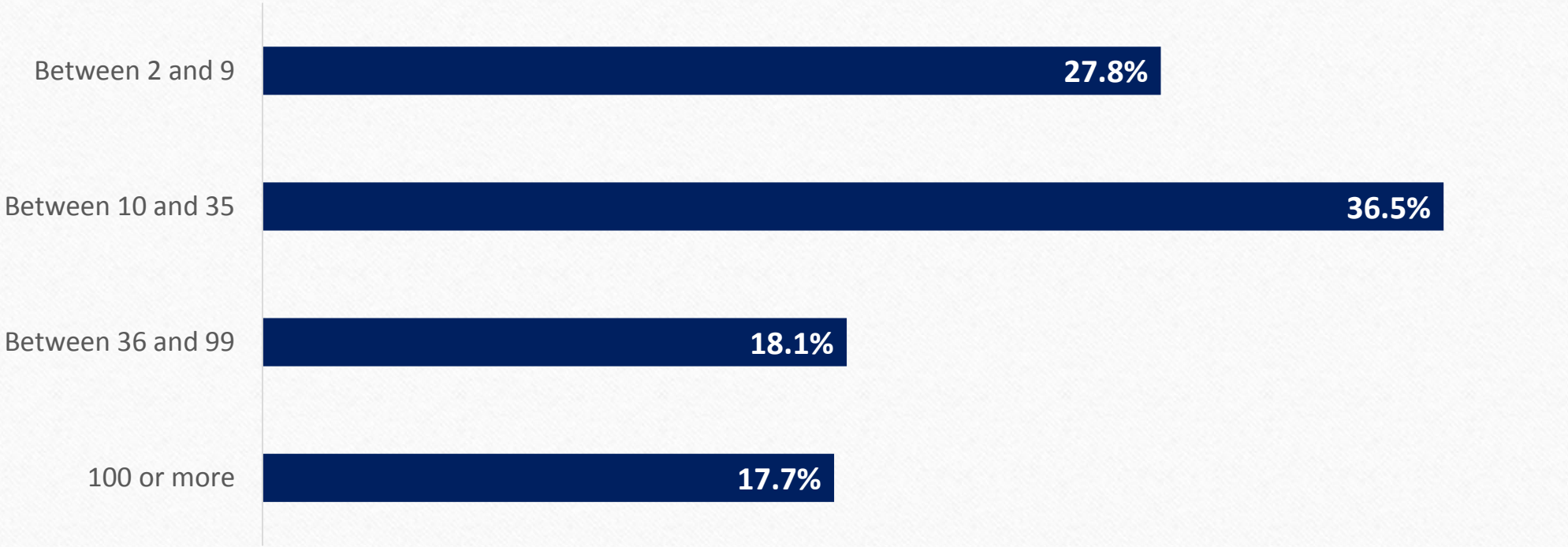
Methodology

- Sampling plan was based on industries **more likely to be impacted by a minimum wage increase**. Industry analysis was based on IRLE's research of four comparable regions
- Sample was stratified by industry, location size (# of employees at location), and geography within Santa Clara County
- 518 surveys were completed online and by telephone
  - Telephone survey included English, Spanish, and Vietnamese
- Margin of Error: +/- 4.29% at the 95% level of confidence

