

Minimum wage increase raises questions in High Desert

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VICTORVILLE — Both sides of the employment table sounded off in the High Desert on Tuesday after Gov. Jerry Brown signed a bill that would raise the state's minimum wage to \$15 an hour Monday.

"I think the wage increase was way overdue and I'm glad to see it," Adelanto Councilman Charley Glasper told the Daily Press. "Raising the minimum wage will help low-income families and will help them put food on the table."

The new bill will raise the state's \$10 hourly minimum wage by 50 cents in 2017 and to \$11 the following year. Hourly wages will then be raised \$1 each year until 2022, unless the governor imposes a delay during an economic recession. Companies with 25 or fewer employees have an extra year to comply and wages will increase with inflation (to a maximum of 3.5 percent) each year thereafter, according to the Associated Press.

Glasper was one of many who said employers will bear the burden of the new bill, with businesses raising prices, thinning staff or imposing a hiring freeze.

"You're going to see prices going up so employers can cover their costs," Glasper said. "And the consumers are going to feel it."

Dave Gross, owner of DG's Lawncare, said he can't understand why so many people are excited about a law that won't be in full effect until 2022.

"It's really going to hurt everybody," said Gross, 56, who operates his business out of Victorville. "Getting paid \$15 an hour is great, but who's looking at the other side side of the coin where prices are going to increase and the consumer is going to get stuck paying more?"

Gross, who has four employees, said business owners will have to pay more for worker's compensation, especially in his "competitive" industry where the risks of injury are higher.

"It's already expensive to live in California," Gross said. "But after hearing from my buddy in Ohio that the Indians (baseball) game was postponed because of the weather, I'll gladly pay a bit more to live in sunny California."

Kristie Larson, 25, who works at two fast food restaurants, said she welcomes the wage increase, but fears that her hours eventually will be cut.

“Getting a raise doesn’t mean I’ll be making \$30 an hour between jobs, it means there’s more of a chance of my hours getting cut and me having to get a third job,” said Larson, a college student who lives in Hesperia. “The whole situation makes me want to move to Texas or Colorado.”

Bradco Company President Joseph W. Brady told the Daily Press the new bill hurts small businesses and sends a conflicting message to employers and the workforce.

“We raise the minimum wage, but we have a ton of people staying at home receiving governments incentives,” Brady said. “Then we tell employers to raise wages and to pay for the costs that come with that. The state doesn’t hold the incentive-takers accountable, but they do with businesses?”

Brady said with California leading the nation in residents receiving government assistance, and with the state placing burdensome regulations on business owners, “it’s no wonder businesses are leaving the state.”

“If I were 30 years old, I don’t know if I would want to start a business in California,” Brady said. “There’s no incentive to raise capital or to borrow money for startups in California. Why would businesses want to move here?”

Brady said once wages begin to rise, people can expect to see "expensive omelettes, burgers and dry-cleaning."

"We just can't keep passing on the cost of doing business to the consumer," Brady said. "The High Desert has been decimated by lack of jobs and the wage increase isn't helping the matter."

Town of Apple Valley Economic Development Manager Orlando Acevedo said the minimum wage is such a “contentious political issue,” with both sides of the aisle “adamantly convinced their position is the right one.”

Acevedo said because the wage increase has a statewide impact, the playing field remains level between the Town’s economy and the surrounding areas, with no competitive disadvantage when Apple Valley competes with other California communities.

“The disadvantage might be seen if and when we are competing for companies that are looking at other states,” Acevedo said. “But generally, those are the types of industries and jobs that aren't minimum wage paying anyway.”

Acevedo said one of the benefits touted of the wage boost is that it raises the “quality and longevity of the workforce” and that would bode well for High Desert employers.

“Here in Apple Valley, we don't have many large corporations; most of our businesses are small and will certainly be impacted,” Acevedo said. “I'd want to hear what this means to them in terms of hiring and future impacts to their bottom line.”

Apple Valley Mayor Barb Stanton said she's not against the wage increase, but believed the "unintended consequences" will have a "ripple effect" that businesses and consumers will feel when prices begin to "skyrocket."

"The wage increase will help those trying to survive, so good for them," Stanton said. "What about seniors and those on Social Security security? We haven't seen an increase in years. If the state is going to raise wages, I think the move needs to be fair and equitable across the board."

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