

National Federation of Independent Business (<http://www.nfib.com>)

Seattle Restaurants Closing Their Doors Ahead Of Minimum Wage Increase

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Starting April 1, Seattle Business Must Phase In Wage Increase To \$15 Per Hour

An increase in Seattle's minimum wage, which is set to take effect on April 1, is being cited as one major factor contributing to the closure of a number of the city's restaurants. Beginning April 1, Seattle's small employers will have seven years to phase in a wage increase to at least \$15 per hour for all employees. Large employers – those with 500 or more employees – will have three years to get to \$15 per hour.

What This Means For Small Business:

According to Anthony Anton, president and CEO of the Washington Restaurant Association, before the wage increase, a typical cost breakdown for Seattle restaurants was: 36 percent of funds devoted to labor, 30 percent to food costs, 30 percent to other operating costs, and the remaining 4 percent was profit margin. However, under the minimum wage increase, if a restaurant owner made no changes, labor costs would rise to 42 percent in quick service restaurants and 47 percent in full service restaurants.

Arguing that the wage increase is harming the workers it was intended to help, the free-market think tank the Washington Policy Center said, "The [restaurant] shut-downs have idled dozens of low-wage workers, the very people advocates say the wage law is supposed to help. Instead of delivering the promised 'living wage' of \$15 an hour, economic realities created by the new law have dropped the hourly wage for these workers to zero."

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Additional Reading:

A report in [Seattle Magazine](http://www.seattlemag.com/article/why-are-so-many-seattle-restaurants-closing-lately) (<http://www.seattlemag.com/article/why-are-so-many-seattle-restaurants-closing-lately>) cites the minimum wage increase as a factor in restaurant owners' decisions to close their doors, and [HotAir](http://nation.foxnews.com/2015/03/15/seattle-eateries-closing-15-minimum-wage-approaches) (<http://nation.foxnews.com/2015/03/15/seattle-eateries-closing-15-minimum-wage-approaches>), [The Inquisitr](http://www.inquisitr.com/1924418/seattle-15-minimum-wage-forcing-some-restaurants-out-of-business/) (<http://www.inquisitr.com/1924418/seattle-15-minimum-wage-forcing-some-restaurants-out-of-business/>), and [Western Journalism](http://www.westernjournalism.com/15-minimum-wage-looms-seattle-restaurants-close) (<http://www.westernjournalism.com/15-minimum-wage-looms-seattle-restaurants-close>)

doors/#zwUokYdkllS4uCpp.97) , and the [Examiner](http://www.examiner.com/article/seattle-minimum-wage-law-devestates-local-restaurants) (<http://www.examiner.com/article/seattle-minimum-wage-law-devestates-local-restaurants>) also report on the impact of the increase on Seattle restaurants.

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(<http://www.nfib.com/article/minimum-wage-hikes-are-crushing-jobs-in-these-cities-72646/>)



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(<http://www.nfib.com/article/job-losses-from-minimum-wage-increases-worse-than-reported-70633/>)



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(<http://www.nfib.com/article/epa-land-grab-will-hurt-small-business-72617/>)



The Obamacare Penalty No One Is Talking About
(<http://www.nfib.com/article/the-obamacare-penalty-no-one-is-talking-about-70038/>)

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(<http://www.outbrain.com/what-is/default/en>)

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