
NEWS RELEASE

Minimum Wage Increase: Too much too fast says BC Chamber

FOR IMMEDIATE RELEASE

Vancouver, March 16, 2011 – The BC Chamber of Commerce greeted the Minimum Wage increase today with one major concern, the speed with which the plan arrives at the maximum \$10.25.

“The announced raise for the minimum wage is an increase of 20% in just over a year,” said John Winter, President and CEO of the BC Chamber of Commerce. “That is a significant increase in operating costs for businesses to take on in such a short time, and some regions will be more negatively impacted than others.”

The BC Chamber of Commerce engaged in a consultation with the Ministry of Labour on this issue, and asked its member chambers to survey their business members on the question of a potential increase in the minimum wage. The clear consensus from chamber members was that any increase must be phased in over time to allow businesses to adjust, the training wage should be removed, and that a differential should exist for servers who earn significantly higher wages through tips.

The biggest concern from businesses across BC is the potential ratcheting effect this increase will cause. Employees and employers use the minimum wage as a baseline, and an increase to the baseline will change the expectations of those earning a wage based on it.

“Despite the speed of its implementation, this plan certainly provides the business community with an important degree of certainty on what to expect,” continued Winter. “We are glad to see a tip differential, and that the recommendations from the Chamber Network were very constructive. The ratcheting effect on wages remains a concern, but this is an excellent example of how the chamber network provides an invaluable resource for policy and decision makers.”

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