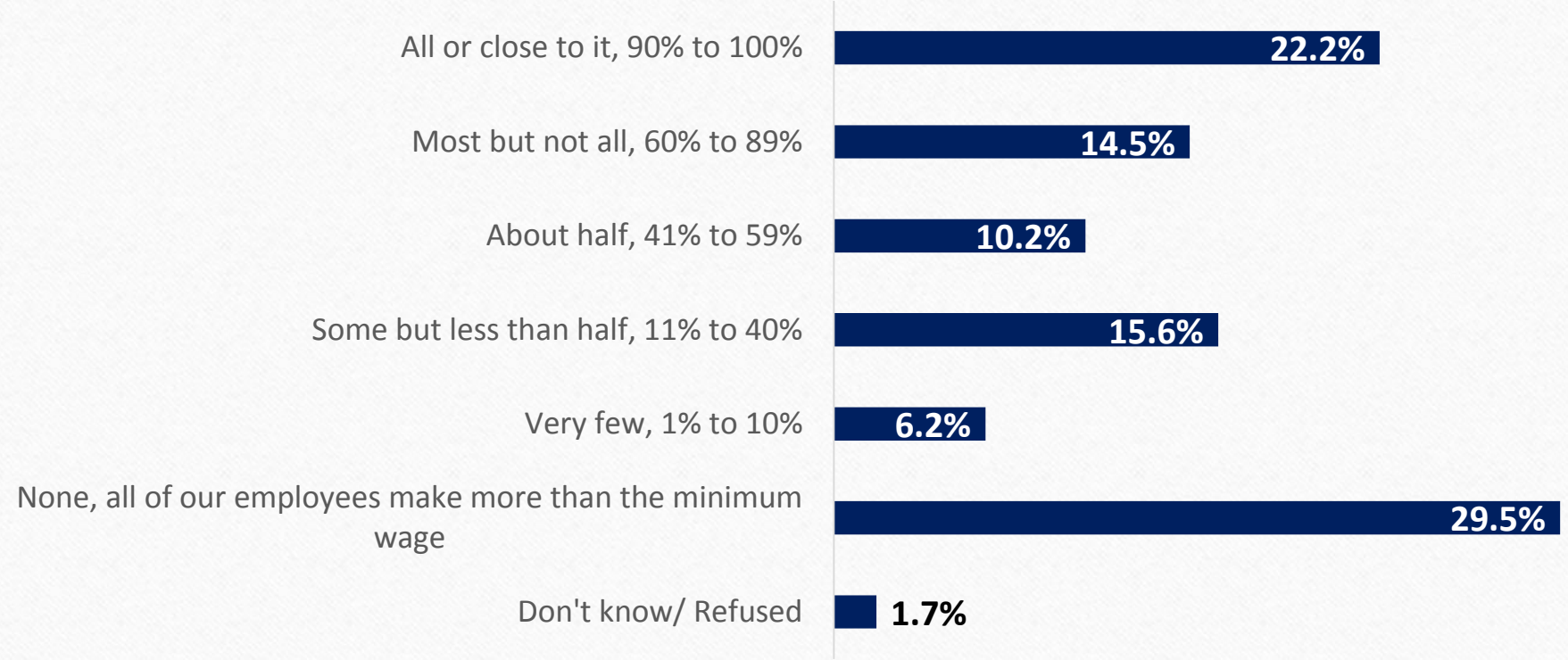
The impacted business community is largely comprised of four sectors – retail, residential care & social assistance, administrative & waste management, and food service.



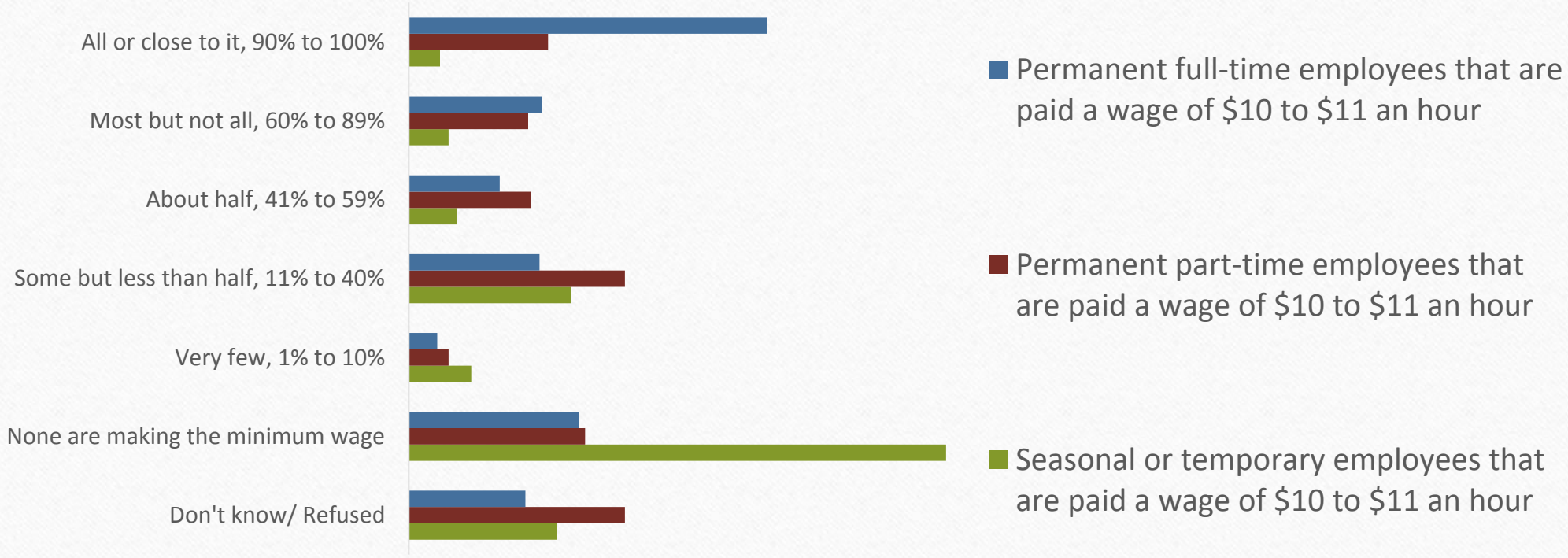
By sampling plan design, participating businesses were evenly distributed between small, medium, and large firms.



