



STATE OF NEW HAMPSHIRE
OFFICE OF THE GOVERNOR

CHRISTOPHER T. SUNUNU
Governor

August 9, 2019

Governor's Veto Message Regarding Senate Bill 10

By the authority vested in me, pursuant to part II, Article 44 of the New Hampshire Constitution, on August 9th, 2019, I have vetoed Senate Bill 10, relative to the state minimum hourly rate.

This bill would have a detrimental effect on not only the very Granite Staters it purports to help, but also the New Hampshire Advantage. Today in New Hampshire, more people are working than ever before. We have the lowest poverty rate, one of the lowest unemployment rates, and some of the highest wages in the country. Our economy is booming. In 2018, only 0.0015% of Granite Staters earned a minimum wage or less, and of that almost 90% were tipped employees.

Meanwhile, according to studies, other states and cities that have artificially raised the minimum wage have seen take-home pay decline because minimum wage workers have their hours cut or their jobs eliminated. In Seattle, according to research published by the National Bureau of Economic Research, employees in low-wage jobs saw hours worked decrease by around 9 percent, resulting in total payroll for such jobs decreasing by an average of \$125 per month per job in 2016. The Wall Street Journal recently reported that businesses in New York City are "cutting staff, eliminating work shifts, and raising prices" after the \$15 minimum wage went into effect. In Maryland, research commissioned by a Montgomery County commissioner indicated that increasing the minimum wage to \$15 an hour would result in an aggregate loss of \$396.5 million in the county by 2022. A law can force an employer to pay a minimum wage, but it cannot force an employer to hire or retain a worker at that wage.

While our current economic boom means that New Hampshire has more open positions than unemployed workers, the next recession or economic slowdown will eventually occur, and the impact of these labor cost increase will cause real harm to those workers, usually young people, who cannot create enough value to warrant the higher mandated wage. They will remain unemployed, losing the ability to grow their skills, move forward in life, and advance their careers. The New Hampshire Restaurant and Lodging Association has made clear that SB10 will cost jobs because it includes tipped employees. This will make the state far less able to compete with our neighbors in this highly competitive industry.

Advocates of SB10 seem to think that the government can raise the price of labor without reducing the amount of workers that will be hired. I will not be the Governor that signs a bill that will leads to lost jobs, cut hours, and less money in the pockets of hard working Granite Staters. There is nothing positive about reducing a worker's chances of getting a job. New Hampshire's

economy is booming, and I will do everything in my power to ensure we continue that trend, not hinder it.

For the reasons stated above, I have vetoed Senate Bill 10.

Respectfully submitted,



Christopher T. Sununu
Governor