



February 13, 2019

Members of the Illinois House of Representatives
401 South 2nd Street
Springfield, Illinois 62701

Dear Representative,

Today, we write on behalf of over 500 businesses in Central Illinois represented by the Central Illinois Regional Chamber Legislative Effort (CIRCLE), to provide real data as to how the proposed minimum wage increase will negatively affect businesses in Central Illinois. We urge you to consider the long lasting effects of Senate Bill 1, and to attempt to mitigate the damage handed to job creators and the business communities that build the heart of this state.

Central Illinois chambers of commerce comprising of communities in Canton, Decatur, East Peoria, Galesburg, McLean County, Morton, Pekin, Peoria, Springfield, and Washington requested business impact testimonials of their memberships, and found the following data:

Over 500 responses; 92% cite Senate Bill 1 as concern to business operations

- Top 4 Impacts:
 - 70% Raise prices to cover costs
 - 63% Reduce hours for employees
 - 62% Slow down hiring new positions
 - 48% Lay off Employees
- Significantly:
 - 17% (85 businesses) potentially consider closing business.

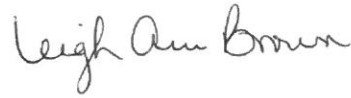
The business communities of Central Illinois urge you to consider including a regional implementation to this legislation – whether in geographical final form or in the implementation timeline. On a similar note, the data shows that five years is simply too onerous on business operations, and we urge a lengthening to the time frame to seven to nine years. Lastly, while the tax credit is some relief, it is inverted in its aid to the business community in that the credit decreases as the burden increases. We urge you to consider lengthening the timeframe before credit decreases kick in.

Businesses, especially small businesses, are the backbone of our economy in Central Illinois and the rest of the state. Today, we bring you testimonials of real potential impacts of the proposed legislation on those who you represent, and urge you to consider these impacts before rushing a vote through on a political, partisan basis.

We the undersigned:



Amanda Atchley
Executive Director
Canton Area Chamber of Commerce



Leigh Ann Brown
Executive Director
Morton Chamber of Commerce



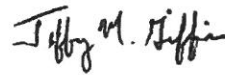
Mirinda Rothrock
President
Greater Decatur Chamber of Commerce



Bill Fleming
Executive Director
Pekin Area Chamber of Commerce



Rick Swan
Executive Director
East Peoria Area Chamber of Commerce



Jeff Griffin
President
Peoria Area Chamber of Commerce



Jessica Linder
Executive Director
Galesburg Chamber of Commerce



Chris Hembrough
President and CEO
Greater Springfield Chamber of Commerce



Charles Moore
President and CEO
McLean County Chamber of Commerce



Chevie Ruder
Director
Washington Chamber of Commerce

SB1 IMPACT ON CENTRAL IL BUSINESSES

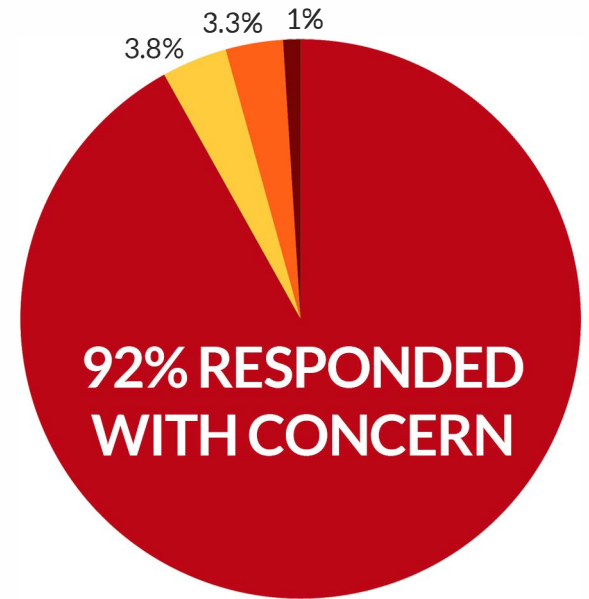
Businesses from across Central Illinois were surveyed on how their business would be affected by a minimum wage increase to \$15. An overwhelming majority indicated concern over the mandate.

92% - Yes, I am concerned that a mandated minimum wage increase will affect my business

3.8% - No, a minimum wage increase would not affect my daily operations as an employer

3.3% - A minimum wage increase would affect my operations, but we could absorb the additional costs.

1% - I do not have enough information on the topic to make an educated decision



POTENTIAL IMPACTS

LAYOFF EMPLOYEES
(260 BUSINESSES)

51%

SLOW DOWN HIRING OF NEW EMPLOYEES
(327 BUSINESSES)

64%

INCREASE PRICES TO COVER NEW LABOR COSTS
(364 BUSINESSES)

71.2%

CLOSE BUSINESS
(85 BUSINESSES)

16.6%

From the over 550 Central Illinois business that participated in the survey, the following are the potential course of action they might take in response to a mandated minimum wage increase.

63.5%

REDUCE HOURS
(325 BUSINESSES)

48.9%

NOT REPLACE EMPLOYEES WHO LEAVE
(250 BUSINESSES)

24.3%

CONSIDER AUTOMATION OF SERVICES
(124 BUSINESSES)

24.7%

OTHER
(126 BUSINESSES)

BUSINESS TESTIMONIALS

“This is a major concern for us as business owners & will have a negative impact on us. We will be forced to raise rates, as we cannot absorb such a drastic increase. We will also have to alter the way we staff our hotels & possibly reduce hours to save on costs. So in turn, this will also negatively impact our employees.”

SPRINGFIELD, IL

“It will kill many small business's. Less employees making more money is not the answer. I could see \$10 an hr. To almost double would be devastating”

HEYWORTH, IL

“I would downsize and hire as many under age 18 year olds as possible. I feel more businesses would hire illegal personnel. By the time our elected officials figured out it won't work across the board small businesses with 10 to 50 employees will be gone. I don't know if I would even try to survive and spend my capital, I might just shut down. The prices we would have to charge - the middle class couldn't even afford. In big cities it might work but not small town Pekin, Illinois.”

PEKIN, IL

“We will have no choice but to cut hours and services. The 3 part-time employees will probably be let go first. The full-time staff's hours will be shifted to cover opened hours. No one would ever receive an increase again unless levy money could be raised.”

DECATUR, IL

“It is a real concern for young workers trying to get their first experience in the work force. It is difficult as it is. \$15 minimum wage will make their jobs obsolete.”

SPRINGFIELD, IL