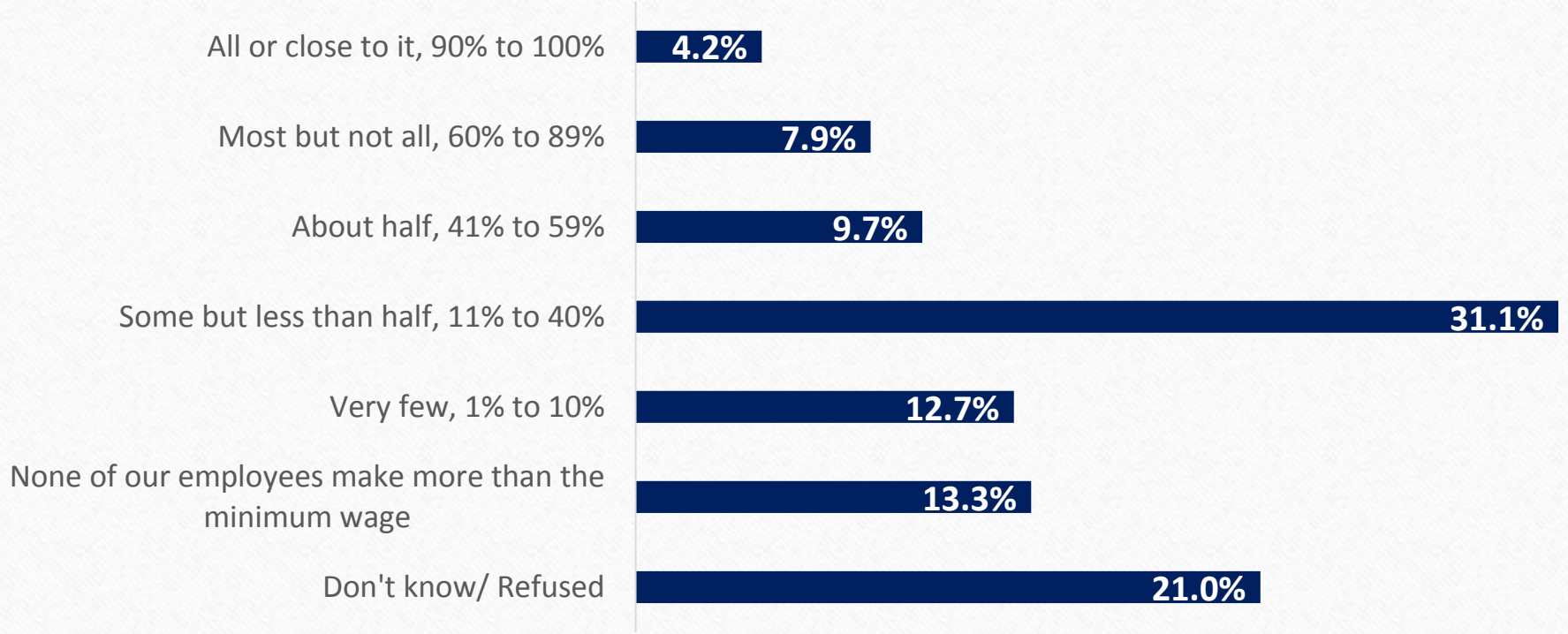
Nearly half (47%) of respondents report that about half to all of their employees are paid a wage at or around ($10 to $11 an hour) the minimum wage.



