



RESTAURANTS CANADA & ALBERTA'S MINIMUM WAGE

Alberta's economy is in trouble, and the restaurant industry is facing a double whammy of increasing costs and declining sales as Albertans are choosing to dine out less often. The industry has already been forced to begin raising menu prices and reducing staff and hours.

Given the current economic climate, Albertans believe that now is not the time to experiment with anything that will impact job stability:

- We appreciate the Government's decision to announce increases annually to ensure alignment with the current economic climate, rather than pre-announcing increases. Given the current economic and employment climate now is the wrong time to impose even more cost on struggling restaurateurs and higher prices on Albertans.
- This positions all stakeholders for success: The Government's long term promises to create jobs and adjust wages are still possible but currently the priority is to protect Alberta jobs and ensure Alberta restaurants remain viable.

We also believe the potential is high for unintended consequences that do not support the Government's objectives:

- A typical 25-employee restaurant will have to eliminate 3 jobs, or reduce hours by 3300 to accommodate a \$15/hour minimum wage. That is too much too fast.
- In a survey of our membership, conducted between January 19 and March 3rd, 94.4% said \$15/hour minimum wage would have a "very negative impact" on business. The same industry survey results showed that in response to a \$15/hour minimum wage: 89% will increase prices, 77% will decrease labour hours, and 49% will layoff staff.
- Elimination of the liquor server differential will lead to servers receiving less total income, not more, due to reduced hours. Most servers know this and oppose it.
- We also believe it will make it more difficult for young Albertans to secure that all-important first job.
- According to a recent study, raising the minimum wage will have little impact on single parents or those living in poverty. Of minimum wage earners in Alberta:
 - Only 2% are single parents
 - Almost 60% are teenagers or young adults
 - 88% do not live in low income households
- The data suggests that targeting poverty directly, rather than through adjustment of the minimum wage, would be a more effective policy.

Public Opinion research conducted in January 2016 found:

- Conceptual support for raising minimum wage, but most Albertans seek a delay due to concerns about the weak economy:
 - "Going from \$10 to \$15 is a huge increase for companies to deal with."*
 - "I think they've over shot it. 2018 is too fast; there needs to be a more gradual increase."*
- Impact on restaurants will be bad; especially on:
 - Increased menu prices
 - Decreased hours and tips for servers
- The Restaurant industry has a wide reach and influence: 6% currently work in it, and over half of Albertans have at some point in their life.
- Unintended consequences: it will hurt many of the people the policy is intended to help (1st time workers, servers, and families eating out).
- Raising minimum wage now is not practical.