



NFIB New Hampshire
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February 4, 2025

The Honorable James Creighton
House Labor, Industrial, and Rehabilitative Services Committee
Legislative Office Building, Room 307
33 North State Street
Concord, New Hampshire 03301

House Bill 726 (Staub)

Dear Chair Creighton and Committee Members,

The National Federation of Independent Business (NFIB) represents more than 1,700 small businesses across New Hampshire. Our members operate in every industry and support their communities through good-paying jobs, taxes, and charitable contributions. NFIB's mission is to protect and promote the right to own, operate, and grow their businesses.

NFIB New Hampshire opposes House Bill 726, which increases the minimum wage to \$15 per hour starting in January 2028 and increases the minimum wage for tipped workers.

Extensive nonpartisan research shows that large increases in the minimum wage, even if phased over several years, have a deleterious effect on opportunity and average income. In December 2024, the Federal Reserve Bank of Minneapolis released its most recent findings as part of an ongoing study of a \$15 per hour minimum wage in Minneapolis and St. Paul.^{1,2}

The negative effect on retail, hospitality, and restaurants jobs was stark:

- Minneapolis Retail: -34% jobs, -20% hours, -18% avg. earnings
- Minneapolis Full-Service Restaurants: -44% jobs, -55% hours, -49% avg. earnings
- St. Paul Limited-Service Restaurants: -38% jobs, -35% hours, -47% avg. earnings
- St. Paul Accommodation & Food Service: -17% jobs, -37% hours, -16% avg. earnings

These numbers don't just represent lost opportunities for workers, they signify small businesses that are falling behind, shrinking, or closing their doors.

¹ "Economic Impact Evaluation of Minneapolis's and St. Paul's Minimum Wage Ordinance," Federal Reserve Bank of Minneapolis, December 2, 2024, <https://www.minneapolisfed.org/topic/minimum-wage>. The study controls for the effects of the pandemic and civil unrest.

² Minneapolis increased its minimum wage to \$15 for small and large businesses between 2018 and 2023; St. Paul increased its minimum wage to \$15 per hour between 2020 and 2024 for small and large businesses.

Small businesses have survived extraordinary challenges in the past five years, many of which persist today: lingering inflation, high supply costs, worker shortages, rising labor costs.³ An unfunded mandate in the form of a higher government-mandated wage doesn't just take away opportunities for entry-level workers, it exacerbates the challenge of finding and keeping skilled workers in a highly competitive job climate on ever-tighter budgets.

We urge the committee to reject HB 726 and instead focus on solutions that allow small businesses to grow and create more good-paying jobs for Granite Staters.

Sincerely,



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National Federation of Independent Business
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³ *Small Business Economic Trends*, NFIB Research Center, December 2024. https://www.nfib.com/news-article/monthly_report/sbet/