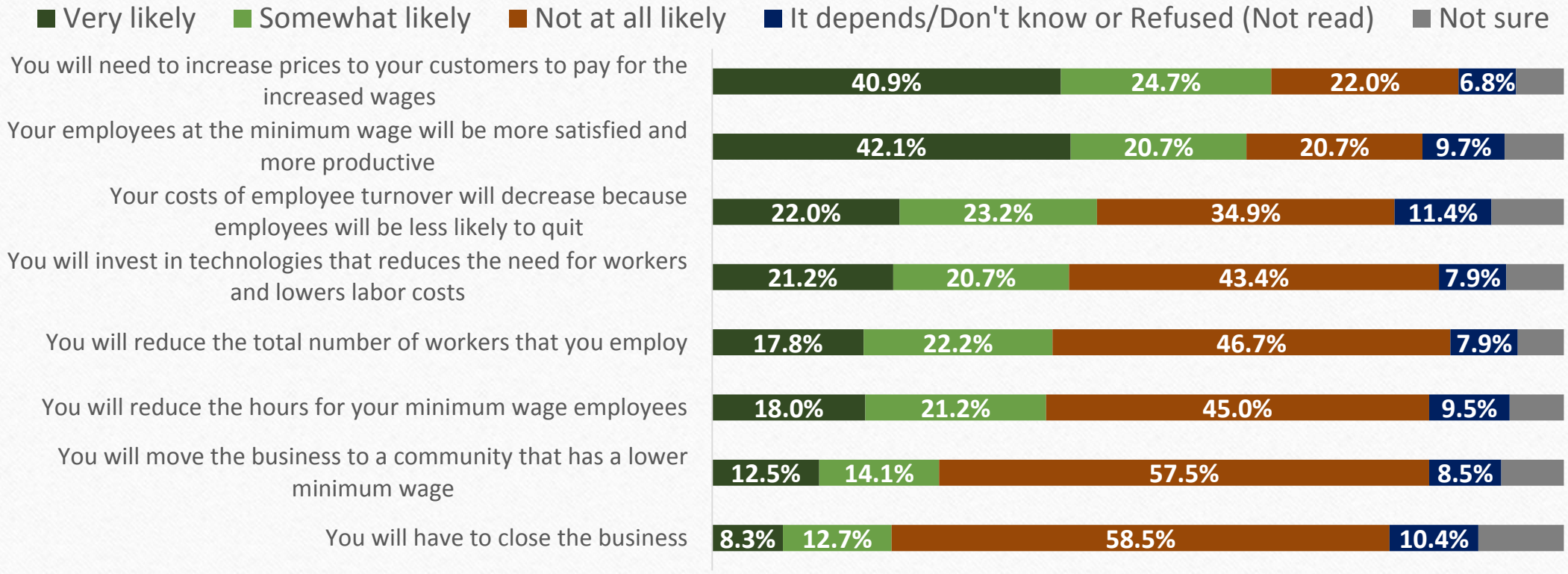
Minimum wage employees across surveyed firms are more likely to be employed in permanent full- or part-time positions.



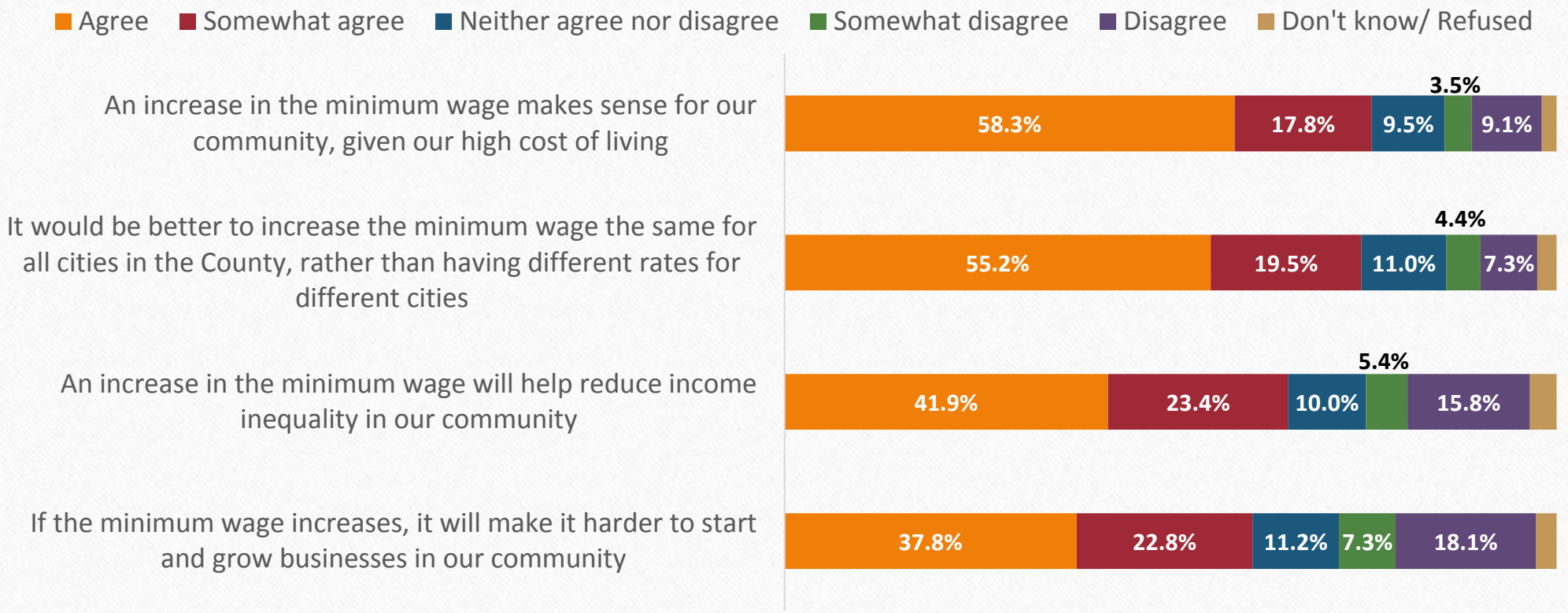
Of those firms that provided an estimate of wages between $11.01 and $15 an hour, over half indicated that between 11% and 59% of their employees earn wages in that interval.



The majority of surveyed employers report that they will likely have to increase prices for customers, but that their employees will be more satisfied and productive given a minimum wage increase.



Though the majority agree it will positively impact the community, most also feel increasing the minimum wage will make it harder to start new businesses.



Impacted vs. Non-Impacted Businesses: Key Finding

- The overwhelming majority of surveyed firms (84%) would be impacted by an increase in the minimum wage to $15 an hour.
- **Two in three impacted firms (68%) indicated their employees** would likely (very or somewhat) be more satisfied and productive with an increase in the minimum wage, compared to only one in five (21%) for non-impacted firms.
- **One in five (21%) non-impacted firms indicated they would be very likely to increase their prices** if the minimum wage increased to $15 an hour.
- Non-impacted firms were more likely to disagree (23%) with the statement "**An increase in the minimum wage will help reduce income inequality in our community**" than respondents from impacted firms (15%)

Small Business Findings (35 or less)

- The majority of surveyed firms had 35 or less employees (permanent, temporary or seasonal) at their establishment (location).
- **Slightly less current minimum wage employment**: Less than half (48%) of responding small business firms employed 40% or more of their employees at $10 to $11 an hour (36+ per establishment was 57%).
- **Less likely to agree with benefits of higher minimum wage** (38% indicated very likely that increase would increase worker satisfaction & productivity vs. 50% for 36+)
- **Less likely to agree with negative impacts** (10% indicated very likely that increase would have them move the business vs. 18% for 36+)

Manufacturing & Logistics Findings

- The sample size for Manufacturing & Logistics (M & L) business responses was relatively small (n=50) by design
- **Less current minimum wage employment**: Just over a third (36%) of responding M & L firms employed 40% or more of their employees at $10 to $11 an hour (Overall was 51%, Retail was 67%).
- **Less likely to agree with benefits of increased minimum wage** (28% indicated very likely that increase would increase worker satisfaction & productivity vs. 42% for all respondents)
- **Less likely to agree with negative impacts** (20% indicated very likely that MW increase would cause increase in prices vs. 41% for all respondents)

Overall Key Findings

- The majority of surveyed firms anticipate increasing prices
- However, most also believe their employees will be more satisfied and productive under a minimum wage increase
- Few firms think it is likely they will have to move or close business given an increase
- Three-quarters of firms agree that an increase in the minimum wage makes sense given the high cost of living
- The majority of surveyed firms believe a minimum wage increase will reduce income inequality in the region
- However, most also agree that it will be harder to start new businesses in the region

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